

CULTURAL DETERMINISM OF CONSUMER BEHAVIOUR ON SMES PERFORMANCE IN OSUN STATE, NIGERIA

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ABSTRACT

Culture significantly influences individual desires and behaviors, and this is particularly evident in Osun State, which boasts a rich cultural heritage. Understanding sample cultural determinism and its impact on consumer behavior is essential for Small and Medium Enterprises (SMEs) operating in Osun State, as it directly affects their performance. From Osogbo to Ilesha, culture shapes consumer responses to the products and services offered by SMEs. This study aims to investigate two key objectives: the impact of cultural determinism on consumer behavior and its relationship with SME performance in Osun State. Two hypotheses were tested using a descriptive survey design. The study's population consisted of 2,273 SMEs in Osun State, according to SMEDAN. The size of 317 was determined using the Krejcie and Morgan table, and data were collected from business owners via a simple random sampling method in three major towns: Osogbo, Ife, and Ilesha. Out of the 317 questionnaires distributed, 301 were suitable for analysis. The findings suggest that SMEs in Osun State are significantly influenced by cultural beliefs, and these cultural factors must be considered when establishing and running a business. The study recommends that SMEs in Osun State pay close attention to

cultural beliefs at the individual, group, and societal levels to enhance their performance.

Keywords: Cultural, Determinism, Consumer behavior, SMES performance.

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1. INTRODUCTION

Cultural determinism refers to the significant impact of cultural factors on consumer behavior, which, in turn, affects the performance of Small and Medium-sized Enterprises (SMEs). In Osun State, Nigeria, with its rich cultural heritage, this relationship offers a unique context in which the influence of cultural elements on consumer preferences and business outcomes can be explored. Cultural practices, traditions, social norms, and values in Osun State profoundly affect how local consumers make purchasing decisions, thus directly influencing the operational success of SMEs in the region (Chavez et al., 2023; Kamara & Sulaimon, 2023).

In Osun State, several cultural dimensions, such as traditional values, religious beliefs, festivals, and local food culture, play a significant role in shaping consumer behavior. These cultural factors are critical for SMEs in understanding their market segmentation, product development, and the creation of effective marketing strategies. By aligning business practices with these cultural elements, SMEs can establish competitive advantages in the market (Ogunyemi & Alabi, 2024; Adeoye & Adeola, 2023).

Recognizing and respecting the cultural context of the region enables SMEs to better cater to local consumers' preferences, leading to improved customer satisfaction and, ultimately, stronger business outcomes (Adamu & Mohammed, 2024).

Furthermore, SMEs in Osun State that embrace cultural sensitivity can achieve a balance between cultural goals and commercial objectives. By incorporating local cultural elements into their strategies, businesses can not only overcome challenges but also use these elements to fuel their growth and performance. This integration of cultural determinism allows SMEs to build meaningful connections with local customers, enhancing both brand loyalty and market positioning (Ogunyemi & Alabi, 2024).

The dynamic interaction between local cultural values and global consumer trends also results in unique patterns of consumption that may differ from those in Western markets, reinforcing the importance of cultural awareness for SME success in Osun State (Kamara & Sulaimon, 2023).

Ultimately, culture provides the framework within which individuals organize their thoughts, emotions, and behaviors. SMEs in Osun State that understand these cultural dimensions can adapt their strategies to navigate the region's unique business environment effectively. This cultural knowledge not only enhances business performance but also ensures long-term sustainability in an increasingly globalized marketplace (Adeoye & Adeola, 2023; Adamu & Mohammed, 2024).

1.1 Research Objective

- a) To investigate the influence of Cultural determinism of Consumer behaviour and SME'S Performance in Osun State.
- b) To find out the relationship between Cultural determinism of consumer behaviour and SME'S.

1.2 Research Questions

- a) What is the influence of Cultural determinism of Consumer Behaviour on SME'S performance in Osun State?
- b) What is the relationship between Cultural determinism of Consumer Behaviour and SME'S performance in Osun State?

2. REVIEW OF LITERATURE

2.1 Cultural Determinism

Cultural determinism is a concept that asserts that human behavior, values, and social norms are primarily shaped by cultural factors. This approach emphasizes that the culture in which individuals are immersed influences their thoughts, emotions, and behaviors. Culture can be defined as the shared beliefs, practices, and customs that define a community or group, influencing how its members behave in social, economic, and personal contexts. In the context of consumer behavior, cultural determinism suggests that individuals' purchasing decisions and preferences are deeply embedded in the cultural environment surrounding them (Müller, 2023).

The idea of cultural determinism is rooted in the understanding that culture provides the framework in which people learn how

to respond to external influences. This framework guides individuals' responses to stimuli, shaping their behavior and decision-making processes. The effects of culture on behavior are widespread, impacting everything from language and communication styles to consumption patterns and social relationships.

2.1.1 Key Principles of Cultural Determinism

- a. Culture Shapes Behavior: Cultural determinism posits that cultural norms, values, and customs form the basis for human behavior and decision-making. The behaviors and actions of individuals are molded by the cultural context they grow up in, and these cultural influences often transcend other societal factors such as economic conditions or biological predispositions (Gonzalez, 2024).
- b. Cultural Influences Are Pervasive: Cultural determinism suggests that cultural influences permeate all facets of life, from social relationships and language to consumer behavior and economic decisions. These influences are so pervasive that they shape not only personal behaviors but also institutional practices and broader social norms (Jones & Watanabe, 2023).
- c. Culture as a Primary Driver: Cultural determinism argues that culture plays a more substantial role in influencing behavior than other factors such as biology, economics, or politics. It suggests that people's actions are determined more by their cultural upbringing than by any inherent biological factors or external political or economic systems (Smith, 2022).

2.1.2 *Types of Cultural Determinism*

- a. Strong Cultural Determinism: This view holds that culture is the sole determinant of human behavior. It asserts that individuals are entirely shaped by the cultural norms and practices of the society in which they live, leaving little room for individual agency or external influences (Peterson & Clarke, 2024).
- b. Weak Cultural Determinism: In contrast, weak cultural determinism proposes that culture is one of several factors that influence human behavior. It acknowledges the role of other factors—such as biological, economic, and political influences—in shaping human behavior, but still emphasizes the significant role that culture plays in shaping societal norms and individual actions (Harrison & Zhang, 2023).

2.1.3 *Examples of Cultural Determinism*

- a. Language and Thought: The language we speak is a primary cultural tool that influences our cognitive patterns, thought processes, and perceptions of the world. Research has shown that language shapes not only communication but also cognition, influencing how individuals categorize and interpret experiences (Huang & Lee, 2023).
- b. Social Norms and Behavior: Cultural norms related to family, marriage, education, and social status shape how individuals make decisions and behave within society. These norms govern everything from career choices to family structure and personal relationships, influencing how people interact with their environment and make decisions (Chang & Wu, 2024).

- c. Cultural Values and Economic Behavior: Cultural values related to thrift, work ethic, and entrepreneurship can significantly influence economic behavior. In societies where certain values such as hard work and entrepreneurship are highly prized, individuals are more likely to engage in entrepreneurial activities, while in other cultures, social behaviors may emphasize different approaches to economic activity (Martinez & Ortega, 2024).

2.1.4 Critiques of Cultural Determinism

- a. Oversimplification of Human Behavior: One criticism of cultural determinism is that it can oversimplify human behavior by reducing it to cultural influences alone. Critics argue that human behavior is multifaceted and influenced by a combination of internal factors (such as individual psychology) and external factors (such as economic conditions or personal experiences) (Morris, 2024).
- b. Lack of Individual Agency: Cultural determinism is often criticized for downplaying the role of individual agency. While culture certainly influences behavior, it is argued that individuals still possess the ability to make choices, resist cultural norms, and engage in actions that diverge from cultural expectations (Bell & Scott, 2023).
- c. Neglect of Power Dynamics: Another critique is that cultural determinism often neglects the role of power dynamics in shaping cultural norms. Social inequalities, political power structures, and economic conditions can significantly influence which cultural norms dominate a society, and these power structures can constrain or

dictate the behavior of individuals within that culture (Patel & Sharma, 2024).

2.1.5 Cultural Factors Influencing Consumer Behavior in Osun State

- a. Traditional Values: In Osun State, traditional cultural values such as respect for elders, communal living, and adherence to age-old customs strongly influence consumer behavior. These values can impact purchasing decisions, where consumers may prefer products that align with or reflect these values, supporting businesses that honor local traditions and heritage (Adeoye & Alabi, 2024).
- b. Religious Beliefs: Osun State has a diverse population, including both Muslim and Christian communities, which influences consumer behavior. Religious dietary restrictions and ethical preferences may drive demand for products that adhere to religious standards, such as halal food for Muslims or ethically produced goods (Bello, 2024).
- c. Cuisine and Food Culture: Food culture plays a significant role in consumer behavior in Osun State. Local dishes such as akara, pounded yam, and jollof rice are integral to daily life, and businesses that cater to these preferences often find success. SMEs that offer traditional food products can capitalize on strong local demand (Ogunyemi, 2024).
- d. Festivals and Celebrations: Cultural festivals such as the Osun-Osogbo Festival are key cultural events that create seasonal demand for various products and services. These festivals often lead to heightened demand for traditional clothing, food items, and decorations, providing

opportunities for SMEs to cater to the increased demand during these periods (Musa & Oladipo, 2024).

2.1.6 *Impact of Cultural Determinism on SME Performance in Osun State*

- a. Market Segmentation: SMEs in Osun State can use cultural insights to segment their markets, tailoring products and services to meet the specific needs of different cultural groups. By aligning their offerings with local customs and traditions, SMEs can enhance their market appeal and ensure greater consumer satisfaction (Bello & Sulaimon, 2024).
- b. Product Development: Understanding cultural preferences allows SMEs to develop products that resonate with local consumers. This insight is especially important in Osun State, where cultural identity plays a central role in consumer choices. SMEs that incorporate cultural elements into their product designs or offerings tend to enjoy higher consumer acceptance and market success (Ogunyemi & Alabi, 2024).
- c. Marketing Strategies: Cultural determinism can influence the development of marketing strategies that connect with consumers on a deeper cultural level. Using local languages, symbols, and references in advertisements can strengthen brand loyalty and appeal to local consumer values, thus enhancing the effectiveness of marketing campaigns (Kamara & Sulaimon, 2024).
- d. Competitive Advantage: SMEs that successfully integrate cultural understanding into their business strategies can gain a competitive edge over larger, less culturally sensitive

firms. These businesses can create a distinct market identity, attracting consumers who value cultural alignment, thereby achieving a competitive advantage in the local marketplace (Harrison & Zhang, 2023).

2.2 Theoretical Framework

2.2.1 Cultural Values and Entrepreneurial Behaviour

Cultural determinism plays a crucial role in understanding entrepreneurial behavior, particularly in the context of Small and Medium-sized Enterprises (SMEs). One of the central theoretical frameworks that emphasize the relationship between cultural values and entrepreneurship is Thomas Cochran's Theory of Cultural Values. This theory focuses on how cultural values, role expectations, and social sanctions influence entrepreneurial performance and behavior.

Cochran proposed that the entrepreneur embodies the idealized model of the society's personality. According to this theory, an entrepreneur's performance is shaped by their own attitudes towards their occupation, the role expectations set by sanctioning groups, and the operational demands of their business. The society's values determine the expectations placed on individuals within it, including those engaged in entrepreneurial activities. Furthermore, changes in factors such as population, technological advancements, and institutional shifts impact the role structure of society, leading to new operational needs that influence entrepreneurship.

Cochran's theory also asserts that entrepreneurs tend to emerge from particular socio-economic groups. In Western societies, for example, the Protestant work ethic has been

linked to the emergence of the industrialist class. Similarly, entrepreneurship has emerged within various cultural contexts across the world. For instance, caste systems in India, such as the Marwari and Gujarati communities, as well as ethnic and cultural groups like the Yoruba in Nigeria and the Kikuya in Kenya, have historically fostered entrepreneurship.

This framework is particularly relevant to the formation and growth of SMEs in culturally rich regions like Osun State, Nigeria. The cultural determinism that underpins consumer behavior in this region significantly influences the development and success of SMEs. Entrepreneurs who understand the cultural expectations, values, and practices within their local communities are better positioned to align their businesses with local consumer needs and preferences, leading to sustainable growth and improved performance.

2.3 Empirical Framework

In an increasingly globalized world, the relationship between culture and consumer behavior continues to evolve, particularly in emerging markets. For instance, in China, there has been a noticeable shift in consumer behavior driven by technological advancements and individualism. A growing demand for high-tech products has been observed, fueled by a long-standing interest in technological innovations. This trend reflects broader changes in consumer preferences and behaviors, particularly among younger generations (Zhang & Li, 2024).

The "Dusheng" generation in China, often referred to as the "only child" generation, exhibits unique characteristics that distinguish them from previous generations. Growing up under

China's one-child policy, this generation has developed different social and consumer behaviors compared to their parents, including a heightened sense of individualism. This generation tends to prioritize personal needs and desires over collective or family-oriented purchasing behaviors. They are less price-sensitive, placing more value on personal uniqueness and the desire for products that reflect individual identity (Huang & Liu, 2024).

The shift in consumer behavior within the "Dusheng" generation highlights the growing importance of cultural and generational dynamics in shaping purchasing decisions. This evolving consumer mindset provides valuable insights for businesses, especially SMEs, in understanding how to tailor their products and marketing strategies to meet the needs of this new consumer base. Marketers in emerging markets must pay attention to such cultural shifts, as understanding these trends can help businesses capture a larger share of the market and better align their offerings with the changing preferences of consumers.

Thus, the interplay between cultural values, generational shifts, and consumer behavior is crucial for the success of SMEs in diverse cultural contexts. In regions such as Osun State, similar shifts in consumer behavior may be occurring, influenced by cultural factors unique to the locality. Entrepreneurs and SMEs in such regions must adapt to these changing consumer dynamics to ensure that their business strategies resonate with local market demands and cultural expectations (Ojo & Olagunju, 2024).

2.4 Research Hypotheses

- HO₁: There is no significant influence of cultural determinism of consumer behaviour and SME'S performance in Osun State.
- HO₂: There is no significant relationship between cultural determinism of consumer behaviour and SME'S performance in Osun State.

3. RESEARCH METHODOLOGY

The research adopts a survey research method to explore the relationship between cultural determinism of consumer behaviour and SME performance in Osun State. The population for this study comprises all registered SMEs in Osun State, as per the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). Using the Krejcie and Morgan sampling size table, a sample of 317 business owners was determined from a population of 2273 SMEs in Osun State. This is based on the assumption that 80% of the SMEs are small businesses, which gives a sample population of 1818 small businesses.

A Simple Random Sampling technique was employed to select business owners from three major towns in Osun State—Osogbo, Ife, and Ilesha. Data was collected using a questionnaire, which was chosen because the 2017 MSME Report indicated that 51% of small business owners had obtained at least a Bachelor's or Master's degree. This educational background helped minimize potential biases in response interpretation.

The data analysis was carried out using Pearson Product Moment Correlation (PPMC) to examine the relationship

between cultural determinants of consumer behaviour and SME performance. The study's findings provide insights into how cultural factors influence business practices and the success of small enterprises in Osun State. After administering the questionnaires, 301 valid responses were retrieved and used for analysis.

4. HYPOTHESES TESTING

The decision rule for hypothesis testing is to reject the null hypothesis if the p-value is less than 0.05 (significance level), and to accept the null hypothesis if the p-value is greater than 0.05. All hypotheses were tested in their null form.

4.1 Testing of Hypothesis One (HO1)

H01: There is no significant influence of cultural determinism on consumer behavior and SME performance in Osun State.

Table 1. Significant Influence Between Cultural Determinism of Consumer Behavior and SME Performance in Osun State

Variable	Cultural Determinism of Consumer Behavior	Small Medium Enterprises (SME)
Cultural Determinism of Consumer Behavior	Pearson Correlation (r) = 0.632** Sig. (2-tailed) = 0.005 N = 301	
Small Medium Enterprises	Pearson Correlation (r) = 0.632** Sig. (2-tailed) = 0.005 N = 301	

Note: *Correlation is significant at the 0.05 level (2-tailed).*

Coefficient of Correlation (r^2) = 0.40

Source: SPSS Output, (2025)

The results indicate a statistically significant positive medium correlation between cultural determinism of consumer behavior and SME performance ($r = 0.632$). The coefficient of determination ($r^2 = 0.40$) suggests that 40% of the variation in SME performance is explained by cultural determinism. Based on this finding, the null hypothesis is rejected, and the alternate hypothesis is accepted.

4.2 Testing of Hypothesis Two (HO2)

HO2: There is no relationship between cultural determinism of consumer behavior and SME performance in Osun State.

Table 2. Relationship Between Cultural Determinism of Consumer Behavior and SME Performance in Osun State

Variable	Cultural Determinism of Consumer Behavior	SME Performance
Cultural Determinism of Consumer Behavior	Pearson Correlation (r) = 0.677** Sig. (2-tailed) = 0.005 $N = 301$	
SME Performance	Pearson Correlation (r) = 0.677** Sig. (2-tailed) = 0.005 $N = 301$	

Note: *Correlation is significant at the 0.05 level (2-tailed).*

Coefficient of Correlation (r^2) = 0.46

Source: SPSS Output, (2025)

The results show a strong positive correlation ($r = 0.677$) between cultural determinism of consumer behavior and SME performance. The coefficient of determination ($r^2 = 0.46$)

indicates that 46% of the variance in SME performance can be attributed to cultural determinism. Based on this outcome, the null hypothesis is rejected, and the alternate hypothesis is accepted.

5. FINDINGS

5.1 Influence of Cultural Determinism on Consumer Behaviour and SMEs Performance

The analysis demonstrates a significant positive relationship between cultural determinism and consumer behavior in SMEs. The coefficient of determination ($r^2 = 0.40$) shows that cultural factors account for 40% of the variation in SME performance in Osun State. This highlights the importance of considering cultural influences when establishing and managing SMEs in the region and in particular Osun State Nigeria

5.2 Relationship Between Cultural Determinism and SME Performance

The analysis of Hypothesis Two shows a 46% positive relationship between cultural determinism and SME performance ($r^2 = 0.46$). This suggests that cultural determinism plays a critical role in enhancing the performance of SMEs, and these cultural factors should not be overlooked for sustainable business growth.

6. CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

Understanding and incorporating cultural determinism into business strategy is crucial for the growth and success of Small and Medium Enterprises (SMEs) in Osun State. Cultural factors,

which influence consumer behavior, have been shown to significantly affect the performance of these businesses. By recognizing the deep connection between cultural norms, consumer preferences, and market dynamics, SMEs can tailor their operations, marketing efforts, and product offerings to better align with the local context. As highlighted by recent studies (Ogunyemi & Alabi, 2024; Adeoye & Adeola, 2023),

SMEs that effectively engage with cultural determinants not only strengthen their market position but also enhance customer loyalty and satisfaction, leading to sustainable growth.

This approach can serve as a strategic advantage in the competitive landscape of Osun State, where cultural nuances play a fundamental role in shaping consumer decisions. Therefore, embracing cultural determinism allows SMEs to develop strategies that resonate deeply with their target market, fostering both business success and long-term sustainability (Adamu & Mohammed, 2024).

6.2 Recommendations

6.2.1 Cultural Sensitivity

SMEs must prioritize cultural sensitivity and respect for local customs and traditions when integrating these elements into their business strategies. As highlighted by recent research, cultural awareness can enhance consumer trust and loyalty, leading to improved brand perception and customer retention (Ogunyemi & Alabi, 2024).

Developing culturally inclusive marketing campaigns and business practices that reflect local values will allow SMEs to build stronger connections with their target market.

6.2.2 Balancing Cultural and Commercial Goals

SMEs must find a balance between adhering to cultural values and achieving commercial success. While it is important to respect local traditions, businesses must also ensure that their operations remain profitable and sustainable. Studies have shown that businesses that successfully align cultural considerations with commercial objectives tend to have a better long-term performance (Adeoye & Adeola, 2023).

This balance will enable SMEs to not only gain a competitive edge but also thrive in the local business environment without compromising their financial goals.

6.2.3 Embracing Innovation

In today's fast-changing business landscape, SMEs should remain open to innovation and continuously adapt to evolving cultural trends and consumer preferences. Incorporating technological advancements, understanding shifting cultural dynamics, and responding to changing consumer demands will enable SMEs to stay relevant and competitive (Adamu & Mohammed, 2024).

By embracing innovation, SMEs can cater to the diverse and evolving needs of consumers while maintaining alignment with their cultural context.

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