

Consumerism Activities and Brand Equity: An Empirical Analysis of Selected Fast-Moving Consumer Goods (Fmcg) Manufacturing Companies in Nigeria

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Abstract: This study examined the effect of Consumerism Activities and Brand Equity: An empirical Analysis in Nigerian fast-moving consumer goods sector with Unilever Nigerian Group of companies as a case study. Survey design was used for the study as data were collected using questionnaires administered on a sample of two hundred and fifty-nine questionnaires (259) received from respondents. The data analysis for the study was undertaken through PLS-SEM. Accordingly, the findings of the study revealed perceived Consumer Right Awareness positively influence the brand loyalty of the consumers of Unilever Group of companies with beta ($\beta = 0.616$), t-statistic ($t = 17.813$) and p value ($p = 0.000$), while regulatory compliance also has positive and significant relationship with product quality ($\beta = 0.466$), t statistics ($t = 10.081$) and p value ($p = 0.000$). The study concluded that empowering consumers and adhering to regulations serve as strategic catalysts that transform transparency and legal standards into competitive assets for loyalty and quality. By leveraging these benchmarks as internal controls, firms minimize operational errors while fostering secure, long-term consumer commitment. The study recommends that Unilever should prioritize consumer education and transparent rights policies fosters long-term brand retention and market growth by transforming informed customers into strategic assets. Similarly, integrating regulatory compliance into early production stages secures product reliability and elevates overall market performance through standardized quality excellence.

Keywords: Brand Equity, Consumerism, Consumer Rights Awareness, Perceived Quality Regulatory Compliance

1 INTRODUCTION

The Nigerian Fast Moving Consumer Goods (FMCG), a critical manufacturing pillar is under threat of brand attrition resulting from hyper inflationary trend and a 60% erosion of traditional brand loyalty (Oladipo, 2025), yet 99% of Nigerian consumers now place brand trust as a non-negotiable item in any purchase decision, many firms have been found to perpetuate "sharp practices" - such as misrepresenting products on packaging and providing the least satisfactory redress mechanisms(Onyekaa et al., 2024; Inyang, Ebong & Nkafu, 2023). There is a deep-seated tension between the dominant corporate methodologies and the consumerist advocacy terrain. Such tension has been on the rise ever since the FCCPC began tightening up consumer protection, especially the aspect that borders on enforcing fair market pricing and stringent safety standards. The FCCPC is said to have addressed thousands of complaints in 2025, yet the fastest moving consumer goods (FMCG) sector persists as a major source of consumer grumbles (Okiche & Okiche, 2025). The omission to incorporate standards of consumerism like ethical labelling, and regulatory compliance within branding strategies, invites regulatory penalties and hasten brand switching to more transparent competitors (Ezeh & Dube, 2025). Also, there is a large empirical gap in the extant literature on the question of how active consumerism translates into brand equity (loyalty, perceived quality, and association) directly. This study investigates the impact of consumerism on brand equity in a pro- consumer market to enable Nigerian FMCG companies develop a sustainable business growth model.

A critical gap between branding strategies and growing consumerism is bedeviling the Nigerian FMCG industry (Udo et al., 2024). In spite of the strategic nature of brand equity, firms sell deceptive packages and sell inferior quality products to counter inflationary pressures (Longkumer et al., 2026). Even though

consumers are becoming more aware, an "awareness-action gap" exists as they do not trust enforcement of regulations (Verma, 2021). Sacrificing consumer rights in favor of short-term benefits may result in irreversible harm to perceived quality and brand image (Keller, 2003). In addition, there is a considerable empirical gap in understanding how individual consumerism practices, such as complaint management and safety assurance, add value to a brand in Ngeria This study attempts to fill this gap by repositioning consumer protection as a strategic brand performance fuelling tool (Singh et al., 2025).

2 LITERATURE REVIEW

2.1 Consumerism

Consumerism has generated much debate over the past 20 years. This social movement which has claimed to assist consumers to obtain safer goods, more information, more adequate choice and better access to compensation has been studied by scholars from a variety of disciplines employing a multitude of research methods (Kailashpat et al., 2023). In this modern-day Nigerian business space, consumerism has transcended from being a dormant societal movement to a full blown regulatory and digital force. Consumerism is a complex process involving consumers, advocacy groups, government agencies and other pressure groups, working to keep manufacturers on ethical grounds, ensuring product safety and fair pricing (Attih, 2025).

2.2 Consumer Rights Awareness

Consumer literacy is increasingly seen as a necessary condition for the proper operation of contemporary market economies. Informed consumers act as a barrier to market exploitation, pressuring companies to maintain ethical standards and to comply with product safety measures, report Longkumer et al. (2026). Even though classical marketing theories have been focused on consumer behaviour for a long time, current literature argues that consumer awareness is the fundamental mediator between the legal defense and the market justice (Sinu, 2017). Although there are strong legislation, like the Consumer Protection Act (2019) been enforced in other countries, still the consumer is not empowered due to the gap between legal protection and consumer empowerment. Verma (2021) holds the position that success of the new generation of consumer law provisions including e-filing, imposition of heavier penalties for unfair trade practices etc is dependent largely upon how aware the user is. Recent empirical information points to an emerging pattern: awareness is increasing, yet the movement from cognition to legal conduct is tied up. Research by Longkumer et al. (2026) This awareness-action gap refers to the phenomenon where consumers might be aware of their rights but may not have the confidence or specific knowledge required to access mechanisms for addressing complaints such as consumer courts or mediation centers.

2.3 Regulatory Compliance in Consumerism

In today's market regulation has evolved from a legal duty performed in the back-office to a front and center strategic pillar. Blind and Mangelsdorf (2023) contend that with the increasing complexity of markets, standardization and regulation play a fundamental role in contextual relevance and market legitimacy. The change reflects an increasing understanding of compliance as the chief way that fairness in trade is enacted and protected in a globalized economy (Rahman et al., 2024).

2.4 Brand Equity

Traditionally brand equity has been defined as the incremental utility a product receives because of its brand name (Keller, 2003). But with today's intense consumerism, that one definition got bigger. Udo et al. (2024) propose that brand equity is no longer just a set of mental associations, but rather it embodies a firm's social contract with its public. Brand equity is an essential buffer for survival in the Nigerian FMCG market against the macro-economic instability if the brand does not compromise on the standard of consumer protection (Attih, 2025).

2.5 Perceived Quality

Perceived quality, which is one of the key components of the CBBE, is becoming more influenced by compliance when it comes to consumerism activity (Longkumer et al., 2026). Regulatory breaches bring instant and irreparable damage to a brand. Quality is necessary to survival in today's competitive environment. Although sometimes confused, service quality is the degree of difference between expected and received service, and perceived service quality is the level to which received service meets expectations (Adebayo, 2023).

2.6 Brand Loyalty

Brand loyalty is conventionally understood as a purchaser's intention to make repeat purchases of the same brand (Oliver, 1999). Yet ceaseless consumerism makes such loyalty conditional, hinged on matters of ethical transparency and compliance with protection standards (Ezeh & Dube, 2025). It turns out that relationships with your regulatory bodies, such as the FCCPC, have a direct effect on retention. Empirical evidence confirms that relationships with regulatory bodies like the FCCPC directly impact retention. Brands with unresolved grievances or safety recalls face a loyalty cliff, driving even long-term customers to competitors (Okiche & Okiche, 2025). On the other hand, anticipatory compliance with consumer rights serves as a vital trust-formation mechanism in creating a psychological cushion that effectively deters brand switching in a high-risk environment (Yash et al., 2023).

3 MATERIALS AND METHODS

This study used quantitative cross-sectional survey research design to test the correlation between consumer rights awareness, regulatory compliance, brand loyalty, and perceived quality among consumers of Unilever Nigerian Group of companies in Nigeria. The sample included consumers who buy FMCG products on a regular basis in the chosen urban centers. The statistical power analysis (power ratio) was used to determine the sample size of 259 respondents to guarantee sufficient statistical power to Structural Equation Modeling-Partial Least Squares (SEM-PLS). The power analysis was determined with a minimum statistical power of 0.80, a significance level of 0.05, and an approximate medium effect size, which are standard levels of behavioral research to reduce Type II errors. Multistage sampling method was taken. To begin with, the major FMCG product outlets and distribution centers where consumers could easily be accessed were selected through purposive sampling. Subsequently, the systematic random sampling was used to sample respondents among customers visiting these outlets at a certain time interval to make the sample representative and minimize sampling bias.

The structured questionnaire that was designed based on the existing literature and was consistent with the constructs of consumer rights awareness, regulatory compliance, brand loyalty, and perceived quality was used to gather data. The questionnaire was composed of closed-ended questions with a five-point Likert scale, with the Strongly Disagree (1) and Strongly Agree (5) options. A pilot study was done before the actual study to determine the clarity and reliability of the instrument. The data gathered were processed with Structural Equation Modeling-Partial Least Squares (SEM-PLS) through SmartPLS software as this is applicable in predictive modeling and complex latent variables. Indicator's loadings, Cronbach, Composite Reliability (CR), and Average Variance Extracted (AVE) were used to determine reliability and convergent validity, whereas Heterotrait-Monotrait Ratio (HTMT) was used to determine the discriminant one. The structural model was assessed through path coefficients, coefficient of determination (R^2), effect size (f^2) and bootstrapping procedures, enabling the testing of the study hypotheses regarding the effects of consumer rights awareness on brand loyalty and regulatory compliance on perceived quality.

4 Results

Hypotheses One:

H01 (Null Hypothesis):

Consumer rights awareness has no significant effect on brand loyalty of selected FMCG manufacturing companies in Nigeria.

H11 (Alternative Hypothesis):

Consumer rights awareness has a significant effect on brand loyalty of selected FMCG manufacturing companies in Nigeria.

Measurement Model

Table 1. Reliability, Convergent Validity, and Collinearity Assessment

Construct	Indicator	Outer Loading	VIF	Cronbach's Alpha	rho_A	Composite Reliability (CR)	AVE
Consumer Right Awareness (CRA)	CRA1	0.837	2.257	0.882	0.886	0.911	0.630
	CRA2	0.812	2.070				
	CRA3	0.808	2.152				
	CRA4	0.720	1.605				
	CRA5	0.801	1.976				
	CRA6	0.781	1.821				
Brand Loyalty (BL)	BL1	0.857	2.564	0.892	0.899	0.918	0.651
	BL2	0.793	1.983				
	BL3	0.840	2.341				
	BL4	0.805	1.996				
	BL5	0.726	1.688				
	BL6	0.813	2.066				

The findings of the reliability, convergent validity, and collinearity test of the constructs Consumer Right Awareness (CRA) and Brand Loyalty (BL) are provided in Table 1. Outer loading values of all indicators were between 0.720 and 0.857, which is higher than the recommended value of 0.70, and this implies that all measurement items are sufficient to measure their constructs. The constructs were also found to be reliable because the Cronbach's Alpha of Consumer Right Awareness (0.882) and Brand Loyalty (0.892) were found to be higher than the acceptable value of 0.70, which indicated that the constructs are highly internally consistent. On the same note, the rhoA of 0.886 in Consumer Right Awareness and 0.899 in Brand Loyalty also show the reliability of the constructs. Consumer Right Awareness (0.911) and Brand Loyalty (0.918) Composite Reliability (CR) values were also higher than the minimum acceptable value of 0.70, which means satisfactory construct reliability.

Path Model

Table 3. Structural Model Assessment (Path Coefficient, Effect Size, and Coefficient of Determination)

Hypothesis	Path Relationship	β (Path Coefficient)	f^2 (Effect Size)	R^2	Adjusted R^2	T Value	P Value	Decision
H1	Consumer Right Awareness $\rightarrow$ Brand Loyalty	0.616	0.612	0.380	0.377	17.813	0.000	Supported

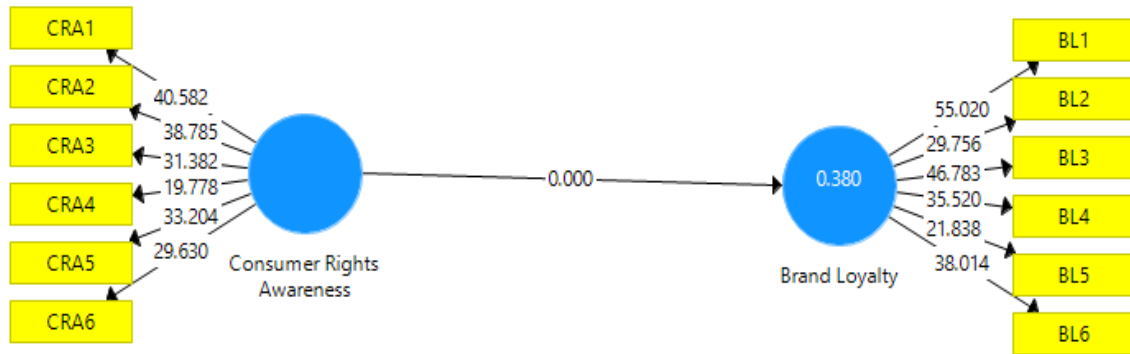


Figure 1: Hypothesis 1 Path Model

Table 2 and Figure 1 shows the outcome of the structural model analysis of the relationship between Consumer Right Awareness and Brand Loyalty. The results show that the positive and statistically significant effect on Brand Loyalty is the Consumer Right Awareness ($\beta = 0.616$, $t = 17.813$, $p = 0.000$). Given the fact that the p-value is below 0.05 and t-value is higher than the recommended value of 1.96, Hypothesis H1 is accepted. This finding implies that the greater the consumer right awareness, the more the brand loyalty is expected to increase among the consumers.

Moreover, the value of coefficient of determination (R^2) of 0.380 shows that Consumer Right Awareness accounts 38.0 percent of the variation in Brand Loyalty, which implies a moderate degree of explanatory power of the model. The fact that the adjusted R^2 value is 0.377 is also an indication that the model is stable. Also, the effect size (f^2) value of 0.612 is large, according to the recommended values (0.02 = small, 0.15 = medium, 0.35 = large). This implies that Consumer Right Awareness has a substantial impact on Brand Loyalty. On the whole, the findings of the structural model show that Consumer Right Awareness is a good predictor of Brand Loyalty, which proves the hypothesis made and proves the theoretical correlation between the constructs.

Hypothesis Two:

H02 (Null Hypothesis):

Regulatory compliance in consumerism has no significant effect on perceived quality of selected FMCG manufacturing companies in Nigeria.

H12 (Alternative Hypothesis):

Regulatory compliance in consumerism has a significant effect on perceived quality of selected FMCG manufacturing companies in Nigeria.

Measurement Model

Table 3. Reliability, Convergent Validity, and Collinearity Assessment

Construct	Indicator	Outer Loading	VIF	Cronbach's Alpha	rho_A	Composite Reliability (CR)	AVE
Product Quality (PQ)	PQ1	0.831	2.216	0.882	0.890	0.911	0.629
	PQ2	0.812	2.076				
	PQ3	0.780	1.864				
	PQ4	0.788	1.951				
	PQ5	0.736	1.732				

	PQ6	0.810	1.918				
Regulatory Compliance (RC)	RC1	0.837	2.415	0.888	0.888	0.915	0.642
	RC2	0.801	1.982				
	RC3	0.809	2.078				
	RC4	0.779	1.852				
	RC5	0.785	1.917				
	RC6	0.794	1.950				

The findings of the reliability, convergent validity, and collinearity test of the constructs Product Quality (PQ) and Regulatory Compliance (RC) are provided in Table 3. All indicators had an outer loading value between 0.736 and 0.837 which is higher than the recommended value of 0.70 meaning that all measurement items are sufficient to measure their respective constructs. Internal consistency was also established because the Cronbach's Alpha of Product Quality (0.882) and Regulatory Compliance (0.888) were greater than the acceptable value of 0.70. Equally, the rhoA values of 0.890 and 0.888 of Product Quality and Regulatory Compliance respectively, also reinforce construct reliability. The Composite Reliability (CR) of Product Quality (0.911) and Regulatory Compliance (0.915) were also higher than the suggested threshold of 0.70, which indicates that there was good construct reliability.

Convergent validity was determined because the values of Average Variance Extracted (AVE) of Product Quality (0.629) and Regulatory Compliance (0.642) exceeded the required level of 0.50, which means that the constructs accounted more than half of the variance of their corresponding indicators. Moreover, the evaluation of collinearity revealed that all the Variance Inflation Factor (VIF) values were between 1.732 and 2.415, which are significantly lower than the critical value of 5.00, and thus multicollinearity is not an issue in this model. In general, the findings indicate that the measurement model meets the criteria of reliability, convergent validity, and collinearity, which proves the sufficiency of the constructs to continue the structural model analysis.

Table 4. Structural Model Assessment (Path Coefficient, Effect Size, and Coefficient of Determination)

Hypothesis	Path Relationship	β (Path Coefficient)	f^2 (Effect Size)	R^2	Adjusted R^2	T Value	P Value	Decision
H1	Regulatory Compliance → Product Quality	0.466	0.277	0.217	0.214	10.081	0.000	Supported

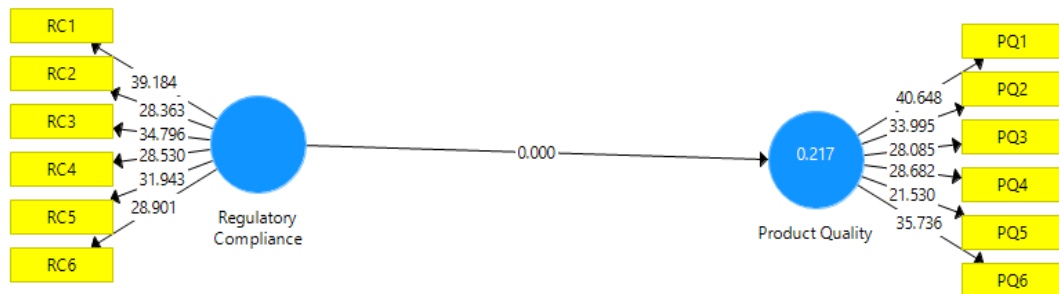


Figure 2: Hypothesis Two Path Model

Table 4 presents the results of the structural model analysis examining the relationship between Regulatory Compliance and Product Quality. The findings indicate that Regulatory Compliance has a positive and

statistically significant effect on Product Quality ($\beta = 0.466$, $t = 10.081$, $p = 0.000$). Since the p-value is less than 0.05 and the t-value exceeds the recommended threshold of 1.96, Hypothesis H1 is supported. This result suggests that higher levels of regulatory compliance significantly contribute to improvements in product quality.

Furthermore, the coefficient of determination (R^2) value of 0.217 indicates that Regulatory Compliance explains 21.7% of the variance in Product Quality, suggesting a weak to moderate level of explanatory power of the model. The adjusted R^2 value of 0.214 further confirms the stability of the model. Additionally, the effect size (f^2) value of 0.277 indicates a medium effect based on the recommended thresholds (0.02 = small, 0.15 = medium, 0.35 = large). This implies that Regulatory Compliance has a meaningful influence on Product Quality. Overall, the structural model results demonstrate that Regulatory Compliance is a significant predictor of Product Quality, supporting the proposed hypothesis and validating the theoretical relationship between the constructs.

5 Conclusion

- i. The study confirms that Consumer Right Awareness is a powerful and statistically significant driver of Brand Loyalty, exerting a substantial impact, as this validates the theoretical link between informed consumers and brand commitment, proving that higher awareness levels directly lead to increased loyalty. This finding implies that empowering consumers with knowledge acts as a strategic trust-builder rather than a risk, as informed customers feel more secure and valued by the brand.
- ii. The study establishes that regulatory compliance is a significant driver of product quality as the significant positive relationship between regulatory compliance and product quality implies that standardized benchmarks act as a critical internal control mechanism, reducing production errors and enhancing output consistency. By treating legal mandates as a strategic framework rather than a reactive cost, firms can leverage compliance to systematically elevate their operational standards and product reliability.

6 Recommendation

- i. Organizations should prioritize consumer education programs and transparent right-to-information policies, as fostering an informed customer base serves as a strategic catalyst for long-term brand retention. By embedding consumer rights into core marketing strategies, firms can leverage the substantial predictive power of awareness to stabilize and grow their market share.
- ii. Organizations should view regulatory frameworks as a roadmap for quality excellence rather than a burden, integrating compliance checks directly into the early stages of the production lifecycle. By investing in robust monitoring systems and staff training on evolving standards, firms can secure a meaningful boost in product reliability and overall market performance.

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