

## CONTRIBUTIONS OF FEDERAL COMPETITION AND CONSUMER PROTECTION COMMISSION TO CONSUMERS' SATISFACTION WITH PHARMACEUTICAL PRODUCTS IN LAGOS STATE, NIGERIA

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### **Abstract:**

*This paper examines the contributions of Federal Competition and Consumer Protection Commission (FCCPC) as regards to the satisfaction of consumer with pharmaceutical products in Lagos state, Nigeria. Two objectives and two research questions were raised for the study. Three-factor theory of satisfaction anchored the study. Two local government areas (Ikorodu and Ikeja) are purposively selected for the study. A mixed method design of quantitative and qualitative approaches was adopted. For the qualitative approach, the researcher utilized (KII) to compliment the quantitative instrument. A total of 1202 respondents were purposively selected through convenience sampling procedure. The results revealed that FCCPC has machineries in place for the market to function as expected but execution is the main problem due to inadequate and undedicated staff, paucity of fund and poor logistics. It is then recommended that the FCCPC should as a matter of obligation, recruit more qualified staff members to enhance the quality effective and efficient discharge of its duties.*

**Keywords:** Consumer satisfaction, Consumer rights, Three- factor Theory, Rights abuses

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### **Introduction:**

Essentially, every consumer desires value for the money spent in any business deal—whether in products or services. This is the perspective under which a transaction contract is sealed. In Nigeria, consumers are not getting value for the money they spend on goods and services, which results in widespread dissatisfaction, particularly with pharmaceutical products in Lagos State.

Consumer satisfaction (CS) is the primary rational state of the consumer, which comprises two things: **expectation before purchase** and **perception about performance after purchase**. Furthermore, consumer satisfaction is a personal feeling of either pleasure or disappointment resulting from the evaluation of services provided by an organization in relation to expectations. It can be characterized using either the exchange explicit viewpoint or the aggregate viewpoint. The exchange viewpoint suggests that consumer satisfaction is an assessment based on new purchase encounters. In contrast, the aggregate viewpoint stresses that consumer satisfaction should be assessed based on all purchasing encounters, rather than on a single purchase.

Consumer satisfaction also refers to an individual disposition toward pleasure or frustration experienced as a result of evaluating the usage of a product or service compared to expectations. It is based on consumer information—particularly information from the consumer—about items, providers, markets, consumer patterns, and future requirements (Aghamirian, Dorr & Aghamirian, 2015; Suchánek & Králová, 2019). Hence, consumer satisfaction serves as a measurement to quantify how an item, service, or experience has affected a client. It aims to determine whether the brand was able to meet or exceed the client's unique expectations. It alludes to how well an item or specialist organization satisfies the expectations of clients.

Today's consumers operate in more complex markets with increasing volumes of data and a wider range of items to choose from. In Nigeria, a significant number of sellers and producers—whose primary business interest is profit maximization at all costs—engage in selling adulterated or fake and dangerous products and services, with little regard for the consequences on consumers. There is global recognition of the imbalance in knowledge and power between producers of goods and services and consumers (Ndubisi, Anyanwu & Nwankwo, 2016). Nigerian consumers, due to this information asymmetry, have endured abuses over the long term from service and product providers, including unacceptable services and expired products.

The Federal Competition and Consumer Protection Commission (FCCPC) was established under Act No. 66 of 1992 in Nigeria to address such issues. The FCCPC's mandate includes eliminating hazardous products from the market, providing speedy redress to consumer complaints, undertaking campaigns to increase consumer awareness, and ensuring the overall protection of consumer rights.

### **Statement of the Problem**

Lagos, one of the six states in Nigeria's South-West geopolitical zone, has, according to existing literature, recorded a high rate of consumer complaints regarding the influx of fake and adulterated pharmaceutical products over the past few decades. This concern prompted the FCCPC to establish a dedicated operational office in Lagos State. Consumers in Lagos are exposed to various forms of abuse, ranging from unfair trade practices, spiralling prices, product adulteration, poor quality products, and deceptive packaging—all of which contribute to consumer dissatisfaction.

Despite the FCCPC's efforts, reports continue to indicate a high concentration of fake and adulterated drugs in Lagos State, posing significant health hazards and leaving consumers vulnerable to exploitation.

### **Objectives of the Study**

*The objectives of this study are as follows:*

- i. To determine the extent to which the FCCPC's activities (elimination of hazardous products, prompt response to complaints, provision of adequate information, reduction of consumer rights abuse, and enforcement of product and service standards) jointly and individually contribute to consumer satisfaction with pharmaceutical products.
- ii. To establish the extent to which the FCCPC has succeeded in eliminating hazardous pharmaceutical products from the Nigerian market.

### **Research Questions**

- i. To what extent have the FCCPC's activities jointly and individually contributed to consumer satisfaction with pharmaceutical products in Lagos State?
- ii. To what degree has the FCCPC been able to eliminate hazardous pharmaceutical products from the Nigerian market?

### **Methodology**

#### **Research Design**

This study adopted a mixed-method research design, incorporating both qualitative and quantitative approaches. The design enabled the researcher to comprehensively examine the phenomena under investigation by integrating numerical data with in-depth insights.

#### **Sampling Technique and Participants**

A purposive and convenient sampling technique was employed to select 1,202 consenting

participants who constituted the cases for this study. These participants were consumers of pharmaceutical products who patronized selected pharmaceutical stores within the study area.

### **Instrument for Data Collection**

A self-developed questionnaire was used to collect data from the participants. The instrument was administered by the researcher with the assistance of trained research aides. This approach ensured consistent administration and improved the reliability of the data gathered.

### **Data Analysis**

The collected data were collated and subjected to statistical analysis using simple percentages, means, standard deviation, and multiple regression. All tests were conducted at the 0.05 level of significance.

### **Conceptual Clarifications**

#### **Consumer Satisfaction**

Consumer satisfaction refers to the response of consumers to their experiences from using a good or service—particularly in relation to the provisions of the Federal Competition and Consumer Protection Commission (FCCPC). These provisions include the availability of adequate information, elimination of hazardous products, standardization of goods and services, prompt response to complaints, and reduction in consumer rights abuse.

Simply put, customer satisfaction is a metric that reflects the degree to which customer expectations have been met (MomentCRM, 2020). When consumer expectations are met, satisfaction results. Conversely, failure to meet expectations leads to dissatisfaction.

Customer satisfaction also encapsulates a customer's entire experience with a company (Corporate Finance Institute, 2021). According to Gizaw & Pagidimari (2014), customer satisfaction represents the sum of experiences a customer has with a firm. A lack of satisfaction—dissatisfaction—can adversely affect revenue, especially in businesses that depend on repeat patronage (Chuah, Marimuthu, Kandampully & Bilgihan, 2017).

Social media, perceived value, co-creation, brand ambassadorship, customer engagement, and community involvement are new paradigms shaping customer mindsets (Kandampully & Bilgihan, 2015). These changes underline the dynamic and competitive business landscape where customer satisfaction, service quality (Choudhury, 2014), customer loyalty (Chodzaza & Gombachika, 2013), and firm performance are interconnected.

In Nigeria, many business leaders have failed to meet customer expectations, resulting in revenue losses (Adebayo, 2013; cited in Otaigbe & Beehner, 2019). Satisfying Generation Y consumers has become crucial for long-term business success and profitability (Kandampully et al., 2015). The core business problem remains the inability of some service industry leaders to retain customers due to inadequate satisfaction strategies.

#### **Consumer Protection**

Consumer protection is a policy initiative aimed at shielding individuals from unsafe or deceptive goods and services. It is a major social policy in modern states and stands independently with its own objectives, priorities, and tools. With the rapid advancement of the economy, consumerism now extends to nearly all sectors, including the pharmaceutical industry. Efforts in consumer protection involve governments, nonprofits, businesses, and individuals working together to ensure and enforce consumer rights. Though the idea is not new, it has gained traction alongside technological and economic developments. Historical examples include food purity laws during the industrial revolution and credit safety regulations from the 1960s and 1970s.

In recent years, consumer protection has expanded to cover pharmaceutical products, recognizing the risks and complexity in this sector.

### Consumer Rights

Consumer rights are the entitlements to information regarding the quality, potency, quantity, purity, price, and standard of goods and services. These include the right to be informed, right to safety, right to choose, right to be heard, right to redress, right to consumer education, and right to basic needs.

Where these rights are respected, consumers are more likely to be satisfied. However, many Nigerian consumers are unaware of their rights, leading to recurring issues during and after purchases in the marketplace.

### Consumer Rights Abuses

Consumer rights abuse occurs when individuals are denied any of the aforementioned rights. In Lagos State, such abuses include the absence of product information and exposure to unsafe or substandard goods. Consumers must be protected from unfair trade practices that exploit this lack of knowledge.

### The Three-Factor Theory of Customer Satisfaction

#### Necessity Factors (Dissatisfaction Generators)

These are the minimum requirements a product or service must fulfill. If they are missing or poorly delivered, dissatisfaction arises. However, exceeding expectations in these areas does not necessarily increase satisfaction. Poor performance here has a greater negative impact than strong performance has a positive one.

#### Enthusiasm Factors (Satisfaction Generators)

These factors surprise and delight consumers. Their presence significantly boosts satisfaction, but their absence does not result in dissatisfaction. Because they are unexpected, they present a competitive advantage for businesses.

#### Performance Factors (Hybrids)

These factors have a linear and symmetric relationship with satisfaction. High performance increases satisfaction, while poor performance leads to dissatisfaction. Unlike enthusiasm or necessity factors, performance factors are expected and evaluated directly by consumers.

According to Berman (2005), necessity factors form the baseline for market entry. Once satisfied, increasing their performance does not necessarily yield more satisfaction. Enthusiasm factors, while hard to maintain, can be powerful drivers of customer delight. One challenge is that over time, enthusiasm factors may become performance expectations or even necessity factors.

### Analysis of Data and Discussion of Findings

#### Research Question 1

To what extent has the FCCPC's activities contributed to consumer satisfaction in Lagos State?

**Table 1a:** Regression summary of the joint contribution of the FCCPC's activities to consumer satisfaction

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	11.996	5	2.399	18.281	.000?
Residual	156.971	1196	.131		
Total	168.968	1201			
R = .266      R Square = .071      Adjusted R Square = .067					
Source: Fieldwork 2023					

**Table 1b: Regression summary of the relative contribution of the FCCPC's activities to consumer satisfaction**

Model	Unstandardized Coefficients	Standardized Coefficients			
	B	Std. Error	Beta	t	Sig.
(Constant)	25.029	.852		29.392	.000
Adequate information	.064	.024	.105	2.665	.008
Elimination of hazardous products	.002	.009	.014	.248	.804
Standard enforcement	.003	.008	.018	.329	.742
Prompt complaint response	-.018	.011	-.059	-1.561	.119
Consumer-right abuse redress	.089	.025	.132	3.577	.000

Source: Fieldwork 2023

### Interpretation

- Table 1a shows the five FCCPC activities (adequate information, elimination of hazardous products, standard enforcement, prompt complaint response, and consumer right abuse redress) jointly explain 6.7% of the variance in consumer satisfaction (Adjusted  $R^2 = .067$ ).
- The regression model is statistically significant:  $F(5,1196) = 18.281, p < .01$ , showing the FCCPC's efforts meaningfully predict consumer satisfaction.
- Table 1b identifies two significant predictors:
  - o Consumer right abuse redress ( $\beta = .132, t = 3.577, p < .01$ )
  - o Adequate information ( $\beta = .105, t = 2.665, p < .05$ )
- The other three activities (hazardous product elimination, standards enforcement, prompt complaint response) were not statistically significant predictors.

These findings align with previous studies (e.g., Bello, Suleiman & Danjuma, 2012; Mohammed, Sanoara & Ahasanul, 2012), highlighting the importance of information provision and rights redress in improving consumer satisfaction.

### Figure 1: Equation of the relative contributions of FCCPC's activities to consumer satisfaction

- Consumer right abuse redress ( $\beta = .13$ )
- Adequate information ( $\beta = .11$ )
- Standard enforcement ( $\beta = .02$ )
- Elimination of hazardous products ( $\beta = .01$ )
- Prompt complaint response ( $\beta = -.06$ )

Source: Olaniyi, A.A. (2023)

### Research Question 2

To what degree has the FCCPC been able to eliminate hazardous products from the Nigerian market?

**Table 2: Degree of elimination of hazardous products**

Item	SA	A	SD	D	Mean	Std. Dev.
1. FCCPC used to carry out routine inspections for product quality	4 (0.4%)	997 (82.9%)	201 (16.9%)	0 (0%)	2.66	.746
2. FCCPC has banned certain goods and services from the marketplace	0 (0%)	1193 (99.4%)	9 (0.7%)	0 (0%)	2.99	.172
3. FCCPC conducts quality tests and analysis on products/services	0 (0%)	13 (1.2%)	1189 (98.7%)	0 (0%)	1.02	.207
4. FCCPC issued guidelines and regulations to producers of goods/services	0 (0%)	996 (82.9%)	206 (17.1%)	0 (0%)	2.66	.754
5. Misleading/untruthful advertising is not allowed or condemned by FCCPC	0 (0%)	24 (2.0%)	1178 (98.1%)	0 (0%)	1.04	.280
6. FCCPC prosecuted offenders for selling substandard goods/services	0 (0%)	980 (81.5%)	222 (18.6%)	0 (0%)	2.63	.774
7. FCCPC has done well in sanitizing the Nigerian marketplace	0 (0%)	16 (1.3%)	1186 (98.7%)	0 (0%)	1.03	.229
<b>Overall mean</b>					2.00	

Source: Fieldwork 2023

### Interpretation

- A **large majority** (82.9–99.4%) agree FCCPC regularly inspects, bans certain goods, issues guidelines, and prosecutes violators.
- Conversely, **98–99% disagreed** that FCCPC conducts regular quality testing, combats misleading advertisement, or has fully sanitized the marketplace.
- The overall mean score of **2.00** indicates that the FCCPC's perceived efficiency in eliminating hazardous products is **low**.
- These findings echo observations by Ozoji (2012) and statements from FCCPC zonal coordinators, who noted persistent market infiltration by fake/substandard products and a weak consumer advocacy system.

### Conclusion

- Consumer satisfaction with pharmaceutical products in Lagos State is positively influenced by **consumer right abuse redress** and **adequate information**—FCCPC should prioritize these functions.
- Despite routine inspections, regulatory bans, and prosecutions, FCCPC is still ineffective at ensuring comprehensive product safety and regulation enforcement.

### Recommendations:

- o Enhance **quality testing and market sanitation**, in collaboration with regulatory agencies.
- o Strengthen **consumer advocacy**, better inform consumers of their rights, and reinforce enforcement mechanisms.
- o Regular **recruitment and training** of enforcement staff to support these roles.

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