

Commodities' Preferences and Determinants of Demand Among University Students in Nigeria

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ABSTRACT

The study investigates preferences for commodities and determinants of demand among the students of Obafemi Awolowo University, Ile-Ife, Nigeria. Out of 140 respondents, 91% reveals that they prefer food items to all other items, 87% preferred academic books and other literature, 78% indicates a preference for credit cards, internet data plans, and other mobile subscriptions. Sixty-six percent (66%) disclosed their preference for hairstyles, 64% preferred clothing and foot wares, 63% preferred to save, 61% preferred mobile devices and technologies and 53% preferred medical care services. However, majority of the respondents reveals less preference for jewellery and cosmetics (69%) as well as parties and entertainments (82%). In addition, the study reveals that there are a number of factors that determine a student's demand for commodities. The study found students' income as a very important determinant, while prices, taste, time and savings were rated as important determinants of demand among university students in Nigeria.

Keywords: Commodities' Preferences, Determinants of Demand, University Students

1 Introduction

University students just like students of any higher institution of learning need a number of items to excel in the school environment. Thus, the survival of students in the university environment depends on certain basic items and other socio-economic activities of the school. Apart from the essential teaching and learning aids, students demand for a variety of items and engage in various extra curriculum activities. With the available resources, demand for various commodities among students will be determined by many factors as well as individual preferences for commodities. According to Otemuyiwa and Adewusi (2012), food consumption and nutrients intake have influence on both physical and cognitive developments. However, poor eating habits such as meals skipping and excessive consumption of convenience food (snack) characterise the lifestyle of an average university student (Nicklas, Myers, Reger, Beech and Berenson, 1998). In addition, the advent of mobile devices and their immense contributions to teaching-learning process have increased demand for them among students. Given the conveniences that these technologies offer to students, mobile devices such as smartphones, tablets, and laptops with wider internet access have a lot of implications for students' performance in the university.

Literature has identified food items and mobile technologies as major components of demand among university students (Aniebiet; 2014; Onyia, 2015; Mojaye, 2015). Otemuyiwa and Adewusi (2012) revealed that many university students ate twice daily substituting snack for the third meal because of inadequate funding. Other studies by Young and Nestle (2003); Arulogun and Owolabi (2011); Layade and Adeoye (2014) revealed that food, fruits, vegetables and alcohol consumption among university students are significantly determined by income, gender, parent's wealth as well as the availability of the food items. Similarly, Ezaah, Asogwa and Edogor (2013) and Mojaye (2015) identified educational advancement, easy access to information, entertainments, discussions and debates, design and features, individual perception, cheating, addiction, cyber-crimes and pornography as determinants of mobile technologies among students. However, students demand is not limited to food items and mobile devices alone. Campbell (1960) revealed

that young people spend more on clothing and wares, furniture and other miscellaneous items than older people. Therefore, other miscellaneous items like clothing, hair do, haircuts and entertainments should be examined as components of demand among university students. Since students demand for numerous commodities at every point in time, choice must be made regarding what commodities will be demanded considering their relative importance as well as other factors that could influence demand among students. Therefore, this study seeks to examine commodities preferences and determinants of demand among university students in Nigeria. In Otemuyiwa and Adewusi (2012), the choice of food and consumption patterns among universities students in Nigeria showed that most students ate two times daily replacing the third meal with snack. The study concluded that poor eating habits of students is a reflection of poor funding. Similarly, Layade and Adeoye (2014) carried out an assessment on fruit and vegetable consumption among students of tertiary institutions in Nigeria. Using regression analysis, the study showed that factors such as; student income, gender, parent's wealth and accessibility of fruits determine fruit consumption among students of tertiary institutions.

Arulogun and Owolabi (2011) studied fast food consumption pattern and its risk assessment for non-communicable diseases among university students in Nigeria. The study showed that respondents preferred fast foods to homemade meals because it is readily available, stress free and nutritious. Fast food consumption was significantly higher among male students and those whose parents were employed. Also, Young and Nestle (2003) revealed that fast food consumption is common among consumers because it is readily available and concluded that more males preferred snacks to meals prepared at home compared to females. In addition, Afolabi, Towobola, Oguntona and Olayiwola (2013) assessed the pattern of fast food consumption and its contribution to nutrient intake of students in Nigerian universities. The study showed that both male and female students patronized fast foods with the higher percentage of male students. The study concluded that fast food is a poor source of micronutrients.

Moreover, Mojaye (2015) among other studies found the demand and usage of mobile devices among youth particularly students to be very important. The study examined the effects of mobile phone usage among students of tertiary institutions in Nigeria. The positive effects of mobile devices include; easy access to information, instructional usage and personal convenience. Conversely, the negative effects are distraction in the classroom, reduced cognitive ability, cheating during examinations, cyber bullying, poor writing skills and addiction. Also, Ezaah, Asogwa and Edogor (2013) examined the use of social media among university students in Nigeria. Using survey research method, the study found out that students use social media for entertainment, education/information, discussion of national issues, cyber-crimes as well as pornography. Onyia (2013) investigated the impact of ICTs on university students' academic studies. The study adopted a survey research method. The study revealed that the impacts of ICT are very high on academic performance of university students. Similarly, Aniebiet (2014) investigated the usage of information and communication technology (ICT) and its influence on study habits of universities students. The study showed that computer, internet and mobile phone usage influenced the study habits of universities students significantly.

2 Methodology

2.1 Theoretical Framework

Economic theory on consumer behaviour deals with how consumers allocate their resources and factors that determine demand for various commodities by the rational consumers. The theory of consumer behaviour assumes that consumer has perfect knowledge about market commodities and their prices. Hence, a rational consumer must be able to compare the satisfaction derivable from commodities with his/her income. Given a consumption set X_d that represents the set of all possible commodities, each item of the consumption set, say x , contains different quantities of each of n commodities that the consumer may want to buy. A consumption bundle x is therefore a subset of consumption set X_d .

$$X_d = f(x_1, x_2, x_3, \dots, x_n) \quad (1)$$

2.2 Model Specification

The law of demand relates consumer demand for commodities with their prices. Thus, the law of demand shows an inverse relationship between price and quantity demanded of a commodity given that all other conditions that influence demand remain unchanged.

$$Q_d = f(P) \quad (2)$$

According to the theory of demand, demand for a product is a function of its price, prices of other related goods, consumer's income, population, taste and preferences as well as socio-economic and demographic factors. Thus, price of the commodity (P), income of the consumer (Y), taste and preferences (T) and other factors (Z) determine the quantity demanded of a commodity. Holding other factors influencing demand constant except price, the demand function is expressed as;

$$Q_d = f(P, \bar{Y}, \bar{T}, \bar{Z}) \quad (3)$$

In reality, other factors influencing quantity demanded of a commodity (Q_d) do not remain constant. Current economic situations and widespread changes in the society cause other factors influencing demand of a commodity to vary. Similarly, price of a commodity and other factors affecting demand influence the consumption set of a consumer. Thus, consumption set (X_d) is expressed as a function of price and other factors affecting demand as follows;

$$X_d = f(P, Y, T, Z) \quad (4)$$

Based on the law of demand, the study expresses demand items (X_d) as a function of price of the commodity (P_r), consumer income (Y_m), taste and preferences (T_s), time (T_m) and savings (S_a) as follows;

$$X_d = f(P_r, Y_m, T_s, T_m, S_a) \quad (5)$$

Thus, the explicit and stochastic form of equation (5) can be expressed as;

$$X_d = \alpha_0 + \alpha_1 P_r + \alpha_2 Y_m + \alpha_3 T_s + \alpha_4 T_m + \alpha_5 S_a + \varepsilon_t \quad (6)$$

2.3 Sampling Procedure

A multistage sampling technique was employed for this study. The first stage involved purposive selection of one University (Obafemi Awolowo University) out of 152 universities in Nigeria (National Universities Commission, 2018). This was purposively selected because the university provides accommodation and a wide range of goods and services for students who live within the four walls of the school environment. The second stage was a purposive selection of 140 students out of the total population of about 35,000 students of the school in 2017. Simple random sampling technique was employed at the third stage in administering questionnaire to both undergraduates and postgraduate students across all faculties of the school.

2.4 Research instrument

A self-administered questionnaire was employed for data collection. The questionnaire items comprised of three parts. Part I comprises of students' demographic characteristics; part II consists of sources and level of income; part III deals with preferences and determinants of demand among university students. Data collected was analysed using descriptive statistics such as frequencies and percentages. Statistical Package for Social Sciences (SPSS) was employed for the analysis. Data were presented using tables and figures.

3 Results and Discussion

This section presents the results of the study. Firstly, descriptive statistics of demographic characteristics of the respondents were presented. Findings on the components of demand and determinants of demand were also presented.

3.1 Demographic Data

The demographic factors of the respondents focused on gender, age, categories (undergraduate and postgraduate) and faculties of the students of Obafemi Awolowo University, Ile-Ife. The findings are presented in table 1. The study had a gender response rate of (31.4%) male, and (68.6%) female. The study showed that respondents whose age were 20 years and below were 35%; those between 21 and 25 years were 55.7%; respondents between 26 and 30 years were 15% while the remaining 4.3% were above 31 years of age. Respondents were asked to indicate their category, majority (80%) indicated that they were undergraduate students while the remaining 20% were postgraduate students. The question on faculties showed that students of Administration (20%), Agriculture (2.9%), Arts (14.3%), Basic Medical Sciences (1.4%), Clinical Sciences (1.4%), Dentistry (1.4%), Environmental Design and Management (4.3%), Education (5.7%), Law (6.4%), Sciences (21.4%), Social Sciences (17.1%) and Technology (3.6%) were the respondents of this study.

Table 1: Demographic Characteristics of the Respondents

Characteristics	Items	Frequency	Percentages
Gender	Male	44	31.4
	Female	96	68.6
	Total	100	100
Age	20years & below	49	35
	21 – 25years	64	45.7
	26 – 30years	21	15
	31years & above	6	4.3
	Total	140	100
Categories	Undergraduates	112	80
	Postgraduates	28	20
	Total	140	100
Faculties	Administration	28	20
	Agriculture	4	2.9
	Arts	20	14.3
	Basic Medical Sciences	2	1.4
	Clinical Sciences	2	1.4
	Dentistry	2	1.4
	EDM	6	4.3
	Education	8	5.7
	Law	9	6.4
	Science	30	21.4
	Social Sciences	24	17.1
	Technology	5	3.6
Total	140	100	

3.2 Students Preferences for Demand Items

This study investigated students' preferences and determinants of demand for selected goods and services among university students. As human being, students demand for more than one commodity at every point in time given their numerous needs for academic pursuits and the endless desires associated with their age. Ten (10) demand items (goods and services) were listed in the questionnaire for students to rank either as preferred or less preferred. The findings are presented in table 2 and figure 1. The study showed that food items ranked first on the scale of preference. The results showed that 91% of the respondents preferred to demand for food items (feeding) than every other items of demand examined by the study. This explained the reason for high number of studies on food consumption among university students that are in the literature. Academic books and other literatures rank second on the students' scale of preference. Eighty-

seven percent (87%) of the respondents indicated that they prefer to demand for academic books and other literatures. Also, 78% revealed their preferences for credit cards, internet data plans and other mobile subscriptions. This result confirmed the findings of Onyia (2013) and Aniebiet (2014) that internet usage supports and improves academic performance of university students at a very high rate.

Moreover, hair and haircuts rank fourth on the scale of preference. Sixty-six (66%) of the respondents disclosed that they prefer to demand for hair styles services. Similarly, Sixty-four percent (64%) respondents revealed that they prefer clothing and foot wares. Savings rank sixth on the scale of preference as 63% of the respondents preferred to save after taking care of some certain needs. Sixty-one percent (61%) preferred mobile devices and technologies. This supported the findings of Mojaye (2015) that demand and usage of mobile devices among youth particularly students is very important for their academic pursuits although the study also identified some adverse effect of it. Medical care takes the eight position on the scale of preference as 53% preferred to demand for medical care services. Majority of the students indicated that they rarely demand for jewellerys and cosmetics. Precisely, 69% of the respondent less preferred jewellerys and cosmetics and this percentage is higher than 27% who showed their preferences for it and as a result, jewellerys and cosmetics rank 9th on the students' scale of preference. The last item of demand on the scale of preference is parties and entertainments. Eighty-two percent (82%) revealed low preference for this item while only 15% indicated their preference for parties and entertainments.

Table 2: *Students Preferences for Demand Items*

DEMAND COMPONENTS	Preferred (%)	Less Preferred (%)	Missing (%)	Scale of Preference
Feeding	91	9	0	1 st
Mobile Devices and Technologies	61	36	3	7 th
Credit cards, Data and Subscriptions	78	20	2	3 rd
Academic Books and Other Literature	87	11	2	2 nd
Clothing and Foot wares	64	34	2	5 th
Hairdo/Hair Cuts	66	33	1	4 th
Jewellerys and Cosmetics	27	69	4	9 th
Parties and Entertainments	15	82	3	10 th
Savings	63	36	1	6 th
Medical care	53	45	2	8 th

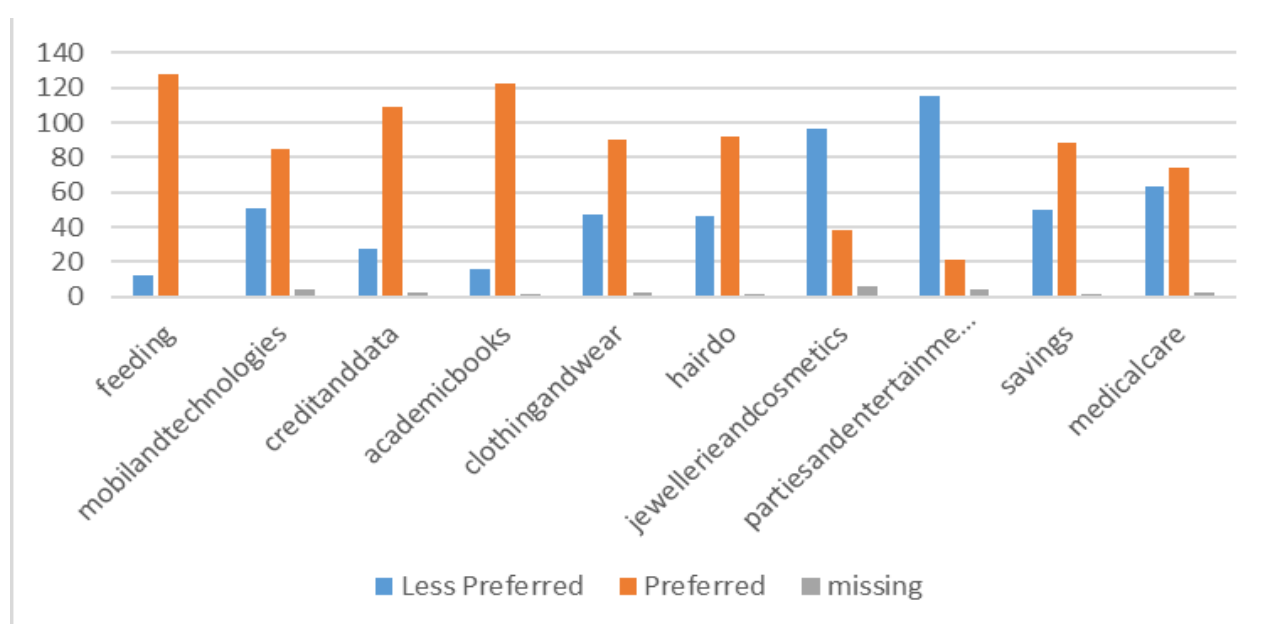


Figure 1: *Students Preferences for Demand Items.*

3.3 Determinants of Demand Among University Students

This section presents the results of cross tabulation between demand components and determinants of demand. Likert scale approach was adopted to rate responses from respondents on their view on the importance of income, price, taste, time and savings as determinants of their demand. The summary of findings is presented in the table 3. Effective demand is the demand that is backed up by consumers' ability to pay. Given that disposable income is either spent or saved, income has been rated as a very important determinants of demand by the respondents. About 72.9% of the respondents showed that income amongst other factors that determine demand is very important, 15% rated it as an important factor while 6.4% were indifferent about it. Income and demand as stated by Engel law are positively related such that the higher the level of income, the higher the quantities and items of goods and services demanded, and as such, the higher the welfare of individual consumer. The results revealed that income highly determines the number of goods and services that students can buy.

Table 3: Determinants of Demand

Scale	Determinants of demand				
	Income	Price	Taste	Time	Savings
Very Important	72.9%	33%	28.6%	25%	32%
Important	15%	44.3%	35%	35.7%	29.3%
Neutral	6.4%	13.5%	23.6%	24.3%	26%
Unimportant	0.0	3.5%	5%	5.7%	3.5%
Very Unimportant	0.0	0.0	2.1%	1%	3.5%
Missing	5.7%	5.7%	5.7%	8.3%	5.7%

According to the theory of demand, demand for a product is a function of its own price and the prices of other related goods among other factors. Following the percentage of those who deemed income as very important was the percentage of those who viewed price as important. About 44.3% respondents opined that price of commodity is an important factor that determines the number of goods and services, 33% rated price as very important, and 13% were indifferent while 3.5% viewed it as unimportant determinant of demand. Given that all other factors that influence demand remain unchanged, a fall in the commodity's prices will enable the consumer to buy more with the same amount of money income.

Time (conveniences) was also examined by the study as a possible factor that determines demand for goods and services among university students. This is factored in as a result of enormous time and efforts required by the academic activities. About 35.7% responded that availability of time is an important determinant of what constitutes their demand items while 25% held time as very important factor, 24.3% were neutral about it, 5.7% viewed it as unimportant and 1% said it is very unimportant. This is in line with Arulogun and Owolabi (2011) where 54.6% of the respondents perceived fast food to be meals with minimal processing time. Thus, university students view time as an important determinant of their demand items.

Taste is an important factor influencing consumer purchasing decision and also determines the list of items that will be demanded for by the consumer. Consumer's taste ultimately determines the kind of goods and services such consumer will demand. Thirty-five percent (35%) of the respondents revealed that taste is an important determinant of demand while 28.6% were of the opinion that taste is a very important factor in determining the number of goods and services that university students can demand for, 23.6% were neutral, 5% opined that it is unimportant and 2.1% viewed it as very unimportant determinant of demand.

The last factor examined as a determinant of demand is savings. Given that savings is an income reserved for future consumption, it influences the amount of income available for present consumption. Thirty-two percent (32%) of the respondents viewed savings as a very important determinant of demand and 29.3% viewed it just as an important factor that determines demand of goods and services, 26% were indifferent about it, 3.5% said it is unimportant and another 3.5% were of the opinion that it is very unimportant.

Although, many responded that savings was very important determinant of demand, the percentage is the lowest compared with other determinants of demand.

4 Conclusion

The study examines preferences for goods and services as well as determinants of demand among university students. Based on the information provided by the respondents, a list of selected goods and services was arranged from the most preferred item to the least preferred one. According to this study, the scale of preference of university students is as follows; feeding; academic books and other literatures; credit cards, internet data and subscription; hairdo and haircuts; clothing and foot wares; savings; mobile devices and technologies; medical care; jewellerys and cosmetics; and parties and entertainments. Also, the study reveals that there are a number of factors that determine students demand for goods and services. Income, prices, taste, time and savings were rated using 'very important', 'important', 'neutral', 'unimportant' and 'very unimportant'. It is found that, large number of the respondents picked income as very important, followed by price which they viewed as important, also, time was perceived as important, taste was also deemed to be important, and lastly, savings was selected as important determinant of demand.

5 Competing Interest

Author declared that no conflict of interest exists in this study.

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