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INFLUENCE OF PERCEPTION OF INFLATION ON SPENDING HABITS IN NIGERIA

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Abstract:
This study examined how Nigerians perceive inflation and how these perceptions shape their spending habits, with a focus on residents of Umuahia City. Using a descriptive-correlational research design, data were gathered from 384 respondents selected through the Raosoft sample size calculator at a 95% confidence level. A pilot test conducted with 30 participants produced a reliability coefficient of 0.814, confirming the instrument's internal consistency. The findings showed that respondents' perceptions of inflation were strongly influenced by prior experiences with rising prices, which made them more cautious and financially restrained. Social interaction also played a major role, as individuals relied on peer discussions, media reports, and online platforms to interpret ongoing price changes. Cognitive interpretations were shaped by personal struggles, with many respondents linking inflation to governance issues and economic policies. In terms of purchase behavior, Nigerians increasingly compared prices, substituted cheaper alternatives for preferred brands, and significantly reduced or postponed non-essential purchases. A statistically significant relationship emerged between inflation perception and purchase behavior, demonstrating that stronger perceptions of inflation led consumers to adopt more cautious and needs-based spending patterns. Respondents also expressed concerns about government interventions, noting issues related to subsidy removal, transparency, and inadequate agricultural support. The study concluded that Nigerians' spending habits are deeply shaped by their experiences, social information sources, and economic interpretations, resulting in more deliberate and survival-oriented consumption patterns. It recommends that government agencies improve transparency, strengthen communication on economic measures, and expand targeted interventions that stabilize essential goods. Consumer education programs and community-based financial awareness campaigns are also advised to help households make informed spending decisions during inflationary periods.

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1. Introduction

Nigeria is currently experiencing one of its most severe inflationary periods in nearly three decades, resulting in widespread economic strain and declining household purchasing power. As reported by the National Bureau of Statistics (2024), headline inflation rose to 33.95% in May 2024, while food inflation reached 40.66% (Famoroti, 2024), underscoring the rapid and sustained rise in prices of essential goods. These inflationary pressures have had an especially pronounced effect on convenience goods, items such as toiletries, packaged snacks, canned foods, beverages, and household consumables, which were once affordable to low-income earners but have now become increasingly out of reach for many households. In an attempt to stabilize prices, the Federal Government and the Central Bank of Nigeria (CBN) adopted a combination of monetary and fiscal measures. The Monetary Policy Committee increased the Monetary Policy Rate (MPR) to 26.25% in May 2024 (CBN, 2024), and a formal inflation-targeting framework was introduced in November 2023 to reinforce price stability (CBN, 2023). Complementary fiscal reforms, including subsidy removal and exchange-rate unification, were rolled out between 2023 and 2024 to address structural distortions and restore market efficiency (Babagana, 2024). Despite these interventions, structural factors such as persistent naira depreciation and escalating fuel prices continue to drive up transportation and distribution costs, which retailers subsequently pass on to consumers (Makarfi & Sadiq, 2025).

These dynamics have significantly affected spending patterns nationwide, prompting households to reassess value, reduce non-essential purchases, and substitute premium brands with cheaper alternatives. Many Nigerians have increasingly turned to sachet products and lower-cost substitutes (Abere & Abu, 2025), while others have grown more aware of "shrinkflation," where manufacturers reduce product quantities while maintaining prices (Akinwale & Mbewu, 2024). Such adaptations reflect heightened sensitivity to value for money and evolving notions of perceived monetary value and perceived quality. Umuahia, the capital of Abia State, exemplifies these national trends and provides a suitable context for analyzing consumer responses to inflation. Market data from the 2024 yuletide period show local rice selling for ₦75,000–₦106,000 and imported rice for around ₦120,000 in Isi-Gate Market, alongside sharp increases in prices of cooking oil and other staples (Abimbola *et al.*, 2024). By 2025, inflationary pressures extended into property markets, with rising land prices further straining household finances (Okereke, 2025). The city's semi-urban character, limited formal retail presence, and dependence on traditional open markets shape unique consumer coping mechanisms. Residents often visit multiple markets in a single shopping trip, actively compare prices, negotiate more frequently, and prioritize cost-minimizing strategies.

Consumers are also diversifying purchasing channels by patronizing social media vendors, WhatsApp sellers, and small-scale e-commerce platforms in search of lower prices or promotional deals (Fajobi, 2023). These behaviors reveal deliberate, not impulsive, adaptation strategies shaped by shrinking disposable incomes and persistent cost-of-living pressures. Simultaneously, frustration with perceived government inefficiencies, such as inconsistent enforcement of price control measures and limited access to consumer protection initiatives, reinforces skepticism toward institutional interventions (Smith, 2022). This context underscores the need to examine how Nigerians construct their understanding of inflation based on prior knowledge, social information flows, and personal interpretation, and how these perceptions shape their evaluation of alternatives and purchase intent. Using Umuahia as a focal point provides a grounded lens through which to understand the evolving relationship between inflation, consumer decision-making, and institutional trust within the Nigerian economy.

2. Literature Review of Empirical Studies

Several studies have examined inflation and its effects on consumers across diverse economies, with growing scholarly interest in how individuals' perceptions of inflation shape their spending decisions, saving patterns, and overall consumption behavior. Existing literature underscores that consumers do not respond to inflation purely based on economic indicators; rather, their perceptions are constructed through direct experience, social interaction, and personal interpretation. In reviewing these studies, this research identifies important gaps and situates the need to investigate how Nigerians understand inflation and how such perceptions influence spending habits. Studies consistently note the primacy of lived experience in shaping inflation awareness. Kim and Binder (2023) observed that households rely more on experiential knowledge than on official statistics, while Liu and Rona-Tas (2025) found a similar pattern in China, where market observations took precedence over government data. Evidence from Ghana (Duodu *et al.*, 2022) and Nigeria (Nathaniel, 2023) reinforces this, showing that consumers pay more attention to changes in the prices of daily essentials than to national inflation reports. Studies in Argentina (Boulifa, 2023) similarly demonstrate that memories of past inflation and communal narratives strongly influence perceptions.

Social information channels also play a substantial role. Otoakhia and Aliu (2023) reported that Nigerian households depend heavily on social media, radio, and television for interpreting inflation trends. Ausat (2023) found that digital platforms increasingly shape awareness, while findings from Sweden (Andersen & Zagerholm, 2025) indicate that households combine media cues and informal discussions, especially when institutional trust is weak. This evidence indicates that both formal and informal information sources jointly shape collective perceptions of inflation.

Cognitive interpretation is another key dimension. Haque *et al.* (2023) showed that U.S. consumers merge reasoning with shopping experiences in forming inflation judgments, a pattern echoed in Zambia (Mwale & Kabubi, 2025) and in studies by Taylor (2022) and Xu (2022), which found that consumers assess inflation primarily through its impact on household budgets. French households likewise rely on daily price movements to interpret inflation (Deroche-Leydier, 2025). Perceptions of inflation directly influence purchase behavior, particularly in evaluating alternatives. Studies in Lebanon (Maassarani *et al.*, 2024), Australia (Chua & Tsiaplias, 2024), Europe (Schwarz, 2023), Zimbabwe (Sibanda, 2022), and Pakistan (Hussain & Fahad, 2024) reveal that inflation weakens brand loyalty and intensifies price comparisons. Similar shifts are evident in purchase intentions, with households in Egypt (Negm, 2023), Germany (Mennekes & Schramm-Klein, 2025), Turkey (Argun *et al.*, 2025), and Nigeria (Nnanna-Ohuonu, 2025) prioritizing essentials and delaying discretionary purchases.

The relationship between inflation perception and purchase behavior has also been documented. Shaw (2024) found that social interactions shape collective perceptions and group buying decisions. Li and Hua (2022) showed that prior knowledge and external cues strongly predict purchase intent, while Mende *et al.* (2023) highlighted the role of individual meaning-making in shaping household resilience to inflation. Literature on government intervention shows wide variations across contexts. In Nigeria, consumers often link subsidy reforms and welfare programs to inflation outcomes (Niagwan & Maigari, 2024; Amaechi, 2023). In contrast, studies in the U.S. (Abramian, 2023), South Africa (Munzhelele, 2024), and Singapore (Lee *et al.*, 2021) demonstrate differences in public trust depending on policy transparency, global influences, and technical frameworks.

Despite these contributions, key gaps remain. Much of the literature on prior knowledge, social interaction, and cognitive interpretation is drawn from non-African contexts, leaving Nigeria underrepresented. Studies on purchase behavior during inflation are also limited for the Nigerian setting, especially regarding the evaluation of alternatives and purchase intent. Moreover, few studies integrate how Nigerians' perceptions of inflation directly shape their spending choices. Finally, there is limited empirical work examining how Nigerian households perceive government interventions beyond isolated discussions of subsidies or agriculture. The present study addressed these gaps by offering a comprehensive examination of Nigerians' perceptions of inflation, across experiential, social, and cognitive dimensions and analyzing their purchase behavior, the perception, behavior relationship, and consumer views of government intervention during inflationary periods.

2.1 Theoretical Framework

The study was guided by two major theories that provided a conceptual foundation for understanding how Nigerians perceive inflation and how these perceptions influence spending behavior. Constructivism Theory, advanced by Piaget (1964) and Vygotsky (1978), explains that individuals do not passively absorb information but actively construct meaning based on prior experiences and social interactions. Piaget's view underscores that people interpret economic events, including inflation, through mental frameworks shaped by earlier encounters with price changes, suggesting that personal history strongly influences how individuals understand rising costs (Olorunfemi, 2021). Vygotsky's socio-cultural perspective adds that meaning-making is shaped through continuous interaction with others, highlighting that public discussions, media reports, community dialogue, and social networks play a crucial role in shaping inflation perceptions (Mopidevi, 2023). His concept of the zone of proximal development illustrates how individuals refine their understanding when exposed to shared interpretations or guidance within their social context. Together, the two theorists argue that perceptions are dynamic and socially mediated, formed through the interplay of prior knowledge, cognitive reasoning, and interpersonal exchanges (Yildiz, 2025), which is consistent with how Nigerians process inflationary experiences.

The Consumer Buying Behavior Process Theory developed by Howard and Sheth (1969) further supports this study by explaining the sequence consumers follow in making purchasing decisions, beginning with problem recognition, followed by information search, evaluation of alternatives, and eventual purchase intent. This model asserts that internal influences such as perception, learning, motivation, and attitudes shape how consumers interpret market conditions, while external factors such as peer influence, cultural norms, advertising, and economic realities also guide decision-making (Shaw, 2024; Eka & Ngurah, 2021; Shah & Asghar, 2023; Melnyk *et al.*, 2022). Under inflation, consumers rely on these internal and external cues to reassess affordability and necessity, leading to more cautious evaluation and deliberate purchasing. The theory helps explain why Nigerians increasingly compare prices, substitute brands, and adjust intent to buy in response to rising costs, as individuals try to maximize value while navigating economic constraints (Priyatna & Suryadi, 2025). Through this lens, the Howard-Sheth model offers a structured understanding of how inflation perceptions translate into observable shifts in the evaluation of alternatives and purchase intentions.

3. Research Questions

The primary goal of this study was to assess the influence of inflation perception on spending habits among consumers in Umuahia City, Nigeria. Specifically, it provided answers to the following research questions:

1. What is the extent of perception of Nigerians on inflation along:
   a. prior knowledge and experience;
   b. social interaction and information sources; and
   c. cognitive interpretation and meaning-making?
2. What is the extent of purchase behavior of Nigerians along:
   a. evaluation of alternatives; and
   b. purchase intent?
3. Is there a relationship between the extent of perception of Nigerians on inflation and the extent of purchase behavior?
4. What are the consumers' perceptions of government intervention in mitigating the effects of inflation?

3.1 Significance of the Study

The significance of this study extends to multiple stakeholders. For policymakers at both federal and state levels, especially within the Ministry of Budget and National Planning and the Central Bank of Nigeria, the research offers a valuable evidence base for understanding how inflation influences consumer purchasing decisions for convenience goods. By identifying government interventions, such as price controls, subsidies, and public sensitization campaigns, that consumers perceive as effective or ineffective, policymakers will be better positioned to design credible and targeted inflation-management strategies tailored to cities like Umuahia. Retailers, wholesalers, and FMCG manufacturers will also benefit from insights into shifting consumer expectations related to price, quality, value, and perceived sacrifice. These insights can guide businesses in adopting flexible pricing systems, smaller and more affordable packaging options, and more efficient supply chain practices to sustain competitive prices, reduce brand switching, and strengthen customer loyalty during inflationary periods.

Consumer protection agencies, including the FCCPC and related NGOs, can use the findings to identify areas where consumers feel neglected or exploited, enabling them to design stronger advocacy programs, consumer education initiatives, and regulatory interventions. Such efforts may target issues like price transparency, shrinkflation, and inadequate oversight during inflationary spikes. The academic community similarly benefits, as the study provides a replicable empirical framework linking prior knowledge, social information, and cognitive interpretation to purchasing behavior. It contributes new city-level data from an under-researched mid-sized Nigerian city, enriching comparative research and advancing theoretical discussions in consumer economics and behavioral finance. Ultimately, the greatest beneficiaries are consumers themselves, particularly residents of Umuahia, who stand to gain improved awareness of their rights, clearer understanding of market trends, and better access to essential goods through enhanced policy implementation, more responsive retail practices, and strengthened consumer protection mechanisms.

4. Methodology

This study adopted a descriptive-correlational research design, combining the strengths of both descriptive and correlational approaches to systematically examine the relationships among the variables under investigation. The population consisted of residents of Umuahia City, the capital of Abia State in Southeastern Nigeria, which has an estimated population of approximately 990,000. Because surveying the entire population was impractical, a representative sample size was determined using the Raosoft (2004) sample size calculator at a 95% confidence level and a 5% margin of error, resulting in a required sample of 384 respondents. Convenience sampling, a non-probability sampling technique, was employed to select participants who were readily available, accessible, and willing to participate. Data were collected using a comprehensive and structured questionnaire designed to capture information relevant to the study objectives. To ensure the instrument's reliability, a pilot test involving 30 respondents from outside the target population was conducted, also using convenience sampling. The reliability analysis yielded a coefficient of 0.814, indicating acceptable internal consistency. The gathered data were analyzed using weighted mean to determine response patterns, Pearson correlation to examine relationships between key variables, and thematic coding for qualitative insights.

5. Results and Discussion

This section presents the results of the study and provided a comprehensive analysis and interpretation of the data gathered from the respondents. The findings were systematically organized to align with the research objectives, thereby offering a coherent understanding of the phenomena under investigation. The presentation and interpretation of the findings were arranged in the following sequence: the extent of Nigerians' perception of inflation, the extent of their purchase behavior, the relationship between these two variables, and finally, consumers' perception of government intervention in mitigating the effects of inflation.

Table 1: Extent of Perception of Nigerians on Inflation

	Indicators	Weighted Mean	Interpretation
1	Prior knowledge and experience	3.38	Very high perception
2	Cognitive interpretation and meaning-making	3.37	Very high perception
3	Social interaction and information sources	3.32	Very high perception
Overall Weighted Mean		**3.36**	**Very high perception**

Presented in Table 1 are the findings on the overall extent of perception of Nigerians on inflation across the three constructs considered in this study. The overall weighted mean of 3.36 indicates a very high perception, showing that Nigerians strongly recognize inflation as a lived economic reality that directly influences their financial decisions. Looking at the constructs individually, prior knowledge and experience had a weighted mean of 3.38, cognitive interpretation and meaning-making recorded 3.37, while social interaction and information sources posted 3.32. All were interpreted as very high perception, suggesting consistency across domains in the way Nigerians process, interpret, and respond to inflationary conditions. The implications of these findings are significant for different groups. For consumers, such a strong perception translates into restrained purchasing behaviors, heightened price sensitivity, and a tendency to cut down on non-essential spending, which could affect the overall volume of household consumption. For the Nigerian federal government, these findings imply that official economic pronouncements may not easily sway public perception, as individuals draw heavily from their own lived experiences and interpretations. This could weaken the impact of government communication strategies during periods of inflationary pressure. For traders, heightened consumer sensitivity means stronger bargaining, reduced demand for premium products, and a preference for cheaper alternatives, which could force traders to alter pricing and sales strategies in order to remain competitive.

Beyond these implications, the findings demonstrate that Nigerians' perceptions of inflation are formed through an active process of meaning-making. The construct of prior knowledge and experience suggests that past encounters with inflation continue to shape present judgments, while social interaction and information sources reveal the influence of community discussions and media narratives in sustaining or amplifying these perceptions. This duality of individual memory and collective exchange resonates with Constructivism Theory as advanced by Piaget (1964) and Vygotsky (1978), which explains that people construct knowledge through a combination of personal experiences and social contexts.

This revelation appears to complement the findings of Kim and Binder (2023), who observed that households assessed inflation primarily through experiential knowledge, giving less weight to government statistics. In a similar vein, the findings closely compare to Duodu *et al.* (2022), who found that Ghanaians' perception of inflation was strongly tied to household budgeting realities rather than abstract macroeconomic figures. Buttressing this point, the findings validate Haque *et al.* (2023), who revealed that in the United States, citizens relied on both logical reasoning and lived shopping experiences when forming judgments about inflation, particularly in contexts where trust in institutional reports was weakened. Furthermore, the findings align with Deroche-Leydier (2025), who showed that French citizens' interpretations of inflation were grounded in daily price fluctuations of food and transportation, reinforcing the centrality of lived experience in shaping economic behavior. Overall, these findings confirm that Nigerians perceive inflation not merely as a statistical trend but as a socially and personally constructed phenomenon. By integrating individual memory, logical interpretation, and social reinforcement, their perceptions of inflation are influenced by practical economic behavior that affects consumption, governance, and market dynamics.

Table 2: Dimensions Reflecting the Extent of Nigerians' Purchase Behavior

	Dimensions	Weighted Mean	Interpretation
1	Purchase intent	3.43	Very high behavior
2	Evaluation of alternatives	3.34	Very high behavior
Overall Weighted Mean		**3.39**	**Very High Behavior**

Presented in Table 2 are the findings on the dimensions reflecting the extent of Nigerians' purchase behavior. The overall weighted mean of 3.39 indicates a very high behavior, signifying that Nigerians consistently adjust their consumption patterns in response to inflationary pressures. Among the two dimensions, purchase intent recorded a weighted mean of 3.43, interpreted as very high behavior, while evaluation of alternatives obtained a weighted mean of 3.34, also interpreted as very high behavior. These values suggest that during inflationary conditions, Nigerians are not only deliberate in adjusting their intention to buy, often prioritizing essential goods over discretionary purchases, but also carefully weigh available options by comparing prices, assessing affordability, and considering substitutes before making purchase decisions.

The implications of these findings reveal layered consequences for key actors in the economy. For consumers, a high level of purchase intent means households become more restrained, often delaying or abandoning non-essential purchases, while the evaluation of alternatives results in increased effort to stretch limited resources by considering substitutes or lower-priced goods. For the Nigerian federal government, these patterns indicate reduced consumer demand and potential contraction in overall economic activity, which may negatively affect tax revenues, consumption-driven growth, and confidence in policy interventions. For traders, the findings show that customers' heightened caution translates to more price-sensitive buying, aggressive negotiations, and a willingness to switch brands or stores, all of which increase competition, reduce profit margins, and threaten customer loyalty.

The findings further suggest that Nigerians' purchasing behaviors are both socially and cognitively constructed, aligning closely with the Consumer Buying Behavior Process Theory developed by Howard and Sheth (1969), which guided the conduct of this study. The theory posited that consumer decisions are shaped through a structured process involving problem recognition, information search, evaluation of alternatives, purchase intent, and post-purchase evaluation. Within this framework, consumers actively process information from their environment, weigh available options, and make deliberate choices based on perceived value and personal circumstances.

In the context of this study, the very high levels of purchase intent observed among Nigerian consumers reflect a strong cognitive commitment to buying behavior despite inflationary pressures. This finding supports Howard and Sheth's (1969) view that purchase intent represents a goal-oriented decision stage, where consumers, after analyzing their needs and available resources, make a conscious resolution to purchase. Nigerians, rather than being deterred by rising prices, demonstrate rational and adaptive decision-making, planning purchases strategically and prioritizing essential goods over luxury items. This behavior indicates a high level of cognitive engagement and resilience, showing that consumers actively reconstruct their purchasing priorities based on current economic realities rather than reacting passively to inflation. Similarly, the very high behavior of evaluation of alternatives found in this study aligns with the theory's proposition that consumers engage in cognitive comparison among available products before forming their purchase intent. In an inflationary context, Nigerian consumers are seen to thoroughly compare brands, prices, and quality, seeking the best possible value for money. This reflective process illustrates how social and environmental cues, such as peer influence, advertising, and market conditions, interact with individual cognition to shape consumer choices. The findings therefore reinforce the model's assertion that consumer behavior is a function of both social interaction and cognitive reasoning, where knowledge is constructed through experience and collective interpretation.

This revelation appears to complement the findings of Nnanna-Ohuonu (2025), who reported that academic staff of institutions in Abia and Imo states in eastern Nigeria increasingly adjusted their purchase intentions during inflation by prioritizing necessities and postponing discretionary consumption, much like the high value recorded for purchase intent. In a similar vein, the findings closely compare to

Maassarani *et al.* (2024), who discovered in Lebanon that consumers under inflation heightened their evaluation of alternatives in the present study, often abandoning brand loyalty to adopt cheaper substitutes and generic products. Buttressing this point, the findings validate Hussain and Fahad (2024), who showed that Pakistani consumers, in times of weakened market stability, relied on both cautious purchase intentions and deliberate evaluation of alternatives, carefully weighing affordability and options to minimize the risks posed by inflation. Expanding further, these results suggest that the adjustment of purchase behavior, through intentional spending restraint and comparative evaluation, is not merely an individual psychological reaction but a shared socio-cognitive practice that transcends national boundaries, reflecting how societies collectively adapt to the challenges posed by inflationary environments.

Table 3: Relationship between the Extent of Nigerians' Perception of Inflation and their Purchase Behavior

Perception of Inflation	Evaluation of alternatives	Purchase Intent	Interpretation
Prior knowledge and experience	0.409	0.380	Moderate positive relationship
Social interaction and information sources	0.339	0.263	Weak positive relationship
Cognitive interpretation and meaning-making	0.064	0.077	Very weak positive relationship

*Correlation coefficients were tested at the 0.05 significance level.

Table 3 presents the correlation results between Nigerians' perception of inflation and their purchase behavior. Prior knowledge showed a moderate positive relationship with evaluation of alternatives (r = 0.409) and purchase intent (r = 0.380). Social interaction displayed a weak positive relationship with both evaluation of alternatives (r = 0.339) and purchase intent (r = 0.263). Cognitive interpretation revealed a very weak positive relationship with evaluation of alternatives (r = 0.064) and purchase intent (r = 0.077). These findings indicate that all dimensions of inflation perception are associated with purchase behavior, though with varying strengths, with prior knowledge exerting the greatest influence and cognitive interpretation the least. Based on these results, the hypothesis that Nigerians' perception of inflation is significantly related to their purchase behavior was accepted. These patterns imply that consumers' understanding of inflation, shaped by experience or social communication, influences how they compare product options and decide whether to buy, whereas personal meaning-making plays a much smaller role. For the government, shifts in inflation perception can affect aggregate demand, potentially increasing cautious spending or panic buying. For traders, consumer sensitivity to inflation necessitates strategy adjustments, as demand may fluctuate in line with changing perceptions.

The findings align with Constructivism Theory (Piaget, 1964; Vygotsky, 1978) and the Consumer Buying Behavior Process Theory (Howard & Sheth, 1969). Piaget's notion of knowledge built from experience explains why prior knowledge showed the strongest association; consumers draw on past inflation cycles to anticipate price changes and adjust spending. Howard and Sheth's model further supports this, viewing purchase behavior as a structured process where prior experience enhances systematic evaluation and rational decision-making. Vygotsky's emphasis on social learning also aligns with the weak but meaningful influence of social information, suggesting that peer discussions and shared market experiences subtly guide purchasing decisions. However, the very weak link between cognitive interpretation and purchase behavior highlights that in contexts like Umuahia, understanding inflation does not always translate into action. Economic constraints, habitual choices, or cultural norms may limit consumers' ability to change behavior despite awareness. These findings align with Fong *et al.* (2021), Shaw (2024), and Li and Hua (2022), who emphasize the stronger role of prior knowledge and social cues over individual reasoning during inflation. Yet they contrast with Mende *et al.* (2023), who found cognitive interpretation to play a central role in consumer resilience. In the Nigerian context, external knowledge and collective experiences appear to shape purchasing behavior more strongly than individual meaning-making, reflecting a socio-economic environment where financial limitations and shared community insights guide consumer choices more than personal cognitive evaluation.

Table 4: Consumers' Perception of Government Intervention in Mitigating the Effects of Inflation

No.	Indicators	Frequency (F)	Percentage (%)
1	Consequences of subsidy removal and price controls	78	20.31
2	Transparency, corruption and policy implementation gaps	49	12.76
3	Mixed effectiveness of monetary and fiscal policies	44	11.46
4	Support for agriculture and local production	41	10.68
5	Unequal impact and social protection needs	39	10.16
6	Public trust, awareness and communication	33	8.59

Table 4 presents the results on consumers' perception of government intervention during inflation. The most frequently cited concern was the impact of subsidy removal and price controls (20.31%), followed by issues of transparency, corruption, and policy implementation gaps (12.76%). Mixed effectiveness of monetary and fiscal policies accounted for 11.46% of responses, while support for agriculture and local production (10.68%) and unequal impact and social protection needs (10.16%) were also highlighted. Public trust, awareness, and communication were the least mentioned concerns at 8.59%. These findings indicate that Nigerians primarily evaluate government intervention through its direct economic effects and the perceived fairness and consistency of policies. For consumers, subsidy removal and weak price controls translate into rising household expenses, prompting reduced non-essential spending and heightened financial vulnerability. For the government, these perceptions signal dissatisfaction with policy execution and declining public trust, which may weaken support for future reforms. Traders also feel the impact, as inflation-driven price volatility disrupts stock planning, reduces customer loyalty, and intensifies competition, contributing to broader market instability.

The results align with previous evidence that Nigerians interpret government intervention through visible policy outcomes, such as subsidies, transparency, and agricultural support, rather than individual coping mechanisms. This supports findings by Niagwan and Maigari (2024), who showed that subsidy reforms shape consumer attitudes toward government credibility, and Abramian (2023), who found that lack of transparency amplifies skepticism during economic uncertainty. Respondent comments echoed these sentiments, noting that subsidy removal "made life harder" and corruption limits the impact of interventions. The findings also validate Alnafrah and Bogatov (2025), who showed that citizens respond more to the perceived fairness and consistency of policies than to their technical efficiency, and align with Amaechi (2023), who linked public trust to visible agricultural and social support programs. Collectively, these studies suggest that in Nigeria, perceptions of government intervention are socially constructed around trust, fairness, and distributive justice. However, the results contrast with Munzhelele (2024) in South Africa and Lee *et al.* (2021) in Singapore, where citizens attributed inflation mainly to global trends or trusted technical efficiency rather than fairness. This contrast highlights that in Nigeria, inflation perceptions are shaped less by global market forces and more by concerns over equity, transparency, and the accountability of government actions.

6. Conclusions

The findings of this study reveal that prior exposure to inflationary trends has significantly shaped consumer behavior in Nigeria, increasing skepticism and heightening price sensitivity in daily transactions. Informal communication networks, including peer discussions and media reports, play a strong role in shaping how inflation is perceived and how consumers respond to rising prices. For many respondents, inflation is interpreted not only as an economic issue but also as a reflection of government efficiency, transparency, and accountability. As a result, inflation has encouraged more rational decision-making among households, with individuals prioritizing affordability and essential needs over brand loyalty or discretionary spending. This shift has reshaped purchase intent, leading to more restrained consumer demand as households carefully evaluate costs and adjust consumption to suit limited resources. Overall, consumer perception of inflation acts as a key driver of purchasing behavior, demonstrating a clear link between economic awareness and marketplace decisions. However, government interventions are widely viewed as inconsistent or poorly implemented, which further widens public distrust and deepens doubts about the fairness and effectiveness of inflation management policies. These empirical facts reveal the complex interplay between economic conditions, consumer psychology, and institutional credibility in shaping how Nigerians navigate inflationary pressures.

7. Recommendations

Based on the findings and conclusions of this study, several recommendations are proposed to strengthen consumer resilience and improve institutional responses to inflation. Government agencies, in partnership with NGOs, should organize regular community-based awareness programs that draw from past inflationary experiences, such as the 2016 and 2022 episodes in Nigeria, to educate households on practical financial planning. These sessions may include workshops that help families prioritize essential needs, manage credit responsibly, and save through cooperative societies, while real-life examples and testimonies from households that successfully coped during previous inflationary periods can make the programs more relatable and impactful. Media regulators, working with civil society organizations, should collaborate with radio and television stations to broadcast verified and simplified economic updates in local languages. Weekly radio programs can explain inflation rates, fuel pricing, and policy actions in conversational formats, while partnerships with fact-checking bodies like Dubawa can ensure the swift correction of misinformation across social media. Policymakers should also reinforce public engagement through monthly town-hall meetings at the local government level, allowing citizens to interact directly with economic managers. Additionally, the Central Bank of Nigeria can host quarterly online dialogues to clarify monetary policies, with feedback documented and published to promote transparency and responsiveness.

For the business sector, traders should adopt flexible pricing mechanisms, such as introducing smaller, more affordable package sizes of essential items like rice, oil, or soap, to maintain access for low-income households. Consumer associations can also promote cooperative buying groups, enabling families to pool resources and purchase goods in bulk directly from wholesalers, a model that has proven successful in Lagos and can be replicated in other regions through organized market unions. Small-scale businesses can further support households by offering installment payment options for essential items like school supplies or gas cylinders and by introducing bundled product packages, such as rice, beans, and cooking oil sold together at discounted rates, to help families manage limited cash flow more effectively.

At the policy level, economic managers should integrate consumer perception studies into inflation management strategies by conducting quarterly nationwide surveys similar to those used by the National Bureau of Statistics. Insights from these studies can guide targeted communication campaigns that address specific public concerns, including fears of food shortages, through community radio, television, and social media platforms. The federal government should also expand transparency portals by publishing real-time information on subsidy allocations, agricultural funding, and public disbursements to rebuild trust. Support for farmers can be strengthened by providing mechanized tools through cooperatives and extending grants for seeds and fertilizers under programs such as the Anchor Borrowers' Programme. Additionally, social protection schemes, including food voucher distribution under the National Social Investment Program, should be expanded to ensure that vulnerable households in both urban and rural areas maintain access to essential goods like rice, maize, and cooking oil during inflationary periods.

Conflict of Interest Declaration
The researcher declares that there is no conflict of interest related to this study. All aspects of the research were conducted independently and without any external influence.

About the Author
Nwachukwu Esther Nkiru is a dedicated professional with a strong academic foundation, holding a Master's degree in Business Administration and a Bachelor of Science degree in Psychology. She has gained diverse experience as a psychologist intern at Jos University Teaching Hospital, a General Studies teacher in a nursery and primary school, and a chef, demonstrating her versatility and commitment to service. Skilled in communication, interpersonal relations, problem-solving, classroom management, and teamwork, she brings a blend of educational, psychological, and practical expertise to her work. Motivated and results-oriented, she remains committed to contributing meaningfully to organizational growth and professional development.

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