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Impact of Working Capital Management on Profitability of an Organization: A Review

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The aim of this paper is to explore the impact of working capital management on the profitability of an organization. The study research design is content analysis and data collected were basically secondary sourced. Literature reviewed include conceptual issues on working capital management, the role of working capital, measuring working capital management, determinants of working capital management, the relation between working capital management and profitability, the impact of working capital management on a firm's profitability and lastly an empirical review of working capital management on profitability. Findings indicated that working capital management as represented by the cash conversion cycle, inventory and account receivable period impact positively on a firm's profitability and therefore, recommends that organization/firms should be very apt in collecting proceeds of credit sales from their debtors as good working capital management urges for quick cash collection from credit sales for quick reinvestment in short-term securities in order to boost profitability.

Introduction

Corporate finance is an area of immense importance for business organizations. The decisions made by financial managers significantly affect the overall profitability of a business organization as well as the interests of a wide variety of stakeholders. Managers adopt risk minimization strategies and, accordingly, take a series of well-organized measures to ensure day-to-day operational smoothness, which not only helps to avoid insolvency but also enhances the prospects of profitability for the organization.

Working capital management is concerned with the problems that arise in attempting to manage the current assets, the current liabilities and the relationship that exists between them. The term current assets refer to those assets which is in ordinary course of business can be, or will be converted into cash within one year without undergoing a diminution in value and without disrupting the operation of the firms. Examples are cash, marketable securities, account receivables and inventory. On the other hand, current liabilities are those liabilities which are intended, at their inception to be paid in the ordinary course of business in a year out of current assets or earnings of the concern. The basic current liabilities are account payables, bills payable, bank overdraft and outstanding expenses. Efficient management of working capital is a fundamental part of the overall corporate strategy to create shareholders' value.

Another component of working capital is accounts payable, which is in other words not extending trade credit but receiving it from a supplier. Receiving such a trade credit from a supplier allows a firm to assess the quality of the products bought, and can be an inexpensive and flexible source of financing for the firm (Raheman and Nasr, 2007). The flipside is that receiving such a trade credit can be expensive if a firm is offered a discount for the early payment. This is also the case with uncollected and extended trade credit, which can lead to cash inflow problems for the firm (Gill, Biger & Neil 2010).

The major failure of a business enterprise has been found to be the shortage of working capital, their mishandling, and mismanagement of working capital and under utilization of capacity (Vataliya, 2009). Therefore, it is a significant issue to know and understand the impacts of working capital management on a firms' profitability. In view of the above, this paper focused on analyzing the impact of working capital management on the profitability of an organization that basically reviews relevant literatures on working capital management.

Conceptual Issues on Working Capital Management

Liquidity and profitability are today's most important issues of corporations, addressing these issues is critical to the survival of any organization. Working capital management is one of the strategies for the companies to achieve the desired liquidity. This brings about the desired liquidity for the company is maintained to the extent that they do not confront excess abnormal liquidity or unnatural lack of liquidity. Working capital management plays a vital role in the management structure of an organization. Thus, in some cases, working capital and liquidity argument is likening to the blood which flows in the arteries of a business unit, so that the business unit can survive. Therefore, management of this entity is likening to the business unit heart that is responsible for pumping blood into the arteries of the organization (VanHorne and Wachowicz 2004). In this vein this paper will review literatures

relating to working capital management consisting of inventories, accounts receivable and accounts payable.

The term "working capital" is the money required for maintaining daily operational activities in a business, such as for purchasing raw material, for paying salaries, wages, rents or any day-to-day expenditures, Net working capital, which measures the working capital's efficiency, represents the excess of current assets over current liabilities. This indicator explains the firm's ability to meet its short-term financial obligations (Brealey & Myers 2002). Current assets and current liabilities include three accounts which are of special importance, say, inventories (current assets), accounts receivable (current assets) and counts payable (current liabilities). These accounts represent the business areas on which managers have the most direct impact. Positive working capital is required to ensure that a firm is able to continue its operations and that it has sufficient funds to satisfy both due short-term debts and upcoming operational expenses.

Working capital is the management of current assets and current liabilities, it is important for every enterprise to plan for adequate funds to meet the day-to-day expenditure requirements of the business. And it is believed that the management of an organization's working capital has a fundamental role to play in the achievement of profitability and overall performance of such an entity. This entail that a firm's liquidity perform to a large extent determine its profitability. In this vein, Charitou, Elfani and Lois (2010) believes that efficient use of the firm's resources leads to increased profitability and reduces volatility which leads to the reduction in default risk and thus improves the firm's value.

Working capital is the stock stored that has a conversion or resale value in order to gain profit. It represents the largest cost of a firm especially the manufacturing firms. In normal circumstances, working capital consists of about 30% - 40% of a firm's total investment. Investment in working capital to a large extent determines the returns earned by a firm.

Nevertheless, excessive levels of current assets can easily result in a firm realizing a substandard return on investment while firms with too few current assets may incur shortages and difficulties in maintaining smooth operations (Van Horne and Wachowicz, 2004). Efficient working capital management involves planning and control of current assets and current liabilities in a manner to strike a balance between liquidity and profitability.

Harris (2005) pointed out that working capital management is a simple and straightforward concept of ensuring the ability of the firm to fund the difference between the short term assets and short term liabilities. The ultimate objective of any firm is to maximize shareholders wealth and maximizing shareholders wealth can be achieved by a firm maximizing its profit. A firm that wishes to maximize profit must strike a balance between current assets and current liabilities and hence keeping abreast of the liquidity and profitability trade-off. Preserving liquidity and profitability of the firm is an important objective as increasing profit at the expense of liquidity can bring serious problems to the firm and vice-versa. Working capital management is considered to be a very important element to analyze the firm's performance while conducting day to day operations. There are chances of imbalance of current assets and current liability during the life cycle of a firm and profitability will be affected if this occurs. This is why the study of influence of working capital on firm's profitability is drawing scholars' attention in recent times.

In the words of Farounbi (2005), working capital refers to the amount of capital, which is readily available to an organization, that is, the difference between resources in cash or readily convertible into cash (current assets) and the organizational commitments for which cash will soon be required (current liabilities). Working capital simply means the resources which a firm has at hand to run its daily operations. It provides a measure of business's liquidity, or its ability to meet its short term obligations as they come due (Emery, Finnerty and Stowe 2004). According to Brigham and Daves (2002),

working capital management involves both setting working capital policy and carrying out that policy in day-to-day operations. It also involves making appropriate investments in cash, marketable securities, receivables, and inventories as well as the level and mix of short-term financing (Emery, Finnerty and Stowe 2004). In essence working capital management seeks to maintain an optimum balance of each working capital component thereby ensuring that firms operate with sufficient fund (cash flows) that will service their long term debt and satisfy both maturing short term obligation and upcoming operational expenses. This, therefore, makes it more glaring that working capital management has a pivotal role to play in a company's drive to achieve higher profitability.

Role of Working Capital

Working capital is seen as the lifeblood for feeding up daily operations of a company. The company uses it for four main business purposes (Seidman 2004). The first and also the most critical usage of working capital is to provide an ongoing investment in current assets for serving daily expenditures such as payroll, vendor invoices, and inventory purchases. The business also needs working capital for prepaid business costs such as licenses, insurance policies or security deposits. It also help in addressing seasonal or cyclical financing needs, since most businesses do not receive prepayment for selling their goods or services, they need to finance their purchase of raw materials, production and sales of goods prior to receiving payment from their customers. Thirdly, working capital is needed to sustain firm's growth. The firm is expanded not only by investing in new plants or machinery, working capital is also required to facilitate sales growth. It is because as business grows, it requires larger investments in inventories, accounts receivable, personnel and other items to increase their sales. Finally, working capital is used to undertake activities to improve business operations and to remain competitive, such as activities for product development or exploring new markets. In the time of high competition, firms are in need of integrating those activities into operations on a

continuous basis. Consequently, those expenses are more likely to be incurred as small repeated costs rather than as large infrequent investments. These ongoing investments, accordingly, must be addressed through working capital financing (Seidman 2004).

According to Pandey (2007), working capital management is the administration of all components of working capital such as cash, debtors and stock receivables. The importance of the working capital management function of the firm is crucial to the firm because it involves time, investment as well as growth prospects of the firm. Several studies were conducted regarding the relationship between the management of working capital and corporate profitability. Several findings, using different data sets, variables methods of analysis unanimously agree that corporate profitability can be improved through efficient working capital management.

Measuring Working Capital management

A distinction between operation cycle and cash conversion cycle short-term finance is concerned with short-term operating activities such as buying materials, paying cash for purchases, manufacturing the product, selling the product or collecting cash. These activities create patterns of cash inflows and cash outflows that are both unsynchronized and uncertain. They are unsynchronized because the payment of cash for raw materials does not happen at the same time as the receipt of cash from selling the product. Additionally, those activities are uncertain since future sales and costs are both known with uncertainty.

Accounts Receivable Period

Accounts Receivable Period or Number of Days Accounts Receivable is the length of time required to collect cash receipts (Hillier, Ross, Westerfield Jaffe & Jordan2010). That measure is also preferred as “days of sales outstanding” or “average collection period”. In an ideal case, all the venture’s sales will be paid in cash. The immediate receipt accordingly can minimize the time gap between the sales inflow and the outflow for product materials and labor paid out

previously. However, it is practically difficult for the venture to have all sales paid in cash due to its trade credit policy or pressures from competitors. Most ventures keep a certain level of accounts receivable in their daily operating, except for some businesses such as restaurants. There are some earning impacts of reducing accounts receivable such as reducing bad debt through accelerated collections.

The accounts receivable period is calculated by dividing the receivables by the net sales per day. The rationale for this measure is that the company’s revenue account will be booked at sales price including cost plus a profit when a sale occurs. Correspondently, if sales are made on credit, the accounts receivable account shall be recorded with the sales price. As a result, such formula can provide us an idea on how many days of sales are being supported by trade credit (Melicher & Leah 2009).

Accounts Receivable Period

$$= \frac{\text{Receivable}}{\text{NetSales}/365}$$

Accounts Payable Period

Accounts Payable Period or Number of Days Accounts Payable is the length of time for which firm is able to delay payment on the purchase of raw materials to its suppliers. It measures the average time from a purchase of materials until making actual cash payment to supplier. Such payment delay is seen as an internal financing that helps a company to save expensive costs occurred by reaching external financing such as bank loans. However, there is a trade-off that companies should take into account in terms of damaging long-term relationships with suppliers in case of continuing payment delays. The accounts payable period is formulated by dividing the sum of trade payables by the company’s cost of goods sold per day

Accounts Payable Period

$$= \frac{\text{TradePayables}}{\text{CostofGoodsSold}/365}$$

According to Afza & Nasir (2007) investigated the relationship between the aggressiveness

levels of working capital policy in terms of financing with the profitability for 263 public limited companies, which are listed at Karachi Stock Exchange, for the period of 1998 – 2005. The study found a negative relationship between the aggressiveness of financing policy and the company profitability. They further stressed that aggressive financing policy supports the utilization of high levels of current liabilities versus long-term liabilities. In other words, conservative financing policy accounts for a low level of current liabilities while getting more financing from long-term debts or long-term capital (Afza & Nazir, 2007). The aggressiveness of financing policy can be depicted through the formula below:

$$\text{Financing Policy} = \frac{\text{Current Liabilities}}{\text{Total Liabilities}}$$

Determinants of working capital management

Moss & Stine (1993) found out that size matters in working capital management. Larger companies had shorter cycle times of working capital than smaller ones. In the 2000s, more variables derived from the financial statements and publicly available data were added into studies observing factors influencing working capital management and the length of the CCC. Statistical analyses have examined the connections between working capital variables and the bunch of independent variables. Both net working capital and operational working capital were considered through different variables (net liquid balance measured net working capital management and working capital requirements. As a result, only debt ratio and operating profit had a statistically significant effect on working capital management.

Hill, Ross, Westerfield, Jaffe & Jordan (2010) analyzed the determinants of working capital management further. They tested how working capital management is related to the operation conditions and financing ability of a company. Their results indicate increase in sales growth and sales volatility cause firms to manage working capital more aggressively. In other words, companies with higher sales growth and

sales volatility have shorter CCCs. Financing capabilities affect the management strategy of working capital as well. Firms with weaker internal financing ability (limited capital market access, and greater costs of external financing) use accounts payable more aggressively. Hill et al. (2010) suggest that the optimal level of working capital depends more on a firm's financial characteristics than on industry related factors.

Baños-Caballero et al. (2010) and Akinlo (2012) reached similar conclusions. In the study of Baños-Caballero et al. (2010) on Spanish SMEs, greater leverage, growth opportunities, investments in fixed assets and return on assets were connected to aggressive working capital policies, and companies with better access to capital markets maintain more conservative working capital policies. Akinlo (2012) found a positive relation between the WCR and sales growth.

The studies of the determinants of working capital management attempt to increase the understanding of working capital requirements and help companies find optimal working capital levels. However, consistent results have not been achieved. To some extent, the inconsistent results have been explained by different contexts (Akinlo, 2012). The other problem is that variables used in studies vary even if they measure the same issue and are named similarly. Studies reviewed in this section have adopted the viewpoint that working capital management is a dependent variable and examined how it is affected by the other conditions and factors. Next, working capital management is considered as an independent variable, and the impact of it on profitability is observed.

The relation between working capital management and profitability

It can be said that the relation between working capital management and profitability of a company cannot be overemphasized. Several studies have examined the relation with statistical methods mainly correlation and regression analysis and found a negative relation between the cash conversion cycle and the

profitability of the company. The studies conclude that the companies can improve their profitability by more efficient working capital management that is by shortening the cycle time of working capital example Shin Soenen (1998); Deloof, (2003); Lazaridis and Tryfonidis, (2006); Garcia-Teruel and Martinez-Solano, (2007).

In addition many suppliers also offer discounts for fast payments, which could be the reason why profitability increases with the short cycle time of account payable. The lower the level of capital employed (which also consist of working capital), the better the profitability measured as operating profit margin divided by return on capital employed. However, there are studies which showed that a company has to take into account the effect of the shorter cash conversion cycle on the service levels and on customer relation as well as consider the trade-off between low inventory levels and the risk of delivery interruptions and business losses due to scarcity of products (Blinder and Maccini 1991; Wang 2002).

Impact of Working Capital Management on Company Profitability

When the cash conversion cycle shortens, cash becomes free for other usages such as investing on equipment and infrastructure or innovating manufacturing and selling processes or lowering the total investments in current assets. It accordingly brings back company with higher operating profitability. In contrast, when the cash conversion cycle lengthens, cash tied up in the firm's operation activities, leaving little chance for other investments of this cash flow. Company profitability is decreased as a result. In these cases, cash conversion cycle is said to have a negative relationship with company profitability.

On the other hand, cash conversion cycle can also have positive influence on company profitability. It could be interpreted through a chain of positive impacts of inventory period and accounts receivable period with a negative impact of accounts payable period on company profitability. The longer the inventory period,

the lower the cost involved in procrastinating of goods and/or service supply. In the meantime, the longer the accounts receivable period, the higher credit sales earned. And the lower the accounts payable period, the higher reputation earned for borrowing opportunities. Converge the three effects into one place, we can explain for an increase in company profitability due to the long cash conversion cycle. In contrast, shortening the cash conversion cycle could harm the company profitability. The company could face inventory shortages as reducing inventory conversion period, lose good credit customers as reducing accounts receivable period, and hamper its credit reputation as lengthening the account payable period. In those cases cash conversion cycle is said to have a positive relationship with company profitability.

Methodology

The research design for this paper is content analysis in nature and the data used are purely secondary sourced which includes textbooks, journals, relevant publications, conference papers and seminar papers. Relevant materials were consulted to review the impact of working capital management on the profitability of any organization.

Conclusion

In conclusion working capital plays a vital role in the company's operations and requires efficient management. The management of working capital concerns the management of cash, inventories, accounts receivable and accounts payable. It is necessary for a company to monitor its working capital properly and maintain its balance at the appropriate level. Shortage of working capital may lead to lack of liquidity as well as loss of production and sales; on the contrary, excess balance of working capital could be seen as loss of investment opportunities. One way to achieve the objective of having efficient working capital is to implement policies on inventory period, debtor's conversion period, creditor's conversion period and cash conversion cycle.

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Perceived Effect of Customer Relationship Management on Customer Loyalty in Some Selected Deposit Money Banks in Gombe State.

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Customer's relationship management (CRM) is one of the marketing strategies that are used to create and manage relationship between organization and customers more effectively. This research work determines the perceived effects of Customer Relationship Management (CRM) on customer loyalty in selected deposit money banks. The study was conducted in Gombe State using four money deposit banks in Gombe Metropolis (First Bank, Zenith Bank, GT Bank and UBA). Cross sectional form of descriptive survey was adopted and with the aid of convenience and judgmental sampling technique with a sample size of 395. The findings revealed that CRM has a significant effect on customer loyalty. Each of the components of CRM: customer satisfaction, service quality and trust were found to have significant effects on customer loyalty. It was therefore recommended that attention should be paid to CRM factors such as customer satisfaction, service quality and trust in the banking industry in order to be able to retain their customers, due to their influence on customer loyalty

Introduction

In contemporary organizational environment, customers are crucial elements and are placed at the centre of all marketing activities (Jones, Mothersbaugh, & Beatty 2002). To take note of various customers and their needs, organizations will have to apply differentiation and customer-oriented marketing strategies for achieving customer loyalty. Gefen and Ridings (2002) and Ngai (2005) viewed Customer Relationship Management (CRM) is one of the marketing strategies that are used to create and manage relationship between organizations and customers more effectively. Customer Relationship Management in the view of Edusah (2011), Rashed and Wardha (2020), is the establishment, development, maintenance and optimization of long-term mutually value relationship between customers and the organizations. The most important goal of an organization is to maintain customer loyalty and to achieve that, it must focus on customer centric approach in their organizational and marketing strategies (Jain & Singh, 2002).

The purpose of marketing is to provide value to customers, satisfy them and build long term relationship with them (Kotler, 2005). All marketing efforts will be inadequate if the firm's products fail to meet customer needs and wants (Eakuru & Mat, 2008; Oliver, 1997). When a company has loyal customers, it can have increased market share along with reduced operating cost (Aaker, 1997). Reichheld and Sasser (1990) stated that when

there is 5% improvement in customer retention, it will result in 25% to 75% increase in profit. Wills (2009) argued that obtaining new customers is costly more than five (5) times than to retain the existing customers. Furthermore, loyal customers are helpful in increasing revenues in two ways. First, loyal customers are less sensitive to price (Reichheld & Teal, 1996). Second reason is that loyal customers make frequent purchases, also purchases other products of the firm on trial basis and convince other customers to buy from the same firm (Reichheld & Sasser, 1990). Many companies put emphasis on Customer Relationship Management (CRM) to build strong customer base and create customer loyalty. According to Schiffman and Kanuk (2004) customer's relationship with an organization will be successful when the organization provides values to customers and because of these values, they will be satisfied. If organizations will make effort to improve relationship with their customers, they are likely to have more loyal customers and increased profitability.

In a typical service organization such as bank, retaining customers has become increasingly important in order to ensure the survival and profitability of the organization (Rashed & Wardha, 2020). Customer retention in banks is imperative due to the fact that it is an extremely competitive industry with many choices for customers. Also commercial Bank collapses and liquidations in Nigeria have impacted negatively on customers' confidence in banks. Financial sector reforms of the Central Bank of Nigeria have included the issue of customer oriented service delivery (Sanusi, 2012). To survive therefore, banks have to redesign their strategy in delivering quality services to attract and maintain customers and employ resources munificence to attract and retain customers (Klein, 1990).

Also, according to Osunde (2014), the only strategy that is perceived to proffer solution in this emerging marketing environment is Customer Relationship Management (CRM). There is need for marketers to learn and practice CRM. Edusah (2011) view Customer

Relationship Management as the establishment, development, maintenance and optimization of long-term mutually value relationship between customers and the organizations.

Statement of Problem

The main goal of an organization is to satisfy the needs of customers which will lead to increased profit. This indicates that without the existence of customers, business activities will be futile. Business owners most times concentrate on the improvement of their products; which is one of the basic features of production concept (Nolega, Oloko & Oteki, 2015). Often they ignore their customer's needs and wants and as a result, many of their customers switch to organization (their competitors) who can serve them better.

In the banking industries today, to make strong customer base is difficult due to the fact that they provide similar line of services and products. In such cases, the only thing which is helpful in retaining and attracting customer is to build strong relationship with them which necessitate this study, which is to find out the role of customer relationship on customer loyalty in the banking sector in Nigeria.

Different studies were carried out universally with regard to Customer Relationship Management, its benefit, challenges, problems, availability, its effect to customer loyalty and the likes. According to a Gartner study, up to 80 percent of organizations do not understand how customer relationship management (CRM) creates value in their customer base (Kirkby, 2002). Due to this lack of understanding, organizations have failed to develop good CRM strategies for their maximum benefit which therefore provoke experts and researchers to probe into the causes of such failures. This paper therefore, investigates the perceived effect of customer relationship management on banks customer loyalty in Gombe.

Hypotheses of the Study

In addition to the above research questions, the study is guided by the following hypotheses:

H0₁: Customer Satisfaction has no significant effect on Customer Loyalty of Deposit Money Banks in Gombe State.

H0₂: Service Quality has no significant effect on Customer Loyalty of Deposit Money Banks in Gombe State.

H0₃: Trust has no significant effect on Customer Loyalty of Deposit Money Banks in Gombe State.

Customer Relationship Management

Customer Relationship Management (CRM) systems was first introduced in the year 1985 – 1990 when it was realized that customers problems have been increasing and they must be tackled on early stage without any delay in order to retain customers for long time (Wilson, 2007). CRM initially focused on product/services, operational activities and cash flow movement around the company, it further developed in to a program which interacts around the customer knowledge where it was left to sales force to support it with the required information (Corner & Rogers, 2005).

CRM aligns strategy, business culture, customer information and technology in order to manage customer interaction to the mutual benefit of the customer and the organization. Customer Relationship Management in the view of Edusah (2011) is the establishment, development, maintenance and optimization of long-term mutually value relationship between customers and the organizations. Osunde (2014), posit that CRM is a customer-oriented centric that features service response based on the formation of individualized relationships with customers, with the aim of improving customer satisfaction and maximizing profits; identifying the most profits; identify the most profitable customers and providing them the highest level of service.

CRM can therefore be taken as a comprehensive approach for creating, maintaining and expanding customer relationship. It provides flawless synchronization between customer service, marketing, information technology and other customer related functions. It also integrates people, process and technology to

maximize relationship with all the customers. CRM means building an interdependent relationship with the customer in whom each relies on the other for business solutions and successes (Edusah, 2011).

Customer Satisfaction

Customer satisfaction is a frequent phase in CRM, and now it becomes a new concept of marketing strategy which is noticed by more and more enterprises. Kotler, (2003) considers that “Satisfaction is a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations”. So, the objective of the company’s marketing is to enhance the product’s perceived outcome to advance the customer’s expectation for aspire after the “Total Customer Satisfaction” (Kotler 2000). Therefore, Customer Satisfaction is a direct factor that affects the customer behavior and customer loyalty. Attaching the importance to the Customer Satisfaction in CRM is a good way for the enterprise to understand customer behavior and build customer loyalty.

Service Quality

Service quality is considered as one of the few means for service differentiation and competitive advantage that attracts new customers and contributes to the market share. In order to compete among each others, providing high level of service quality is very crucial for service providers (Bharati & Berg, 2005; Kemp, 2005 and Yoo & Park, 2007).

Perceived service quality is the consumer’s impression of the service provider efficiency and it is significantly related to customer satisfaction (Shin & Kim, 2008). Service quality is also typically considered as the customer’s impression of the superiority or inferiority of a service provider and its services (Tsoukatos & Rand 2006). Venetis & Ghauri (2000) argue that service quality also enhances customers’ tendency to use the service more, to use more services, to become less price-sensitive and to tell other friends about favorable and useful services provided. Jones, Mothersbaugh, and Beatty (2002) have pointed out that there is a

positive relationship between service quality and repurchase intention, recommendation, and resistance to better alternatives. All these three elements; repurchase intention, recommendation and resistance to better alternatives are behavioral intentions and constitute customer loyalty.

Trust

Trust is the cornerstone for a successful and lasting relationship with customer. Trust has been defined as users' thoughts, feelings, emotions, or behaviors that occur when customers feel that the provider can be relied upon to act in their best interest when they give up direct control (Patrick, 2002). Trust has been conceptualized in the literature as "a willingness to rely on an exchange partner in whom one has confidence" (Kwon & Suh, 2005). Trust is built when the service provider is interested in satisfying the customer needs, and provides products and services that create customer value. Effective customer's retention helps firms to grow in size and popularity, thereby increasing their profitability. Trust also exists when one party has confidence in an exchange partner's reliability and integrity. When a customer trusts a service provider, their loyalty towards the vendor will increase (Kassim and Abdullah, 2008).

Customer Loyalty

Loyalty of customers is considered to be a function of satisfaction and loyal customers contribute to company profitability by spending more on company products and services, via repeat purchasing and by recommending the organization to other consumers (Fecikova, 2004). Customer loyalty is simply defined as customer's intention or tendency to repurchase from the same firm (Edvardsson, Johnson, Gustafsson & Strandvik, 2000).

Customer loyalty is one of the marketing research themes which have turned out to be a vital concern for managers. This growing interest is generally due to strong competition, especially in service industries where level of competition rises, the association between loyalty and competition has become more

intense as a result of wide range of choices and rapidly emerging innovative services (Stevens, 2000). According to Dimitriadis (2006), loyal customers are defined as those customers who hold favorable attitudes toward an organization, recommend the organization to other consumers and exhibit repurchase behavior; all at once customers who remain loyal to service providers are likely to take on in favorable or unfavorable behavioral responses (Hoq & Amin 2010).

Empirical Review

Wang and Lo (2004) found that CRM model is based on two perspectives. First, measures the factors related to customer behavior such as: repurchasing, cross and up selling and customer acquisition rate, and second, measures the relationship quality, such as customer satisfaction and customer loyalty. Data were collected randomly from 400 selected customers of two security companies from China. The finding shows that emotional and functional behavior of customers has positive impact on customer satisfaction and customer satisfaction has positive effect on customer behavior based on CRM elements. Finally, the result of this study shows that customer behavior based on CRM have a positive effect on customer and brand loyalty.

Khaligh, Miremadi and Aminilari (2012) investigate the impact of CRM on customer loyalty and retention in the telecom industry in Iran. The data are collected from 200 Iranian telecom services users. Finding shows that commitment and vision of the management system is highly required for a successful CRM implementation. The structure of the strategy should be based on flexibility and explicitly of the policies especially pricing policies. These factors are very important to increase customer loyalty and benefit of the firm (Khaligh Miremadi & Aminilari, 2012).

Duygu (2012), in Turkey conducted a research on Customer Relationship Management and Customer Loyalty, by having a survey of the banking sector. In the study a sample of 350 staff employed in all the branches of Ziraat Bankasi Bank in Turkey was used. The finding

shows that CRM affect customer loyalty in the banking sector. The research shows that it is significant for banks to make one-on-one and individualized relationship with their customers, being that not only collecting data about the customers but also giving information to them arouses customer loyalty. And he concluded that banks ability to retain their existing customers and gain new customers depends on customer relationship management.

Agbaje (2014) in his work on Customer Relationship Management and Customer Loyalty in Nigerian telecommunication industry found out that CRM is a well adopted model for managing telecommunication firms' interactions with their current and future customers. With CRM, more customers are retained, and nearly all the firms are able to earn their customers loyalty. Further findings from the sampled firms showed that CRM is a business strategy employed by the firms to understand the customer, retain customers through better customers experience, attract new customers, and increase profitably through a decrease in customer management cost.

Salah and Abou-Shouk (2019) investigate the effect of customer relationship management practices on airline customer loyalty. The study explores the opinions of Egypt Air passengers on customer relationship management activities adopted by the company and how this affects their satisfaction and loyalty. A questionnaire was used for data collection and structural equation modeling was employed for rigorous findings. Findings revealed a positive significant effect of shared values, bonding, commitment, trust, tangibility, and handling customer conflicts on passenger satisfaction and loyalty

Theoretical Framework

Expectancy-Value Theory was profound by Victor Vroom in 1964. According to the theory customers often make some judgment about a product, its benefits, and the likely outcomes of using the product. People will learn to perform behavior that they expect will lead to positive

outcomes (Tokman, 1932). Their overall attitude is a function of beliefs about an object's attributes and the strength of these beliefs. The impact of attribute importance on consumer decision making is also widely recognized (Heeler et al, 1979).

The relationship has been summarized as follows:

$Q = \frac{1}{n} \sum (P_i - E_i)$ (Carmen 1990), where
Q is the overall quality; I is the importance of service attribute I; the sum is over the number of service attributes; P is the perception; E is expectation.

There remains a need to provide a direct link between satisfaction and purchase (Barsky, 1990). Some models indicate a link between satisfaction and repeat purchase intention but not yet to actual purchase.

Methodology

Cross-sectional survey design was employed for this research work. The unit of the survey is customers of the four selected money deposit banks in Gombe metropolis. The population of the study consists of all customers of the four selected. The four banks have the total population of 38565 customers. Yamane's formula was used to get the sample size of 395. Questionnaire structured in five (5) point Likert scale (ranging from 1: strongly agreed, 2: agreed, 3: undecided, 4: disagreed and 5: strongly disagreed), was used to measure responses from respondents. Multiple regression was used to analysis the data using Statistical Package for Social Sciences (SPSS v.20).

Model Specification

Multiple regressions were used to find out the relationship between customer relationship management and customer loyalty. Therefore, the regression relationship is expressed in the models below: $CL_t = \alpha_i + \beta_1 CS_t + \beta_2 SQ_t + \beta_3 TR_t + \mu_t$

Where: CL = Customer Loyalty; CS = Customer Satisfaction; SQ = Service Quality; TR = Trust; α_i = Constant Value; β_o = Coefficient of Variables and μ = Error term

Table 1: Result and Test of Hypotheses

Model	B	Std. Error	Beta	T-test	Sig.
(Constant)	-.094	.084		1.117	.259
Customer Satisfaction	.275	.051	.276	5.422	.000
Trust	.573	.059	.502	9.656	.000
Service Quality	.135	.069	.111	1.960	.051

***Significant @ 5%**

Table 2: Summary of Regression Results and Findings

Null Hypotheses	Statements of Null Hypothesis	Findings
H _{o1}	There is no significant relationship between customer satisfaction and customer loyalty.	Not Supported
H _{o2}	Service quality has no significant effect on customer loyalty.	Not Supported
H _{o3}	There is no significant relationship between Trust and customer loyalty	Not Supported

From the table 2 above, the result of regression analysis shows that, the three variables hypothesized have direct relationships with the dependent variable having been tested and found to be statistically significant.

Discussion of Findings

The regression results of customer satisfaction reveal the *Beta* and *t* values of $\beta = 0.276$, $t = 5.422$, $p = 0.000$. Therefore, this indicates that there is a positive relationship between customer satisfaction and customer loyalty, so we reject the null hypothesis. This finding is consistent with the finding of Cronin & Taylor (2000); Wong and Zhou (2006); Consuegra, Molina, and Esteban (2007); Hoq and Amin (2010) and Nashwan & Hassan (2017).

Service quality has a *Beta* and *t* values of $\beta = 0.111$, $t = 1.960$, $p = 0.051$, which means there is a positive relationship between service quality and customer loyalty, so we reject the null hypothesis. This finding contradicts the finding of Cronin and Taylor, (2002) but consistent with finds of Boulding et al. (2005).

The regression result on trust reveal the *Beta* and *t* values of $\beta = 0.502$, $t = 9.656$, $p = 0.000$. It means that there is positive relationship between trust and customer loyalty. Therefore the null

hypothesis is rejected. This confirmed the findings of Chaudhuri and Holbrook (2001); Singh and Sirdeshmukh (2000); and Sirdeshmukh, Singh, & Sabol (2002) and Salah & Abou-Shouk (2019).

Conclusions

In general, the results have supported all of the hypothesized relationships. Customer satisfaction play an important role in ensuring customer loyalty, and this is supported by this research work. Hence, the management should primarily focus on customer satisfaction. Though customer satisfaction alone cannot achieve the objective of creating a loyal customer base, but also service quality and trust as it has been indicated in the three hypotheses tested. The researcher hope that this study might induce the bank management to work out appropriate course of action to create a loyal customer base by ensuring judicious use of these valuable customer relationship marketing factors (customer satisfaction, service quality and trust).

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Effect of Celebrity Endorsement on Customer Patronage in Telecommunication Industry

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Customer is the real asset for an organization that ensures long-term profitability even in the era of great competition. Telecommunication industry has been facing numerous challenges, one of which is customers' patronage. Customers are difficult to predict as a result of the push factors that move them towards buying product, so, the trend of using attractive, credible and celebrity congruence in advertisement becomes imperative. The objective of this study is to examine the effect of celebrity endorsement on customer patronage. The methodology of the study is survey design. It is aimed at surveying customer's patronage of telecommunication industry in Kano, Nigeria. The study uses multiple regression analysis to determine the effects of celebrity on customer's patronage. Findings of the research show that the celebrity endorsement has influence customer patronage in the telecommunications sector. It was concluded that celebrity endorsement plays a significant role in determine the successful of telecommunication company towards persuading customer. The study recommend that, telecommunication industry should adopt celebrity, popular, and trustworthy celebrity to match – up with the product in order to have increase competitive advantage and high market share.

Introduction

Customer is the real asset for an organization that ensures long-term profitability even in the era of great competition (Cronin & Taylor, 2000). Cronin and Taylor (2000) further view that a satisfied consumer repeats his/her experience about the product from which he/she derived the satisfaction and also creates new customers through the communication of positive message about such product to others. On the other hand, a dissatisfied customer may switch to alternative products and communicate negative message to others. Hence, organizations must try as much as possible to make the satisfaction their customers a great of priority.

The mobile telecommunication industry is a very competitive market. The brands in this industry include MTN which is the market leader, airtel, 9mobile and Globacom Nigeria. These companies compete in the area of internet services, short messaging services, Phone calls and mobile money services. As a result of the keen competition, industries are involved in various integrated marketing communicating strategies to stay in business. One of these communication strategies is the celebrity endorsement.

Customer Patronage

Consumer patronage is the study of individuals, groups or organizations and the processes involved to select, use and dispose of products, services, experiences, or ideas to satisfy needs and impacts that these processes have on the consumer and society (Sushil&Ashish, 2013). In the opinion of Giridhar (2012) consumer patronage involves studying the personality of individual consumers which include demographics, psychographics, and behavioral variables in an attempt to understand people's wants.

Agarwal, Manish and Pradeep (2011) posited that the study of consumer behaviour involves why a person should become customer, what he buys, mode he selects to buy, why his buying behaviour becomes repeated and if not then what pattern he follows in all these activities.

Celebrity endorsement

A celebrity is a person who does not require any introduction, whose recognition is widespread and gets regular attention of media as well as people and always remains in headlines (Anmol&Javeed, 2014). Ohanian (1990) view celebrity endorsement as people who enjoy public recognition used by organization to convey message to the target audience with greater persuasive power as compared to a message conveyed by a non-celebrity spokesperson. While, Friedman and Friedman (1979) see, the term celebrity endorsement to an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed. Ericsson and Hakansson (2005) submitting that, these endorsers are individuals who enjoy public recognition and use the recognition on behalf of consumer goods by appearing with it in an advertisement.

Celebrity endorsement and customer Patronage

Chattopadhyay, Shivani and Krishan (2009), suggesting that, recognition of celebrities in advertising campaigns can make an advertisement to stand out from the advertising

clutter of competitors, as linking celebrities with certain brands may assist in enhancing a brand in the mind of the customer through recall, thereby increasing the brand equity while Kunal and Priyanka (2019) revealed that celebrity image has the most important celebrity endorsement construct in predicting consumer buying behavior. At the same time, familiarity was found having least impact on consumer buying intension. Besides that, Adil, Waqar and Syed (2018) also showed that, there is significant positive effect of celebrity endorsements on buying behavior of the buyers.

Therefore, based on the above findings this study examined the effect of celebrity endorsement on customer patronage in telecommunication industry.

Theory of the Study

Theory of Celebrity Credibility

This model was developed by the Hovland and Weiss (1951) classified credibility celebrity into trustworthiness and expert. Hovland and Weiss revealed that, trustworthiness and expert endorsers have more positive impact on the buying behavior of the target audience which was also supported by (Ohanian, 1990). Consumers consider expertise and knowledge celebrity as an indicator of celebrity credibility that move them to buy the product.

Thus, it can be understood that expertise, knowledge and trustworthiness have effect on brand image in the eyes of the consumers (Hovland, Janis, & Kelley, 1953). Furthermore, it can be stated that credibility of a spokesperson is the perception of consumers through which they believe that the information given by the celebrity spokesperson is unbiased, trustworthy and reliable.

Therefore, greater the credibility perceived by the consumers about the celebrity endorsement, the greater positive brand image will be formed in their minds (Goldsmith, Lafferty, & Newell, 2000).

Statement of the Problem

Advertisement is a major instrument used by marketers to create good image of their products and superior customer patronage. Nevertheless, for lots of consumers, advertisement is simply a misleading approach by firms to attaining sale. Mainly, when disliked individuals are used as the spokespersons in advertisements, consumers are much likely to perceive these advertising communications as untrustworthy. This is due to the poor trust in unidentified and unfamiliar spokespersons that are seen as commoners; thereby making the success of advertising objective a massive failure due to the apriority of views held by consumers. Due to the inefficiency in using an ordinary individual as a spokesperson in day-to-day advertising, companies have now realized that it is not only the message that matters but also the spokesperson. Companies across various industries committed to bridging this gap adopt the use of celebrity's credibility, attractiveness and match-up in clearing the horizons.

Previous studies for instance, Chih and Li-Hui (2018) found that, celebrity personality does not have positive impact on brand preference while, celebrity personality found to has significant effect on brand attitude (Ramendra & Neelotpaul, 2018) while JustinP and Shailja (2018) also found that the celebrity image congruence (IC) has a negative significant effect on consumer attitude towards brand . Therefore, the impact of celebrity endorsement on brand is poorly understood and requires further research to improve message effectiveness and reduce marketing expenditure.

Hence, in line with the review of literature the study proposed research hypotheses which were raised to guide the study in alternative form;

Proposition1: Celebrity Attractiveness has positive effect on customer patronage.

Proposition 2: Celebrity Credibility has positive influence on customer patronage

Proposition 3: Celebrity Match-up has positive impact on customer patronage

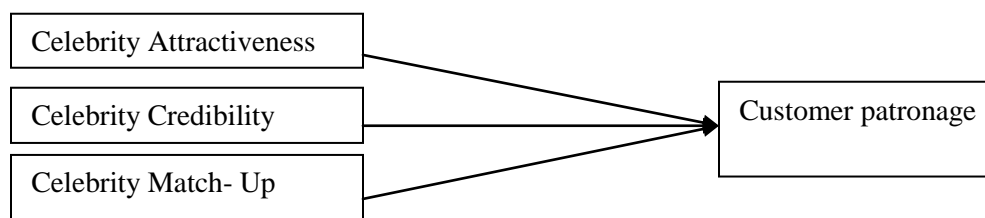


Figure 1.1 Conceptual Frame Model

Source: Ohanian, 1990; Khan et al., (2016); Kofi, Georgina & Nana, (2019)

Hypotheses

The under listed hypotheses stated in null form were formulated for the study.

- i. Celebrity attractiveness has no significant positive effect on customer patronage of telecommunication products.
- ii. Celebrity credibility has no significant positive influence on customer patronage of telecommunication products.

- iii. Celebrity Match- Up has no significant positive impact on customer patronage of telecommunication products.

Methodology

SPSS 24.0 (Statistical Package for Social Science) was used for data analysis in order to achieve research objectives. For the purpose of data analysis, a two-step data analysis strategy was adopted. At the first stage, factor analysis was used to extract the underlying constructs of celebrity endorsement. At the second stage, multiple regression analysis was performed to examine the impact of various constructs of

celebrity endorsement on the customer patronage in Kano metropolis.

A total of four hundred (400) questionnaires were issued out, of which two hundred and eighty four (284) were completely filled and returned. This represented a response rate of

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.905	.819	.818	.08206

a. Predictors: (Constant), Celebrity Attractiveness

Source: Fieldwork, 2020

The model summary indicated in table 1 shows that R Square is 0.819; the implication of this, is that, 81.9% of variation in the dependent variable (customer patronage) is explained by the constant variable (Celebrity Attractiveness) while the remaining 18.1% is explained by other factors due to other variables that are not

71% and this was considered satisfactory for the analysis.

H₀₁: Celebrity Attractiveness does not have positive effect on customer patronage. Its reliability was found to be acceptable with Cronbach's Alpha value 0.690

included in the model. This mean that, the regression (model formulated) is useful for making predictions since the value of adjusted R² (81.8%) shows that, the value of R² (81.9) is closely reflected the goodness-of-fit of the data to the regression line.

Table 2: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.967	.096		10.117	.000
Cel. Attra	.799	.022	.905	35.683	.000

a. Dependent Variable: customer patronage

Source: Fieldwork, 2020

Table 2 (coefficient table) shows that Celebrity attractiveness has effect on customer patronage since the sig. (0.000) which is lesser than 0.05 also, with (= .905, t-value = 35.683, p<0.05). Representing the model with their respective coefficient results above, it is re-written thus: CP =.967 + .905CE + e. This mean with the increase in celebrity attractiveness cause variance in customer patronage. Considering the works of previous researchers on effect of Celebrity endorsement on customer patronage by Adil,

Waqar and Syed (2018), Kunal and Priyanka (2019) revealed that celebrity image has the most important celebrity endorsement construct in predicting consumer buying, it is in line with the findings of this study that celebrity endorsement has effect on customer patronage.

H₂: Celebrity Credibility does not has positive influence on customer patronage

Its reliability was found to be acceptable with Cronbach's Alpha value 0.785.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884	.781	.780	.02024

a. Predictors: (Constant), Celebrity credibility

The model summary as indicated in table 3 shows that R Square is 0.781; this The implication of this, is that, 78.1% of variation in the dependent variable (customer patronage) is explained by the constant variable (Celebrity Credibility) while the remaining 21.9% is explained by other factors due to other variables

that are not included in the model. This mean that, the regression (model formulated) is useful for making predictions since the value of adjusted R^2 (78.0%) shows that, the value of R^2 (78.1%) is closely reflected the goodness-of-fit of the data to the regression line.

Table 4: Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std Error	Beta		
1 (Constant)	1.604	.008		18.227	.000
Celebrity Credible	.674	.021	.884	31.678	.000

a. Dependent Variable: customer patronage

Source: Fieldwork, 2020

Table 4 (coefficient table) shows that celebrity credibility has influence on customer patronage since the sig. (0.000) which is lesser than 0.05 with ($= .884$, $t\text{-value} = 3.1.768$, $p < 0.05$) representing the model with their respective coefficient results above, it is re-written thus: $BI = 1.604 + .884CE + e$. This mean variance in customer patronage is cause by celebrity credibility. This is in line with the findings of Abdullah, Malik, Bushan, Sudhakar and, Dhruv

(2017); Junaid, Bushra and Zara (2019) who also revealed celebrity endorsement have a positive and strong impact on the customer patronage.

H0₃: Celebrity Match -up does not has positive impact on customer patronage

Its reliability was found to be acceptable with Cronbach's Alpha value 0.744.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.755	.612	.610	.03225

Predictors: (Constant), Celebrity Match -up

Source: Fieldwork, 2019

The model summary as indicated in table 5 shows that R Square is 0.612; this The implication of this, is that, 61.2% of variation

in the dependent variable (customer patronage) is explained by the constant variable (Celebrity Match -up) while the remaining 38.8% is

explained by other factors due to other variables that are not included in the model. This mean that, the regression (model formulated) is useful for making predictions since the value of

adjusted R^2 (61.0%) shows that, the value of R^2 (61.2%) is closely reflected the goodness-of-fit of the data to the regression line

Table1 6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.029	.079		12.972	.000
1 Celebrity Match-up	.137	.036	.755	2.016	.010

a. Dependent Variable: customer patronage.

Source: Fieldwork, 2020

Table 6 (coefficient table) shows that Celebrity Match –up impact on customer patronage since the sig. are (0.000 and 0.010) which are lesser than 0.05 with (= .156, t-value = 2.016, $p < 0.05$) representing the model with their respective coefficient results above, it is re-written thus: $BI = 1.029MU + .156CP + e$. This mean with the increase in celebrity match-up cause variance in customer patronage. This is supported by previous researchers 'Xuemei and Bian(2018) found that, perceived Celebrity Match –up plays a more dominant role in explaining consumers' purchase decision other influential factors (e.g. benefit and product attribute).

Conclusion

Study examined the mediating effect of brand image on celebrity endorsement and customer patronage in telecommunication industry in Kano Metropolis, Nigeria. At this juncture, it is essential to draw out certain conclusions based on the findings. The major conclusion is that the celebrity endorsement has influence with the presence of mediating effect of brand image on customer patronage in the telecommunications sector.

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Effect of Dining Attributes Affecting Customer Satisfaction in Independent Restaurants in Gombe Metropolis

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The objective of this study is to examine the dining attributes affecting customer satisfaction in independent restaurant in Gombe metropolis. The study selected some customers of food restaurant in Gombe metropolis. Descriptive survey design was used and the data were collected through the questionnaire method. The study population was 1,500 customers of food restaurants and the sample size for the study was 306 customers. For the purpose of this study, ten (10) independent restaurants were chosen by simple random sampling technique and the individual customers were selected by convenience sampling techniques. The result of the analysis revealed that there were significant relationships between restaurant hygiene, affordable price, service quality and restaurant location that affect customer satisfaction in independent restaurants in Gombe metropolis. The study concluded that dining attributes positively and significantly affects customer satisfaction in the independent restaurants. The study therefore recommended that the management of independent restaurants should regularly improve on their relationships with customers in terms of hygiene, affordable price, service quality and restaurant location strategies in order to increase their level of customer satisfaction

Introduction

Customers are the source of profits to be earned by profits making restaurants and the primary reasons for being in the operation for not-for-profit types of organizations. Food restaurant worldwide is such a business that cannot survive and operate without customers. Several independent food restaurants are paying attention on assessing and implementing marketing strategies with the objectives of obtaining maximum market share of customers and improving customer satisfaction to improve the financial performance for their restaurants. Restaurant customers progressively demand higher quality food (Hu, 2009) and service (Quan & Wang, 2004) than before. If a customer is not satisfied by offered service and value in the restaurant, he will leave for another restaurant (Kang, Nobuyuki & Herbert, 2004). People dining out alone indicated that eating out costs less and save more time than cooking at home (Epter, 2009). For the restaurant industry, it is important to understand the attributes which influence customers' decisions to return to a restaurant for another meal (Soriano, 2002). Peppers and Rogers (2004) suggest that, good customer relations are the foundation of every restaurant business.

The study choose independent restaurant sector because they are the restaurants that are found almost everywhere and are more than public restaurants, owned and controlled by private individuals and in which customers patronize them most. There are several studies on customer satisfaction in other business sectors such as banks, insurance, tourism, airlines, hospitality management, etc. but none or less in independent restaurant sectors in Gombe metropolis and also because of the personal interest. Therefore, this study intends to examine the dining attributes affecting customer satisfaction in independent restaurants in Gombe. The study believed that by establishing, developing, and maintaining successful relational exchanges, independent restaurants could sustainably satisfy their customers. The aim of the study is to examine the dining attributes affecting customer satisfaction in independent restaurants.

Statement of the Problem

There is no doubt that responding to customers' needs and wants, maintaining customers' relationship, purchasing patterns and behaviors, is one of the most important factors that organisations consider and used it to maintain a competitive advantage (Al-Hersh, Aburoub& Saaty,2014).Gyaan (2017) has identified some reasons why customers are not returning to a restaurant and these include poor quality of food, poor customer service, unreliable service standards, dirty housekeeping (dining at dirty place), incompetent pricing (variation in pricing), lack of customer loyalty programmes and inability to adopt technology and social media which can lead to customer turnover. A lot of studies have been carried out on food restaurants from different stand point and perspectives and each profiling different factors influencing customers repurchase intension (Ahmad, Ghazali and Othman, 2013; Akbar and Alaudeen, 2012). Factors ranging from food quality, Service quality, Environment, Price, Quick service (Akbar and Alaudeen, 2012; Tabassum and Rahman, 2012; Tat, Sook-Min, Ai-Chin, Rasli and Hamid, 2011), Restaurant image (Ling, Mun and Ling, 2011) and fast food

store image factors, customers' values of eating-out, customers' opinions about the globalization (Ibrahim and Vignali, 2005) have been considered to influence customers patronage of fast food restaurants in regions with different cultural, environmental and socioeconomic specifics. Supporting this view, Tabassum and Rahman (2012) noted that pattern of food consumption may vary due to the differences in culture, climate, socioeconomic status, etc. The habit of taking food among the citizens of a nation away from their houses may change due to several factors that are mostly on patronage and loyalty but less on satisfaction. However, because of these differences in the findings of scholars, it is not yet clear which factors affect customer satisfaction in the area of this study. Therefore, the study investigates factors of dining attributes that affect customer satisfaction in independent restaurants in Gombe Metropolis

Objective of the Study

The general objective of the study is to examine the dining attributes affecting customer satisfaction in independent restaurants and the specific objectives of the study are:-

1. To examine the relationship between restaurant hygiene and customer satisfaction in restaurants.
2. To examine the relationship between affordable price and customer satisfaction in restaurants.
3. To examine the relationship between service quality and customer satisfaction in restaurants.
4. To examine the relationship between restaurant location and customer satisfaction in restaurants.

Hypotheses of the Study

The hypotheses of the study are:

H01 Restaurant hygiene has no significant relationship with customer satisfaction in restaurants.

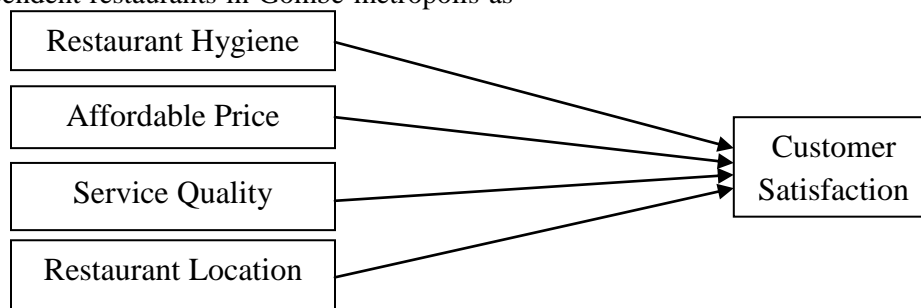
H02 Affordable price has no significant relationship with customer satisfaction in restaurants.

H03 Service quality has no significant relationship with customer satisfaction in restaurants.

H04 Restaurant location has no significant relationship with customer satisfaction in restaurants.

Literature Review

Previous studies show that quality of restaurant attributes have a positive effect on customer satisfaction and return patronage intentions (El-Adly & Eid, 2016; Han & Hyun, 2015, 2017; Kim, Ng & Kim, 2009). The findings of these previous studies revealed that the higher the level of restaurant attributes quality one perceived, the higher the satisfaction they tended to attain and return to the restaurant. Therefore, the study focused on examining dining attributes that measure customer satisfaction in independent restaurants in Gombe metropolis as



Source: Adapted from Aka, Kahinde&Ogunnaike (2016).

Figure 1: Observe Variables of the independent construct that will measure the latent variable.

Methodology

The study adopted a survey research design to examine the dining attributes affecting customer satisfaction in independent restaurants. The study used descriptive survey research design to obtain the data for the study and the instrument that was used was the questionnaire method. The type of data that was used in the study was the primary type of data. However, ten (10) food restaurants were chosen out of sixty (60) restaurants (MCT, 2017) and these restaurants were selected using simple random sampling

mentioned and below is the conceptual framework of the study.

Conceptual Framework

For independent restaurants to be established and stand the test of time, it must create a long life relationship with its customers by satisfying them with its foods and services as an essential condition for success and survival of the business. The overall assumption is that, the degree of relationship will depend on the degree of customer satisfaction that leads to keeping and maintaining the customer. A long term buyer-seller relationship is very important to create longer term customer satisfaction hence, better sales performance and profitability to the seller. Therefore, customer satisfaction in this study is the latent variable measured by variables of restaurant hygiene, price, service quality and restaurant location, as observed variables of dining attributes. The model below shows the relationships between independent and dependent:-

technique and the customers of each of the restaurants as respondents were selected using convenience sampling technique to fill in the questionnaire. Data analysis was performed by Chi-square test and correlation. The 5 point Likert-type scale questionnaire (strongly agree to strongly disagree) (adapted from Mwangi, 2018) was adopted in the questionnaire to give respondents greater scope in their choice of response.

Population of the Study and Sample Size

The population of the study is defined as the customers of the existing independent restaurants located at the different part of Gombe metropolis and based on the survey conducted by the study, it discovered that the customers that patronized these restaurants has an average of 100 to 150 customers per day (Preliminary Survey, 2019). Therefore, the population for the study is one thousand, five hundreds (1,500) customers ($150 \times 10 = 1500$). The sample size for the study was obtained from the population of the customers often (10) selected restaurants who are the respondents and the sample size is three hundred and six (306) (Krejcie and Morgan table, 1970) customers.

Reliability and Validity

Table 1 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	312.328 ^a	12	.000
Likelihood Ratio	57.336	12	.000
Linear-by-Linear Association	54.745	1	.000
N of Valid Cases	258		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .00.

Source: Output SPSS, 2020

Reject null hypothesis if the P value is > 0.05 and accept null hypothesis if the P value is < 0.05 .

Accept alternative hypothesis if the P Value is > 0.05 and reject alternative hypothesis if the P Value is < 0.05

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed $p < 0.005$) of significance. Chi-square ($X^2 = 312.328$, $df = 12$) so we reject H01 and accept H1 which implies customer attitude has

Table 2 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	329.374 ^a	12	.000
Likelihood Ratio	81.891	12	.000
Linear-by-Linear Association	69.968	1	.000
N of Valid Cases	258		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .00.

Source: Output SPSS, 2020

The reliability statistics of the five Likert type scale questions was tested with the reliability of 35 items that are critical to measure the variables using Cronbach's alpha. The overall reliability test for the items is 0.977 (97.7%). This implies that the items were valid and reliable. For a field work, DeVellis (2003) asserted that, the Cronbach's alpha coefficient of a scale should be above .7 as an acceptable value.

Result and Analysis

Test of Hypotheses

Below are the results of the Chi-Square test of the hypotheses with the aid of SPSS Package.

i). H01 Customer attitude has no significant relationship with customer satisfaction in restaurants.

significant relationship with customer satisfaction in restaurants.

Decision Rule

From the Chi-square table 1 above, H1 is accepted meaning that, restaurant hygiene has significant relationship with customer satisfaction in restaurants.

ii). H02 Affordable price has no significant relationship with customer satisfaction in restaurants.

Reject null hypothesis if the P value is > 0.05 and accept null hypothesis if the P value is < 0.05 .

Accept alternative hypothesis if the P Value is > 0.05 and reject alternative hypothesis if the P Value is < 0.05

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed $p < 0.005$) of significance. Chi-square ($X^2 = 329.374$, $df = 12$) so we reject H02 and accept H2 which implies affordable price has

Table 3 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	357.311 ^a	12	.000
Likelihood Ratio	103.699	12	.000
Linear-by-Linear Association	76.210	1	.000
N of Valid Cases	258		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .00.

Source: Output SPSS, 2020

Reject null hypothesis if the P value is > 0.05 and accept null hypothesis if the P value is < 0.05 .

Accept alternative hypothesis if the P Value is > 0.05 and reject alternative hypothesis if the P Value is < 0.05

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed $p < 0.005$) of significance. Chi-square ($X^2 = 357.311$, $df = 12$) so we reject H03 and accept H3 which implies service quality has significant

Table 4 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	208.718 ^a	12	.000
Likelihood Ratio	79.306	12	.000
Linear-by-Linear Association	72.692	1	.000
N of Valid Cases	258		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .01.

Source: Output SPSS, 2020

Reject null hypothesis if the P value is > 0.05 and accept null hypothesis if the P value is < 0.05 .

significant relationship with customer satisfaction in restaurants.

Decision Rule

From the Chi-square table 2 above, H2 is accepted meaning that; affordable price has significant relationship with customer satisfaction in independent restaurants.

iii). H03Service quality has no significant relationship with customer satisfaction in restaurants

relationship with customer satisfaction in restaurants.

Decision Rule

From the Chi-square table 3 above, H3 is accepted meaning that, service quality has significant relationship with customer satisfaction in restaurants.

iv). H04 Restaurant location has no significant relationship with customer satisfaction in the restaurant.

Accept alternative hypothesis if the P Value is > 0.05 and reject alternative hypothesis if the P Value is < 0.05

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-

tailed $p < 0.005$) of significance. Chi-square ($X^2 = 208.718$, $df = 12$) so we reject H_0 and accept H_4 which implies that, restaurant location has significant relationship with customer satisfaction in restaurants.

Decision Rule

From the Chi-square table 4 above, H_4 is accepted meaning that, service quality has significant relationship with customer satisfaction in restaurants.

The correlation taste between the variables of dining attributes and customer satisfaction was also carried out and the results presented below:-

Table 5. Correlations

		Customer Attitude	Affordable Price	Service Quality	Restaurant Location
Restaurant Hygiene	Pearson Correlation	1	.522**	.499**	.426**
	Sig. (2-tailed)		.000	.000	.000
	N	258	258	258	258
Affordable Price	Pearson Correlation	.522**	1	.521**	.485**
	Sig. (2-tailed)	.000		.000	.000
	N	258	258	258	258
Service Quality	Pearson Correlation	.499**	.521**	1	.462**
	Sig. (2-tailed)	.000	.000		.000
	N	258	258	258	258
Restaurant Location	Pearson Correlation	.426**	.485**	.462**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	258	258	258	258

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

Table 5 above presents the correlation indexes for the relationships between various independent variables involved in the study. The correlation index for the relationship between restaurant hygiene and affordable price is .522. The correlation index for the relationship between restaurant hygiene and service quality is .499. The correlation index for the relationship between restaurant hygiene and restaurant location is .426. The correlation index for the relationship between affordable price and service quality is .521. The correlation index for the relationship between affordable price and restaurant location is .485 and the correlation index for the relationship between service quality and restaurant location is .462. The overall results from these analyses indicate that,

there is a moderate, positive and significant relationship between the variables of dining attributes and customer satisfaction.

Having a look on the Model Summary and checking the value given under the heading R Square, it is realized that how much of the variance in the dependent variable (customer satisfaction) can be explained by the model (restaurant hygiene, affordable price, service quality and restaurant location).

The R Square of this model was .440 meaning that 44.0 percent of the customer satisfaction can be explained by these four variables. The table below (table 6) is a Model Summary which presents results that were obtained after fitting the multiple linear regressions.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663 ^a	.440	.431	.503

a. Predictors: (Constant), Restaurant Location, Restaurant Hygiene, Service Quality, Affordable Price
 Source: Output SPSS, 2020

The adjusted R-square in the table shows that the dependent variable, (Customer Satisfaction) is affected by 43.1% by independent variables (Restaurant Hygiene, Affordable Price, Service Quality, and Restaurant Location). It shows that restaurant hygiene, affordable price,

service quality and restaurant location factors are responsible for customer satisfaction. The overall model was also significant, tested with the help of ANOVA. The results are given in the following table below:-

Table 7. ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	50.273	4	12.568	49.655	.000 ^b
Residual	64.037	253	.253		
Total	114.310	257	114.310		

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Restaurant Location, Customer Attitude, Service Quality, Affordable Price

Source: Output SPSS, 2020

ANOVA table is showing the level of significance. Through the table it is clear that all sub factors Customer Attitude, Affordable Price, Service Quality, and Restaurant Location are related to customer satisfaction and that the

relationship between them is significant as compared to alpha value=0.05. Table 8 below shows the coefficients of the all independent variables included in the model along with their respective P-values

Table 8. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.412	.304		1.355	.177
Restaurant Hygiene	.136	.070	.115	1.950	.052
Affordable Price	.219	.068	.196	3.212	.001
Service Quality	.266	.061	.262	4.396	.000
Restaurant Location	.265	.056	.267	4.705	.000

a. Dependent Variable: Customer Satisfaction

Source: Output SPSS, 2020

As it clear from the findings of table 8 above that, each and every factor is significantly related to customer satisfaction. Under the standardized coefficients it is evident that the Restaurant Location is the major and most important factor causing customer satisfaction to the customers of independent restaurants in Gombe metropolis with a standardize coefficient of 0.267. A study by Akbar & Alaudeen (2012) supported this factor by investigating the determinant factors that influence customers in choosing normal full-service restaurant in Seri Iskandar, Perak, Malaysia and the result showed that, customers put heavy priorities on certain factors including location in choosing normal full-service restaurant. The second important

variable is Service quality with a standardize coefficient of 0.262. A study by Manjunath & Reginald (2016), support this factor that service quality is one of the major and most important factor causing customer satisfaction in fast food restaurants customers of Mysore district. The third important variable is Affordable Price with a standardize coefficient of 0.196. Khan, Hussain, & Yaqoob, (2013) in their study on determinants of customer satisfaction in Fast Food Industry: A Study of Fast Food Restaurants Peshawar Pakistan supported this factor, by discovering that; price is the second important major and most important factor causing customer satisfaction. The forth important variable is restaurant hygiene with a

standardize coefficient of .115. Hence there are three main factors that are mainly responsible in order for customers to obtained satisfaction in independent restaurants in Gombe Metropolis. Other factor of the study has a weak impact on customer satisfaction, that is Customer Attitude ($b=0.115$). As the table shows positive values and the first three sub factors (Restaurant Location, Service quality and Affordable Price) are significant at value=0.05, with $P < 0.05$ it is concluded that the H1, H2, and H3 hypothesis are endorsed or accepted.

Conclusion

In all types of restaurants, customer satisfaction is the most important issue in setting the business. Customer satisfaction is the part of marketing that play an important role in the market. This study tested the model of customer satisfaction in independent restaurants. In measuring the customer satisfaction, the study was conducted to examine the dining attributes affecting customer satisfaction in independent restaurants in Gombe metropolis and restaurant hygiene, affordable price, service quality and restaurant location are the variables used to measure customer satisfaction in the independent restaurants. The findings show that, there is a positive and significant relationship between restaurant hygiene, affordable price, and service quality and restaurant location with customer satisfaction. But restaurant hygiene shows a weak significant relationship. The study also concluded that, the extent of customer satisfaction in restaurants is between medium to high level of satisfaction since most of the independent variables create relationship with the dependent variable leading to customer satisfaction in the sector.

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Appendix I,

Table A. Case Processing Summary

		N	%
Cases	Valid	258	100.0
	Excluded ^a	0	.0
	Total	258	100.0

a. Listwise deletion based on all variables in the procedure.

Source: Output SPSS, 2020

Table B. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.977	.977	35

Source: Output SPSS, 2020

Economic Recession and the Performance of Hospitality Industry: A Study of Selected Hotels in Nigeria

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The study assessed the effect of the economic recession on the performance of the hospitality industry (quoted Hotels) in Nigeria. The study was conducted to evaluate the performance of selected hotels in Nigeria in terms of their net after-tax profit (NPAT), return on assets (ROA) and return on equity (ROE) during the Nigerian recession. The research was based on secondary data. In addition, regression and correlation were used to evaluate the data and the results showed that there are substantial relationships between the economic recession indices and all the agreed performance indices of the hotel industry. It was also concluded that the economic recession had a major impact on the performance of hotel businesses.

Introduction

Nigeria is ranked among the finest economics in Africa (Vanguard, 2018), Africa's largest supplier of crude oil, a wealthy agricultural sector accounting for 18% of the country's GDP, and an abundance of natural resources just to name a few. But recently, Nigeria's economy has steadily moved from economic buoyancy to economic recession (Adeniran and Sidiq, 2018). Economic activity in the country continued to decline, particularly in 2016, when a long, impregnated recession occurred. During this time the country experienced a high rate of unemployment/inflation and a decline in the exchange rate of the national currency (Naira). While the economy is doing well, businesses will also be thriving, and when the economy is in recession, businesses will be adversely impacted. The economic situation in a specific period of time is widely assumed to have an effect on the output of all kinds of business organizations in the various sectors of the economy, including hospitality. Karakas and Tatar (2015) recorded that the tourism and hospitality industry is among the world's largest income and employment drivers during the time of economic buoyancy, producing 10.3 percent of the world's GDP, creating 234 million jobs (8.2 percent of total world employment).

During the recession, hotel sector operations were badly affected. With visitors staying away, room rates are down by more than 12%, with deep discounts for operators. Adepoju (2017) a hospitality consultant noted some of the significant impacts of this situation on the hotel industry, including but not limited to: (i) substantial decrease in foreign business visitors to the country and lower domestic corporate spending leaving hotel market with a substantially smaller demand market and engaging in price wars to maintain competitiveness and attract demand; (ii) regional hotel groups like City Lodge making business decisions to scale back or stay away from the country due to a tougher operating environment;

(iii) some like Federal Palace Hotel and Casino declaring operating losses for two years in a row owing to lower room occupancies, reduced food and beverage revenues, and higher operating costs stemming from a weaker naira. During the economic recession, the productivity and profitability of many businesses were drastically reduced, according to Emma (2014), which sought to cut costs and minimize labor.

From these submissions, the receding economic situation has had varying impacts on the performance of the majority of the hospitality industry, especially those in the hotel business. Consequently, the inclusion of this report on the activities of the hospitality industry in prevailing circumstances decides how well or poorly it performs in an industry or among its peers or in relation to its goals and objectives. Mazurek & Mielcová (2013) argue that economic recessions are mostly analyzed from three viewpoints. The former focuses on the causes of recession, the latter discusses its consequences and the latter focuses on the predictions of recession. From the point of view of business administration, this study examined the effect of the economic crisis on the performance of the hospitality industry. The study sought to answer the question; to what extent has the recent economic recession impacted on the net profit after tax (PAT); return on assets (ROA); and shareholders' return performance indicators. The specific objectives are to; assess the extent to which economic recession impacted on the net profit after tax (PAT) of selected hotels in Nigeria; examine the influence of economic recession on return on assets (ROA) of selected hotels in Nigeria; and evaluate the extent to which economic recession impacted on shareholders' return of selected hotels in Nigeria

Having said all that, the study assumed via the following hypotheses that:

HO1: Economic recession does not have significant impact on the net profit after tax (PAT) of the selected hotels in Nigeria.

HO2: Economic recession does not have significant impact on the return on assets (ROA) of the selected hotels in Nigeria.

HO3: Economic recession does not have significant impact on the Shareholders' return of the selected hotels in Nigeria.

Research Methodology

In order to determine the effect of the recent economic recession on the rise in unemployment, inflation and exchange rates on the performance of the hospitality industry in terms of net profit after tax (PAT); return on assets (ROA) and return on shareholders of selected hotels before (2014/15) and during the recession in Nigeria (2016/17), the report used the study (i.e. the economic recession predictors from the National Bureau of Statistics figures and the annual financial reports of the selected hotels from 2014-2017). These data were analyzed using the Variance Analysis (ANOVA) and the Correlation Coefficient (R) as the dependent variable proxies are the same.

Data Presentation and Analysis

HO1: Economic recession does not have significant impact on the net profit after tax (PAT) of the selected hotels in Nigeria's Federal Capital Territory (FCT).

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.196a	.038	-.374	1842751.227

Predictors: (Constant), EXCT, INFR, UNEP
 Dependent Variable: NPAT

Source: Field survey (2019)

Where NPAT is net profit/income after tax; EXCT is exchange rate; INFR is inflation rate; and UNEP is unemployment rate.

Table 1 shows that the relationship between the dependent variable (NPAT) and the predictors is insignificant as depicted by the coefficient value (R) of 0.196 (i.e. 19.6%). Additionally, the extent of the impact of the predictors on the dependent variable is 0.038 (i.e. 3.8%) as depicted by the R-Squared value. That means that 3.8% variations in NPAT is by the study predictors while 96.2% variations are by other factors not captured in this study.

Table 2: ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	9.517E11	3	3.172E11	.093	.961a
Residual	2.377E13	7	3.396E12		
Total	2.472E13	10			

a. Predictors: (Constant), EXCT, INFR, UNEP

b. Dependent Variable: NPAT

Source: Field survey (2019)

Table 2 displays the overall result with respect to the hypothesis. The F-value or ratio of 0.093 is less than the critical value of 3.55 at 5% level of significance {numerator of 2 (i.e. $c-1 = 3-1=2$); and denominator of 18 (i.e. $c(r-1) = 3(7-1)=18$)}. Consequently, the F-value is within the accept region, meaning the null hypothesis (HO1) is accepted.

Table 3 reveals the coefficient values of unemployment, inflation and exchange rates as -

0.57;-0.203 and 0.961 respectively; meaning for every one percent variation (increase) in the unemployment and inflation rates, there will be 57.% and 20.3% inverse variations (decrease) in the selected hotels' NPAT, while there will be 96.1% direct variation (increase) in the NPAT with respect to the exchange rate.

HO2: Economic recession does not have significant impact on the return on assets (ROA) of the selected hotels in Nigeria's Federal Capital Territory (FCT).

Table 3: Coefficients

Model	Unstandardize Coefficient		Unstandardize Coefficient	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-547371.742	5.717E6		-.096	.926
UNEP	-262514.149	1.791E6	-.579	-.147	.888
INFR	-84932.842	776642.795	-.203	-.109	.916
EXCT	26403.765	132780.001	.961	.199	.848

b. Dependent Variable: NPAT

Source: Field survey (2019)

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.418 a	.175	-.179	4.9558506

a. Predictors: (Constant), EXCT, INFR, UNEP

b. Dependent variable: ROA

Source: Field survey (2019)

Where ROA is return on asset; EXCT is exchange rate; INFR is inflation rate; and UNEP is unemployment rate.

Table 4 shows that the relationship between the dependent variable (ROA) and the predictors is insignificant as depicted by the coefficient value (R) of 0.418 (i.e. 41.8%). Furthermore, the extent of the impact of the predictors on the dependent variable is 0.175 (i.e. 17.5%) as depicted by the R-Squared value, that means 82.5% variables that account for the major

variations or changes in the dependent variable

(ROA) were not captured in this study.

Table 5: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	36.386	3	12.129	.494	.698a
Residual	171.923	7	24.560		
Total	208.309	10			

a. Predictors: (Constant), EXCT, INFR, UNEP

Source: Field survey (2019)

Table 5 displays the overall result with respect to the hypothesis. The F-value or ratio of 0.494 is less than the critical value of 3.55 at 5% level of significance {numerator of 2 (i.e. $c-1 = 3-1=2$); and denominator of 18 (i.e. $c(r-1)=3(7-1)=18$)}. Consequently, the F-value is within the accept region, meaning the null hypothesis (HO2) is accepted.

Table 6: Coefficients

Model	Unstandardize Coefficient		Unstandardize Coefficient	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-7.557	15.374		-.492	.638
UNEP	-1.789	4.817	-1.360	-.371	.721
INFR	-.173	2.089	-.142	-.083	.936
EXCT	-.151	.357	1.890	.422	.686

a. Dependent Variable: ROA

Source: Field survey (2019)

Table 6 reveals the coefficient values of unemployment, inflation and exchange rates as -1.360; -0.142 and 1.890 respectively; meaning for every one percent variation (increase) in the unemployment, there will be about 136% inverse variation (decrease) in the dependent variable, ROA. Furthermore, a percentage

change in inflation rate will result in 14.2% inverse impact and about 189% direct change on the selected hotels' ROA.

HO3: Economic recession does not have significant impact on the Shareholders' return of the selected hotels in Nigeria's Federal Capital Territory (FCT).

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573a	.329	.041	.2683584

a. Predictors: (Constant), EXCT, INFR, UNEP

b. Dependent variable: EARP

Source: Field survey (2019)

Where EARP is earning per share; EXCT is exchange rate; INFR is inflation rate; and UNEP is unemployment rate.

Table 7 shows that the relationship between the dependent variable (EARP) and the predictors is significant as depicted by the coefficient value (R) of 0.573 (i.e. 57.3%). In addition to that, the

table displays the extent of the impact of the predictors on the dependent variable as 0.329 (i.e. 32.9%) as depicted by the R-Squared value, meaning that 32.9% of the variations in EARP is by predictors while the remaining 67.1% are by factors not captured in the study.

Table 8: ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.247	3	.082	1.143	.396a
	Residual	.504	7	.072		
	Total	.751	10			

a. Predictors: (Constant), EXCT, INFR, UNEP

b. Dependent Variable: EARP

Source: Field survey (2019)

Table 8 displays the overall result with respect to the hypothesis. The F-value or ratio of 1.143 is less than the critical value of 3.55 at 5% level of significance {numerator of 2 (i.e. $c-1 = 3-$

$1=2$); and denominator of 18 (i.e. $c(r-1)=3(7-1)=18$)}. Consequently, the F-value is within the accept region, meaning the null hypothesis (HO3) is accepted.

Table 9: Coefficients

Model	Unstandardize Coefficient		Unstandardize Coefficient	T	Sig.
	B	Std. Error	Beta		
1. (Constant)	-.913	.832		-1.097	.309
UNEP	-.292	.261	-3.390	-1.118	.300
INFR	-.053	.113	-.725	-.468	.654
EXCT	-.023	.019	4.837	1.197	.270

b. Dependent Variable: EARP

Source: Field survey (2019)

Table 9 discloses the coefficient values of unemployment, inflation and exchange rates as -3.69; -0.725 and 4.837 respectively; meaning for every one percent variation (increase) in the unemployment, there will be about 369% inverse variation (decrease) in the dependent variable, EARP. Furthermore, a percentage change in inflation rate will result in 72.5%

inverse impact and about 484% direct change on the selected hotels' EARP.

Findings

The findings revealed that, direct relationship between the selected hotels' net profit after tax (NPAT) and the country's exchange rate, but indirect relationships with the unemployment and inflation rates. Furthermore, it disclosed an

insignificant relationship between the net profit after tax and all the adopted proxies of the country's economic recession. That computed coefficient value is in line with the computed ANOVA value that led to the study accepting the null hypothesis one (HO1) that economic recession does not have significant impact on the net profit after tax (PAT) of the selected hotels in Nigeria's Federal Capital Territory (FCT).

Hypothesis two (HO2) showed that, direct relationship between the selected hotels' return on asset (ROA) and the country's exchange rate, but indirect relationships with the unemployment and inflation rates. Additionally, it revealed an insignificant relationship between the return on asset (ROA) and all the adopted proxies of the country's economic recession. That computed coefficient value is in agreement with the computed ANOVA value that led to the study accepting the null hypothesis two (HO2) that economic recession does not have significant impact on the return on assets (ROA) of the selected hotels in Nigeria's Federal Capital Territory (FCT).

Similarly, the study discovered direct relationship between the selected hotels' shareholders' return and the country's exchange rate, but indirect relationships with the unemployment and inflation rates. In addition, it disclosed a significant relationship between the shareholders' return and all the adopted proxies of the country's economic recession. Conclusively, the computed ANOVA value led to the study accepting the null hypothesis three (HO3) that economic recession does not have significant impact on the shareholders' returns (EARP) of the selected hotels in Nigeria's Federal Capital Territory (FCT).

The findings of this study are in agreement with some previous empirical works like those of Karakas et al (2015) that discovered that the economy has insignificant influence on hotel performance; and in disagreement with Chen (2011) and Chukwu et al (2015).

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Conceptualizing the Indirect Relationships between E-CRM, Customer Satisfaction and Customer Loyalty: A Proposed Model

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Numerous complaints emanating from banks' customers led to a refund of billions of Naira, as a recovery effort mandated on the commercial banks by the Central Bank of Nigeria. Banks have been reported to spend huge resources to implement Electronic Customer Relationship Management systems. This study, therefore, conceptualized that E-CRM adoption is an important determinant of customer satisfaction and loyalty. The study aims to investigate the mediating effect of customer satisfaction on the relationship between E-CRM adoption and customer loyalty. A conceptual review approach was adopted in this study. Thirteen propositions were developed from the framework and the study suggests that; deliberate effort should be made by banks to customize their service offerings

Introduction

In formal organizations, emphasis has spun around product development and improvement (Zott, Amit, & Massa, 2011). Based on the above ruse, realizing a viable brink depends upon, a product-oriented policy, (Subba Rao, 2000). Organizations strived to be customer-centric than product-centric, which birthed the concept of Customer Relationship Management (CRM), (Buttle, 2009; Parvatiyar & Sheth, 2001a). Thus, handling relations is utmost in dealing with clienteles than snap-shot grips of goods and services thus businesses invest a lot to retain lucrative customers via an inclusive CRM charter (Hendricks, Singhal, & Stratman, 2007).

Customers' outcry was high in the banking sector in Nigeria, despite the paradigm shift from snapshot to long-time customer rapport management. The CBN records 4,141 complaints of poor service delivery during the 2010 to 2014, from deposit money customers. This stemmed to a refund of up to N14.69 billion and \$1.1million to customers and mandatory monthly returns on customers complain to CBN by every commercial bank (Komolafe, 2014). So also, money deposit banks had invested greatly in the purchase and application of the best CRM expertise (Adiele & Gabriel, 2013). Classy CRM systems such as Sales force, Pipedrive, NetSuite were hosted to help simplify the tasks of retaining customer data, (Wallin-Andreassen & Lindestad, 1998). Practitioners might be wary of endowing in the new systems for the qualm of return on investment, hence the necessity for research to examine the feasibility of applying IT-enabled CRM (e-CRM). The objective of this study is to appraise

the relationship between e-CRM implementation and customer loyalty among Nigerian commercial bank customers. The study seeks to also examine the superseding role of customer satisfaction on the connection.

Significance of the Study

The research result is expected to expand the body of knowledge and trigger interest for more researches on the topic, by refining the literature with an inclusive model that explains the mechanism through which e-CRM performance dimensions determine customer loyalty. It will help practitioners to identify and implement best e-CRM practices and the regulatory bodies such as CBN, Consumer Protection Council (CPC), etc., would find it useful in framing a model that ensures fairness to both service providers (banks) and the service receivers (customers).

Literature review

Introduction

This section discusses the foundation, contributions, debates, and findings of extant literature concerning the central theme of this study. These discussions led to the conceptualization of the current topic. This also led to the critical review of findings of related empirical literature on the independent and mediating variables of the study, with the dependent variable. Thus, this led to theoretical gaps being identified and justified.

Conceptualization

Developments in management sciences led to the evolution of modern management approaches, (Wren & Bedeian, 1994). These developments have led to a change in the way managers use ICT in their organization. Thus, due to modern management techniques' emphasis on internal processes, the use of technology becomes sacrosanct. During previous centuries, the world has witnessed dramatic improvements that steered the advent of ICT on one hand, and the emergence of technology management as a distinctive management approach on the other (Agarwal & Karahanna, 2000; Tapscott & Caston, 1993). This, coupled with the customer-centric nature of modern business organizations, has led to the evolution

of the concept of I.T-enabled customer relationship management, also known as e-CRM.

Technology-enabled CRM

Business process is composed of three major components; People, Process, and Technology (Chen & Popovich, 2003). Olalla (2000), argued that information technology (IT) is among the facilitators of implementing an effective business process. He further outlined some advantages of using IT in business. It can be deduced that systems such as e-CRM, e-payment system, enterprise resource planning (ERP), etc., are financial and management tools respectively.

To further narrow down, this study focuses on e-CRM which is an interactive customer engagement tool that enables solid, real-time decisions.

CRM Typology and Processes

Several scholars propose various taxonomies of CRM systems and applications, based on certain common features of the systems and their practical applications (Ko, Kim, Kim, & Woo, 2008; Ngai, 2005; Sin, Tse, & Yim, 2005). Harrison-Walker and Neeley (2004), developed an e-CRM typology matrix that better explains technology-based CRM practice. As shown in Appendix A, the matrix was developed based on three (3) types of customer relationship bonding; economic, social, and structural bonds on one hand, and pre-purchase, purchase, and post-purchase on the other hand. This typology is in-line with the three basic phases of managing customer relations namely acquisition of new, and profitable customers, enhancement of existing customers, and retention of profitable customers (Reinartz, Krafft, & Hoyer, 2004). Similarly, these typologies can be linked to the independent variables of this study. Therefore, it can be concluded that the research framework of this study has been adequately captured in the contemporary CRM typology.

Motivation for e-CRM adoption

Decision-makers business organizations are motivated by the benefits of e-CRM (Coltman, 2006). These benefits can only be derivable when managers carefully study their contextual

fads and well implement the e-CRM. This has changed the business setting to a technology-driven square. Likewise, (Abubakar & Ahmad, 2014) argue that most customers are technology savvy. Hence, business organizations realize that having a certain competitive edge over their rivals requires a customer-centric approach, (Feinberg & Kadam, 2002; Pan & Lee, 2003).

Dependent Variable

Customer loyalty

Several kinds of research (Jahanshani, Hajizadeh, Mirdhamadi, Nawaser, & Khaksar, 2014; Orel & Kara, 2014; Saleem & Raja, 2014) have revealed that customer loyalty is a function of how well the customer is satisfied by the firm's products. According to Klein (2013), customer loyalty is a micro measure of individual customer performance about a firm's offerings. Furthermore, Ogba and Tan (2009) empirically investigated the outcomes of customer loyalty in a business context. Thus, customer satisfaction is an important determinant of customer loyalty. Therefore, this study hypothesizes customer loyalty as an intervening variable between e-CRM adoption and customer loyalty.

Mediating Variable

Customer satisfaction

Sekaran and Bougie (2011), define a mediating variable as a third variable that intervenes between a predictor variable and an outcome variable. To introduce a mediating variable in a given causal relationship; there should be a prior empirical evidence of causal relationship; between a predictor variable and outcome variable, between mediating and variable and outcome variable and between the predictor variable and mediating variable (Baron & Kenny, 1986; MacKinnon, Cox, & Baraldi, 2012). Having satisfied these conditions, this study introduces customer satisfaction as a mediating variable between e-CRM adoption and customer loyalty.

Independent Variables

I. T-enabled CRM adoption

Focusing on Key Customers

The main objective of CRM is to retain a profitable customer, therefore segmenting the customers based on their brand commitment is paramount (Vandermerwe, 2004). Sheth (2002) opined that successful segmentation should be followed by an effective reward system and customer-centric structure. To achieve a customer-centric structure, Armstrong and Kotler (2005) maintain that the firm should have a deliberate marketing strategy that stimulates frontline staff to persuade a lasting customer relationship.

Organizing Around CRM

Customer-centric strategy requires a flexibly coordinated organizational structure that will pave for a better relationship (Homburg, Workman Jr, & Jensen, 2000). Besides, it should facilitate a functional unit, with a strong vow that adds positive values to customer experience (Sheth, 2002). Similarly, organization around CRM enables better use of resources to achieve customer satisfaction and loyalty (Ahmed & Rafiq, 2003).

Managing Knowledge

An organized customer-centric strategy should manage knowledge (du Plessis & Boon, 2004; Freeland, 2003; Peppard, 2000). Knowledge management implies to enabling of better data usage that results in customer awareness Data usage in CRM begins with a data-rich customer interface, user-friendly access to data, and availability of useful, up-to-date, and reliable data of firm's offerings (Armstrong & Kotler, 2005). It can be concluded that a knowledge management approach to CRM boosts customer optimistic experience and loyalty.

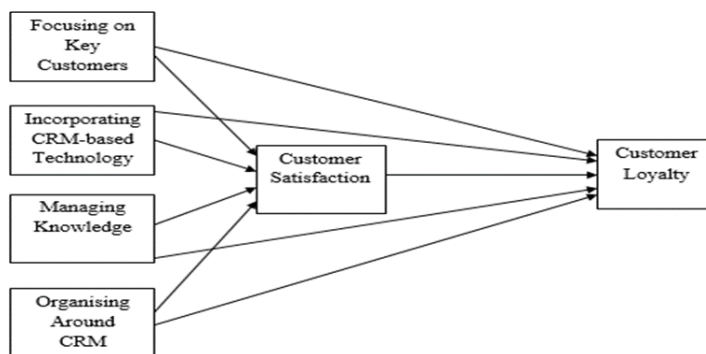
Incorporating CRM-Based Technology

Many factors help enhance customer satisfaction and loyalty which is achievable when incorporated with CRM-based tools (Hong-kit Yim, Anderson, & Swaminathan, 2004). The ability of most CRM applications to utilize personalized data is a function of deploying the latest hi-tech innovation (Peppard, 2000; Vrechopoulos, 2004). This is possible due to the development of ICT and the readiness of firms to adopt the latest technology (Hong-kit Yim et

al., 2004). Hence incorporating CRM-based tools expedites the execution of all factors that predicts customer satisfaction and loyalty.

Proposed research model

Based on the literature review and the contextual alignment of the variables herein, the following research framework is proposed. As shown in Figure 2, the research framework depicted the Figure 1: The Proposed Research Framework



Research Propositions

Following the review of literature, the study identifies four independent variables as determinants of customer satisfaction as studied in (Shanka, 2012). Similarly, customer loyalty was found to be determined by customer satisfaction (Komunda & Osarenkhoe, 2012; Larivière et al., 2016; Nyadzayo & Khajehzadeh, 2016). Thus, a conceptual framework is developed, and propositions formulated. Out of the thirteen hypotheses formulated in this study, four each are direct hypotheses related to the e-CRM performance dimension and customer satisfaction and loyalty respectively. Another four hypotheses are mediating roles of customer satisfaction on e-CRM performance dimension-customer satisfaction relationship. The last hypothesis is on customer satisfaction and customer loyalty relationship. All the nine direct hypotheses are directional positive, based on past literature.

P1: There is a significant positive relationship between Focusing on Key Customers and Customer Satisfaction

P2: There is a significant positive relationship between Incorporating CRM-based Technology

direct relationship between four (4) technology-based variables, customer satisfaction loyalty. More so, the model depicts a direct relationship between customer satisfaction and loyalty. Further, the research hypothesizes the mediating role of customer satisfaction on the relationship between technology-enabled CRM and customer loyalty.

and Customer Satisfaction

P3: There is a significant positive relationship between Managing Knowledge and Customer Satisfaction

P4: There is a significant positive relationship between Organizing around CRM and Customer Satisfaction

P5: There is a significant positive relationship between Customer Satisfaction and Customer Loyalty

P6: There is a significant positive relationship between Focusing on Key Customers and customer Loyalty

P7: There is a significant positive relationship between Incorporating CRM-based Technology and customer Loyalty

P8: There is a significant positive relationship between Managing Knowledge and customer Loyalty

P9: There is a significant positive relationship between Organizing around CRM and Customer Loyalty

P10: Customer Satisfaction mediate the relationship between Focusing on Key

Customers and Customer Loyalty

P11: Customer Satisfaction mediate the relationship between Incorporating CRM-based Technology and Customer Loyalty

P12: Customer Satisfaction mediate the relationship between Managing Knowledge and Customer Loyalty

P13: Customer Satisfaction mediates the relationship between Organizing around CRM and Customer Loyalty.

Underpinning theories

The proposed research framework conceptualizes that customer satisfaction is a function of four exogenous variables namely; focusing on key customers, incorporating CRM-based technology, managing knowledge, organizing around CRM. On the other hand, customer loyalty the outcome of customer satisfaction. These postulations are based on empirical evidences (Hallowell, 1996; Orel & Kara, 2014; Stefanou, Sarmaniotis, & Stafyla, 2003), however, it is pertinent to underpin the proposed research model with facts (theory). Therefore, the relationships in the research framework of this study are explained by two theories; The Kano Model (Kano, 2018) and The American Customer Satisfaction Index (ACSI) (Fornell, Johnson, Anderson, Cha, & Bryant, 1996).

The Kano model is a theory that was developed by a renowned Japanese professor and his colleagues at Tokyo Rika University. The theory categorizes features of customer satisfaction into basic, performance, and delight attributes and their resultant influence on customer satisfaction. Therefore, the Kano model perfectly explains the relationships between the exogenous variables and customer satisfaction.

Furthermore, the relationship between customer satisfaction and customer loyalty can be explained by ACSI. Based on an extensive customer satisfaction survey and the use of the multi-equation econometric model, ACSI was developed at Ross School of Business, the University of Michigan in 1994. The ACSI postulates among other things that customer

loyalty is one of the major outcomes of customer satisfaction. Therefore, the Kano model and ACSI explains the relationship between the endogenous and exogenous in the research framework of the current study.

Limitations of the study

As it is the practice in scientific research, particularly behavioral science research, there might be some theoretical and/or methodological issues that might enhance the reliability and validity of the research findings, but have not been fully taken care of, often because of some factors beyond the control of the current research. Therefore, more robust empirical studies should be conducted to validate the findings.

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Effect of Financial and Social Inclusion on Performance of Women Micro and Small Enterprises in Gombe Metropolis

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*This study investigated the effect of financial and social inclusion on the Performance of Women micro and small enterprises in Gombe metropolis, Gombe state, Nigeria. The populations of the study consist of 528 business women who are registered with the ministry of commerce, trade and industry Gombe state. The sample of this research is calculated by using Taro Yamane (Yamane, 1973) formula with 95% confidence level. And samples of 228 registered women are used. Data were analyzed with the aid of Multiple Regression (Ordinary Least Square Estimation) and Pearson Product Moment Correlation Coefficient. Results showed that financial inclusion and social inclusion have positive and significant influence on women-owned businesses performance. Additionally, financial and social inclusion jointly contributes about 42.9% to the performance of women-owned businesses. Results also indicated that social inclusion ($r = 0.543^{**}$) is positively and significantly related with the financial inclusion. The study therefore, recommended that government should have a policy in place through its financial regulator to encourage financial institutions to diversify their branch networks in the state and government should also have policies and regulatory frameworks in place that will close the gender gap in financial and social inclusion.*

Introduction

Financial inclusion has been recognized as one of the factors that influence micro, small and medium enterprises growth and development. Financial inclusion is about the delivery of banking services at an affordable cost to the large sections of disadvantaged and low-income groups. Centre for Financial Inclusion (2013) described financial inclusion as a state in which all people who can use financial services have access to a complement of quality financial services, provided at affordable prices, in a convenient manner and with dignity for the clients. Social inclusion according to Daniel (2001), social inclusion focusing on creating conditions for equal opportunities and equal access for all, is considered to be useful when describing the actual process involved in promoting social integration.

Gombe state is one of the 36 states of the federal republic of Nigeria, located in the center of the north east of the country on latitude 9°30' 12°30'N, longitude 8°5' and 11°45'E (Gombe State Official Website (2012). The state borders the following North Eastern states: Borno to the East, Yobe to the North, Adamawa and Taraba to the South and Bauchi to the West. The geographical location and the friendly economy of the state make it a commercial area where entrepreneurs even from neighboring

states have their SMEs established. These SMEs have been the source of employment and income generation to many individuals. However, financing new businesses and/or expanding the activities of existing ones become a great challenge to so many entrepreneurs in Nigeria as it is very critical in the promotion of entrepreneurship development (Bharti and Shylendra, 2011).

Despite the significant contributions of women entrepreneurs to the economic development, women have been financially and socially marginalized. In line with this observation, Demirguc-Kunt, Klapper and Singer (2013) noted that women's lower level of financial literacy/capability; time and mobility constraints; poor access to information and networks; cultural and gender norms have been major constraints to women micro and small businesses growth and development in the state.

Financial and social inclusions have received a lot of research attention in developed and developing nations and they have measured and conceptualized in many different ways. This study therefore intends to fill gap in knowledge by examining the effect of financial and social inclusion on women into micro and small enterprises performance in Gombemetropolis,

Research Objectives

The general objective is to examine the effect of financial and social inclusion on women micro and small enterprises (MSEs) in Gombe metropolis, Gombe State, Nigeria while the specific objectives are:

1. To examine the effect of financial inclusion on women MSEs Performance in Gombe metropolis,
2. To examine the effect of social inclusion on women MSEs Performance in Gombe metropolis,

Literature Review

Conceptual Review

MSMEs

According to SMEDAN (2009).Micro enterprise is defined as an entity employing less than ten

persons with less than five million Naira values of assets. Further, while a small enterprise has 10 to 49 employees and between five and fifty million Naira assets.

According to Okeyo, Gathungu and K'Obonyo (2014) the introduction of the micro-finance services follows the recognition of the role of small business development as a way of boosting employment and income for the majority poor and low income earners by governments, development agencies and researchers over the years. Yet MSMEs tend to face significant constraints in accessing credit and other financial services, owing to several non-financial factors such as lack of education, inadequate technical skills, geographical distance from financial centers, unaffordability and poor access to financial markets, lack of information and collateral, poor or nonexistent credit history, unreliable infrastructure and other non-price barriers (McVay & Miehlebradt, 2002).

Financial Inclusion

Financial inclusion is well known and well documented. Nevertheless, much of the information on approaches to financial inclusion still lacks sex-disaggregated data, and thus maintains the prevailing gender gap in the access that women and men have to financial products and services globally (Stephen, 2011; Nwanko & Nwanko, 2014). Financial inclusion or inclusive finance is whereby effort is made to ensure that all households and businesses, regardless of levels of income are able to effectively access and use appropriate financial services they need to improve their lives (financial action task force (FATF), 2011; Stephen, 2011; Nwanko & Nwanko, 2014).

Social Inclusion

Social inclusion gained prominence in public discourse after inclusion was incorporated as one of the four pillars in Poverty Reduction Strategy Paper (PRSP). The concept of social inclusion is similar to that of social integration. However, social inclusion, focusing on creating conditions for equal opportunities and equal access for all, is considered to be useful when

describing the actual process involved in promoting social integration (Laxmi, 2012; Manandhar, 2008; Daniel, 2001; Seel, 2007; Leduc, 2005).

According to Rao and Walton (2004), the overall goal of social inclusion policy is to build a just society devoid of discrimination, harness the full potential of all social groups regardless of sex or circumstance, promote the enjoyment of fundamental human rights and protect the health, social, economic and political well-being of all citizens, in order to achieve equitable rapid economic growth (Seel, 2007; Silver, 2007; Leduc, 2005).

Performance of Women Entrepreneurs

Performance has been defined as the resultant of effort in the form of activities of the business enterprises which includes its strategy and operational activities, management of all segments of business enterprises such as the human resource, finance, production, and marketing. Leitner (2000). All business of its size or status, focal target is to enhance its performance by impressing its shareholders and retaining its image before its customers. Performance is a focal, complex and is a multidimensional phenomenon in managing business and it is used to refer to the entrepreneurial performance in the market, which may have different outcomes.

Conceptual framework: The study was guided by a conceptual framework in a diagrammatic representation containing all variables

Independent Variables **Dependent Variable**

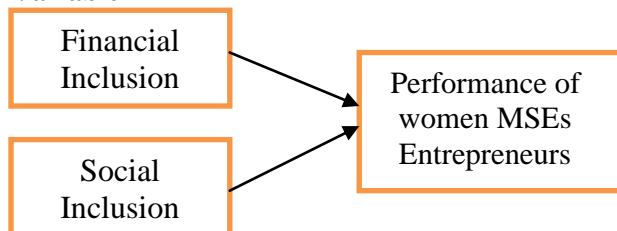


Figure 1: Conceptual framework.

Theoretical Review

Financial Growth Perspective Theories on the financial growth argue that financial

development creates a productive environment for growth through supply leading (financial development spurs growth) or demand-following effect (growth generates demand for financial products) (World Bank, 2008). These theories also perceive the lack of access to finance as a critical factor responsible for persistent income inequality as well as slower growth. Access to safe, easy and affordable source of finance therefore is recognized as a pre-condition for accelerating growth and reducing income disparities and poverty which creates equal opportunities, enables economically and socially excluded people to integrate better into the economy, and actively contribute to development, and protect themselves against economic shocks (Serrao, 2012).

Majority of the theories have established a positive link between financial development through inclusion and economic growth. Financial Inclusion ensures sustainable access to, and use of appropriate financial services. This financial inclusion framework considers demand-side (consumers) and supply-side (financial sector providers) factors that ultimately affect the inclusions/exclusion of individuals hence relevant to this study.

Empirical Review

Nwankwo and Onwuka (2016) identified full financial inclusion as a prerequisite for inclusive economic development in Nigeria. Using the descriptive survey methodology, they employed questionnaires to generate data on financial inclusion from stakeholders such as Banks, Insurance, Regulators, and Telecom firms providing every household with access to a suite of modern financial services, including savings, credit, insurance, and payments. They concluded that all initiatives that make formal financial services available, accessible and affordable to all segments of the population should be encouraged to achieve inclusive economic development.

Hariharan and Marktanner (2012) concluded that financial inclusion is a huge prerequisite for economic growth and development based on its

ability to enhance capital creation, finance sector savings and intermediation and by implication investment.

Nwanko and Nwanko (2014) also examined the sustainability of financial inclusion to rural dwellers in Nigeria using descriptive study and content analysis. The study observed that the sustainability of financial inclusion to rural dwellers in Nigeria remains the mainstream for economic growth in any country.

Methodology

The study used descriptive research design. The target population was 528 women registered with ministry of commerce, trade and industry Gombe state out of which a sample of 228 The sample of this research will be calculated by using Taro Yamane (Yamane, 1973) formula with 95% confidence level. This study used primary data collected using questionnaires. The quantitative data that were obtained from the questionnaires were coded and keyed into statistical package of social science (SPSS) analysis software for analysis.

Results and Discussion

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.655a	.429	.558	1842751.22	1.822

c. Predictors: (Constant), FINCLUSN, SOCCLUSN

d. Dependent Variable: WPERF

The result in Table 1 shows that financial and social inclusions have positive and significant effect on women MSEs performance. Additionally, financial inclusion and social inclusion jointly contribute about 42.9% to the performance of women MSEs Performance. The estimated Durbin - Watson value of 1.822 clears any doubts as to the existence of positive first order serial correlation in the estimated model.

Implication of this finding is that if women are financially and socially inclusive (access to business loan, access to mobile banking, access to education, rights to property, access to leadership role and gender equality) in Gombe metropolis, the levels of women entrepreneurship will be high.

Table 2: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	115.946	2	43.486	139.520	.000b
Residual	86.972	372	.312		
Total	202.917	374			

c. Predictors: (Constant), FINCLUSN, SOCCLUSN

d. Dependent Variable: WPERF

Table 3: Coefficient

Model	Unstandardize Coefficient		Unstandardize Coefficient	T	Sig.
	B	Std. Error	Beta		
2 (Constant)	1.138	.195		5.824	.000
FINCLUSN	.583	.049	.561	12.010	.000
SOCCLUSN	.149	.046	.151	3.226	.001

Dependent Variable: WPERF

Table 4: Correlations

Variables	FINCLUSN	SOCCLUSN
FINCLUSN	1	
pearson correlation	.375	.543**
sig.(2-tailed)		.000
N		375
SOCCLUSN		1
pearson correlation	.543**	
sig.(2-tailed)	.000	
N	375	.375

Effect of Financial and Social Inclusion Women MSEs Performance

Result in Table 2 indicates that financial and social inclusion ($r = 0.543^{**}$) significantly have positive effect on women MSEs Entrepreneurs performance in Gombe metropolis. The result was positive which implies that the More women have access to financial services and socially relevant, the more they likely to perform better in their MSEs in Gombe metropolis.

Conclusion

This study examined the effect of financial and social inclusion on the performance of women-owned businesses in Gombe metropolis, Gombe State, Nigeria. Findings from the empirical results indicate that financial and social inclusion were joint predictors of women MSEs Performance. Study also confirmed that women social inclusion and financial inclusion has positive and significant effect on women MSEs Entrepreneurs performance in Gombe metropolis. This study gives a signal to the government to have policies in place that will encourage women to have access to education, rights to property, access to leadership role, access to business loans, access to mobile banking and gender equality in Gombe state.

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A Discourse on the Influence of Marketing Components on Tea Consumption in Kaltungo West

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The main objective of the study is to examine the influence of marketing components on tea consumption in Kaltungo West using selected individual households. The study adopted a survey research method to collect the data required for the study through the administration of questionnaire as instrument for data collection. The population of the study was the individual households in Kaltungo West consisting of 1,310 individual households and 297 individual households were used as sample size for the study. Simple random sampling method was adopted to select the households and convenience sampling technique was used to select the individual respondents. Chi-square was used as a technique to test the hypotheses and association to measure the strength of relationship between the variables with the aid of SPSS version 23. The findings show that, there is a strong and positive significant relationship between product taste, product quality, and product brand. The study concluded that, consumers of tea in Kaltungo West have a higher level of tea consumption as a result of it product quality, product brand, and product taste. Based on this therefore, the study recommended that there should be improvement on quality, brand and taste of the product in order to improve good relationships with consumers.

Introduction

Tea is globally one of the most popular and lowest cost beverages, next to water and tea is consumed by a wide range of age groups in all levels of society (Hicks, 2009). Tea is the second most consumed beverage in the world, ahead of coffee, beer, wine and carbonated soft drinks (Costa, Gouveia & Nobrega, 2002) and it is considered to be a part of the huge beverage market in the world. The black and green teas are the two popular types of teas that have gained recognition in contemporary times. As one of the most popular beverages after water, tea has a high consumption rate in the world (Bolton, 2018). The U.N. Food and Agriculture Organization (FAO) stated that in 2017, approximately six billion cups of tea are consumed per day in the world (Zheng, 2019). Huge populations of Asia, UK, EU, Middle East, Africa and countries of the CIS consume tea regularly and throughout the day (Hicks, 2001). Nowadays, tea as a beverage has become more globally a choice of drinks for many countries (Stone, 2014). The increase in consumption has been driven by population growth, urbanization and rising incomes, particularly in emerging and developing economies (FAO, 2018).

Tea has a recognized therapeutic value and it originated from China and has routine, as an everyday drink with a therapeutic aid in many illnesses (Costa, *et al.*, 2002). It is important in the prevention and treatment of many diseases due to its antibacterial and antioxidant property (Fernandez-Caceres, Martin & Gonzalez, 2001). Modest consumption of tea has multiple benefits such as regulating blood circulation in veins, eliminating physical and mental fatigue, stimulating nerves, helping with digestion, preventing calcinosis in veins as well as being a diuretic (Çalmaşur, 2018). Others are tea hydrates the body, prevents tooth decay, boosting memory, improve heart health, support weight loss, kills bacteria, reduce risks of infections, lowers the risk of cancer, improve brain function, lowers type II diabetes, improves physical well-being and lowers risks of obesity (buzznigeria.com, realbuzz.com).

The production and consumption of tea worldwide has increased over the past decade, and this increase is expected to continue according to Chang and Yabuki (2003) as a result of growing number of consumers globally as well as in many national markets. Tea is produced in more than 35 countries of the world and the main tea producing countries globally are: in Africa: Burundi, Kenya, Malawi, Rwanda, Tanzania, Uganda, Zimbabwe and others (Hicks, 2009). In South America: Argentina, Brazil and others. In Near East: Iran and Turkey. In Asia: Bangladesh, China, India, Indonesia, Sri Lanka, Viet Nam and others (Hicks, 2009). Africa, South America, the Near East and especially the Asian region produces a varied range of teas. For 2016, FAO pegged global tea production at 5.73 million tonnes. Production continues to be dominated by a handful of countries comprising of China (43 percent), India (22 percent), Kenya (8 percent), Sri-Lanka (5 percent) and Turkey (5 percent) (FAO, 2018). Developing and emerging economies have been driving the expansion of the demand for tea, with East Asia, Africa, Latin America and Caribbean, and the Near East leading the expansion. Global consumption of tea stood at 5.53 million tonnes in 2016, rising from 5.08 and 5.29 million tonnes in 2014 and

2015, respectively (FAO, 2018). China, the largest consumer, reached an average growth rate for the decade of 10.1 percent, followed by Israel (8.5 percent), Kenya (7.1 percent), Pakistan (6.1 percent), Bangladesh (5.6 percent), Libya (5.1 percent), Malaysia (4.9 percent), Germany (4.8 percent), Turkey (3.9 percent), Indonesia and Nepal (3.7 percent), India and Brazil (3.5 percent) and Saudi Arabia (3.0 percent) (FAO, 2018).

In Nigeria, the consumption of tea as a beverage is common among different categories of people and households in Towns and Urban cities where large consumption is taking place. Consumption of tea in Nigeria is not restricted to households, it is purchased and taken at motor parks, bus stop and is hawked by different classes of people who earn their living through this means (Sowunmi, Aroyeun, Okoruwa, & Biobaku, 2009). Tea is a national beverage for the Nigerian people and they take tea over other beverages for breakfast, after meals, evening gatherings or social events (Sowunmi, *et al.*, 2009). According to Sowunmi, *et al.* (2009), tea consumption is high among the age bracket of 65 years and above and majority of tea consumer's preferred Lipton yellow label tea. The other brands of tea consumed in the country are Highland tea, Top tea, Organo – Green Tea, Biogenic Tea, Ahmad Tea, Longrich Xinchang Green Tea, Legend Tea and Herbs, Bigelow Green Tea with Lemon, Evergreen Tea, Twinings, Moringa Tea, Teavana, Lyod Tea, Glen Black Tea, (businessamlive.com) etc. Sowunmi *et al.*, (2009) also assert that, consumers of tea in Nigeria preferred either eateries or “maitea”, also popularly called “mai shayi”.

The patterns and lifestyles of those who live in the city emphasize speed and mobility, along with a variety of activities (Nugroho, 2018). Those in the towns and cities leave for work in the morning, arrive at the office, perform various activities, experience traffic congestion on the way home and then interact with their family members before sleeping finally. These busy activities require ready-to-eat food and drinks like tea. This is the reason

why the demand for tea has been growing steadily because they can accommodate the needs of the town and urban communities for practical products and suit the public's tastes. The consumption of tea continues to experience relevance to the characteristics of individuals and households who live in towns and urban areas. This study focused on the variables of product brand, product quality and product taste as marketing components influencing tea consumption in Kaltungo West district. The objective of the study is to examine the influence of marketing components on tea consumption in Kaltungo West.

Statement of the Problem

There is no doubt that responding to customers' needs and wants, maintaining customers' relationship, purchasing patterns and behaviors, are some of the most important factors that organizations consider and used them to maintain a competitive advantage (Al-Hersh, Aburoub, & Saaty, 2014). This has no difference with tea companies. Some studies conducted all over the world on consumption of tea have contributed in making consumers to be aware of factors causing tea consumption and its health benefits and among such studies are that of Nugroho, (2018) who conducted a study on the role of price in deciding to purchase ready-to-drink tea in Indonesia and the findings support that all factors, i.e. brand image, price and product quality, significantly influence the decision to purchase the Pucuk Harum. The most important factor is the price, and the factor that had the least influence is image. Thus, product quality and price significantly influence the decision to purchase. A study conducted by Çalmaşur, (2018) on factors Affecting the demand for Tea: A Study on the city of Erzurum, in Turkey shows that there was a significant relationship between the level of education, mother's occupation, the frequency of consumption, location where tea is consumed the most, the quality of the tea brand, preferred tea type, tea prices, tea campaigns, familiarity with the brand, reliability of the tea brand, the price of the tea brand and the reasons for tea preferences, and tea being the most consumed

beverage. Also a Survey conducted by Shehata, Cox, Fujii, & Dickson, (2004) on factors affecting development of a tea Industry in Hawaii, shows that, respondents ranked quality and health benefits as more important in their tea-purchasing decision than price. Respondents indicated that taste, health reasons, and religious reasons were the major motivational factor in their tea consumption.

The habit of taking tea as a breakfast or in between meals among the citizens of a nation from their houses and away from home changes due to several marketing factors and the differences in factors show that, it is not yet clear the extent to which these factors influence tea consumption that causes a change in the patronage of tea for consumption that lead to good health and satisfaction. Nevertheless, the study on the influence of marketing components on tea consumption in Kaltungo West district is scarce and also because of personal interest to test the quality, brand and taste of the product as obtained in other places among other factors. Therefore, the product quality, product brand, and product taste variables will be tested within this study.

Objectives of the Study

The main objective of the study is to examine the influence of marketing components on tea consumption in Kaltungo West and the specific objectives of the study are:-

1. To examine the relationship between product brand and tea consumption.
2. To examine the relationship between product quality and tea consumption.
3. To examine the relationship between product taste and tea consumption.

Hypotheses of the Study

The hypotheses of the study are:

H01 There is no significant relationship between product brand and tea consumption.

H02 There is no significant relationship between product quality and tea consumption.

H03 There is no significant relationship between product taste and tea consumption.

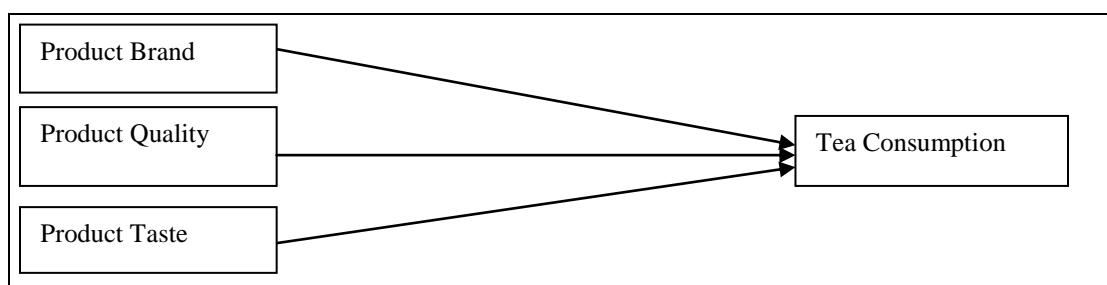
Literature Review

The literature review focused on conceptual framework of the study, as presented below showing the variables involved that determined the relationships.

Conceptual Framework

The overall assumption in this study is that, the degree of tea consumption will be influence by certain factors that leads to good health and

satisfaction. A satisfied consumer with a degree of trust will enter into purchased of the product for long term relationship with suppliers and sellers. A long term buyer-seller business transaction is very important to create long-term consumer patronage hence, better sales performance and profitability to the seller. Therefore, tea consumption in this study is the latent variable and the observed variables of the marketing components to measure the latent variables are product brand, product quality and product taste. The model below shows the correlation between the variables involved:



Empirical Evidences

There are many empirical studies on the variables of marketing components that influence tea consumption in various individual households and among them includes the following:

Kılıç, Gündüz, Aydın, Eryılmaz, & Emir, (2012) conducted a study focusing on the black tea consumption behaviors of individuals residing in the city of Samsun. 150 individuals were surveyed in the study and a chi-square test was completed to analyze the relationship between the amount of tea consumption of families and socio-economical characteristics. The results showed a positive, significant relationship between the amount of tea consumption and the number of family members. Results also showed 75.33% of the participants prefer the same brand of tea and the most affective factor in brand preference is quality.

Sayılı & Gözener (2013) examined tea consumption and habits of consumers residing in the town of in the city of Trabzon. 220 families were surveyed in the study. The results showed

that all of the families consume tea, the monthly tea consumption amount is 2.33 kg/family, that tea is consumed as brewed. The main factors affecting tea consumption were enjoyment and habit while the most important factor in purchasing tea is quality.

Oke, Kamolshotiros, Popoola, Ajagbe, & Olujobi, (2016) conducted a studied on Consumer behavior towards decision making and loyalty to particular brands. Their study however, focused essentially on only four factors (perception values, perceived quality, decision making and consumer loyalty behaviors) that influence consumer decision making in the context of Oishi beverage green tea consumption in Thailand. The findings of this study shows that the most influencing factors that has a noteworthy effect on consumer buying decision are perception values and perceived quality, which consequently leads to consumer loyalty behaviors.

Akşit Aşık (2017) identified the most important factors affecting coffee consumption habits and the consumers' coffee preferences. In his study, he used a survey instrument. A convenient

sampling was used in recruiting participants. 500 participants were administered surveys in person. He concluded that the most important factor affecting consumers' coffee preference is the taste and presentation of coffee which is followed by reasonable price, quality of service, large variety of coffee, and hygiene.

Methods

The study adopted a survey research method to collect the data required for the study through the administration of questionnaire as instrument for data collection. The type of data obtained for the study was the primary type. A multistage sampling technique was used to select the respondents. This method of sample procedure is in stages and the extent of stratification depends on the purpose of the study and the homogeneity of the population (Agboola, Olatubara, Yusuf & Alabi, 2003). First stage: at this stage, Gombe South was purposively selected for the study

Result and Analysis

The reliability statistics of the five Likert type scale questions was tested with the reliability of 28 items with four (4) components each with seven (7) items that are critical to measure the influence of marketing components on tea consumption in Kaltungo west using Cronbach's alpha. The overall reliability test for the items is .971 (97.1%). This implies that the items were

from the three zones of Gombe state in Nigeria. Second stage: At this stage purposive selection of Kaltungo West district in Kaltungo local government area from the four local government areas of the zone was used. Third stage: at this stage, the population of the study was 1,310 individual households (PHC, 2019) and 297 (Krejcie and Morgan Table, 1970) individual households were derived for the survey as the sample size for the study. The individual households that were involved in the study were selected using simple random sampling technique and the individual respondents were also selected using convenience sampling technique that consumed these individual households to fill in the questionnaires. The data collected for this study were analyzed using the Chi-Square and association to test the hypotheses and determined the strength of relationship. Reliability of the instrument used was also tested.

valid and reliable. For a field work, DeVellis (2003) asserted that, the Cronbach's alpha coefficient of a scale should be above .7 as an acceptable value.

Test of Hypotheses

i).H01 There is no significant relationship between product brand and tea consumption

Table 1 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	317.552 ^a	12	.000
Likelihood Ratio	75.885	12	.000
Linear-by-Linear Association	69.859	1	.000
N of Valid Cases	246		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .00.

Source: SPSS Output, 2020.

Reject null hypothesis if the P value is > 0.05 and accept null hypothesis if the P value is < 0.05.

Accept alternative hypothesis if the P Value is > 0.05 and reject alternative hypothesis if the P Value is < 0.05

Conclusion: table 1 above shows the Chi-Square test carried out on the data which was significant

at the 0.05 level (2-tailed $p < 0.005$) of significance. Chi-Square test ($X^2 = 317.552$, $df = 12$) so we reject H01 and accept H1 which implies that, product brand has significant relationship with tea consumption.

The level of association was determined by Cramer's V as shown in the table 2 below:

Table 2. Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	1.136	.000
	Cramer's V	.656	.000
N of Valid Cases		246	

Source: SPSS Output, 2020.

Table 2 present the strength of association involved in the relationship and in this table, Cramer's V is 0.656 which indicates a significant relationship. This shows that, there is a strong association between these two variables,

that is, between product brand and tea consumption.

ii).H02There is no significant relationship between product quality and tea consumption

Table 3. Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	326.083 ^a	12	.000
Likelihood Ratio	87.934	12	.000
Linear-by-Linear Association	68.013	1	.000
N of Valid Cases		246	

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .00.

Source: SPSS Output, 2020.

Reject null hypothesis if the P value is > 0.05 and accept null hypothesis if the P value is < 0.05.

Accept alternative hypothesis if the P Value is > 0.05 and reject alternative hypothesis if the P Value is < 0.05

Conclusion: table 3 above shows the Chi-Square test carried out on the data which was significant

at the 0.05 level (2-tailed $p < 0.005$) of significance. Chi-Square test ($X^2 = 326.083$, $df = 12$) so we reject H02 and accept H2 which implies that, product quality has significant relationship with tea consumption.

The level of association was determined by Cramer's V as shown in the table 4 below:-

Table 4. Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	1.151	.000
	Cramer's V	.665	.000
N of Valid Cases		246	

Source: SPSS Output, 2020.

Table 4 present the strength of association involved in the relationship and in this table, Cramer's V is 0.665which indicates a significant relationship. This shows that, there is a strong

association between these two variables, that is, between product quality and tea consumption.

iii). H03 There is no significant relationship between product taste and tea consumption.

Table 5 Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	205.719 ^a	12	.000
Likelihood Ratio	73.317	12	.000
Linear-by-Linear Association	70.450	1	.000
N of Valid Cases	246		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .01.
Source: SPSS Output, 2020.

Reject null hypothesis if the P value is > 0.05
and accept null hypothesis if the P value is < 0.05.

Conclusion: table 5 above shows the Chi-Square test carried out on the data which was significant at the 0.05 level (2-tailed $p < 0.005$) of significance. Chi-Square test ($X^2 = 205.719$, $df = 12$) so we reject H_0 and accept H_3 which

Accept alternative hypothesis if the P Value is > 0.05 and reject alternative hypothesis if the P Value is < 0.05

implies that, product taste has significant relationship with tea consumption.

The level of association was determined by Cramer's V as shown in the table 6 below:-

Table 6 Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.914	.000
	Cramer's V	.528	.000
N of Valid Cases		246	

Source: SPSS Output, 2020.

Table 6 present the strength of association involved in the relationship and in this table, Cramer's V is 0.528 which indicates a significant relationship. This shows that, there is a relatively strong association between these two variables, that is, between product taste and tea consumption. Looking at the Model Summary and checking the value given under the heading R Square, it is realized that how much of the

variance in the dependent variable (tea consumption) can be explained by the model (product brand, product quality and product taste). The R Square of this model was .432 meaning that 43.2 percent of the tea consumption can be explained by these three variables. Table 7 below is a Model Summary which presents results that were obtained the regression analysis.

Table 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657 ^a	.432	.425	.493

a. Predictors: (Constant), Product Taste, Product Quality, Product Brand
Source: SPSS Output, 2020.

The adjusted R-square in the table shows that the dependent variable, (Tea Consumption) is affected by 42.5% by independent variables (product brand, product quality and product taste). It shows that product brand, product

quality and product taste are responsible for tea consumption. The overall model was also significant, tested with the help of ANOVA. The results are given in table 8 below:-

Table 8 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	44.700	3	14.900	61.361	.000 ^b
Residual	58.763	242	.243		
Total	103.463	245			

a. Dependent Variable: Tea Consumption

b. Predictors: (Constant), Product Taste, Product Quality, Product Brand

Source: SPSS Output, 2020.

ANOVA table is showing the level of significance. Through the table it is obvious that all sub factors Product Brand, Product Quality, and Product Taste are related to Tea Consumption and that the relationship between

them is significant as compared to alpha value=0.05. Table 9 below shows the coefficients of the all independent variables included in the model along with their respective P-values.

Table 9 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.701	.285		2.464	.014
Product Brand	.279	.066	.253	4.195	.000
Product Quality	.264	.059	.263	4.480	.000
Product Taste	.289	.056	.295	5.144	.000

a. Dependent Variable: Tea Consumption

Source: SPSS Output, 2020.

From the findings of table 9 above, each and every component is significantly related to Tea Consumption. Under the standardized coefficients it is evident that Product Taste is the major and most important factor causing tea consumption in the individuals households in Kaltungo west with a standardize coefficient of 0.295 and this is supported by the study conducted by Akşit Aşık (2017) as identified in the literature. The second important variable is Product Quality with a standardize coefficient of 0.263 and this supported by study conducted by Oke, *et al.* (2016), Nugroho, (2018), Shehata, *et al.*, (2004) as seen in the literature. The third important variable is Product Brand with a standardize coefficient of 0.253 and it is supported by the study conducted by Çalmaşur, (2018) as mention in the literature. Hence, the three components are mainly responsible in order for individual households to consumed tea

in Kaltungo west. As the table shows positive values and the three sub factors (Product Brand, Product Quality, and Product Taste) are significant at value=0.05, with $P < 0.05$ it is concluded that the H1, H2, and H3 hypotheses are endorsed or accepted.

Conclusion

The study has examined the influence of marketing components on tea consumption in the various individual households in Kaltungo West and also examined the relationship among the factors influencing tea consumption in the area; the result shows positive significant relationships. However, the study focused essentially on three components simply because of the interest on these components that influence tea consumption and the findings of this study shows that the most influencing

component that has a noteworthy effect is product taste which consequently leads to tea consumption, followed by product quality and product brand. The study concluded that consumers of tea in urban cities in Nigeria have a higher level of tea consumption as a result of it product taste, product quality and product brand. The study therefore, recommends that there should be improvement on taste, quality and brand of tea in order improve it consumption and relationships with consumers more patronage. Tea companies should implement an effective marketing strategy to promote its taste, quality and brands and keep it consistently in the minds of customers. Based on this consumers will continue to repeat consuming tea because of the health benefits derived from taking the product. Further study should be conducted to find the influence of other components such as flavors, price, packaging, leveling, convenience to buy etc., those consumers consider when they are making a decision on tea consumption apart from the three factors highlighted in the study.

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Business Competition and Survival Strategies of Firms in the Telecommunication Industry in Nigeria

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Telecommunication firms with strong financial background have long realized this key operational aspect and their strategy is to deploy various competitive strategies based on prevailing demands. The general objective of the paper was to establish the influence of business competitive and survival strategies of telecommunication companies in Nigeria. The paper was guided by game theory, strategic conflict model and industrial organization and economic theory. From the empirical review, the most significant competitive strategy of the telecommunication companies in Nigeria is cost leadership strategies, followed by differentiation strategies, market focus strategies and corporate growth strategies respectively. The paper concluded that there are acceptable levels of competitive and survival marketing strategies rivalry in the mobile telephony companies in Nigeria. The paper recommends that the management of telecommunication companies in Nigeria should continuously evaluate the implementation of cost leadership strategy and should conduct a research on the market focus strategy to respond to the different market niches effectively.

Introduction

Business competition and survival strategy belong to the most popular and common lexical concepts in today's management and business practices. Each new day especially with the wave of globalization showcases their greater relevance need, rationale and essence in corporate life of business firms. Today's businesses are in a continuous state of flux occasioned by the competitive war in the market place. New firms in the same business spring up daily to offer virtually the same product or services thus, reducing the market space for the already existing competitors and increasing the stakes for their survival. Consequently, only the tough gets going. To meet up and fit into such a competitive arena, organizations constantly develop and improve their strategies in order to capture a greater share of the market or to create a competitive advantage for themselves.

Increased competition threatens the attractiveness of an industry and reducing the profitability of the players. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment (Rainbird, 2004). Firms therefore focus on gaining competitive advantage to enable them respond to, and compete effectively in the market. Thompson and Strickland (2002) argue that a company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces. Sustainable competitive advantage is

born out of core competencies that yield long-term benefit to the company. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will, perceive as superior value. According to Porter (2003) business competitive strategy is about being different in doing things. This means deliberately performing activities differently and in better ways than competitors. Porter (2003) outlined the three approaches to competitive strategy these being Striving to be the overall low cost producer, that is, low cost leadership strategy, secondly Seeking to differentiate one's product offering from that of its rivals, that is, differentiation strategy and lastly Focus on a narrow portion of the market, that is, focus or niche strategy. Owiye (2009) argued that competitive strategies will be vital to a firm while developing its fundamental approach to survival (low price, differentiation, niche), the size or market position it plans to achieve, and its focus and method for growth (sales or profit margins, internally or by acquisition). Response of a competition is based on the ability of a firm to protect themselves from business attacks or offences from other firms in the same industry. A strategy should thus be a pattern or plan that integrates organisations major goals, policies and actions into a cohesive whole. A well-formulated strategy allocates firms resources into a unique and viable posture. Competitive environment is now accepted as a strategic discipline or general management function and in this respect must care for the health of a business in the future especially against competitive influences. The purpose of competition is to build a sustainable competitive advantage over the organization's rivals. It defines the fundamental decisions that guide the organization's marketing, financial management and operating strategies. Competition pressure makes organisations to be more effective and also causes sufficient organisations to prosper in expense of insufficient ones.

At national level the increasing demand for information and communication services comes along with changes in life style and living standards of people (Fandrich, 2001). The Nigerian business environment has brought

growth in the telecommunications and the information technology sectors and this is why all organisations need to be in touch with their business environment in order to make sure that what they do fit with customer expectations. These expectations change over time. The use of cell phones in Nigeria continues to grow and this is seen not only through the increase in the number of subscribers and providers, but also in the kinds of services that are provided.

The Nigerian telecommunications industry is dominated by the four major (AIRTEL, GLO, MTN and 9MOBILE) Global System for Mobile (GSM) Communication service providers, the spate of competition and the attendant competitor strategies present an interesting study. Each Network appears to be in each other's throat developing and designing apparently new marketing strategies each day to win its competitors. Our airwaves and print would differ from the ones employed by the market follower, market challenger or market leader. Again, these differences in strategies further intensify the nature of competitions in the market place.

The competition in the industry is a function of the industry's fast growing national market in the world. Ikhemueh (2005) revealed that MTN subscribers in Nigeria spend an average of \$40 on the Network monthly; its subscribers in South Africa spend an average of a paltry \$26". This superlative performance, according to him is also replicated in subscriber uptake in Nigeria. MTN group has experienced consistent growth in its subscriber base as a result of the Nigerian operations. As the fastest growing mobile market in the Sub-Saharan Africa; the four major networks operate in Nigeria - AIRTEL, GLO, MTN and 9MOBILE are falling on top of themselves in the scramble for greater market share. Each network is continually developing and employing new strategies in the pursuit of this singular objective because the market is closing in everyday and competition is becoming more fierce and intense each new day.

This study will seek to identify competitive strategies adopted by mobile telephony

companies in Nigeria taking into account both internal and external environmental factors. In view of the above the research questions where, what are those strategies employed by each network against its competitors and how have those strategies succeeded in bringing about the realization of corporate goals?

Literature Review

Concept of Competitive Strategy

According to Camerer, (1991) strategy may be defined as the study of sources of efficiencies that makes firms successful for example innovation, new product development, diversification, entry, corporate governance, acquisitions, joint venture and strategic alliances, executive compensation, influence of top management teams. Malburg, (2000) view competitive strategy refers to how a company competes in a particular business (note: overall strategy for diversified firms is referred to as corporate strategy). Competitive strategy is concerned with how a company can gain a competitive advantage through a distinctive way of competing. Technology firms generally perform three important and inter-related activities: strategy, planning, and operations, each having a different intent and time horizon. The function of strategy, which has a time horizon of years, is, in general, to set the long-term direction or position of the firm, for example define the technology, product, or service that the firm intends to develop, and determine the intended market for the product or service.

Review of Empirical Studies

Increased competition exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the environment. According to Porter (2003), a firm develops its business strategies in order to obtain competitive advantage (i.e., increase profits) over its competitors. It does this by responding to five primary forces: (1) the threat of new entrants, (2) rivalry among existing firms within an industry, (3) the threat of substitute products/services, (4) the bargaining power of

suppliers, and (5) the bargaining power of buyers.

Porter (2003) reemphasized the importance of analyzing the five competitive forces in developing strategies for competitive advantage: "Although some have argued that today's rapid pace of technological change makes industry analysis less valuable, the opposite is true. Analyzing the forces illuminates an industry's fundamental attractiveness, exposes the underlying drivers of average industry profitability, and provides insight into how profitability will evolve in the future. The five competitive forces by Porter's Five Competitive Forces Model clearly show how a firm by adopting certain competitive strategy (cost leadership, market focus, differentiation strategies and corporate growth strategies) determine its profitability.

As noted by Berkowitz, (2000) corporate and marketing executives search continuously to find a competitive advantage a unique strength relative to competitors, often based on quality, time, cost or innovation. It is indeed a continuous and never-ending effort because the marketing environment and market place are quite dynamic. As firms try to settle to their newly developed strategies, which are perceived as their magic wands against competition, competitors are out already with new and better strategies that could render others own irrelevant, if not obsolete. In effect, today's strategies are yesterday's options. Thus, organizations strive hard to be strategically relevant otherwise they will be displaced with attendant loss of their market share. No firm wishes to have a loss of its market share, rather, a capture of new ones from competitors or increase. Strategies thus are assuming repositioning options for organizations. With that, organizations try to determine their position in the market place. Four types of competitors: market leader, market challenger, market follower and market richer (Koller, 2003) in their different competitive strategies had been well discussed/analyzed. The author believes that poor firms ignore competitors; winning firms lead their competitors. Average firms copy

their competitors. Every average firm desires and wishes to lead hence the intensity of competitive strategies.

In all market industries either in the service-based or direct product-oriented companies, competitor strategies are the singsong. But these strategies are hardly the same. Beside this, Anyanwu (2003) posited that the size and the industry position of firms do affect their marketing strategies. In essence, the strategies employed by a market richer would differ from the ones employed by either the market follower, market leader. Again, these differences in strategies further intensify the nature of competitions in the market place. Today indeed, whether poor, average or reach, no firm ignores competition. Doing that amounts to literally shutting the doors of the company to its customers. Both the products and service providers are awash in strategies to stave off competition. In one industry, it would appear as if competitor strategies are more pronounced than the others whereas the picture in other industries is equally revealing. The market scene is today literally held hostage by competition and its inherent competitor strategies.

Business Competitive Strategies

The current global competitive demand is very much triggered by the globalization of business operations across all industries, and the associated with it labor, capital and resource mobility. The strategic responses of an organization to its environment are very crucial. Good strategies minimise risk by avoiding unnecessary diversification in markets or product, it is important that it responds positively to its environment and the changes in it. Weaker strategies are characterised by multiple targets, small sector shares and commensurately higher levels of business risk that are not justified by higher return.

Industries respond to customers' demand by becoming innovative in approaching the changed environment, they adopt strategies to improve customer services. According to Ansoff

and McDonnells(1990),a firm equipped with strategic response is able to position and relate itself to the environment to ensure it continuously succeeds and also gains a better market share. Researchers have acknowledged that generic competitive strategy and external conditions have their impact on competitive performance (Tang, Wang, & Zhang, 2007).Decisions generate action that produces results. Organizational results are the consequences of the decisions made by its leaders. The framework that guides competitive positioning decisions is called competitive strategy.

According to Coyne (2008) The function of planning, which, in general, has a time horizon of several months to years, is to translate long-term strategy into medium-term activities, e.g., the portfolio of projects that the firm should execute the time phased planning of these projects, and resource allocation. The function of operations, which has the time-horizon of days to months, is, in general, to translate medium-term planning activities into short-term product design, development, and delivery activities such as prototyping, manufacturing, product release, and shipment. According to Coyne (2008) Competition has become the most important aspect that all the stakeholders in any industry need to be alert on if they are to make it and succeed. Organizations therefore have to continually assess the competitive environment in which they operate and their own strategy. To helps them to adopt winning strategies that ensures they perform very well in the industry.

The Ansoff Growth matrix is a marketing planning tool which was first published in the Harvard Business Review in 1957, and has given generations of marketers and business leaders a quick and simple way of thinking about growth that helps a business determine its product and market growth strategy. It suggests four alternative marketing strategies which hinge on whether products are new or existing. Within each strategy there is a differing level of risk.

Table.1.1 Ansoff product/market matrix.

Product \ Market	Present	New
	Present	New
Present	Market Penetration	Product Development
New	Market Development	Diversification

Source: <http://www.frenteractive.net/resources/Ansoff-matrix>

According to business analyst Ansoff (1957), the matrix identifies various competitive strategies open to organizations, and splits them into four categories: Market penetration which is selling more of the same things to more of the same customers, and so gains a larger market share. The obvious step is to increase advertising or add more sales people to increase sales. Business owners can win business from competitors through competitive pricing, discounting, vouchers or other offers.

Product Development involves developing new products for existing markets. Product development involves thinking about how new products can meet customer needs more closely and outperform the products of competitors. When a company introduces new products into its existing markets, this may give it competitive advantage over its rivals through. Many product based businesses can add complementary service and service based businesses can add products to increase sales. Business here relies on its relationship with customers (Pearce & Robinson 2005).

According to Buchwitz (2002), Market development involves taking existing products into completely new markets, lack of market development leads to lesser sales hence failure of the company. One way to develop the market is to introduce new sales and distribution channels. Obvious example is to move online and use the Internet to promote and sell products. – This strategy entails finding new markets for existing products. Market research

and further segmentation of markets helps to identify new groups of customers.

Diversification, involves moving into new products and new markets at the same time. This may involve a complete shift away from core activities into some other form of related activity. It represents a step into less familiar, perhaps even unfamiliar territory. This four items drive industry competition by giving companies a relative competitive advantage over others so each company must work hard to outdo the others in the industry. This involves moving new products into new markets at the same time.

The more an organisation moves away from what it has done in the past the more uncertainties are created. However, if existing activities are threatened, diversification helps to spread risk. All firms in an industry are competing, in a broad sense, with industries producing substitute products. Substitutes limit the profit potential of an industry by placing a ceiling on the prices firms in the industry can charge. The more attractive the pace-performance trade-off offered by substitutes, the tighter the lid on industry profits.

Identifying substitute products entails searching for other products that can perform the same function as the product of the industry. Sometimes this can be a subtle task, one that takes the analyst into businesses seemingly far removed from the industry in question. Securities, for example, face increasing

competition from alternative investments such as real estate, insurance and money market funds (Werden, 2002).

Pearce & Robinson (2005) developed grand strategies which he defined as striving to create and market unique products through differentiation and achieving special appeal to one or more groups of consumer. He also defined grand strategy as —a comprehensive general plan of major actions through which a firm intends to achieve its long-term objectives and contend that this is supported by a coordinated and sustained strategic management efforts. Grand strategies tend to be associated with a top down management style, which underpin sustained efforts directed toward achieving long-term business objectives. They are strategies, often called master or business strategies provide basic direction for strategic actions. They are the basis of coordinated and sustained

efforts directed toward achieving long-term business objectives.

Grand strategies indicate the time period over which long-range objectives are to be achieved. Thus, a grand strategy can be defined as a comprehensive general approach that guides a firm's major actions. Growth rate of the general market and the firm's position within that market determine the grand strategy chosen. Having an understanding of the rationale behind the strategy option chosen is vital if employees are to deploy the strategy effectively.

Porter (1985) suggested that businesses can secure a sustainable competitive advantage by adopting one of three generic strategies. He identified these three generic strategies namely Cost Leadership, Differentiation & Focus explained below.

Table 1.2 Generic strategies



Source:http://en.wikipedia.org/wiki/porter_generic_strategies

Michael Porter's theory of the competitive advantage of nations provides a sophisticated tool for analyzing competitiveness with all its implications. Porter's theory contributes to understanding the competitive advantage of nations in international trade and production. Its core, however, focuses upon individual

industries, or clusters of industries, in which the principles of competitive advantage are applied. His theory begins from individual industries and builds up to the economy as a whole. Since firms, not nations compete in international markets, understanding the way firms create and sustain competitive advantage is the key to

explaining what role the nation plays in the process.

Therefore, the essence of his argument is that the home nation influences the ability of its firms to succeed in particular industries. Given this interdependence, it appears that in order to draw conclusions on the competitiveness of the particular industry, consideration of the different facets of the competitive diamond of the whole nation is needed. Porter's theory is the basic unit of analysis for understanding competition is the industry. The industry is the arena in which the competitive advantage is won or lost. So, seeking to isolate the competitive advantage of a nation means to explain the role played by national attributes such as a nation's economic environment, institutions, and policies for promoting firms' ability to compete in a particular industry (Fandrich, 2001).

In cost leadership the organization aims to be the lowest cost producer and/or distributor within their industry or sets out to become the low cost producer in its industry. The sources of cost advantage are varied and depend on the structure of different industries. Differentiation strategy is to be different, it is what organizations strive for companies and product range to appeal to customers and "stand out from the crowd" it seeks to be unique in its industry along some dimensions that are widely valued by buyers/customers appropriate where the target customers are not price-sensitive (Yin, 2008).

Focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others. The focus strategy has two variants (a) in cost focus a firm seeks a cost advantage in its target segment, while in (b) differentiation focus a firm seeks differentiation in its target segment.

Cost Leadership Strategy

This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Cross, 2009). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost

manufacturing, and a workforce committed to the low-cost strategy. The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2000). Lower costs and cost advantages result from process innovations, learning curve benefits, and economics of scale, product designs reducing manufacturing time and costs, and reengineering activities. Cost leadership strategy seeks to achieve above-average returns over competitors through low prices by driving all components of activities towards reducing costs.

Corporate Growth Strategies

Ansoff (2012) presented a matrix that focused on the firm's present and potential products and markets (customers). By considering ways to grow via existing products and new products, and in existing markets and new markets, there are four possible product-market combinations. Ansoff's matrix provides four different growth strategies: Market Penetration - the firm seeks to achieve growth with existing products in their current market segments, aiming to increase its market share, market development - the firm seeks growth by targeting its existing products to new market segments, product development - the firm develops new products targeted to its existing market segments and diversification - the firm grows by diversifying into new businesses by developing new products for new markets (Porter, 2001).

Differentiation Strategies

Differentiation strategies are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy. Using this strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation strategy can also be defined as positioning a brand in such a way as to differentiate it from the competition and

establish an image that is unique (Davidow&Uttal, 2009).

Differentiation strategy aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and customer service. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price. A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition.

Firms that succeed in a differentiation strategy often have access to leading scientific research, highly skilled and creative product development team, strong sales team with the ability to successfully communicate the perceived strengths of the product and corporate reputation for quality and innovation, (Oliver, 200). A product can be differentiated in various ways. Unusual features, responsive customer service, rapid product innovations and technological leadership, perceived prestige and status, different tastes, and engineering design and performance are examples of approaches to differentiation (Porter, 2001).

Market Focus Strategies

Focusing is based on selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to members, (Stone, 2005). Focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and product specifications or requirements. A successful focus strategy (Porter, 2001) depends upon an industry segment large enough to have good growth

potential but not of key importance to other major competitors.

Business Survival Strategies

For local companies, however, the influx often appears to be death sentence. Used to dominant position in protected markets, they suddenly face foreign rivals wielding a daunting array of advantages: substantial financial resources, advanced technology, superior products, powerful brands, and seasoned marketing and management skills. Often, the very survival of local companies in emerging markets is at stake. (Dawer& Frost, 1999). According to Dawer and Frost's study successful companies have adopted in their battles with powerful multinational competitors. Visit in Russia and ShanghaiJahwa in China, for example, have managed to successfully defend their home turfs against such multinationals as Compaq and Unilever. Others, including Jollibee Foods in the Philippines and Cemex in Mexico, have built on strength at home and launched international expansion strategies of their own strategic options.

For defender the key success is to concentrate on the advantages they enjoy in their home market. In the face of aggressive and well-endowed foreign competitors, they frequently need to fine tune their products and services to the particular and often unique needs of their customers. Defenders need to resist the temptation to try to reach all customers or imitate the multinationals. They'll do better by focusing on consumers who appreciate the local touch and ignore those who favor global brand. In some cases, companies in local industries can go beyond defending their existing markets. With right transferable assets, these extenders can use their success at home as a platform for expansion elsewhere. A selective policy of international expansion carefully tied to the company's key assets, can reap added revenue and scale economies, not to mention valuable learning experiences.

Extenders can leverage their assets most effectively by seeking analogous markets – those similar to their home base in terms of consumer's preferences, geographic proximity,

distribution channels, or government regulations. Expatriate communities, to take simple case, are likely to be receptive to products developed at home. In industries where pressures to globalize are strong, managers will not be able to simply build on their company's local asset – they'll have to rethink their business model. If their assets are valuable only in their home country, then the best course may be entering into a joint venture with, or sell out entirely to, multinational.

Dodging may be the most difficult of the four strategies to execute because it requires a company to revamp major aspects of its strategy – and to do so before it's swept under by the tide of foreign competition. But by focusing on carefully selected niches, a dodger can use its local assets to establish a viable position.

Drivers of Industrial Competition

Industrial competition is an increasingly important theme in telephony industry. It has been credited with expanding services, lowering prices, and stimulating innovation. (Jamison 2009). The growth of the telecom industry in Nigeria has everything to do with the price of getting connected and the need of being connected for personal and business reasons but competition can raise difficult challenges for telecommunications policy makers and regulators as a result of competitive strategies for survival. One of these challenges is determining to what degree market forces are disciplining service providers so that regulation can relax its direct control of prices, services, and investment decisions. Regulators in developing and developed countries alike have faced this challenge. Indeed, it has been central to recent proposals for reforming telecommunications regulation in the European Union and to merger analysis in the Caribbean, to name a few. (Bennet, & Blythe, 2002).

Theoretical Framework

There are different theories on competitive strategies adopted by industries each identifying own paradigm and concept about competitive environmental forces in telecommunication industry. This study this study seeks to provide

theories relayed top competitive strategies. These theories include; game theory, strategic conflict model and industrial organisation and economic theory.

According to Kotler (1998) game theory acts as a mathematical tool for the decisionmaker, the strength of game theory is the methodology it provides for structuring and analyzing problems of strategic choice. Game theory is a mathematical tool for the decision-maker for structuring and analyzing problems of strategic choice it involves strategic interactions among economic agents who produce outcomes with respect to the preferences (or utilities) of those agents, where the outcomes in question might have been intended by none of the agents.. The process of formally modelling a situation as a game requires the decision-maker to enumerate explicitly the players and their strategic options, and to consider their preferences and reactions.

The main ideas in game theory are strategies employed by various players in a competitive setting to achieve the setting goals and objectives of the organization. In the same vein this study looks at business competition and survival strategies adopted by various firms in the telecom industry in Nigeria. Therefore, the theory is more related to this study than others, as such is adopted by the study

[Gintis \(2009\)](#) stated that —game theory is a universal language for the unification of the behavioural sciences. It is the formal study of conflict and cooperation. With this perspective in mind, this article explains basic principles of game theory, as an introduction to an interested reader without a background in economic.

The main reason of the scarce use of game theory for marketing decisions has to be found in the strong limitations given by its basic assumptions (Wagner, 1985; Lazer & Thomas, 1974; Kreps & Wilson, 1982; Herbig, 1991). The hypotheses on which game theory is founded are considered far from reality,

Harsanyi (1982) points out: if a psychologist attempts to explain a player's move in a game, he has to describe his behaviour according to a

rational- normative approach or as an understandable deviation from it. In marketing, instead, the relation between price and objective quality of a good is not the main driver of consumer's purchase. Intangible and irrational factors prevail on physical and price factors as determinants of consumers' choice, for almost all the markets (with partial exception for few undifferentiated product). Marketing exists because the consumer is not a homo economicus; consumer is mainly irrational. Moreover it happens often that managerial strategic choices do not aim to the maximization of profit or market share and that their goal are not the same of those of other competitors (for example they can have different time horizons or different concern about reputation).

Strategic Conflict Theory states that Social conflict is a struggle waged by a group of people for a common cause. There are two main characteristics for social conflicts. First, unlike market-type conflicts, which are carried out within a voluntary exchange framework, social conflicts involve coercive power and domination. Second, social conflicts assume people struggling for —common interests and not only for private individual interests (Vahabi, 2009). Lerner (1972) described the role of conflict in the Walrasian model in the following terms: —With or without a fight, there is a settlement or compromise in which the rights are defined. Those who benefit from the activity gain the approval of those who object by giving them something to get them to agree. What I want particularly to stress is that the solution is essentially the transformation of the conflict from a political problem to an economic transaction. An economic transaction is a solved political problem. This amounts to saying that the principal subject of the theory is deterrence and not real war or social conflicts questioning the whole social system.

The theory of Industrial Organization and Economic (Industrial Organization), study the market in imperfect competition, enterprise behaviour and market structure under the conditions. Micro Economics (Microeconomics) is an important branch of

the Industrial Organization and Economic Theory. The research object of industrial organization theory is the industrial organization. The theory of industrial organization is mainly to solve the so-called "Marshall Conflict" Problem, namely the enterprise inside the industry. Effect of economy of scale Conflict and competition among enterprises vitality has been gradually from the previous Micro economics isolated, and gradually developed into a further two main theories to explain the micro market. For nearly a century, the theory of industrial organization in the research method, object and explain the problem that have undergone great changes, on the other side also reflects the market itself has had many profound changes in many aspects (Desouza, 2001) hence based on the development process of industrial organization theory to analyze the direction of the main trend of development of the industry organization theory and research.

Discussion of Empirical Findings

The study agrees with scholars in the literature review that there is great need for the telecommunication companies to assess the competition of the market and keep a keen eye on the strategies that should fit the market at the time for survival. This helps companies to be competitive, not easily debugging from the market share and eventual success in the current and future operations. The study agrees with study of Coyne (2008) that business competition has become the most important aspect that all the stakeholders in any industry need to be alert on if they are to make it and survive in the long run. Telecom operators in Nigeria therefore have to continually assess the competitive environment in which they operate and their own strategy. Nevertheless, a study by Barth, (2003) indicated that Trend analysis can be important in deciding whether company strategy should be directed toward heading off a substitute strategically or accepting the substitute as a key competitive force.

The analysis we made with respect to the research questions has given great details and insights into the respective business competition

and survival strategies. There are evidences that telecom service providers or networks have fare well in their competitive strategies which determine the prospects of their business survival. We are much certain then that without competitive strategies there would be no business of GSM and by extension the whole revolution brought by it into business life would be missed and lost completely. The empirical review shows an overwhelming application of business strategies on the subscribers are different promotional packages, pricing, product features and accessibility. The strategy is related to the subscribers, the segments, and the target markets.

From the above findings it indicates that there is no business today that is not subsumed by very stiff business competition. The reasons or factors for this are quite obvious. As the world is shrinking more and more out of the triple effects of globalization, technological developments and improved changes in life styles, business competition has become institutionalized as controlling variable in all business.

Therefore communication industry as a stepchild of the technological development cum information superhighway has remained under the stiff influence of business completion. This the more reason why within few years of commencement of business since 2001 Nigeria has assumed the fastest growing GSM network in Africa. Within the same period, the service providers such as MTN, Globacom, 9Mobile and Airtel have continued to expand in leaps and bounds and each network continues to past very high sales and market share each year. All these are direct effects of healthy competition in the sector.

The healthy competition continues to change or influence the nature and ways of their business. No industry is so overwhelmed by promotional strategies as much as the telecommunication industry in Nigeria today. Every new day presents new challenges and new strategies, which each network develops and deploys for its greater edge and advantage over the other competing networks.

Conclusion and Recommendations

The paper addressed the competitor strategies of MTN, Glo, 9Mobile and Airtel. We investigated the promotional strategies of the four leading giants and came out with the following conclusions:

The paper concludes that telecommunication companies in Nigeria had adopted cost leadership strategies (by considering ways to grow via existing products and new products, and in existing markets and new markets) a competitive strategy to a great extent to spur their business survival in the highly volatile telecommunication industry. From the findings, it is concluded that the firms used various cost leadership strategy options in response to changes in the market to a great extent and therefore, cost leadership strategies significantly contributed towards the performance of telecommunication firms. Some of the cost leadership strategies that the firms heavily relied upon were; use of latest technology, keeping overheads same as industry, new service features in response to demand, keeping overheads lower than others, use knowledge from past experience, keeping charges same as competition, keeping charges lower than competition and staff reduction respectively

The telecommunication companies in Nigeria applied market focus strategies which contributed significantly towards their business survival. The most important market focus strategies utilized were; customized services to niche market, better service attributes to niche and market segmentation respectively. To achieve efficiency in market focus strategies telecommunication companies in Nigeria used various promotion strategies such as mass media, print media, outdoor marketing and also through interpersonal communication approaches.

Telecommunication companies in Nigeria had adopted differentiation strategy which contributed significantly towards their business survival. The differentiation strategies they applied were; innovation, product, market, and pricing. The factors affecting application of

differentiation strategies in telecommunication companies included; service, quality, purpose and value. The telecommunication companies in Nigeria had developed innovative differentiation measures such as design and controls, quality systems from the coherence of process capabilities, many unique and superior products, and conformance to specifications that greatly influence the reliability of their service respectively.

It is concluded that telecommunication companies in Nigeria had adopted corporate growth strategy which significantly influenced their business survival. The goals of growth that determined efficiency of corporate growth strategies were; market development, product development, market diversification, growth (gain market share), profitability, and survival in market. For corporate growth strategies to impacts on firm performance, the factors that were to be considered included; changing customer needs, actions of competitors, financial requirements, demands from suppliers, staff skills and motivation and industry regulations. The corporate growth strategies applied to achieve a competitive edge included; introducing new services in market, offering high quality services, provision of superior customer service, offering services not offered by competitors, use of latest technology, regular market surveys of customer needs, and branding of services respectively.

The study recommends that the management of telecommunication companies in Nigeria should continuously evaluate the implementation of cost leadership strategy to undertake the necessary correctional measures as the industry is highly dynamic.

The study recommends that the management of telecommunication companies in Nigeria should conduct a research on the market focus strategy to respond to the different market niches effectively as any gap in customer centric service would yield customer non responsiveness.

The study recommends that the telecommunication companies in Nigeria should

benchmark their differentiation strategy with other service industry firms in the West African Market like Ghana that have successful differentiation strategies to improve on their current strategy.

The study recommends that management of telecommunication companies in Nigeria should hire highly competent staff to implement the corporate growth strategy to achieve its success. This is because it is the backbone of the other competitive strategies.

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Understanding the Relationship between Innovation, Differentiation Strategy and Performance of Artisans in Furniture Making Industry in Nigeria

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Companies want their product or services to be unique and different to stay ahead of their competitors. The study assessed the relationship between innovation, differentiation strategy and the performance of furniture makers in Gombe state. Interestingly, innovation and differentiation strategy are key to increasing the Artisans future value. All 29 major furniture makers in Gombe State that formed the population participated in this research work, where data generated were subjected to purification process to test its reliability using Cronbach Alpha and subsequently were analyzed using regression method with the aid of SPSS version 25. The result revealed that innovation and differentiation strategy are significant at $P=0.000$ and $P=0.002$ respectively at sig. level of 0.001 (2-tailed). The study recommends that, Artisans should explore and adopt innovative approach and differentiation strategy to maintain future value of furniture making ventures. In conclusion, the study has subscribed that, there is positive correlation between innovation and performance of Artisans in the furniture making industry; also, there is a significant relationship between differentiation strategy and performance of Artisans in the furniture making industry.

Introduction

Over the years, furniture making businesses has been at the verge of increase in Nigeria (Arowosoge & Tee, 2010), even though operating at the abysmal performance, but it has been so impressing in spite all odd of poor working environment. Furniture making sector in Nigeria has been contributing significantly in the development of country's economy, according to the Raw Materials Research and Development Council, furniture making industry has been contributing in employment generation, poverty reduction and the nation's GDP. RMRDC during the techno economic survey placed a major wooden furniture industry in Nigeria above 3021 in 2014 and 4011 in 2015.

The requisition for innovation and differentiation strategy among furniture making Artisans is necessary, considering the raise in demand in the market and the use of high intensive technology among artisans. Furniture (s) of any kind in our present life is absolute in design and fashion. The use of innovative collaboration, innovative ideation, innovative implementation and innovative value creation are key factors that could bring out the qualities of Artisans especially in furniture making industry and differentiation strategy on the other hand. From our homes to offices, from our rooms to the roofs of the house, furniture in key and its role in those

places cannot be over emphasized. A general tendency in the present furniture making business environment in Nigeria, is their low or poor quality of the product compared to the foreign mechanized modern furniture. In spite the Artisans effort to advance their performance in the sector (Aguwa, Okeke & Asuzu, 2007), this seems that their performance is still below societal expectation. As many opt for foreign product than indigenous making, this gives some Artisans reason to name their Business or product with foreign name. For example, ITALIAN design venture located in Abuja and other five states in Nigeria, Turkish ROYAL Furniture, is located in Kano and owned by Nigerian.

It is evident in the present world of constant changes that furniture makers in our dear nation (Nigeria) are struggling to successfully implement practices that are commonly used by their foreign counter part as this could be linked with either lack or weak innovative approach and differentiation strategy, it is against this background that, the study examined the relationship between innovation, differentiation strategy and Artisans performance in the furniture making industry in Gombe state. Studying Artisans performance with innovativeness and differentiation strategy as a predicting variable seems to be a logical field of inquiry.

Literature Review and Conceptual Framework

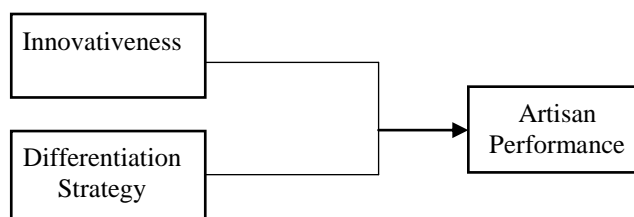


Figure 1: Conceptual framework

Innovation and Performance of Artisans

Innovation has been described as the name of the game for healthy competition in the twenty-first century (Keskin, 2006). Innovation is the ability of an entrepreneur to modify the existing product/service (Hanush & Pyka, 2007). Going by the meaning, the more competition, continual and constant turbulence, change, and uncertainty have required and obliged Artisans to embrace innovation as an integral part of their operational strategy (Vargas-Hernández, 2013; Keskin, 2006). In this sense, how Artisans improve their innovativeness has long been a topic for research among scholars and practitioners, especially with regard to their performance. Even though some extensive research has been carried out to address this concept, students of innovation and management in general, and Artisans performances in particular, have pointed out the direct influence of market- and innovation on firm innovativeness (Sadler-Smith, Spicer, & Chaston, 2001; Farrell and Oczkowski, 2002; Sinkula and Baker, 1999; Slater & Narver,

1995). Similarly, the studies indicated that innovation and organizational performance are highly correlated and have overlaps based on their definitions and practices. Particularly, definitions of innovation from Thompson (1965).

Innovation has been defined by Damanpour and Wischnevsky (2006); Han, Kim, and Srivastava (1998), as the development and use of new ideas or behaviors in organization manifested in terms of a new product, service, technology, or organizational structure. A firm adopting an innovative style relies on knowledge that is possessed by players of the market (Mahmood & Rufin, 2005), those players include the Artisans and the act of Innovativeness is the predisposition to support new ideas and favor change in the market. Similarly, Innovativeness as suggested by (Huang & Wang 2011), an organization that is willing to trail vigorously new ideas and concept in process, products, or services development, and this study define innovation as the ability of Artisan to modify the

existing product or services that match the contemporary life. Therefore, Artisans in this context have to be more intense in innovativeness to conceive new ideas since the literature has supported the influence of innovativeness on the performance of the firm.

Artisans are crucial in the delivery of building projects, due to the input of their skills in various ways (Afolabi, et al., 2018). It has been noted that all artisans possess unequal skills and ability levels (Aron & Ahadzie, 2018), which I see as some dimensions of innovation among artisans. As a matter of fact, individual artisans' day in day out improve upon their innovativeness in one way or the other to keep in pace with time. According to Vargas-Hernández (2013) and Vaid (1999), skills formation and technical training is crucial to economic betterment of people and national development as entrepreneurial activities contribute a sufficient amount to the nation's GDP (NBS, 2015) and to national socio-economic development by creating jobs (Zeebaree & Siron, 2017). Arindam (2014) stated that the ability to earn more in furniture making industry depends solely on the skills that an artisan obsessed and the efficiency level. This was also pondered on by Thieblot (2002) that even though technology has robbed of the work of artisans, the need to improve upon ones' innovativeness is so demanding as the industry is flushing out the old craftsmen and artisans that doesn't change to compete with the current global changes in the sector. Based on the related literature reviewed above, it has brought the need to investigate the extent to which innovativeness influences the career growth of the Artisans in the manufacturing industry as much have been done but little or nothing have been done in the area of furniture makers under investigation. Thus, the need to hypothesize the relationship between innovativeness and the performance of Artisan in the furniture making industry.

Differentiation Strategy and Performance

The successes, progress and achievement of organization through strategic process in highly appreciated and well recognized. It is widely

fact that, change is inevitable and moves at the high magnitude and accelerating with complexity, this called for differentiation strategy by firms and institutions (Akingbade, 2020). Differentiation strategy create must effective way of switching to another substitute or brand that could put the firm or organization on a better position over and above competitors (Oyedijo, 2012; Pearce & Robinson, 2013). Bhasin (2017), opined that, differentiation strategy is key element that keeps organizations above their rivals and maintain customers to hold onto the product or services, hence, it has a significant impact on the performance of the organization. Similarly, according to (Kusumah, 2020), "the company follows a differentiation strategy if the company wants to compete with its business competitors in terms of the unique products and services offered". The differentiation takes the form of differences with regard to; Prestige, technology, innovation, functions, Customer service and Dealer dealer network.

However, in the work of (Pearce & Robinson, 2013), where it elaborate on the weaknesses of differentiation strategy claimed that, organization or firm that differentiate their product or services too much could be caught, secondly, it observed that, differentiation strategy depends deeply on the ability of competing firms to mimic and mimic the success of product differentiation strategies and lastly, it claimed that, wrongly application of differentiation strategy can cause the reputation of the organization. Differentiation strategy is said to be the ability of a company to bring out unique product to the customers (Islami, et al., 2020). Therefore, it is evident that, differentiation strategy if applied accurately by the Artisans could affect their performance, given the empirical support from the aforementioned studies.

Theoretical Review

Innovative theory of entrepreneurship

Innovative theory of entrepreneurship is one of the famous theories of entrepreneurship used in the field of management (Hanush & Pyka,

2007). Joseph Alois Schumpeter propounded the theory of innovation and is regarded as one of the greatest economists of the first half of the twentieth century (Śledzik, 2013 and Hanush & Pyka, 2007). Schumpeter viewed innovativeness along with learning as the main catalysts of successful entrepreneurship. Where He (Schumpeter) believed that creativity was necessary if an entrepreneur was to enhance the performance in a highly competitive environment (Edison, Bin Ali, & Torkar, 2013).

Even though, in the late 1880s according to (Clemence, 2009) there have been reports of the use of the term “innovation” as to mean something unusual, (Burton-Jones, 1999), but none of the first precursors of innovation have been so influential as the Schumpeter’s view on the matter. This theory provides a theoretical foundation for addressing performance from innovative perspective. The theory assumed that, if the product (furniture work) is accurately modified, it will improve the performance of Artisans. Schumpeter described performance as a systematic process of development changes, substantially driven by innovation which was divided by him into five categories; these are, Launch of a new product or new kinds of already existing product, modification of new methods of production or sales of a product (not yet proven in the industry), establishment of new market (the market for which a branch of the industry was not yet in existence), acquiring of new sources of supply of raw material or semi-finished goods and lastly, new industry structure such as the creation or destruction of a monopoly position. Schumpeter argued that anyone seeking profits must innovate (Hanush & Pyka, 2007).

According to the theory of innovation, it believes that innovativeness is an essential driver of competitiveness and economic dynamics (Porter & Stern, 1999). Schumpeter believed that innovation is the center of economic change causing gales of “creative destruction”, which is a term created by Schumpeter in capitalism, socialism and democracy (Nancy & Ralph, 2018). According to Schumpeter as cited by (Calino & Virgillito,

2018 and Nancy & Ralph, 2018), innovation is a "process of industrial transformation, that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one". Artisans too are among the drivers of competitiveness through its crafts contribution. (Vargas-Hernández, (2013) Schumpeter described performance as systematic process of structural changes, substantially driven by innovation. However, the researcher demonstrated how Schumpeter divided the innovation process into four dimensions, this include invention, innovation, diffusion and imitation.

The theory has been criticized by some notable scholars (Hanush & Pyka, 2007; Burton-Jones, 1999; Edison, Bin Ali,& Torkar, 2013; Stauffer, 2016), some of the criticisms include; the theory has ignored the risk-taking function of an entrepreneur which could not has been ignored, secondly, the Schumpeter theory of innovation has over emphasize on the innovative function of an entrepreneur which ignored the organization and utilization aspect of entrepreneurship. Thirdly, according to (Edison, Bin Ali& Torkar, 2013), the theory is more applicable in the developed country, because in developing countries like Nigeria, there is a paucity of innovative entrepreneurs. In spite its criticisms, Schumpeter’s theory of innovation has been considered as a landmark in the expansion of entrepreneurship theories (Stauffer, 2016).

Methodology

The study adopted survey method to generate the data from the major furniture makers under study. Cross-sectional approach was used as it was appropriate because information needed was generated at once to arrive at a reliable result; this was claimed by (Schizas, Jarvis & Daskalakis, 2012). The population of this study is the all major furniture makers in the state i.e. they are 29 which serve as the sample size. This is in line with the work of (Vem, Mbasua & Makrop, 2019), which opined that, if the population is not large, the researcher should take the whole population as it size. The

questionnaire was developed based on the assumption of (Huang & Wang, 2011); Gupta & Gupta, 2015), which also adopted a five point Likert Scale. Reliability and validity test were carried out to ensure the accuracy whether or not

the data has captured the phenomenon under investigation. Inferential and descriptive approaches were used for the data analyses. Regression technique was adopted with the aid of SPSS V25 software.

Results and Findings

Table 1: Regression results

Concepts	Adjusted R ²	Cronbach Alpha	Mean	Standard Deviation	F-Value	Sig. value
Innovation	.47	0.78	3,4318	.78234	54,365	0.000
Differentiation Strategy	.51	0.83	3,8159	.76231	56,634	0.002
Performance	.47	0.79	3,2645	.81412	48,657	0.001

Correlation is significant at the level of 0.01(2-taild)

The study subjected the data generated to purification process to assess or test their reliability as suggested by (Anderson & Gerbing, 1988; Pollant, 2005). In this qualitative research, testing reliability is vital (Fornell & Larcker, 1981), because it ensures that, data is accurately entered. Therefore, this study use Cronbach Alpha test as seen in table 1. All the result of Cronbach's Alpha is within the acceptable range.

This study carried out a regression analysis and test the hypotheses formulated earlier to arrive at its findings and understand the level of the relationship of the variables. As shown in table 1, the result of the analysis revealed that, there is significant relationship between innovation and performance at sig P=0.000 with adjusted R² value at .47, this shows that, 47% accounted the construct in determining the relationship. Also differentiation strategy showed significant in the regression findings with p=0.002, with .51 of the adjusted R², which implies that, 51% accounted by the variable in measuring the variable.

Conclusion

This study surveyed the relationship between innovation, differentiation strategy and performance of Artisans in the furniture making industry in Nigeria. The regression result showed that, innovation and differentiation strategy has a positive relationship with the

performance of Artisans in the furniture industry. The results are consistent with literature of Zeebaree and Siron (2017), which supported the relationship of innovation and performance of organization. There are many other studies that examined the relationship between innovation and performance (Damanpour & Wischnevsky, 2006; Vargas-Hernández, 2013), innovation and competitiveness (Khalili, Nejadhussein, Fazel, 2013), this survey on the relationship of innovation, differentiation strategy and performance among furniture making Artisans is carried out in Gombe for the first time.

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Market Risk and Market Value of Listed Deposit Money Banks in Nigeria

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This study investigated the impact of market risk on the market value, using panel data evidence from the annual reports and financial statements of 8 listed deposit money banks in Nigeria over a 10-year period from 2010 to 2019. Descriptive statistics and random effects model were utilized in the analysis of data. Results indicate that degree of financial leverage has significant and positive impact on the market value, while interest rate risk and foreign exchange exposure have no significant impact on the market value measured by Tobin's Q. The study concludes that listed deposit money banks in Nigeria were able to trade-off the tax shields benefit of debt against the cost of financial distress; thereby expanding their earnings. The study recommends that banks should expand their investment in fixed income securities in order to increase their earnings.

Introduction

Over the years, the Nigerian financial market has witnessed a dramatic expansion in the array of financial services and products. This tremendous growth in scale and scope has also generated new risks with global consequences, especially market risk, necessitating an evaluation of exposures to the volatility of the underlying risk drivers (Access Bank Plc, 2019). Banking business is subject to the risk that financial market prices and rates will move and result in profits or losses. Market risk arises from the probability of adverse movements in financial market factors such as interest rates, equity prices, foreign exchange rates, commodity prices, the correlations among them and their levels of volatility (Fidelity Bank Plc, 2019). Market risk consists of exchange rate, inflation and interest rate risks that affect the financial performance of banks and they are outside the control of the banks, as they are determined by factors that affect the overall economy (Aruwa & Musa, 2014). Market risks may be divided into interest rate risks and exchange rate risks including gold, share price risks and commodity price risks which refer to respectively the risks created by any adverse change in interest rates, exchange rates, share prices and commodity prices (Muriithi *et al.*, 2016).

There are very limited empirical studies globally and Nigeria in particular, analyzing the association between market risk and market value. Reviews of empirical studies on the link between market risk and market value revealed that no author explored data for Nigerian firms and even the few studies conducted outside Nigeria used accounting measures of performance and not market value. See for instance, Kelvin (2016) and Muriithi *et al.* (2016). The study of Aruwa and Musa (2014) which utilized

data for Nigerian banks for the period 1997-2011 only used interest rate risk as proxy for market risk and return on assets as a measure of financial performance. This study therefore, addresses this gap in knowledge by investigating the impact of market risk (degree of financial leverage, interest rate risk and foreign exchange exposure) on the market value (Tobin's Q) of listed deposit money banks in Nigeria using the most recent data over the period 2010- 2019.

This study develops and tested the following hypotheses:

H₀₁: Degree of financial leverage has no significant impact on the market value proxy by Tobin's Q.

H₀₂: Interest rate risk has no significant impact on the market value denoted by Tobin's Q.

H₀₃: Foreign exchange exposure has no significant impact on the market value represented by Tobin's Q.

Literature Review

Conceptual Clarifications

Market risk is the risk of loss in on- or off-balance sheet positions, as a result of adverse movement in foreign exchange rate, interest rate, and equity or commodity prices (Guaranty Trust Bank Plc, 2019). Consistent with prior studies such as Kelvin (2016) and Muriithi *et al.* (2016), this study used degree of financial leverage, interest rate risk and foreign exchange rate exposure as proxies for market risk. The degree of financial leverage (DFL) measures the proportion of the earnings before interest and taxes (EBIT) against the earnings before taxes which shows the debt obligation that a firm must settled (Muriithi *et al.*, 2016). Degree of financial leverage is practically a measure of the degree of financial risk. Thus, the higher the DFL the more risky the business is considered to be as it relies too much on debts (Muriithi *et al.*, 2016). Interest rate risk (IRR) is the exposure of bank's financial condition to adverse movements in interest rates, yield curves and credit spreads. Banks can be exposed to IRR through the interest-bearing assets and liabilities in their trading and banking books (Access Bank Plc,

2019). Interest rate risk are factors that have adverse effects on a bank's earning and its economic position are estimated in each currency which banks have interest-rate-sensitive (Opoku-Adarkwa, 2011).

Foreign exchange exposure is the sensitivity of firms' cash flows, real domestic currency value of assets, liabilities, or operating incomes to unexpected changes in exchange rates (Ahmed, 2015). Organisational researchers as documented by (Hult *et al.*, 2008) use either accounting-based measures of profitability such as return on asset (ROA), return on sales (ROS) and return on equity (ROE) or stock market performance measures such as Tobin's Q and market return to analyse financial performance. The stock market-based measures indicate the long-term financial performance of a firm, with an emphasis on the firm's ability to generate future economic earnings (Muiru *et al.*, 2018). The market value of an asset or security is the "current price at which the asset or the security is being sold or bought in the market" (Pandey, 2010, p. 47).

Theoretical Framework

This study is guided by the Extreme value theory (EVT) which is used as a typical implement along with financial institution to describe the downside risk of a market portfolio (Jorion, 1997). It will measure the utmost loss of the portfolio worth that will take place over a given time at some explicit confidence level due to uncertain market factors (Jorion, 1997). Several alternative methods have been proposed for estimating value at risk (VaR), one of which being the EVT and the theory makes VaR estimations based on the data in the tails as opposed to fitting the entire distribution and can make separate estimations for left and right tails (Diebold *et al.*, 2000). Value at Risk is a popular measure of market risk whose origins dated back to the late 1980's at J.P. Morgan (Jorion, 2001). VaR answers the question about how much can be lost with a given probability over a certain time horizon and it became a key measure of market risk since the Basel Committee maintained that banks should be able to cover losses on their trading portfolios over a ten-day

horizon, 99 per cent of the time (Fernandez, 2003). Financial firms usually use VaR for internal risk control considering a one-day horizon and a 95 per cent confidence level (Fernandez, 2003). Hull (2012) observed that proper estimation of VaR is necessary since it can accurately capture risk exposure which an organization can be exposed to, but if it overestimates the risk level, then the firm will unnecessarily tie up capital to cover the risk, which could have been better invested elsewhere. Hence, the banks need to determine the optimum capital that should be set aside to cover market risks (Hull, 2012). To achieve this objective, banks need to manage the market risks using the financial ratios such as degree of financial leverage (Muriithi *et al.*, 2016).

Review of Empirical Studies

Muriithi *et al.* (2016) and Kelvin (2016) assess the effect of market risk on the financial performance of commercial banks in Kenya, and found that market risk proxies by degree of financial leverage (DFL), interest rate risk (IRR) and foreign exchange exposure (FEE) have negative and significant effect on financial performance proxy by return on equity (ROE). Applying panel data approach on 18 insurance companies in Ghana from 2002- 2011, Gatsi, Gadzo and Akoto (2013) discover that DFL has negative effect on profitability while DOL has positive effect on profitability measured by ROE. Nimalathasan and Pratheepkanth (2012) document that systematic risk proxy by DFL and degree of operating leverage (DOL) is positively associated with profitability measures (net profit, return on capital employed and ROE) of 10 financial institutions in Sri Lanka. Mudanya and Muturi (2018) results reveal that interest rate risk (IRR) has significant negative effect on profitability surrogated by return on asset (ROA). Musiega *et al.* (2017) indicate that ratio of interest income to total loans has a significant positive influence on ROA and ROE as measures of performance. Odeke and Odongo (2014) evaluated the association between interest rate risk exposure and financial performance of 9 commercial banks in Uganda. Findings reveal that IRR exposure represented

by maturity/reprising gap and asset and liability margins have positive relationship with performance measures as efficiency, ROA and ROE. In a study of 8 listed deposit money banks in Nigeria from 2010 to 2019 using random effects model, Abubakar, Garba and Sulaiman reported significant positive association between net interest margin and ROE.

Ahmed (2015) analysed the effect of foreign exchange exposure (FEE) on the financial performance of commercial banks in Kenya. Results indicate FEE has negative effect on financial performance. Muiru *et al.* (2018) examined the effect of foreign exchange hedging techniques on financial performance of 54 listed firms in Kenya from the period 2011- 2016, using feasible generalized least square method. Results show that currency hedging has a significant positive effect on financial performance measured by Tobin's Q. Mbithi (2013) reports that unrealized foreign exchange gains/losses have positive effect on the net income. Using descriptive, correlation and regression analyses, Runo (2013) uncovers strong negative correlation between foreign exchange risk measured by the foreign exchange gain/loss and profitability. Gachua (2011) results show positive association between unrealized foreign exchange gains/losses and net income.

Methodology

Ex-post factor and longitudinal research designs are used in carrying out the study. The focus on historical data supports the use of Ex-post factor design, while longitudinal design is ideal for panel data used in this study. The population of the study comprises 10 listed deposit money banks on the main and premium boards of the banking sub-sector of the Nigerian Stock Exchange (NSE) as contained in the NSE daily official list (Equities) for December 31, 2019. Of the 10 banks, Jaiz bank Plc and Unity bank Plc were removed from the study. Jaiz bank Plc was removed because it was listed on the NSE after the cut-off year of 2010 set for the study, while Unity bank Plc was removed because its annual report for the period 2019 was not available online. Thus, resulting to a sample of eight banks. Data for the study was obtained from the

financial statements portions of the annual reports of the sampled banks for the period 2010- 2019. The study utilized descriptive statistics and panel regression as the techniques of estimation.

Results and Discussion

Table 1: Descriptive Results

Variable	Mean	Median	Minimum	Maximum
DFL	4.16	3.21	-1.38	18.05
IRR	7.80705	7.80335	6.75360	8.38678
FEE	4.20642e+006	1.82750e+006	-9.30389e+007	1.03621e+008
TOBQ	0.43	0.25	0.06	2.43

Source: Author's Computation using GRETL

The mean value implies that for a given change in EBIT, earnings before tax i.e. profit before tax will change by 4.16 times. The mean value of DFL is an indication that deposit money banks (DMBs) in Nigeria employed high level of debt i.e. financial leverage in their capital structure during the study period 2010- 2019. This is expected considering the fact banks are highly levered financial institutions. The difference between minimum and maximum value is great suggesting that there is high degree of variability in the usage of debt among the banks. The descriptive result of interest rate risk measured by net interest margin (NIM) has a mean value of 7.81 against the minimum and maximum value of 6.75 and 8.34 respectively. The interest income is higher than interest expense, confirming that investment in fixed income securities is profitable during the study period. Descriptive results also show foreign exchange gains/losses has a mean value of about ₦4.20 billion against minimum value of about negative

Descriptive Analysis

In Table 1, the descriptive results are provided. The results indicate that degree of financial leverage (DFL) has a mean value of 4.16 as against the minimum value of -1.38 and maximum value of 18.05.

₦93.04 billion and maximum value of about ₦1.03 trillion. Overall the results show that there is high level of variability in foreign exchange gains/losses among the banks. The results in Table 2 also reveal a mean value of 0.43 for Tobin's Q (TBQ) and maximum value of 2.43, which imply that on the average the stock price of the banks is under value during the study period. This assertion stemmed from the fact that the mean value of TBQ is less than unity i.e. the replacement cost is higher than the market value of equity.

Collinearity Test

Collinearity test is sacrosanct in ensuring that the independent variables are not highly or perfectly correlated to lead to multicollinearity problem. Variance Inflation Factor (VIF) is employed in determining or detecting the existence of multicollinearity and the results is presented as Table 2.

Table 2: Variance Inflation Factor

Variable	Variance Inflation Factor	Tolerance
DFL	1.05	0.96
IRR	1.05	0.96
FEE	1.00	1.00

Source: Author's Computation using GRETL

In Table 2, the VIF for all the independent variables are less than 10 and their

corresponding tolerance levels are more than 0.1, connoting none existence of

multicollinearity. Rajkumar and Hanitha (2015) documented that that a VIF of less than 10 and tolerance level greater than 0.1 may imply absence of collinearity.

Regression Analysis

Table 3: Regression Results

Dependent variable: Tobin's Q			
	Pooled OLS	Fixed Effects	Random Effects (GLS)
DFL	0.04 (2.35)**	0.06 (3.60)***	0.05 (3.32)***
IRR	0.30 (1.98)*	-0.32 (-1.16)	-0.05 (-0.24)
FEE	0.00 (0.51)	0.00 (0.47)	0.00 (0.56)
R²	0.10	0.43	0.10
F-statistic	2.69 (0.05)*	5.20 (0.00)***	2.69 (0.05)*
Durbin Watson	1.11	1.79	1.11
Significant at 10% (*), 5% (**), 1% (***)			

Note: The values in parentheses for variables are t ratios and those against F-statistic are P-values.

Source: Author's Computation using GRETL

Since the F-statistics for the 3 panel models are significant at 1 and 5 per cent levels, it implies that the models are qualified for analysis. Hence, there is the need to ascertain the best out of the 3 models. In this regard, the Restricted F-test, Breusch-Pagan test and Hausman test are used.

Tobin's Q (TBQ) is regressed on the degree of financial leverage (DFL), interest rate risk (IRR) and foreign exchange gains/losses (FEE) using the 3 panel models already specified. Table 3 presents the regression results of the variables used in this study.

Table 4 displays the results of the Restricted F-test for selecting between Pooled Ordinary Least Squares (POLS) and Fixed Effects Model (FEM). The null hypothesis is that the groups have common intercept i.e. POLS is sufficient.

Table 4: Results of the Restricted F- Test

Model Comparison	F-value	P-value
POLS- FEM	5.78	0.00***
Significant at 10% (*), 5% (**), 1% (***)		

Source: Author's Computation using GRETL

The results of the Restricted F-test in Table 4 indicate that the F-value of 5.78 is significant at 1 per cent level as shown by the p-value of 0.00. Hence, the study rejects the null hypothesis and concludes that FEM is sufficient over the POLS.

To select between POLS and REM, the Breusch-Pagan test is utilized, and the result presented as Table 5. The null hypothesis is that variance of the unit-specific error is equal to zero i.e. POLS is adequate.

Table 5: Results of the Breusch-Pagan Test

Model Comparison	Chi-square	P-value
FEM- REM	21.18	0.00***

Source: Author's Computation using GRETL

The results of the test in Table 5 reveal that the Chi-square value is significant at 1 per cent

level. Thus, the study rejects the null hypothesis and concludes that REM is better than the

POLS. The results of the Restricted F-test and Breusch-Pagan test revealed that both FEM and REM are better than POLS, hence, the need to choose between FEM and REM. To do this,

Hausman test is used and the result is presented as Table 6. The null hypothesis is that GLS estimates are consistent i.e. REM is better than FEM.

Table 6: Results of the Hausman Test

Model Comparison	Chi-square	P-value
FEM- REM	3.28	0.35

Source: Author's Computation using GRET

The result of Hausman Test in Table 6 shows that the asymptotic test statistic is not significant as confirmed by the p-value of 0.35 which is greater than the chosen levels of significance as 0.01, 0.05 and 0.10. Hence, the study fails to reject the null hypothesis and conclude that REM is better than FEM. On the basis of the results of the Restricted F-test, Breusch-Pagan Test and the Hausman Test, Random Effects Model (REM) is the best model for this study. Since the REM is based on generalized least squares (GLS) which is adequate in the presence of autocorrelation and heteroskedasticity, there is no need to carry out these two post-estimation diagnostics.

The regression results of the REM in Table 4 indicate that degree of financial leverage (DFL) has positive and significant impact on the market value proxy by Tobin's Q, as revealed by the t-value of 3.32 which is positive and significant at 1 per cent level of significant. The regression results also reveal that interest rate risk (IRR) has no significant impact on the Tobin's Q, as shown by the non-significant t-value of -0.24. In a similar vein, the regression results also indicate that foreign exchange exposure (FEE) did not have any statistical and significant impact on the Tobin's Q as confirmed by the non-significant t-value of 0.56.

Discussion of Research Findings

Degree of financial leverage (DFL) was found to be significantly and positively associated with market value, proxy by Tobin's Q. The regression coefficient for DFL is 0.05, which signifies that a 1% increase in DFL will result in about 0.05% increase in the market value measured by the Tobin's Q. The descriptive

results indicate that listed banks in Nigeria are highly levered meaning that they employ high level of debt in their capital structure. The use of leverage is advantageous if it increases earnings. As observed by Pandey (2015), with increasing EBIT, more financial leverage i.e. debt in the capital structure, the greater the increase in earnings per share (EPS). This finding is consistent with the trade-off theory which predicts positive relationship between financial leverage and performance. This implies that banks are taking advantage of the fact that interest on debts is tax deductible i.e. they are using the tax shields benefit of debt to improve their earnings. The finding provides evidence that increase in the use of debt has the possibility of enhancing the market value of banks during the study period. This finding is not in agreement with the results of Kelvin (2016) and Muriithi *et al.* (2016), but consistent with Gatsi *et al.* (2013) and Nimalathasan and Pratheepkanth (2012) that reported significant positive link between DFL and ROE.

Furthermore, the results also indicate that interest rate risk (IRR) proxy by net interest margin (NIM) has no significant impact on the financial performance proxy by Tobin's Q. The result may not be too surprising considering the high volatility in interest rates and the influence of external factors such as monetary policy and forces of demand and supply on interest rates. This result is contrary to the findings of Kelvin (2016); Mudanya and Muturi (2018) and Muriithi *et al.* (2016).

Similarly, foreign exchange exposure (FEE) equally has no significant impact on Tobin's Q. The result is similar to that of IRR. This is not surprising given that both variables are highly

volatile and are macro-economic variables that are affected by external environmental factors which are beyond the control of management. This finding is contrary to the results of Ahmed (2016), Kelvin (2016), Muriithi *et al.* (2016) and Runo (2013).

Conclusion

This paper is important in that it has provided an in-depth insight on the association between market risk and market value of listed DMBs in Nigeria. To our knowledge, there is no empirical literature on this subject matter in Nigeria that considers the proxies adopted by the present study in a single model. Additionally, the adoption of Tobin's Q is an important contribution to knowledge, as most prior empirical studies utilized the accounting measures of performance. Given the paucity of empirical literature in this area, it is hoped that this study will provide solid foundation for future studies.

The author concludes that listed deposit money banks (DMBs) in Nigeria were able to trade-off the tax shields benefit of debt against the cost of financial distress; thereby expanding their earnings. The study also concludes that due to high volatility in interest and exchange rates, the market value of banks are hindered resulting in under-valuation of their shares. It is also concluded that the stock price of banks in Nigeria was adversely affected by the economic recession and partly by the negative impact of COVID-19 pandemic witnessed during the study period.

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Mediating Role of Technical Skills Training on Microfinance Loans and Micro Businesses Performance of Rural Women in Gombe State

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The study assessed the role of technical skills in mediating the relationship between microfinance loans and micro businesses performance of rural women in Gombe state, Nigeria. Primary data were used in carrying out the study. Samples of two hundred and forty eight (248) respondents who have benefited from microfinance loans and owned micro business were used. Structural Equation Modelling approach was applied in testing the hypotheses. The study found that microfinance loans and technical skills training had positive and significant relationship with micro business performance of women in rural areas of Gombe state. Similarly, technical skills training had positive and significant role on micro business performance of women in rural areas of Gombe. However, microfinance loans alone revealed negative and insignificant role on micro business performance of women in rural areas. Therefore, the study recommended that government should combine both technical skills training and loans as the duo played positive and significant role in improving micro business performance of women in rural areas of Gombe state. However, the study has limited to rural women in Gombe, so future study should be expanded to urban areas and other states in Nigeria as well as other countries at large. Also opened ended questions should be added to close ended questions used so as to allow respondents to add more inputs.

Introduction

It is generally accepted that women contribute much in micro business activities which in turn lead to economic growth. This view is supported by Annabel (2016) that women are custodian of 30% of all registered businesses worldwide that significantly contribute to the economic growth. This is illustrated by Agyapong, Agyapong and Poku (2017) that Micro and Small Businesses (MSBs) contribute much in economic development and growth of both developed and developing nations. They don't contribute to the growth of the National Gross Domestic Product (NGDP) only, also in job creation or employment generation among populace (Abor & Quartey, 2010; Atandi & Wabwoba, 2013; Denis, Achesa & Gedion, 2015). The MBs contribution to the socioeconomic do not limit to job creation or employment generation, but promoting business or economic activities, supporting economic growth and livelihoods, social stability, & economic diversity (Agyapong et al, 2017).

The opinion is confirmed by Olanrewaju (2014) that micro businesses constitutes about 17,261,753 (99.87%), small enterprises accounted for about 21, 264 (0.12%), while the medium scale enterprises is about 1, 654 (0.01%). Hence, SMEs are only 22,918 representing 0.13%. This breakdown clearly reveals that most of our businesses in Nigeria are MBs. The statistics further depicts 32,414,884 employment created by MSMEs. SMEs created 39,478 jobs representing 0.12%, while the remaining 99.88% go to micro businesses. Similarly Gombe states been one of the states in Nigeria women in both urban and rural areas engage too in such businesses. The profile further revealed that about 97% of women in Gombe state in engage in micro business activities.

Having identified the contribution of micro businesses in employment generation especially among women, so, the survival and growth of such MBs is squarely related with the growth and development of the Nigerian economy and Gombe in particular (Mohammed & Obeleagu-Nzelibe, 2014). However, despite the role played by Micro Businesses of women in nation development and employment generation, they are facing challenges of poor performance. The sector faces several challenges and encountered with many forces that influence their growth and development. The main problems affecting the MBs include inadequate capital, inadequate skilled and trained worker, absent of scientific book keeping, resource management, training on technical skills etc, (Agyapong et al, 2017; Cherkos, Zegeye, Tilahun & Avvari, 2018). This situation had make MBs to registered low return on capital employed, low profit margin and inadequate capital base or size, thereby making them to recorded decline, stagnated, and/or fail totally, (Chowdhury, 2002; Mohammed & Obeleagu-Nzelibe, 2014). This argument is documented in many literatures that the rate of failure among micro businesses is very high when compared to large. Perhaps, they were considered as the backbone of any nation's economy (Bloch & Bhattacharya, 2016; Lo, Wang, Wah, & Ramayah, 2016; Radzi, Mohd Nor, & Ali, 2017). For instance, the number of

micro, small and medium enterprises that have failed in the first quarter of 2016 is very high in Malaysia SME Corp, 2016). It has been also reported that the rate of failure of MBs is very high to the extent hardly survive beyond the third year of establishment (RoK, 2005). This collaborates with (Agyapong, Agyapong & Poku, 2017) that majority of MSMEs failed in the first three years of establishment. This attributed to the fact that they lack adequate capital, training on technical skills, managerial skills, etc, that support the performance of the business.

Traditionally most of micro businesses of women in rural areas have their source of capital from informal sector. That is from either personal contribution, or loans borrowed from relatives and friends, informal cooperative societies, thrift etc to finance their business. This statement concord with (Bala, 2014; Adamu, 2017) that majority of people living in underdeveloped and developing nations and specifically rural areas cannot afford to secure formal financing from conventional financial institutions. Conventional or mainstream banks do not accommodate micro and small businesses because of the high risk associate in transaction with such segments, as many of them lack collateral to settle the loan in the event of default payment. This makes most of our banks abandoning prospect entrepreneurs in our societies.

However, microfinance is the imparting and provision of essential and primary financial services including savings, credit, money transfer and even insurance, to the low income earner or micro businesses that have no access to conventional banking loans. Similarly, Gombe state government in 2015 upon receiving 2 billion naira (N2, 000,000,000) from Central Bank of Nigeria (CBN) meant to boost the economic activities of the poor rural dwellers. The state established eleven (11) microfinance banks in the eleven local government councils of the state. The main objective is to encourage and promotes micro businesses performance in such rural areas among its citizenry or populace especially women (Damji, 2018).

In spite this effort by both federal and state governments, micro businesses of women in rural areas are still deteriorating, failing, and closing, to the extent that they can survive the first one year of establishment in rural areas of Gombe state. This rises to the questions as whether such businesses lack adequate funding. Or lack the basic technical skills training required by such businesses in order to process and produce very qualitative products and services that will allowed the business to perform very well. It is in the light of this issues the study intends to assess the Role Technical Skills in mediating the relationship between Microfinance loan and Micro Businesses Performance of Women in Rural Areas of Gombe State. The specific objectives are to assess the role of microfinance loans on micro businesses performance of women in rural areas of Gombe state; to examine the role of technical skills on micro businesses performance of women in rural areas of Gombe state; to find the role of technical skills in mediating the relationship between microfinance loans and micro businesses performance of rural women in Gombe state.

Methodology

The study adopted a purposive sampling method, the method allowed the researcher to use and obtain the samples from a specific group of women, who can give the required information related to the study, either because they are the only ones who have it, or conform to some criteria set by the study (Sekaran, 2003). To be eligible as a respondents, micro and small businesses owners were selected when they possessed the following criteria; it must have been in existence and operation for at least two years and above; the respondent must be the owner or manager of the business; and a beneficiary of a microfinance loan facility. A total of 334 self-administered questionnaires were distributed to the identified respondents. However, after about three weeks of the data collection processes, 248 (74.3% response rate) questionnaires were retrieved and considered to be legitimate, and it met the required criteria for this study. The sample size of 248 was sufficient

as stated by (Roscoe, 1975) rule of thumb that 30 to 500 are adequate for sample size. It also met the Structural Equation Modeling (SEM) requirement that 150-400 samples were adequate and sufficient as suggested by (Hair et al, 2006).

Literature Review and Hypotheses Development

There were several studies that was conducted on micro and small businesses performance (Chowdhury, 2002; Simpson, Tuck, & Bellamy, 2004; Mohammed & Obeleagu-Nzelibe, 2014; SME Corp, 2016; Agyapong et al, 2017). Regrettably, there was no significant improvement or advancement that was recorded; this is due to the fact that most of the problems and factors that contribute to the improvement of MSBs performance or success are not be the same. For example, the findings of past or prior researches revealed a bulky or considerable number of forces contributing to micro and small business performance (Tambwe, 2015). But the studies were not able or fail to give an in-depth or detail and consolidated explanation of micro and small businesses performance or success, due to common features that was evident. While these features or issues may be viewed as subsistent, the forces which are considered to be connected to performance should be apprehending as being as interconnectivity (Kaijage, 2013). For instance, absent of technical skills training result to poor managerial skills, capital deteriorate and failure (Tambwe, 2015). That is why Kithae, Maganjo and Kavinda (2013) reported that technical skills training play a significant role in improving performance of micro businesses. Similarly, capital is necessary in complementing the training acquired by the beneficiaries in practicing their learned skills in businesses. In the same vein King'ori and Theuri, (2016) found that technical skill training has positive significant effect on performance of enterprises thus influencing the growth of the businesses. Hence the need of training of entrepreneurs to empower them so that they can be able to acquire relevant skills. However, Radzi, Mohd Nor and Ali (2017) revealed that there is no

significant relationship between capital base and business performance..

The key skills perceived to be the most important by MBs include financial and technical skills (Tambwe, 2015). Because it has positive influence on MBs successful performance, henceforth, there is need for MBs to device means of having adequate funding or capital and technical skills for sustainable economic growth. The argument that microfinance loans has significant effect on the growth or performance MBs, is because the loan obtained has certainly improved the performance of businesses through profit, sales turnover, diversification, employees capital and assets increase (Madole, 2013). However, the findings of (Mochona, 2006) indicate that only a few of the women clients recorded high volume of sales from their MSBs as a result of the loan, which in turn lead to income increase. In addition, most the women clients feel disappointed with the way and manner it took to access the loan facilities. The later and present had make the current and previous clients to have a fear of approaching the microfinance loan as they are not certain of accessing the loan and the chances of the loan to improve their business performance is rare

However, (Simwa & Sakwa, 2013) found that microfinance loans led to growth and expansion of the micro enterprise in terms of profits, sales, business assets and employment opportunities. Hence, extending microfinance loans to women enterprises enhanced profit margins. Therefore, government and other financiers should channel more funds to the sector to enhance profits received thereby improving the performance of the women micro enterprises. Equally, study revealed that despite the challenges faced by MSBs like high interest rate, lack of collateral, findings indicate that microfinance loans improved business performance inform of capital base increase, profitability increase, growth in size and expansion in size (Laetitia, Shukla, & Luvanda, 2015). Dennis, Achesa and Gedion (2015) found that microfinance loan has significant influence on the performance of MSBs. Therefore, in an effort to increase

continuity and mount or proliferates growth in the activities MSBs loans should be customer oriented not result oriented. Although, there is inconsistency with regard to the role of microfinance loans on performance of MSBs, however there is unison agreement of microfinance loans and technical skills training on improving MSBs performance. Thus, the hypotheses are;

H1: Microfinance loans are significantly related to micro businesses performance

Although the concept microfinance and microfinance loan are used substitutable, it is very imperative to understand that microfinance loan is one element of microfinance. Microfinance refers to the supply of wide class of financial facilities which include micro credit, micro savings, and micro insurance, money transfer to low income individuals and their micro and small businesses. However, microfinance loan is a subset of microfinance which means supplying micro loan to the real poor and micro-entrepreneurs (micro businesses) at subsidized interest rate so as to assist in entrepreneurial activities development (Aghion & Morduch, 2004; Rusdy, 2007;). Kingsley Bernard, Lock Teng, Kevin and Khin (2017) define microfinance loan as the expansion of micro loan to individuals who are too poor and cannot access conventional bank loans so as to establish their own business.

Empirical study revealed that loan had the largest capacity and influence on the performance of micro and small businesses. Thus, the disbursement of loan to low income women to involve in micro and small businesses so as to boost and stimulate economic growth and employment creation (Simeyo Martin, Nyamao, Patrick & Oondo, 2011). However, (Karlan & Zinman, 2011) findings revealed that individuals that benefited from microfinance loans in Philippines lead to closure of businesses. This implies that loan had led to the reduction of business activities. In the other hand, (Bernard, Lock Teng, Kevin & Khin, 2017) discovered that there is strong relationship between micro loan and micro business performance of women clients. However, (Ekpe,

Mat & Razak, 2010) found that women who owned micro and small businesses, specifically in emerging economies, find it very difficult secured microfinance loan for their business activity thereby affecting the performance of the business.

H2: Technical skill straining is significantly related to micro businesses performance

One major factor that leads to micro and small business growth and development is technical skills training (Bosire & Nzaramba, 2013). The result of study conducted by (Afolabi & Macheke, 2012) showed that there is strong linked between training in technical business skills and business success. In the same vein (Bosire & Nzaramba, 2013) findings show that large number of micro businesses lack entrepreneurship skills particularly in terms of technical business skills, which includes recognizing business opportunities, being innovative and communicating effectively in business transactions. Lack of these skills greatly affects the growth of businesses in terms return on investment, net profit and sales turnover. Therefore, there is need for training in technical skills, so as to be equipped with the basic business skill for growth and sustainability. Kessy and Temu (2010) revealed that micro credit client-enterprises owned by recipients of business training have higher level of assets and sales revenue compared to enterprise owned by non-recipients of training. This implies that training in business skills for micro and small entrepreneurs is vital for firm's performance, growth and improvement of owners' living standards.

H3: Microfinance loans and technical skills training are significantly related to micro businesses performance

Rathirane & Semasinghe (2016) stated that credit and technical skills training has positive effect on income/profit, thereby making business to perform very well. However, it was suggested that the monitoring and skill training facilities are essential to the survival and growth of the

business. Equally, empirical results revealed that loan had the largest significant effect on performance of micro Enterprises and this is followed by technical skills training in micro enterprise. Based on this there is need to be providing microfinance loan and training to the women so as to engage in micro enterprise activities, which in turn help to spur economic development and growth. (Simeyo et al, 2011). Another study indicates that credit access and skills training were found to be statistically significant in contributing for women micro businesses performance. These findings lead to a suggestion that preparing infrastructure for easy credit access should be given due attention alongside its related orientations on how to use the credit so as to improve micro businesses of women especially in rural areas (Birhanu & Kinde, 2016).

Contrary to it, (Karnani, 2007) argues that microcredit does not improve women micro businesses' performance; instead, the government should invest and build more industries so that it creates more jobs. The argument is supported by Ekpe, Razak and Mat (2013) that credit access has no significant impact on Nigerian women micro businesses' performance, and the authors concluded that without skill acquisition loan in itself could not lead to women micro businesses' performance.

Results and Discussions

Having conducted the normality and reliability tests as well as Confirmatory Factor Analysis (CFA), all of them had met the model fitness requirement except RMSEA, as it exceed the minimum requirement ($X^2 = > 0.05$; $X^2/df = < 5.0$; $NFI = \geq 0.80$ to 0.90 ; $TLI = \geq 0.80$ to 0.90 ; $CFI = \geq 0.80$ to 0.90 ; $RMSEA = 0.05$ to 0.10). This implies that the model is very fit except for RMSEA that deviate slightly due to one reason or the other. Thereafter, they were transformed to the structural model. Both measurement model and structural model were presented as seen in figure 1 and 2 below.

Figure 1: Measurement Model

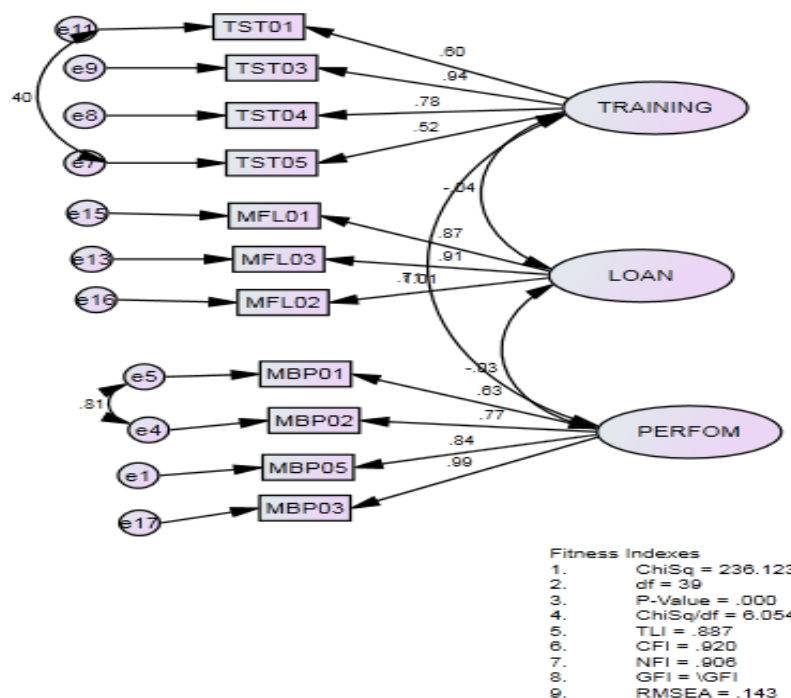


Figure 2: Structural Model

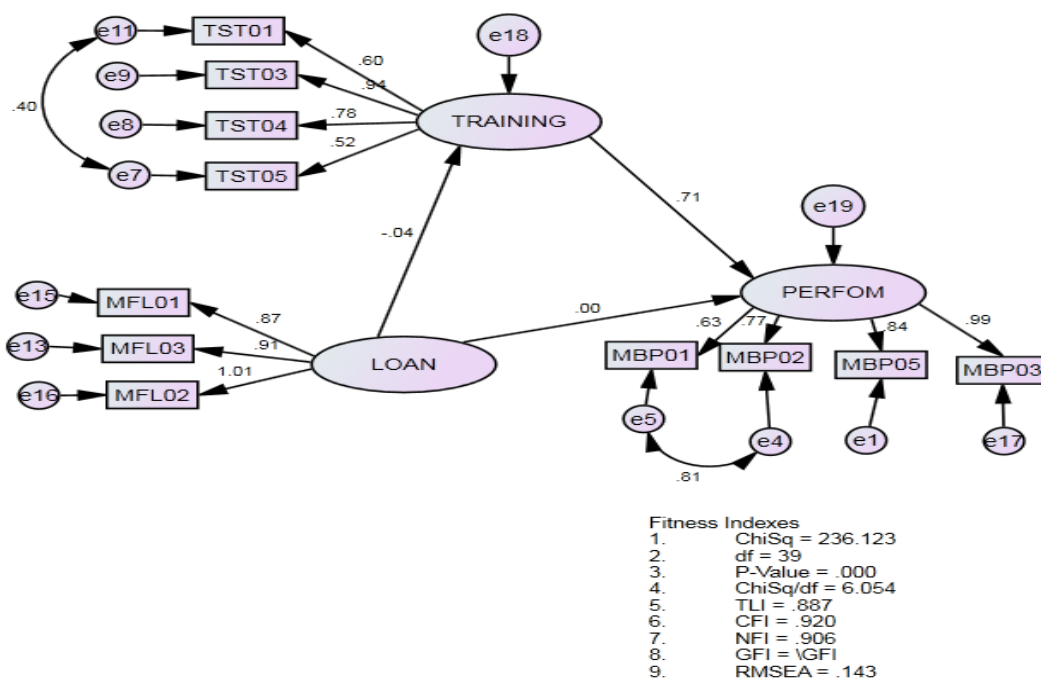


Table 1: Hypotheses Test

	Estimate	S.E.	C.R.	P	Label
TRAINING <--- LOAN	.015	.028	1.549	.038	Supported
PERFOM <--- LOAN	-.001	.017	-.053	.957	Not supported
PERFOM <--- TRAINING	.628	.086	7.298	***	Supported

The above table revealed that, Hypothesis 1 was not supported, however, the loan has significant relationship with micro business performance of women ($R = 0.017$, $P = 0.957$). Although the hypothesis was not supported but the strength of the regression in estimation of the performance of micro performance was significant good from zero at 0.957 level. This corroborate with findings of (Karlan & Zinman, 2011; Radzi, MohdNor & Ali, 2017), which revealed that increased access to microfinance loans has led to the reduction of the number of businesses run by individuals (men and women). However, it negates the findings of (Kingsley Bernard, Lock Teng, Kevin & Khin, 2017) that microloan has a strong and significant relationship with women micro business performance.

Meanwhile, Hypothesis 2 which is technical skills training was supported, meaning that technical skills training had transform the performances of micro business of women in Gombe state with ($R = 0.086$, $P = 0.000$). This indicates that the regressor is very strong in prediction of micro business performance of women. This is because it was significantly different from zero at 0.000 level. This collaborated with the findings of (Afolabi & Macheke, 2012; Bosire & Nzaramba, 2013; King'ori & Theuri, 2016) that technical skill training was found to have a substantial impact on performance of enterprises thus influencing the growth of the businesses. Hence the need of training of entrepreneurs to empower them so that they can be able to acquire relevant skills.

Hypothesis 3 was also fully supported by the study, when loan and technical skills training were found significantly related to micro business performance ($r = 0.028$, $p = 0.038$). This indicated that the regression weight for loan and technical skills training in prediction of micro businesses performance was significantly

different from zero at 0.050 levels. This is in line with the findings of (Rathirane & Semasinghe, 2016) that credit and technical skills training have positive effect on micro business performance (income/profit).

The main objective of this study is to examine the relationship between microfinance loans in relation with technical skills training on micro business performance. Okpara and Wynn (2007) stated that for small scale business to perform well the owners themselves must possess necessary skills before running a business. In general the study proves that loans and technical skills training increased micro business performance. This is supported by the findings of (Rathirane & Semasinghe, 2016) that loan and technical skills training have positive effect on micro business performance (income/profit). The study also found that technical skills training are important in contributing to business performance. This is in line with numerous studies especially in developing countries (Benzing, Chu, & Bove, 2005; Chu, Benzing, & McGee, 2007; Afolabi & Macheke, 2012; Bosire & Nzaramba, 2013; King'ori & Theuri, 2016). However, it was found that loan alone do not influence business performance, as supported the findings of (Karlan & Zinman, 2011).

Conclusion

Based on the findings of this study, it concludes that technical skills training played very significant role in mediating the relationship between microfinance loans and performance of micro businesses.

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Role of Cost of Capital on Capital Structure and Financial Performance of Listed Consumer Goods Companies in Nigeria

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This paper examined the mediating role of cost of capital on capital structure and financial performance of some listed consumer goods companies in Nigeria. The study employed the use of content analysis, where related literatures on the topic were reviewed. Based on the existing literature capital structure (independent variable) was proxied by total debt ratio and total equity ratio, while cost of capital (mediating variable) was proxied by weighted average cost of capital, and financial performance (dependent variable) was proxied by return on assets and return on equity. The study found that debt ratio has negative and significant relationship with financial performance. However, equity ratio has positive and significant relationship with financial performance. Meanwhile, weighted average cost of capital depicts negative and significant with financial performance. This implies that weighted average cost of capital (cost of capital) plays a very significant role in mediating the relationship between capital structure and financial performance. That is, if the cost of capital decreases the financial performance of companies do increases. Therefore, the study recommends that management of consumer goods companies should strive to achieve an optimal capital structure (average proportion of equity and debt at less cost) so as to avoid high cost of capital. This is because optimal capital structure leads to healthy financial performance of company which in turn leads to maximization of firm value.

Introduction

The importance of ascertaining and determining the strength, robustness and healthiness of a company via financial performance is necessary. It is financial performance that indicates the value of company. Financial performance is a measure of how well a company can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a company's overall financial health over a given period (Kenton, 2019). This makes it to serve as the major factor or indicator that stimulate or attract individual to invest in a company as a result of its outstanding strength. Furthermore, financial performance of a company or firm is very significant and crucial in determining the overall value of a company and its survival (Githire & Muturi, 2015). Perhaps, it is assumed that capital structure plays an important role in company's financial performance provided it is utilized efficiently and in an effective manner at its optimal level.

However, the performance of many consumer goods companies all over with reference to Nigeria is dismally poor. The poor situation had made some consumer goods companies failing and closing. For instance, following decades of solid and dependable growth, the future of consumer goods companies started getting hazy in 2012 (Meacham, Faelli, Giménez & Blasberg, 2018).. That is when, despite steadily rising global demand, a series of events began taking a toll on large consumer products companies' revenues and profits (Meacham, Faelli, Giménez & Blasberg, 2018). They further stated that from 2012 to 2016 performance of 34 of the world's top fifty (50) consumer goods companies representing eighty five percent (85%) had seen a decline in either revenues, profits or both, only 15% managed to escape unscathed. The major factors accounted for it is lower growth in previously booming developed and developing-market economies like Russia, India, Mexico and Brazil which decline from 25% to 20%. The second factor is merger and acquisition, in the past, merger and acquisition spurred meaningful growth; now it is having a negative net effect. Furthermore, product categories have gone through unprecedented levels of disruption as well as large brands have lost share to local incumbents and small brands. In the US, small brands are 65% more likely than large brands to outgrow their category. Thirdly, unemployment, competitions, government policy, high interest rate, foreign exchange rate, raw materials, demand and supply, inflation, disease/pandemic such as Covid 19 and other macroeconomics variables had affected the performance of such companies. All the three factors that have accounted for poor performance of consumer goods companies had strong and direct relationship with capital. For example if a company has a strong capital base can survive either in economic boom or recession. Equally it would not waste it time to go for merger or acquisition, because one of the cardinal reason for merger and acquisition is to have strong capital base. Similarly, inadequate capital can deny consumer goods companies to survive in competitive environment. This has made capital to be the most important factor that accounted

for consumer goods companies to fail. This is because adequate capital strongly influences all other factors that affect company's performance to do well. However, inadequate capital or poor combination of capital as well as high cost of capital affects performance of companies drastically. As stated, these factors have led to large consumer goods companies to watch their average annual organic growth descend steadily from a healthy 5.5% rate in 2011 to 2% in 2016 (Meacham, Faelli, Giménez&Blasberg, 2018).

Also studies from the United Nations Industrial Development Organization's Investment and Technology Promotion Office in Nigeria show that only 20% of companies manage to survive in Nigeria (Owoeye, 2018). Furthermore, Statistics published in 2018 by the Small Business Administration, showed that about one-fifth of business startups fail in the first year and about half of all such companies succumb to business failure within five years. It further states that only about one third survive 10 years or more (Nnodim, 2019). The major factor that accounted for this failure is either inadequate capital or poor combination of capital couple with the cost of the capital which in turn affects companies' performance (Owoeye, 2018; Nnodim, 2019). This concord with the world bank report (2016) that consumer goods companies operating in Nigerian industries face numerous challenges, including uncertain demand, shifting tastes, operating at a profitable level, changing standards and regulations, and relying on the global supplier network, among others. This implies that for a company to operate at a profitable level must have a required capital structure as well as minimizing cost of operation. That is to be successful in the current environment; companies need to find cost-effective ways to manage operations, while delivering high quality and differentiated products. Equally, is to allocate the required resources (capital) to the consumer goods companies transaction process (Chima, 2019). This situation has led to the questions as whether debt ratio or equity ratio has influence on financial performance of consumer goods companies. Or the weighted average cost of capital is the problem affecting companies'

financial performance. These are some of the questions that need to be answered.

In the same vein, though, there were some studies that were conducted on effects of capital structure on financial performance of firms. However, mixed findings were recorded, while some of the studies revealed positive relationship between capital structure's proxies (debt to asset ratio, debt to equity ratio, long term debt ratio) and firm's financial performance measures (return on asset employed, price to book value, return on asset, return on equity, dividend payout) (Budiyanto & Riyadi, 2016; Chandra, Fachrudin, Sadalia & Siburian, 2017; Juwita 2018; Singh & Bagga, 2019). Others, revealed negative result between capital structure components (long debt to equity, long debt to total asset, total debt to equity, debt equity ratio) and firm's financial performance indicators (stock market to book value, return on asset, return on equity, price book value) (Awais, Iqbal, Iqbal & Khursheed 2015; Paminto, Setyadi & Sinaga, 2016; Hamyat, Sarita, Hasbudin & Sujono, 2017; Uremadu & Onyekachi, 2019). The inconsistency of the previous studies might be as a result of using both accounting and marketing measures of performance. However, this study will use only accounting measures of performance so as to breach the gap. Also the inconsistency call for the need and suggestion for conducting another study using macro and micro economic variables which in some instances affects the relationships between the capital structure and financial performances (Shahwan, 2018). These variables includes among others, inflation, interest rate, cost of capital, investment risks, depletion, dividend policy etc. This form the solid foundation or basis for this study to use cost of capital as a mediator being one of the macro and micro economic variables that affects the relationships between the capital structure and financial performances. Moreover, the existing studies that were conducted on effects of capital structure on financial performances of consumer goods companies, none of them had used cost of capital as a mediator. These numerous issues/problems had created a gap that this study

(mediating effect of cost of capital on capital structure and financial performance of listed consumer goods companies in Nigeria) focuses to fill.

Objective of the Study

The main objective of study is to examine the mediating role of cost of capital on capital structure and financial performance of listed consumer goods companies in Nigeria. The specific objectives are to;

- i. assess the role of debt ratio on influencing the financial performance of listed consumer goods companies in Nigeria;
- ii. evaluate the role of weighted average cost of capital in mediating the relationship between debt ratio and financial performance of listed consumer goods companies in Nigeria;
- iii. examine the role of equity ratio on improving the financial performance of listed consumer goods companies in Nigeria;
- iv. ascertain the role of weighted average cost of capital in mediating the relationship between equity ratio and financial performance of listed consumer goods companies in Nigeria

Methodology

The methodology used in conducting this study was secondary data through content analysis. The data of the study was sourced from previous researches of scholars, text books and current journal articles that are related to the study (Mediating role of cost of capital on capital structure and financial performance of listed consumer goods companies in Nigeria. The study employed content analysis in reviewing empirical study or literature related to the mediating effect of cost of capital on capital structure and financial performance of listed consumer goods companies in Nigeria. Thereafter conclusion was drawn base on the reviewed literature.

Literature Development and Empirical Review

Capital Structure

Capital structure means the combination of long-term sources of capital, such as debentures, short and long-term debt, preference share capital and equity share capital including retained earnings. This implies that capital structure is a mix of debt and equity including reserves and surpluses that makes up the finances of a company (Siddik, Sun, Kabiraj, Shanmugan & Yanjuan, 2016). In the same vein, Cyril (2016) sees capital structure as the way a company finances its assets through the mixture of equity, debt or hybrid securities. This opinion is in line with Chechet and Olayiwola (2014) that whether a business is newly born or it is ongoing, it requires fund to carry out its activities. This fund is referred to as capital. Capital, therefore, refers to the means of funding a business. This capital could be either debt or equity or mix of the two, and is known as capital structure. On the other hand capital structure is the composition of a firm's liabilities (Obonyo, 2017). Similarly, capital structure means the way and manner in which an organization is financed a combination of long term capital (ordinary shares and reserves, preference shares, debentures, bank loans, convertible loan stock and so on) and short term liabilities such as a bank overdraft and trade creditors (Nirajini & Priya, 2013). Hence, a firm's capital structure is then the composition or 'structure' of its liabilities.

The argument between the proponent theory of capital structure and scholars is about the determination of optimal capital structure of a firm at the point of incorporation or after incorporation for the purpose of diversification and expansion (Dada & Ghazali, 2016). This opinion is supported by Chadha and Sharma (2015) that capital structure decision is a continuous process, whenever the firm requires funding for the project. Hence, is optimal when its structure in a way that it maximizes the market value of the firm involved. Therefore, capital structure decision is very important as it help to increase the financial performance of a company. So, company should make sure to adopt a strategy that carried a mix of debt and equity which in turn leads to financial

performance of the firm (Aziz & Abbas, 2019). Henceforth, capital structures is a mixture of debt and equity that companies' use to finance their daily operations of business so as to perform well. Therefore, if this structure is well-organized, the cost of capital decreases which can increase the financial performance of a company, however if it was wrongly misappropriate or disorganize failure is inevitable.

Cost of Capital

Cost of capital is one of the most important tool or ingredient in decision making process of any company. This is because any decision related to investment of any nature by a firm or company there is need to ascertain the cost of capital that has been invested (Pouraghajan, Tabari, Ramezani, Mansourinia, Emamgholipour & Majd, 2012). The reason behind is many companies use a combination of both debt and equity to finance their businesses and, for such companies, the overall cost of capital is derived from the weighted average cost of all capital sources, widely known as the weighted average cost of capital (WACC). Cost of capital typically encompasses the cost of both equity and debt, weighted according to the company's preferred or existing capital structure, known as the weighted-average cost of capital (WACC) (Kenton, 2019). A company's investment decisions for new projects should always generate a return that exceeds the firm's cost of the capital used to finance the project otherwise the project will not generate a return for investors as it end up paying the cost.

So the importance of cost of capital has motivated many scholars and managers of companies to focus on it regardless of the capital structure. That is why Mohamad and Saad (2012) opined that firm's cost of capital is closely related to the degree of risk associated with new investments, existing assets, and the firm's capital structure. It is an overall return that a corporation must earn on its accessible assets and business operations in order to augment or preserve the value of its current stock. Thus a careful approximation of a firm's capital structure and weighted-average cost of capital

(WACC) is essential for a good financial performance. Although, Modigliani and Miller (1958) postulated that firm's financial performance has no relationship with its capital structure. This is because whether firm is highly leveraged or has a lower debt component has no bearing on its market value. Rather, the market value of a firm is solely dependent on the operating profits of the company. Their opinions negate the cost implication of cost of capital by looking at profit only. However, without looking and evaluating a company's optimal capital structure through cost of capital failure is inevitable because both debt financing and equity financing carry respective advantages and disadvantages as a result of cost.

Financial Performance

Over a long time, financial performance has been perceived by the public as the ability of the firm to obtain profits. This perception has been changed, today the concept of performance having different meanings depending on the user perspective of financial information (Valentin, 2012). For instance a company can be categorized as well globally financially performed company if it has satisfied the interests of all stakeholders. The stakeholders are; owners, managers, current and potential shareholders, commercial partners, credit institutions, employees and government. The stakeholders are managers who are interested in their welfare and to obtain profit; because their work is appreciated accordingly; owners want to maximize their wealth by increasing the company's market value (this objective can only be based on profit); current and potential shareholders perceive performance as the company's ability to distribute dividends for capital investment, given the risks they take; commercial partners look for the solvency and stability of the company; credit institutions want to be sure that the company has the necessary capacity to repay loans on time (solvency); employees want a stable job and to obtain high material benefits; the government seeks a company to be efficient, to pay its taxes, to help creating new jobs, etc (Valentin 2012).

It is against this that Abdel Shahid (2003), used price per share to the earnings per share (P/E), while market value of equity to book value of equity (MBVR), and Tobin's Q. Tobin's Q mixes market value with accounting value were used to measure the firm's performance in many studies such as, (Morck, Shleifer, & Vishny, 1988; McConnel & Serveas, 1990; Zhou, 2001; Chadha & Sharma, 2016; Shahwan, 2018). However, the most widely used financial performance measure were return on assets (ROA) and return on equity (ROE) as popularly used by (Reese & Cool, 1978; Long & Ravenscraft, 1984; Abdel Shahid, 2003; Muchir, Muturi & Ngumi, 2016; Mehmood, Hunjra & Chan, 2019). Therefore, this study is adopting the most widely financial performance measures that is return on assets (ROA) and return on equity (ROE).

Empirical Review

Of course there were studies that were carried out on the role of capital structure on firm's financial performance (Zeitun & Tian 2007; AbdurRouf 2015; Chadha & Sharma, 2016; Shahwan, 2018). However, there was no substantive agreement or consensus that was recorded; this is due to the fact that most of the variables and factors that contribute to the improvement of corporate financial performance or success are not the same. This suggest for more empirical review on literature related to the topic so as to come out with substantive result.

Luçi and Lleshaj (2016) assess the effect of capital structure and cost of capital for large businesses in Albania. Financial analyzes were based on the 2013-2014 financial statements of 50 companies, within 5 most representative sectors of the economy. The performance analyzes are based on multivariate regressions. The findings reveal that Albania companies do not have an optimal structure of capital, and furthermore the diversification of capital structure is merely a theoretical concept. Therefore, businesses face a high cost of capital. Even their level of systemic risk "beta" ranks them with more risk. Consequently, these businesses will not be able to achieve exports of goods and services to compete in international

markets. Chadha and Sharma (2016) carried out a study on capital structure and firm performance on Indian firms for a period of 10 years from 2003 to 2013. Ratio analysis and panel data approach have been applied to perform the empirical study. Return on asset, return on equity and Tobin's Q were used as the proxies for measuring the firm's financial performance. It was found that financial leverage has no impact on the firm's financial performance parameters of return on assets and Tobin's Q. However, it is negative and significantly correlated with return on equity. This implies zero correlation exists between capital structure and both return on assets and Tobin's Q. However, negative and significant relationship exist between capital structure and return on equity. Dada and Ghazali, (2016) examined the impact of capital structure on firm performance in Nigeria. The study employed a sample size of one hundred (100) non-financial firms of listed Nigerian companies in the Nigerian Stock Exchange (NSE) for a period of 2010 to 2014. Panel data approach was employed to analyze the data. It was found that assets turnover have a positive and significant relationship with Tobin's Q. However, risk maintains negative and significant relations with Tobin's Q. Furthermore, Nassar (2016) evaluated the impact of capital structure on the firm's financial performance of companies in Turkey. The annual financial statements of one hundred and thirty six (136) companies listed on Istanbul Stock Exchange (ISE) were used for the study as sample. A multivariate regression analysis was applied to test the relationship between capital structure and firm performance. The results revealed that there is a negative and significant relationship between capital structure and firm performance.

Nofrivul, Subroto, Moeljadi and Djumahir (2017) examined the role of corporate governance, ownership structure, capital structure and firm value. The data were analysed by using path analysis with linear regression approach to non-financial issuers in the Indonesia Stock Exchange from 2007 to 2013. The results show that capital structure does not affect the value of the company. Change in

long-term debt to equity ratio does not give effect to the value of the company. Alrjoub and Ahmad (2017) examined the moderating effect of cost of capital on the relationship between inventory types and firm performance. Data of forty eight (48) firms each year for the period of 2010–2016 which formed two hundred and seventy nine (278) firms were used in this study. Pearson correlation and panel Generalized Method of Moments (GMM) was used for estimation. The findings showed that inventory management with consideration of its types influence firm performance in the long term. In addition, it is also found that cost of capital moderates the relationship between inventory management and firm performance. However, the interaction between cost of capital and inventory types has different implications. It is suggested that firms should consider cost of capital when making decision on inventory types and align their inventory control to fit in to the changes in their business environment.

Gianfrate, Schoenmaker and Wasama (2018) reviewed literature on cost of capital and firm's performance. The findings of the study supported the existence of a negative relationship between cost of capital and environmental firms' performance. However, several external factors, including the national, institutional and cultural frameworks, seem to have a considerable effect on this relationship. New avenues of research should investigate in depth those factors, gather evidence from understudied countries, and examine the practices that allow corporate and investors to embed sustainability considerations in cost of capital metrics. Muthoni, Nasieku and Olweny (2018) determined the mediating effect of capital structure on the relationship between ownership structure and financial performance of non-financial firms listed on the Nairobi Stock Exchange (NSE) in Kenya. Thirty-five (35) firms were selected as sample size for the period 2008-2017 and panel regression was used for analysis. The analysis revealed that the capital structure has no significant mediating influence on managerial, government, and retail ownerships and financial performance. However, the study confirmed that there is a

significant partial mediating effect of capital structure on the relationship between institutional ownership and listed firm's financial performance. In the same vein, Shahwan, (2018) examined the mediating effects of investment and financing decisions on the impact of capital structure towards the overall performance of the Jordanian listed commercial banks. The listed Commercial Banks in Amman Stock Exchange that constantly published their financial statements for 16 years (2002–2017) have been considered as the sample. Structural Equation Modelling (SEM) through AMOS version 25 and SPSS version 21 were employed to investigate the patterns of relationships between variables under study. The findings of the study revealed that both investment and financing decisions have partially mediated the effect of capital structure on the corporate performance in the Jordanian listed commercial banks. Uremadu and Onyekachi (2018) investigated the impact of capital structure on corporate performance in Nigeria with special focus on consumer goods firm sector of the economy. Multiple regression of ordinary least square (OLS) analytical technique was used to analyze the data. The results from the study showed a negative and insignificant impact of capital structure on corporate performance of the consumer goods firm's sector of Nigeria. That long-term debt ratio to total asset had a negative and insignificant impact on returns on assets, while total debt ratio to equity also had a negative and insignificant impact on returns on assets.

Yahaya and Andow (2019) examine the association between capital structure and financial performance of listed conglomerate firms in Nigeria. Six listed Nigerian conglomerate firms were used as sample for the period of 2009–2013. A multiple correlation and regression model was estimated to test the relationship between capital structure and financial performance. The results consistently reject the potential association between firm's financial performance and debt capital. However, the results show that equity capital is positively related to financial performance. Also, there is evidence that size is positively related to

financial performance. The study concludes that the relationship between financial leverage and financial performance is negative. Moreover Mehmood, Hunjra and Chan (2019) examined the impact of corporate diversification and financial structure on the firms' financial performance. A total of five hundred and twenty (520) manufacturing firms from Pakistan, India, Sri Lanka, and Bangladesh were used as sample for over fourteen (14) years from 2004–2017. Two-step dynamic panel approach was applied to test the hypotheses. It found that product diversification and geographic diversification significantly affected the firms' financial performance. It further found that dividend policy and capital structure had a significant impact on the firms' financial performance. Aziz and Abbas (2019) examined the relationship between debt financing and firm's performance in fourteen (14) sectors of Pakistan. Secondary data was collected from fourteen (14) different sectors in Pakistan Stock Exchange, over the period of nine (9) years (2006 to 2014). The results of the study indicated that debt financing have negative and significant impact on firm performance in Pakistan.

Based on the literature reviewed of the previous studies, some of the studies have used different measures of both capital structure and financial performance. However, this study has used debt ratio and equity ratio as measures of capital structure while return on assets and return on equity as measures of financial performance. Equally, some of the reviewed literatures have used both accounting and marketing measures of performance, however, this study rely on accounting measures only. Most of the reviewed studies are empirically in nature, however, this solely depend on reviewing the existing literature. This call of other studies to observed this limitation so as to breach the gap.

Conclusion

The motive behind conducting this study is to review and identify the mediating role of cost of capital on capital structure and financial performance of listed consumer goods companies in Nigeria. The study relies and depends solely on reviewing related literatures

on the topic. Based on the findings of the reviewed literature, it concludes that debt ratio has negative and significant effect on financial performance of consumer goods companies in Nigeria. However, equity ratio has positive and significant effect on financial performance of consumer goods companies in Nigeria. Similarly, cost of capital revealed a significant and negative relationship between the weighted average cost of capital (WACC) and financial

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Impact of Boko-Haram Crisis on Socioeconomic Activities in Borno State

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This study adopts a content method and the researcher relies solely on the work of other scholars. The paper examines the impact of Boko-Haram crisis under the following taxonomy; business activities, agricultural activities, Health sector and Education activities. The paper found that Boko-Haram crisis has serious implications on socioeconomic activities in Borno State, leading to severe poverty among the inhabitants which is capable of sustaining the crisis if nothing targetable is done to ameliorate the sufferings of this people and put a stop to the activities of the terror group. Hence, the paper concluded by drawing the attention of government at all levels to step-up measures and completely brings to end the crisis. The paper recommended among others that lives and needs of Borno people should be of topmost priority to the government and other development partners and that there is need to put in place modalities to support families affected by book-Haram

Introduction

The incidences of Boko-Haram attacks in Borno State have devastating effect on socioeconomic activities. Boko-Haram by its nature cripples the economic activities of any place they spread. The outcomes have been consequential losses on the inhabitants and government. Since inception, the sect have targeted government officials and buildings such as prisons, barracks, security officers, politicians, traditional rulers, religious leaders as well as ordinary people and their properties making the entire population feel unsafe. Borno State being the epicentre of the Boko-Haram activities has been crippled economically, leading to the death of thousands of people, business activities shambled, farmers killed, hospitals and schools destroyed, thus, people were force to migrate from the affected places due to restiveness (Bello, Galadima & Aliyu, 2018).

Many individuals have closed and or abandoned their businesses and flee to other places where they seek refuge. The activities of the group have resulted in large number of people relocating to Maiduguri because of its relative peace, causing shortages in accommodations and over-stretching the available facilities and social services. About 604,260 people from 13 Local governments have moved to Maiduguri, which recorded the highest number of refugees in the Northern states (Mbaya, Waksha & Wakawa, 2017).

The Boko-Haram crisis has also been threatening the existence of NYSC scheme. A scheme which has been instrumental in the smooth conduct of

elections in the country and has been serving Borno State in providing over 65 per cent of the required healthcare delivery and education services at the grassroot level where about 75 per cent of the citizens live (Ovaga, n.d). In fact, the implications of their activities cannot be quantified.

The Boko-haram insurgents employ guerrilla warfare to destroy business, agricultural, health and educational activities in Borno State. More so, the group has indulged in criminalities such as kidnapping of students (for instance the Chibok girls), Lecturers, traders and humanitarian workers; bombing; hostage taking; killings; and the destruction of schools, health facilities, farms/food storage and market places. They have carted away unquantifiable number cows, goats and any kind of food items. They have no reservations bombing innocent people, more especially women and children who have no idea of what the fighting is about (Odita & Akan, 2014). From the foregoing, it is difficult for socioeconomic activities to thrive under the present condition of threats that have enveloped Borno State. It is against this background that this paper assesses the impact of Boko-Haram insurgency as it relates to socioeconomic activities in Borno State.

Theoretical Framework

This study adopts the theory of relative deprivation. The theory has been generally attributed to an American Sociologist, Robert K. Merton who demonstrated a gap between expected and achieved socioeconomic and political opportunities. In his opinion, people who feel deprived of something consider essential things such as money or right political voice status, will organize or join social movements dedicated to obtaining that which they are deprived. In addition, individuals or group will tend to display anger, antagonism and lack of trust when they believe that their legitimate rights have been denied or marginalized (Ewetan, 2013). The theoretical stand of this theory has given credence and as well corroborates the occurrence of the national malady (Boko-Haram Insurgency) that has put Nigeria into a state of misery.

The Boko-Haram Insurgency is partly an expression of the state of the Nigerian's relative deprivation. Awojobi (2014) posits that it is an undeniable facts that the Boko-Haram group has its antecedents in theology, however, its growth is as a result of a huge pool of unemployed urban youths who have completely become disenfranchised and readily to serve as foot soldiers who commit all manners of atrocities, including assassination and suicide bombings in the name of religion. In the words of Granville (2020) the sect activities and violence are as a result of socioeconomic and political marginalization, deprivation, and unequal access to economic opportunities.

The people of Nigeria and Borno more specific have experienced bad governance, commonwealth looted by inept and corrupt politicians. Lack of employment opportunities resulting from absence of industries and infrastructures while the youth remained unemployed. Poor quality of education, health care system and social services as a result of corruption by politicians who acted with impunity and routinely harassed them. Meanwhile, the people who had expected political and economic relevance and inclusion received economic deprivation and political marginalization, making the place haven for acts of criminality (Granville, 2020). This could further explain the reason why the fight against the Boko-haram militants is abating because the continuous state of relative deprivation in the state breed more recruit for the militancy, making the crisis self-sustaining.

Impact of Boko-Haram on Socioeconomic Activities of Borno State

The researchers put forth some of the impacts of Boko-Haram crisis under the following headings; Business, Agriculture, Health Care Sector and Education System.

Business Activities

The Boko-Haram activities have rendered moribund business activities in Borno State. According to Dauda (2014) about 97% of businesses were negatively affected by this menace thereby stagnating the trade flows and

volumes most especially at the rural areas. Small and medium scale businesses such as road side stores, and shops, local markets among others were closed or shut down completely (Patrick and Syed Sopi, 2019). The situation has led to migration of people, many of whom were traders, to other part of Nigeria. The rumour of Boko-Haram's poisonous product once led to reduction of people's patronage of product from Borno State (Bello, Galadima and Aliyu, 2018). Foreign investors were scared away from investing in the state to places where they are sure that their investment will be secured. This phenomenon has worsen the economic well-being of the people of Borno State.

Corporate organizations like the commercial banks were also affected seriously. Mohammed (2012) noted that due to the severity of the deteriorating insecurity in Borno State, commercial banks were forced to review their operational hours to begin from 9am to 12 noon as against the normal operating period of 8am to 4pm in order to safeguard their business premises while others have closed their branches in the state (Wema Bank and Standard Chartered Bank). This is detrimental to the customers more especially the traders who find it difficult to deposit their daily proceed, thus resulting to hiding money in the shops which often times are burgled by criminals.

Agricultural Activities

The effect of Boko-Haram insurgency on agriculture in Borno State is quite enormous. According to the United Nations High Commissioner for Refugee, more than 1.5 million people, mostly farmers have been forced to flee their homes for fear of attack by the insurgents (Idika-Kalu, 2020). This is happening in a state known for the production of cowpeas, rice, millet, tomatoes, onions, yams, corns and sorghums, livestock and fish in commercial quantity. Most recently about 43 farmers were killed in their farms by the dreaded Boko-Haram militants in Zabarmari Community in Jere Local Government Area, which is just 20 km from the State Capital, Maiduguri (BBC News, November 29th 2020). Many farmers have run away from their homes living their

farm lands uncultivated while many others have been afraid to go to farms for fear of being attacked by the militants. Hence, the output in Agricultural product has fallen greatly in Borno State.

Furthermore, Boko-Haram has restricted the flow of beans, pepper and tomatoes in Borno State. A basket of pepper that used to be sold at the rate of N4000 now sold for over N10,000 thereby making life difficult for people to live (Amalu, 2015). Several agriculture lands and products have been damaged by the Boko-Haram, and this has affected the economy of the rural people (Patrick and Syed Sopi, 2019). More also, the grain market in Borno state from 2009 to 2020 is a clear example of how the insurgency impedes on the flow and volume of Agricultural products in Borno State. According to Patrick and Syed Sopi (2019), the Baga and Gamboru grain markets in Borno state no longer collect the huge grains which include millet, maize, sorghum and beans seeds from all the northern states and even some other part of Nigeria due to devastating effect of the Boko-Haram activities.

Health Care Sector

The Borno State experience of Boko-Haram insurgency has left an undeletable mark in the health care sector. Boko-Haram insurgency has claimed a lot of lives and inflicted injuries on thousands of people. Health workers were not spared in the killings and threats. Indigenous workers generally abandoned their workplace temporarily and returned whenever there is calmness. However, most non-indigenous workers left permanently. In some instances health workers have been abducted, while others have been killed by boom blasts while traveling to or from work. Some hospitals have had to be closed for some time until the local situation normalized (Amalu, 2015).

It is also important to note that Boko-Haram insurgents have attacked numerous health facilities in large areas of Borno state. Even though prior to the insurgency, the health system barely function. According to Amalu, (2015) as of March 2014, only 37% of facilities in

Adamawa, Borno and Yobe States were functional. In September, 2014, the medical charity Doctors without Borders treated 4,000 patients after a cholera epidemic broke out in Borno state and as at 16 September 2015, the official count recorded 172 cholera cases with 16 deaths at three camps for persons internally displaced by the Boko-Haram insurgency. In 2016, the World Bank report showed that Boko-Haram insurgents have attacked and damaged 201 health centres. Similarly, Abdullahi, Cheri and Chikaji (2017) recorded over 788 health facilities that were lost to insurgent activities in the northeast where Borno alone lost over 40% of its health facilities.

Consequently, about 6.9 million people were plunged in need of humanitarian health services, 1108 cases of acute watery diarrhoea were reported, cases of measles, cholera, meningitis and Viral Haemorrhagic Fever (VHF) outbreaks were also reported (Borno State Government, 2017). The situation is so intense that the likelihood of survival mostly among the female stood at 1/23 compared with 1:4700 in United Kingdom due to inadequate midwives (Abdullahi et al., 2017).

Education System

Boko-Haram activities have brought setback in the educational system across Borno State. Their activities have led to the prevalence of out of school children especially those in the primary and secondary schools in the rural areas. Mbaya et al., (2017) noted that the constant threat posed by the insurgents has resulted to number of schools being close down. Some of those schools were destroyed while others like those in Maiduguri township and other rural areas where turned to IDP camps.

The insurgency have done a fatal blow on educational system in Borno state as many promising youths who would have been future leaders of the nation have been put to their early grave. Pathetically, the rural people are the worse affected by this menace. This will certainly affect the development of the areas owing to the key role education plays in society to develop. Patrick and Syed Sopi, (2019)

mentioned in their paper that the resources the government used in rehabilitating schools destroyed, and the purchase of ammunition as well as taking care of the security personnel could have been directed to better used like the provision of water, healthcare services, schools, roads, improved Agricultural inputs and other essential services for the rural people .

Conclusion

This paper has examined Boko-Haram insurgency and its impact on socioeconomic activities in Borno State. The State is obviously facing unprecedented socioeconomic crises. This is a state known to be one of the most stable and peaceful in the country has turned most volatile, insecure and high risk state since the last decade due to the activities of Boko-Haram, leading to immeasurable losses to business owners, both corporate and non-corporate, farmers, and civil servants among others. And worse affected are the farmers. Properties worth millions of Naira have been destroyed, social and economic activities have been stagnated leaving many innocent people jobless and poor. Aside the socioeconomic implications, of great concern is the human cost to everybody. Thousands of people have been killed, while many others displaced due to the persisted attacks from the Boko-Haram. At this point, it becomes crucial for the government at all levels to step-up measures and completely bring to an end the insurgency so that people can be restored back to their communities.

Recommendation

From the foregoing, the paper recommends the following; the need for government at all levels to put the lives and needs of people as top priority. The need for government and development partners to put in place modalities to support families affected by Boko-Haram. This will go a long way to prevent relative derivative state in people which could perhaps reduce the number of recruit for Boko-Haram. The fact that transportation is a necessary precondition to sustain economic growth of any state government should ensure smooth transportation of goods within and across Borno

State so as to cushion the effect of economic hardship on the people.

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A Review of Health Expenditure and Health Outcomes in Nigeria and India: A Comparative Analysis

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This study compared the health expenditure and health outcomes indicators and describes the healthcare delivery systems in Nigeria and India over the period 2000-2015. The study employed secondary data collected from World Development Indicators (WDI) World Bank database and UNICEF database. The data for the study was analysed using descriptive statistics and diagrammatical representation. Thus, the study found that India has realized impressive gain in child survival and recorded higher life expectancy of 68 years than Nigeria during the period under study. Government health expenditure as a percentage of GDP is below 2 % in both countries. More so, the findings indicate that there increasing out- of- pocket health expenditure in Nigeria and private health expenditure is very high in India than in Nigeria. The findings suggest that government of Nigeria and India should increase budgetary allocation to health sub-sector for better healthcare provision and converging health status.

Introduction

Healthcare expenditure has been an issue of discussion in developing nations in recent time; various researches have repeatedly highlighted (Govinda and Choudhury, 2019) the unequal and low level of public expenditure on health in these nations, Nigeria and India inclusive. No doubt this will have an adverse effect on individual health status (Byaro, and Musonda 2019). On other hand, health outcomes symbolize how healthy a country is and assesses the quality of health care in the country''. Public health expenditure is important for improving health outcomes especially for the poorer which are more likely to obtain health care from publicly provided facilities. Countries that spending more on public health are expected to have secured better health outcomes compared to countries that's spend less on public health (Byaro and Musonda, 2019). Despite the rising improvement on allocation and different policy initiatives implemented over the years in Nigeria and India, available statistics reveal that apart from healthcare budgets that are far below the the expected level, Nigeria spends 3.29 to 3.78 % of its GDP on healthcare; India spends 3.27 to 3.54 % its GDP in 2010 to 2020 respectively(WHO 20219). This is extremely unequal and very low, in particular when compared to other developing countries such as South Africa (8.6%), Brazil (8.3 %) and Democratic Republic of Congo with (7.9%), this is much lower than what is needed of \$54 per capita recommended by WHO macroeconomic commission for Health for low income countries to provide basic health care services , (WHO 2019). As a result Nigeria was happen to be among the twelve developing countries

identified as lagging behind and in danger of not meeting the 2015 Millennium Development Goals (MDGs) of reducing infant mortality by two-thirds (UN 2020). Along the line India has relatively considered as among the nations that have poor rural health indicators and its health care systems are among the most privatized in the world, this high degree of privatized healthcare attributed to inadequate access to public health care service and poor quality. Therefore, this study is to (i) compare the health care expenditure and health outcomes indicators and to (ii) describe the health care delivery system in Nigeria and India. Nigeria was selected as a comparator country for India as all categorized as developing nations. Moreover, Nigeria and India are among the countries that have signed the MDG's in the year 2000 which has made it clear "that health and health care delivery be made free to all by the year 2015" (WDI 2020).

Methodology

The method of descriptive statistics informs of trend analysis via the use of table and simple chart were used to analyze and compare the health expenditure and health outcomes. The Secondary data was obtained from the World Development Indicators (WDI 2020) World Bank data base and UNICEF India website over the period under study.

Results and Discussion

Demographics

Nigeria officially the Federal Republic of Nigeria is a country in West Africa (Sub-Saharan African Country) located in West Africa. It has 36 states and the Federal Capital Territory (FCT) with the states further divided into 774 Local Government Areas (LGAs). Nigeria was estimated to be 206.1 million as of December, 2020 (UNP 2020) and the country is the most populous country on the African continent, rank seventh in terms of the world population ranking. Approximately 50% of the population lives in urban areas with the rate of urbanization estimated at 3.75% annual rate of change. Crude oil has been a dominant source of income and government revenue (CIA 2020).

India officially the Republic of India, is a country in South Asia. India's capital is New Delhi with 29 states and 7 union territories. India is the second most populous country in the World, with an estimated population of 1,380,004,385 billion people as of December, 2020 (UNP 2020), about 72.2% of the population lives in rural areas and the rest of 27.8% in towns and urban area. The mainstay of Indian economy is Agriculture, which has a high share in employment and livelihood creation (CIA 2020).

Health care Delivery System in Nigeria and India

The health care delivery systems in Nigeria are decentralized into a three-tier structure with responsibilities at the Federal, State and Local government levels. All the three tiers are involved, to some extent, in all the major health system functions, stewardship, financing and service provision. At federal level, the Federal Ministry of Health (FMOH) is responsible for policy, technical support and supervision to the overall health system, international relations on health matters and the provision of health services through the tertiary and teaching hospitals and national laboratories. At state level, state ministries of health (SMOH) are responsible for secondary hospitals, specialist hospitals in some states and for the regulation and technical support for primary health care services. Also at the local government level primary health care is the responsibility of the local government under primary health care (PHC), it is organized through the wards. However, health services at local government areas are rendered at primary at primary health centers, dispensaries and clinics. Similarly, the private sectors were also in place, which operates at private hospitals and outpatient clinics, almost in every urban cities and rural areas. Also voluntary welfare organizations are providing and supplies step-down health care services to the populace, most of these organizations are funded by the donor agencies or non-governmental organizations (Scott-Emuakpor, 2010). Similarly, India Health care delivery system has three main links, the central,

state and local or peripheral. The central government's responsibility consists mainly of policy making, planning, guiding, assisting, evaluating and coordinating the work of state health ministries. The official organs of the health system at national level are the ministry of health and family welfare, the directorate general of health services and the central council of health and family welfare. States are largely independent in matters relating to the delivery of health care to the people. Each state has developed its own system of health care delivery independently of the central government. At district level each districts, there are six types of administrative areas, under which health care services delivered, such as outpatient services, clinics, and hospital. Similarly, there are also community health Centre's and rural hospitals. At the same time the private sectors deliver health care service at private health services, polyclinics, nursing homes, dispensaries, general practitioners and clinics. Indigenous system of medicine is also part of the health care delivery system, Unani and Tibbi, Homeopathy and

unregistered practitioners. Voluntary health agencies are also in place (Muhammad, 2019).

Table 1 provides useful information of the two countries regarding the health expenditure indicators and health outcomes indicators. During the period under study Nigeria's maximum public health spending as a percentage of GDP is 1 per cent, and that of India was 1.4 per cent. The proportion of private healthcare expenditure is high in India. The out-of-pocket healthcare expenditure as a percentage of total health expenditure is highest for Nigeria. Also, on average the minimum and maximum life expectancy was 62.4 and 70.6 years respectively in India and in Nigeria was 46.3 and 53 years respectively. Similarly, the under-5 mortality rate per 1,000 live births is very high in Nigeria with 108.8 compared to that of India with 49.8 during the same period. The maternal mortality ratio per, 100, 000 live births are very high in Nigeria with the minimum ratio of 814 against the 181 recorded by India during the same period.

Table 1: Health Expenditure Indicators and Health Outcomes Indicators in Nigeria and India

Years	Nigeria						India					
	Health Expenditure Indicators				Health Outcomes Indicators		Health Expenditure Indicators			Health Outcomes Indicators		
	Pub HE (%GDP)	Priv. HE (%GDP)	OOP HE (%GDP)	LEB	U-5 MR	MMR	Pub HE (%GDP)	Priv. HE (%GDP)	OOPHE (%GDP)	LEB	U-5 MR	MMR
2000	0.9	1.9	61.7	46.3	186.8	1,170	1.1	3.2	67.9	62.6	91.2	374.0
2001	1.0	2.2	62.7	46.5	181.3	1,140	1.1	3.4	70.3	63.0	87.7	354.0
2002	0.6	1.8	67.3	46.8	175.6	1,090	1.0	3.4	70.5	63.4	84.3	335.0
2003	0.9	3.1	74.7	47.2	169.9	1,040	1.0	3.3	70.6	63.8	81.0	316.0
2004	1.4	2.9	64.2	47.7	164.1	986	1.0	3.2	67.9	64.2	77.7	298.0
2005	1.2	2.9	67.9	48.2	158.1	946	1.1	3.1	65.9	64.6	74.6	280.0
2006	1.2	2.5	64.1	48.8	152.2	890	1.1	3.1	65.7	65.0	71.5	265.0
2007	1.5	3.0	64.3	49.3	146.4	884	1.1	3.1	65.3	65.8	68.5	250.0
2008	1.5	2.5	60.5	49.9	140.9	829	1.2	3.2	64.4	66.2	65.6	237.0
2009	1.3	2.9	65.8	50.4	130.5	883	1.2	3.2	63.3	66.6	62.7	225.0
2010	0.9	2.6	70.6	50.8	125.5	867	1.2	3.1	63.4	67.0	59.9	225.0
2011	1.2	2.5	65.8	51.3	120.9	824	1.2	3.2	64.4	67.0	57.2	215.0
2012	1.0	2.3	65.6	51.7	120.9	819	1.2	3.2	64.9	67.4	54.5	206.0
2013	0.9	2.8	72.9	52.1	116.6	821	1.3	3.2	63.8	67.7	52.1	197.0
2014	0.9	2.7	71.7	52.5	112.5	820	1.4	3.3	62.4	68.1	49.8	189.0
2015	1.0	2.7	71.7	53.0	108.8	814	1.4	3.3	62.4	68.3	49.8	181.0

Notes: **PubHE** = public health expenditure; **Priv. HE** = private health expenditure; **OOP HE** = out-of-pocket health expenditure; **LEB** = life expectancy at birth; **U-5 MR** = is per 1,000 live births; **MMR** = maternal mortality ratio (modeled estimated per 100,000 live births).

Source: Authors Computation using data from (WDI 2020)

Figures

In order to compare and gain further insights into the trends of the health expenditure

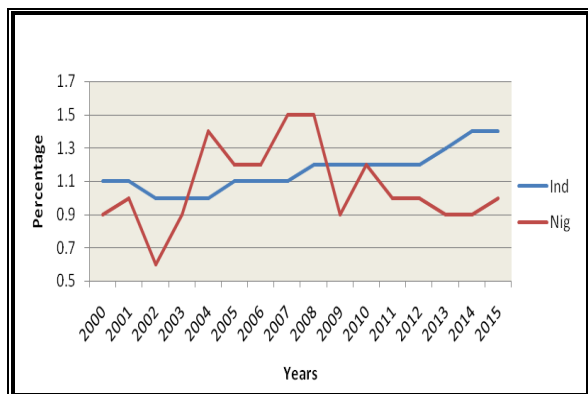


Figure 1: Trend of Public Health Expenditure as a percentage (%) of GDP for Nigeria and India

Source: Authors' Computation using data from WDI, 2020

Figure 1 shows the trend of public health expenditure as a percentage of GDP for Nigeria and India; we can see that in both countries an inconsistent trend was observed. Nigeria spends 0.9 per cent in 2000 but in 2007 this had increase to 1.5 per cent. For India it was 1.1 per cent in 2000 and it was increase to 1.4 per cent in 2015. Going by this we could thus, infer that there is unequal and unbalanced public health expenditure among the two countries, considering the fact this has an adverse effect on health status of the people in these countries.

indicators and health outcomes indicators in both countries, the series were plotted in Figure 1 through 6 over the period of the study.

Similarly, this shows that the level of government commitments towards funding of health care is not encouraging and is very low compared to what was recommended by (WHO 2003) to be spent on health care in low middle income countries.

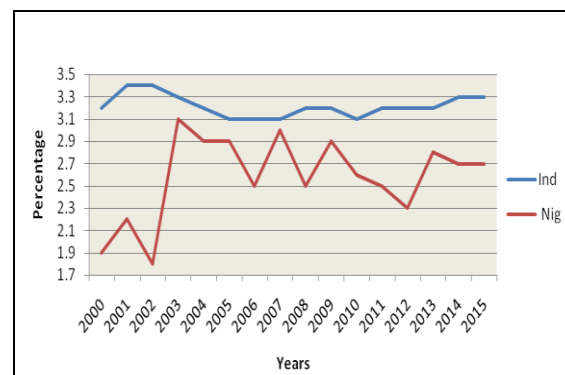


Figure 2: Trend of Private Health Expenditure for Nigeria and India

Source: Authors' Computation using data from WDI, 2020

Figure 2 shows the trend of private health expenditure. India has the highest increasing trend throughout the period, but there is slight decline in 2005 to 2007 from 3.4 per cent to 3.1 per cent. In contrast, Nigeria's private health expenditure as a percentage to GDP is lower than that of India during the same period; it was 1.9 per cent in 2000 and 2.7 per cent in 2015.

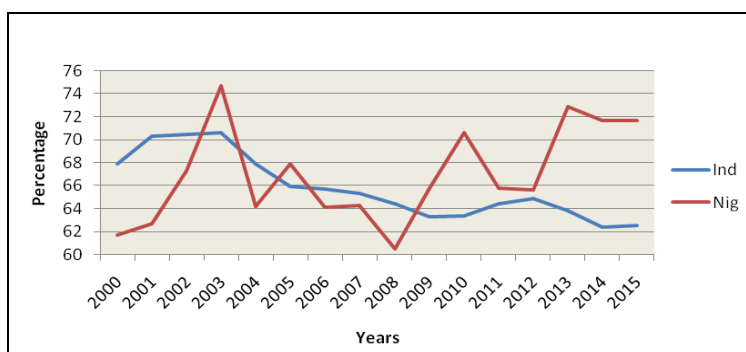


Figure 3 Trend of the out-of-pocket health expenditure for Nigeria and India

Source: Authors' Computation using data from WDI, 2020

Figure 3 shows the trend of out-of-pocket healthcare expenditure, this is the form of user charges for treatment that comes from OOP. The trend for both countries is fluctuating and increasing, for India from 2000 to 2003 it was very high at 67.9 per cent to 70.6 per cent respectively. In contrast, out-of-pocket expenditure was 61.7 per cent in 2000 for Nigeria but there has been upward increasing trend from 2002 through 2003, which 62.7 per cent to 74.7 per cent respectively.

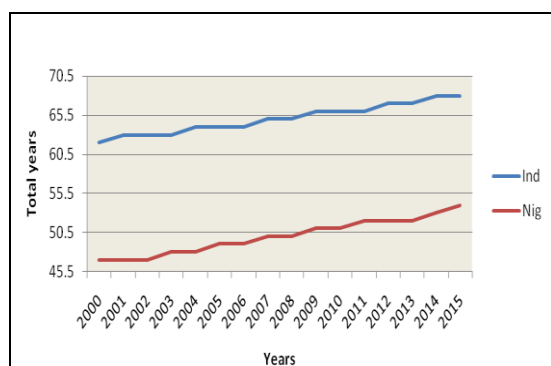


Figure 4: Trend of Life expectancy at birth for Nigeria and India

Source: Authors' Computation using data from WDI, 2020

Figure 4 presents the trend of life expectancy at birth, total (years) India has experienced "year-on-year" rise and in 2000 life expectancy was 62.6 years and had risen to 68.3 years in 2015.

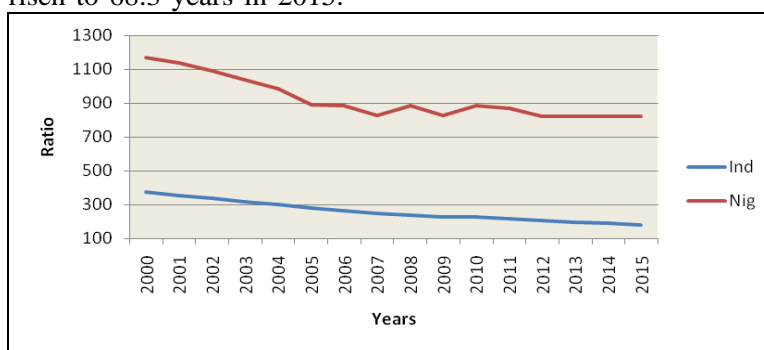


Figure 6: Trend of Maternal Mortality for Nigeria and India

Source: Authors' Computation using data from WDI, 2020

Figure 6 shows the trend analysis of maternal mortality ratio per 100,000 live births showed that India has the lower maternal mortality of 374 in 2000 and fell to 181 in 2015. The

The corresponding figures for Nigeria were 46.3 and 53 years, respectively. Thus, we could infer that life expectancy is high in India than in Nigeria during the period of study.

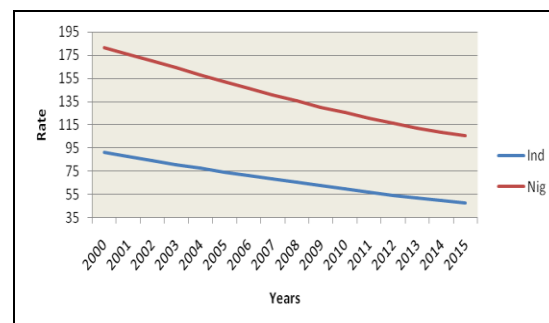


Figure 5: Trend of Under-5 mortality for Nigeria and India

Source: Authors' Computation using data from WDI, 2020

Figure 5 indicate that Nigeria has the highest trend of under-five mortality rate per 1,000 live births of 186.8 in 2000 and 108.8 in 2015 respectively. India has therefore experienced "year-on-year" improvement and decreasing trend, such that in 2001 under-5 mortality rate fell to 87.7 to 49.8 in 2015.

corresponding figure for Nigeria is 1,170 in 2000 and it has been rising to 814 in 2015, which is very high compared to India

Conclusion

This study compared the various components of health expenditure and health outcomes indicators in Nigeria and India, the findings revealed that both are unequal. Similarly this brought out in clear terms some issues in these countries namely: There is higher out-of-pocket health expenditure and the public health expenditure as a percentage of GDP is very low, more specifically the maternal mortality and under-5 mortality rate is at alarming in Nigeria. Furthermore, the findings will serve as wake - up call for the two countries in term of improving public health care spending which will go a long way to improve general health status of the citizenry. Finally the findings suggest that governments of Nigeria and India should increase budgetary allocation to health sub-sector for better healthcare provision and converging health status.

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