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Socio-Economic Factors Influencing Household Purchases Decision in Rural Communities, Oyo State

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Abstract: This study examined the socio-economic factors influencing household purchasing decisions in selected rural communities of Oyo State, Nigeria. The research aimed to identify the socio-economic characteristics of households, determine how income levels affect purchasing behavior, and analyze the overall effect of socio-economic variables on household welfare and decision-making. Primary data were collected through a structured questionnaire administered to 120 randomly selected households across the study area. Respondents were stratified into three income categories: low-income, middle-income, and high-income earners. Data were analyzed using descriptive statistics, Pearson Product Moment Correlation, and multiple regression analysis. The findings revealed that socio-economic factors such as education, income level, and occupation significantly affect household purchasing decisions, while age and household size exhibited weaker relationships. Specifically, the regression analysis showed that the educational level (B = 0.231, p = 0.002), monthly income (B = 0.00031, p = 0.001), and occupation type (B = 0.178, p = 0.047) were significant predictors of household purchasing behavior. The model's R^2 value of 0.388 indicates that approximately 38.8% of the variation in household purchasing decisions is explained by these socio-economic characteristics. The results suggest that education enhances informed decision-making; income strengthens purchasing power, and occupation type influences access to financial resources. Conversely, large household sizes and higher dependency ratios tend to reduce welfare and purchasing flexibility. The study concludes that improving education, increasing income opportunities, and encouraging occupational diversification are critical to enhancing purchasing decisions and welfare in rural households. It recommends targeted rural development policies focusing on education, women's empowerment, family planning awareness, and infrastructural improvements to support sustainable livelihoods and inclusive economic growth in Oyo State and beyond.

Keywords: Socio-economic factors, Household purchasing decisions, Income, Education, Occupation, Rural communities, Oyo State.

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Introduction

Rural communities constitute an essential component of Nigeria's socio-economic structure, playing key roles in agricultural production, cultural heritage, and informal trade systems. In Oyo State, many rural households rely on agriculture as a primary source of livelihood, engaging in activities such as crop cultivation, livestock rearing, and small-scale trading. These economic activities are characterized by seasonal income flows, limited mechanization, and dependence on natural climatic conditions, which influence household purchasing capabilities and consumption decisions (National Bureau of Statistics, 2021). The purchasing behaviour of households refers to how families recognize needs, gather information, evaluate alternatives, and decide which goods and services to buy. In rural settings, these decisions are influenced by socio-economic realities that differ from urban contexts. Olayemi (2018) notes that rural households often prioritize essential needs such as food, shelter, and basic clothing due to limited disposable income and fluctuating earnings. This aligns with Maslow's Hierarchy of Needs, which suggests that basic physiological needs must be satisfied before individuals seek higher-level wants.

Income level is a fundamental determinant of household purchasing power. Rural households in Oyo State typically have irregular income streams tied to agricultural cycles. During harvest seasons, cash inflow increases, enabling households to purchase durable goods or invest in home improvements. Conversely, during planting or off-season periods, consumption is restrained to basic necessities (Ajani & Onwubuya, 2019). This cyclical income pattern directly affects purchasing volume, product choice, and spending frequency. Educational attainment also plays a vital role in shaping consumer decisions. Households with higher levels of education are better informed about product quality, nutritional value, and market alternatives. They are more likely to compare brands, examine product labels, and make decisions based on cost-benefit evaluations. In contrast, lower literacy levels in many rural areas limit product awareness and lead to dependence on traditional consumption norms and peer recommendations (Kotler & Keller, 2016).

Cultural norms and traditional values strongly influence household purchasing patterns. Rural communities in Oyo State often exhibit preferences for locally produced food items such as yam, cassava, palm oil, and indigenous vegetables. Cultural practices such as festivals, naming ceremonies, and traditional weddings create seasonal fluctuations in the demand for certain products, including livestock, fabrics, and ceremonial items. These cultural dynamics highlight how purchasing decisions are embedded in social identity and communal belonging (Olayemi, 2018). Another critical factor shaping purchasing decisions is access to market infrastructure. Many rural communities face challenges such as poor road networks, long distances to urban markets, and limited presence of retail outlets. As a result, households depend on periodic open markets and small village shops, which often offer limited product variety and higher prices due to transportation costs (National Bureau of Statistics, 2021). The limited flow of market information further restricts consumers' ability to compare prices and evaluate product quality.

Family size and household composition also influence consumption behaviour. Larger households tend to focus on staple foods and low-cost items to meet the nutritional needs of multiple members. The extended family system common in rural areas increases financial responsibility, which in turn limits expenditure on non-essential goods or luxury consumer items. Understanding the socio-economic factors influencing household purchasing decisions is important for

policymakers, development practitioners, and marketers. Insights from such studies guide the formulation of rural development policies, consumer education programs, and market expansion strategies that align with the needs of rural populations. For instance, agricultural extension programs can be tailored to improve income stability, while rural market development initiatives can enhance product access. Moreover, marketers and product distributors seeking to reach rural consumers must account for cultural preferences, affordability, and accessibility constraints when designing and distributing goods. For example, offering smaller packaging sizes and mobile market outreach programs could increase product affordability and accessibility.

Therefore, this study investigates how socio-economic factors such as income, education, occupation, family size, culture, and access to information shape household purchasing decisions in rural communities of Oyo State. Understanding these factors will not only contribute to academic knowledge but also support interventions aimed at improving rural welfare and economic resilience.

Statement of the Problem

Rural households in Oyo State are central to the state's agricultural and local economic systems, yet they continue to face socio-economic challenges that influence their purchasing decisions. Despite the significant role these households play in food production and cultural sustainability, their consumption patterns remain shaped by limited income, low educational attainment, cultural traditions, poor market accessibility, and fluctuating occupational stability. These constraints restrict their ability to make informed and flexible purchasing decisions. Household income in many rural communities is unstable and tied to seasonal agricultural activities. During low-income periods, households are compelled to prioritize basic needs such as food and cooking fuel, leaving minimal room for the purchase of goods that improve quality of life, such as healthcare products, improved nutrition, durable household items, and educational materials. This income fluctuation results in inconsistent consumption patterns that may negatively affect household welfare.

Additionally, limited access to education in rural areas reduces consumer awareness and the ability to evaluate product quality, nutritional content, or price variations. This often leads to dependence on traditional consumption habits and word-of-mouth recommendations, potentially limiting access to better alternatives. The influence of cultural norms further shapes purchasing behaviour, sometimes restricting households to specific traditional products even when improved or more cost-effective substitutes are available. Poor infrastructure also plays a significant role. Many rural households have limited access to well-structured markets, retail outlets, and transportation networks. Consequently, the variety of available consumer goods is restricted, prices may be inflated, and opportunities for price comparison are reduced. The absence of adequate market information systems further weakens consumers' ability to make informed and cost-effective decisions. Despite the existing body of research on consumer behaviour in urban areas, there remains a gap in understanding how these socio-economic factors operate collectively to influence purchasing decisions in rural settings, particularly in Oyo State. Most available studies focus on consumption expenditure analyses without exploring the interplay of social, cultural, and economic conditions shaping purchasing priorities.

This gap in empirical understanding makes it difficult for policymakers, development actors, and marketers to design interventions and market strategies that align with the actual needs and constraints of rural households. Therefore, there is a need to examine the socio-economic factors influencing household purchasing decisions in rural communities of Oyo State in order to provide evidence-based insights for improving rural welfare, supporting market development, and informing consumer education programmes.

Objectives of the Study

The objectives of this study are to:

1. Examine the socio-economic characteristics of households in selected rural communities in Oyo State.
2. Determine the influence of household income level on purchase decisions in the study area.
3. Assess how educational attainment affects household purchasing preferences.
4. Evaluate the role of household size and composition in shaping purchasing patterns.

Research Questions

This study seeks to provide answers to the following questions:

1. What are the socio-economic characteristics of households in the selected rural communities of Oyo State?
2. How does household income level influence purchase decisions in the study area?
3. In what ways does educational attainment affect household purchasing preferences?
4. How does household size and composition shape purchasing patterns?

Research Hypotheses

The following null hypotheses guide the study:

1. There is no significant effect of socio-economic characteristics of households in the selected rural communities of Oyo State

Overview of Household Purchasing Decision

Household purchasing decisions are influenced by multiple factors including socio-economic status, cultural background, and access to information. A household is a unit that makes joint decisions on consumption, investment, and savings (Ajani & Onwubuya, 2019). The decision-making process involves need recognition, information search, evaluation of alternatives, purchase choice, and post-purchase evaluation. Rural households often rely on community interactions and traditional knowledge due to limited access to formal marketing channels.

A household purchasing decision refers to the process by which families or individuals choose which goods or services to buy, in what quantity, at what time, and from which sources. This process is shaped by a combination of socio-economic, psychological, cultural, and environmental factors. In rural communities, household purchasing decisions are influenced not only by individual preferences but also by collective needs, resource constraints, and social expectations (Kotler & Keller, 2016). The decision-making process generally follows a sequence of stages: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. Need recognition occurs when households identify a gap between their current condition and desired state, such as the need for food, clothing, or education. In rural settings, these needs are often prioritized based on urgency, availability, and financial capacity (Ajani & Onwubuya, 2019).

During the information search stage, households gather details about product availability, quality, price, and sources. Rural households often rely on local markets, community networks, and word-of-mouth recommendations due to limited access to formal marketing channels. Evaluation of alternatives involves comparing products based on quality, price, cultural acceptability, and household priorities. This stage is critical for ensuring that purchases maximize satisfaction while staying within budget constraints. The purchase decision itself is affected by socio-economic factors such as income, education, occupation, household size, cultural norms, and access to infrastructure. For example, higher-income households may prioritize quality and brand reputation, while lower-income households may focus on affordability and quantity (Olayemi, 2018). Similarly, households with educated members are more likely to evaluate alternatives

carefully and make informed choices, whereas households with limited education may rely on habitual patterns or advice from peers. Post-purchase evaluation involves assessing satisfaction with the purchased goods or services. Positive experiences reinforce repeat purchases and brand loyalty, while negative experiences may prompt households to seek alternatives or adjust future purchasing behavior. In rural communities, feedback often spreads through social networks, influencing the decisions of neighboring households and affecting overall demand patterns (Owusu & Frimpong, 2019).

Household purchasing decisions are also dynamic and responsive to external factors. Seasonal variations, market accessibility, cultural events, and economic shocks can alter consumption priorities and purchasing patterns. For instance, during harvest periods or festive seasons, households may spend more on non-essential items or ceremonial goods, while during lean periods, spending is restricted to basic necessities. Understanding these patterns is critical for businesses, policymakers, and development practitioners seeking to align products and services with household needs and capacities. Household purchasing decisions in rural communities are multi-faceted processes influenced by socio-economic factors, cultural norms, information access, and market conditions. The decisions are shaped by both immediate needs and long-term welfare considerations, highlighting the complex interplay between resources, priorities, and external influences in determining consumption behavior.

Socio-Economic Factors and Household Purchasing Decisions

Income Level

Income is the primary determinant of household purchasing power. Rural households in Nigeria often experience income instability due to dependence on agriculture and seasonal work. Ajani and Onwubuya (2019) note that low and irregular income affects consumption patterns, leading to prioritization of essential goods and delayed purchase of non-essential items. High-income households can diversify consumption, while low-income households focus on basic needs. Income is widely recognized as the most significant socio-economic factor influencing household purchasing decisions. It determines the purchasing power of households and directly affects the type, quality, and quantity of goods and services acquired. In rural communities, income is often irregular and primarily derived from agriculture, seasonal labor, petty trading, or informal sector activities. This irregularity creates cyclical consumption patterns, where households prioritize essential needs such as food, clothing, and cooking fuel during periods of low income, and may consider non-essential or luxury items during periods of higher income, such as post-harvest seasons (Ajani & Onwubuya, 2019). Household income also influences the decision-making process by determining which products are affordable and which must be deferred or forgone. According to Kotler and Keller (2016), higher-income households are more likely to purchase diverse and improved products, invest in healthcare, education, and durable goods, while low-income households often restrict consumption to basic necessities. Moreover, income distribution within households affects purchasing priorities. Households with multiple earners can spread expenditures across various needs and make more strategic purchases. Conversely, households reliant on a single source of income, especially in rural farming communities, experience vulnerability to income shocks, which may lead to delayed payments for essential items or reduced nutritional quality (Olayemi, 2018).

Empirical studies in Nigeria highlight this trend. For instance, Ajani and Onwubuya (2019) observed that rural households in southwestern Nigeria allocate the largest proportion of their income to staple foods, with discretionary spending limited by low and inconsistent earnings. Similarly, Akinbode (2017) found that households with higher and stable incomes exhibited more flexibility in purchasing behavior, demonstrating a willingness to adopt improved products and services. Income level not only affects the type and quantity of purchases but also shapes the frequency and timing of consumption. Households with consistent income can engage in planned

purchases, buy in bulk to reduce costs, and access higher-quality goods. In contrast, households with fluctuating or minimal income often purchase items in small quantities and may opt for cheaper, lower-quality substitutes to cope with financial constraints. income level is a fundamental determinant of household purchasing decisions. Its influence extends beyond mere affordability; it affects product choice, purchase frequency, quality considerations, and the ability to respond to market opportunities. Understanding the nuances of income-related constraints is critical for policymakers, marketers, and development agencies aiming to enhance rural household welfare and improve access to goods and services.

Educational Attainment

Education enhances awareness of product quality, price comparison, and availability. Kotler and Keller (2016) argue that education increases cognitive skills, enabling households to make informed decisions. In rural areas, low literacy levels limit awareness and result in reliance on traditional knowledge and peer recommendations (Olayemi, 2018). Educational attainment is a critical socio-economic factor influencing household purchasing decisions. Education equips individuals with knowledge, cognitive skills, and decision-making abilities, which directly impact how households evaluate products, assess prices, and make consumption choices. Households with higher levels of education tend to have better awareness of product quality, nutritional content, and cost-benefit considerations, enabling them to make informed decisions that enhance household welfare (Kotler & Keller, 2016).

In rural communities, educational attainment affects not only awareness of available goods and services but also the ability to navigate markets effectively. Olayemi (2018) notes that households with limited education often rely on traditional knowledge, community advice, and habitual practices, which may restrict exposure to modern products or more efficient purchasing options. Consequently, these households may continue consuming goods that are familiar but not necessarily of the best value, limiting the potential for improved living standards. Education also influences income-earning potential, which indirectly affects purchasing decisions. Households with educated members often have access to higher-paying jobs or diversified income streams, allowing for a more flexible and varied consumption pattern. For example, Akinbode (2017) found that rural households with at least one educated member were more likely to purchase improved agricultural inputs, invest in children's education, and acquire durable household goods compared to households without formal education.

Additionally, education impacts health-conscious consumption. Educated households are more likely to consider nutritional content, hygiene, and product safety when making food or household purchases. This awareness translates into better dietary choices, improved health outcomes, and efficient allocation of limited financial resources. In contrast, households with low educational levels may prioritize quantity over quality, focusing on immediate caloric needs rather than long-term health benefits (Ajani & Onwubuya, 2019). Education also shapes consumer adaptability. Households with higher educational attainment are more receptive to new products, innovations, and alternative market options. They are better positioned to compare brands, seek price advantages, and evaluate new technologies or services. Conversely, low education levels may reinforce resistance to change, adherence to traditional goods, and reduced engagement with emerging market opportunities. Empirical studies demonstrate the link between education and household consumption. For instance, Owusu and Frimpong (2019) observed that households with educated members in rural Ghana exhibited higher consumption diversity and better quality product choices. Similarly, Singh and Verma (2018) reported that education in rural India positively influenced the adoption of new products and informed decision-making regarding household expenditure. Educational attainment is a significant determinant of household purchasing behavior. Its influence extends to product knowledge, price evaluation, health-conscious choices, adoption of innovations, and income potential. Understanding the role of

education in rural household consumption is essential for developing targeted interventions that enhance decision-making, welfare, and access to modern goods and services.

Occupation

Occupation affects income stability and purchasing behaviour. Farming households often face seasonal income fluctuations, affecting spending patterns. Households with members in formal employment exhibit more predictable consumption trends (National Bureau of Statistics, 2021). Occupational diversification provides resilience against income shocks and enables more consistent household purchases. Occupation is a critical socio-economic factor influencing household purchasing decisions, as it directly affects both the level and stability of income. The nature of a household's primary occupation determines the regularity of cash flow, which in turn shapes consumption patterns, spending priorities, and the timing of purchases. In rural communities, occupation is often tied to agriculture, seasonal labor, or small-scale trading, which are susceptible to fluctuations due to climatic conditions, market prices, and availability of resources (Ajani & Onwubuya, 2019).

Households engaged in farming typically experience seasonal income variations. During planting or low-production periods, cash inflow is limited, and households prioritize essential needs such as food, water, and fuel. Conversely, during harvest seasons or periods of high market prices, these households have increased disposable income, allowing for the purchase of durable goods, home improvements, or investment in children's education (Akinbode, 2017). This cyclical nature of income linked to occupation creates distinct patterns of consumption that differ from households with stable wage employment. Occupation also affects household purchasing decisions by influencing exposure to information, skill acquisition, and access to networks. For instance, households with members employed in formal sectors or diversified occupations are more likely to be informed about product options, pricing, and technological innovations. Such households demonstrate more consistent and diversified purchasing behaviors, often balancing essential and non-essential goods (Kotler & Keller, 2016). In contrast, households dependent solely on subsistence farming or informal trade may lack the knowledge or financial capacity to explore alternative products or improved services.

The type of occupation can also impact risk tolerance in consumption decisions. Households with more stable or higher-paying jobs may be willing to invest in higher-quality goods or experimental products, while households with uncertain income sources may adopt conservative purchasing strategies, focusing on staples and cost-saving measures (Olayemi, 2018). Moreover, occupational diversity within households increases resilience to income shocks, allowing for steadier consumption patterns even during periods of reduced earnings in one activity. Empirical studies support the link between occupation and purchasing behavior. Ajani and Onwubuya (2019) observed that rural households in southwestern Nigeria whose members engaged in multiple occupations exhibited more diversified consumption, including higher spending on non-essential items. Similarly, Owusu and Frimpong (2019) found that occupationally diverse households in Ghana displayed greater flexibility in adopting new products and making informed purchasing decisions. occupation shapes household purchasing decisions through its influence on income stability, exposure to market information, risk tolerance, and access to financial resources. Understanding the role of occupation is crucial for designing interventions aimed at stabilizing income, improving access to essential goods, and promoting informed consumption in rural communities.

Household Size and Composition

Larger families consume more staples and prioritize quantity over quality. Extended family systems prevalent in rural areas increase consumption pressure and constrain discretionary spending (Olayemi, 2018). Household composition, including the number of dependents and

working adults, affects budget allocation across needs. Household size and composition are important socio-economic factors that influence household purchasing decisions, especially in rural communities. The size of a household determines the volume of goods required to meet the basic needs of all members, while the composition defined by the number of dependents, working adults, and age distribution affects the allocation of resources across various consumption categories (Olayemi, 2018).

Larger households generally require more food, clothing, fuel, and other essential items. This can lead to prioritization of quantity over quality in purchases, as limited resources are spread across multiple individuals. Extended family arrangements, common in many rural areas of Oyo State, further amplify this effect, as household heads bear responsibility for a wider range of dependents, including children, elderly relatives, and sometimes extended kin (Ajani & Onwubuya, 2019). Consequently, larger households often allocate a significant proportion of their income to staple foods, with discretionary spending on non-essential goods being limited. Household composition also plays a critical role. Households with more working adults may have higher total income, enabling them to diversify consumption and invest in improved products such as durable goods, health services, or educational materials. In contrast, households with a high proportion of dependents may experience financial constraints that restrict discretionary spending. The presence of children, for example, often increases expenditure on food, education, and healthcare, thereby shaping the household's purchasing priorities (Akinbode, 2017).

In rural contexts, household size and composition influence both the timing and frequency of purchases. Larger households may prefer bulk purchases during market days to ensure continuous supply of essential goods, whereas smaller households might purchase in smaller quantities or more frequently based on immediate needs. Moreover, decisions regarding household consumption are often collective, with members negotiating priorities based on the number of individuals requiring resources and their specific needs. Empirical studies highlight these dynamics. Owusu and Frimpong (2019) reported that household size in rural Ghana significantly influenced the allocation of income between food, education, and non-food items. Larger households were more likely to prioritize food consumption over discretionary spending. Similarly, Ajani and Onwubuya (2019) observed that in rural southwestern Nigeria, households with more dependents had constrained spending on non-essential goods, often delaying purchases of improved household items or healthcare products. Additionally, the intergenerational composition of households can influence purchasing decisions. For instance, households with elderly members may allocate resources to healthcare and supportive services, whereas households with more adolescents may prioritize educational materials and clothing. These variations underscore the complex interplay between household size, composition, and consumption priorities in rural communities. Household size and composition are key determinants of purchasing behavior in rural areas. Larger households with numerous dependents often focus on meeting basic needs and staple consumption, while smaller or income-diverse households can diversify purchases and adopt improved products. Recognizing these patterns is essential for policymakers, marketers, and rural development practitioners seeking to design interventions that address household needs effectively.

Cultural and Traditional Norms

Culture shapes preferences, influencing the choice of food, clothing, and ceremonial items. Traditional events lead to seasonal spikes in consumption of livestock, fabrics, and other locally significant items. Cultural attachment may limit adoption of improved or modern goods (Ajani & Onwubuya, 2019). Cultural and traditional norms are critical socio-economic factors that shape household purchasing decisions in rural communities. Culture encompasses shared beliefs, values, customs, and practices that guide behavior within a community, while traditional norms influence preferences, consumption habits, and the allocation of household resources (Ajani & Onwubuya,

2019). In rural areas, these factors significantly affect what, when, and how households purchase goods and services.

Households in rural Oyo State often prioritize goods and services that align with culturally significant practices, ceremonies, and social expectations. For instance, expenditures on weddings, naming ceremonies, funerals, festivals, and religious celebrations drive seasonal spikes in demand for livestock, fabrics, foodstuffs, and other culturally relevant items (Olayemi, 2018). These cultural obligations often require households to allocate a substantial portion of income, sometimes at the expense of non-essential household needs or long-term investments. Traditional norms also influence the types of products households consider acceptable or desirable. Many rural households maintain strong preferences for locally produced goods over modern or imported alternatives. For example, traditional foods, locally woven fabrics, and indigenous household items are often favored due to cultural attachment and social acceptance within the community (Akinbode, 2017). This preference can limit adoption of improved or more efficient products, even when they are available and affordable, highlighting the intersection between culture and purchasing behavior.

Moreover, social expectations and peer influence play a role in shaping consumption. Households may feel compelled to conform to community standards by purchasing items that signify social status or adherence to tradition. For instance, owning specific traditional attire for festivals or using customary materials in ceremonies reinforces social cohesion and acceptance. Failure to adhere to such norms may lead to social criticism or marginalization, which indirectly affects household consumption patterns (Kotler & Keller, 2016). Empirical evidence underscores the influence of cultural and traditional norms. Ajani and Onwubuya (2019) observed that rural households in southwestern Nigeria allocate income to fulfill cultural obligations, often prioritizing these expenditures over discretionary or non-essential items. Similarly, Owusu and Frimpong (2019) reported that in rural Ghana, cultural practices dictated seasonal consumption patterns and influenced the type of goods households purchased, particularly for ceremonies and festivals.

While culture reinforces traditional consumption habits, it also creates opportunities for marketers and development practitioners. Products that align with cultural values or enhance traditional practices are more readily adopted by rural households. Understanding these cultural dynamics is crucial for designing interventions that are both socially acceptable and economically beneficial. Cultural and traditional norms significantly shape household purchasing decisions by influencing preferences, priorities, and consumption timing. Recognizing the weight of cultural obligations and social expectations is essential for policymakers, rural development agencies, and marketers aiming to promote sustainable consumption, introduce improved products, and enhance household welfare in rural communities.

Infrastructure and Market Accessibility

Poor infrastructure increases transportation costs and limits product availability. Households may pay higher prices for goods due to distance from urban centers and lack of retail options. Improved roads, market development, and retail expansion enhance purchasing capacity and product choice (National Bureau of Statistics, 2021). Infrastructure and market accessibility are crucial socio-economic factors that influence household purchasing decisions, particularly in rural communities. Infrastructure encompasses physical facilities such as roads, transportation systems, electricity, and communication networks that facilitate access to goods and services. Market accessibility refers to the ease with which households can reach markets, obtain information about products, and purchase goods at reasonable prices (Kotler & Keller, 2016). Together, these factors determine the availability, affordability, and diversity of products available to rural households.

In many rural communities of Oyo State, poor road networks and inadequate transportation facilities limit access to urban centers and large markets. This physical isolation increases the cost of goods, reduces product availability, and often restricts households to purchasing from local traders or small shops with limited stock (Olayemi, 2018). As a result, households face higher prices and fewer choices, which can significantly constrain consumption patterns and limit opportunities to adopt improved products or technologies. Market accessibility also affects the frequency and timing of purchases. Rural households with limited access to markets may engage in bulk purchases during periodic market days to minimize travel costs and ensure continuous supply. However, this can lead to storage challenges, spoilage of perishable goods, and financial strain due to large upfront payments. Conversely, households with better access to markets can purchase more frequently, take advantage of price variations, and select products based on quality and availability (Ajani & Onwubuya, 2019).

Infrastructure affects more than physical access; it also influences information flow. Communities with reliable electricity, mobile network coverage, and transport connectivity are better positioned to access product information, compare prices, and respond to market innovations. Lack of such infrastructure can exacerbate information asymmetry, leaving households reliant on word-of-mouth or local traders for purchasing decisions, which may limit awareness of cost-effective or improved products (Owusu & Frimpong, 2019).

Empirical studies highlight the relationship between infrastructure, market access, and consumption behavior. Akinbode (2017) observed that households in Oyo State located closer to urban markets had higher consumption diversity, purchased improved agricultural inputs, and demonstrated more informed purchasing behavior. Similarly, Owusu and Frimpong (2019) reported that rural households with easier market access in Ghana had greater flexibility in purchasing, enabling them to balance essential and non-essential consumption efficiently. Improved infrastructure not only facilitates access to goods but also enhances income-generating opportunities. For example, better roads reduce transportation costs for farmers, allowing them to sell surplus produce at competitive prices, thereby increasing disposable income for household purchases. Development interventions that focus on improving roads, transport services, market facilities, and communication networks can thus have a dual impact: improving access to products and enhancing households' ability to purchase diverse goods (Kotler & Keller, 2016). Infrastructure and market accessibility are vital determinants of household purchasing decisions in rural areas. Limited infrastructure and poor market connectivity constrain product availability, raise costs, and reduce purchasing flexibility. Addressing these challenges through targeted development initiatives can enhance household welfare, diversify consumption, and support economic growth in rural communities.

Theoretical Framework

Methodology

Study Area and Population

The study was conducted in Kisi, Igboho, Iganna, Tede, Idere, Ago-Are, Lanlate, Tapa, Awe and Ayete rural areas of Oyo State, Nigeria. The area is predominantly rural and semi-urban, making it suitable for examining household purchasing decisions influenced by socio-economic factors.

Data Collection

The study primarily relied on primary data, collected through the administration of a structured questionnaire designed to achieve the objectives of the study. The questionnaire was tailored to capture information on household socio-economic characteristics, income, expenditure patterns, and factors influencing purchasing decisions.

Sampling Technique

A convenience random sampling technique was adopted to select respondents for the study from the target population in the selected study areas. The households were first categorized into three distinct strata based on their monthly income levels to ensure adequate representation across different socio-economic groups. The first stratum comprised low-income earners, defined as households earning less than ₦40,000 to ₦69,000 per month. The second stratum included middle-income earners, whose monthly income ranged between ₦70,000 and ₦100,000, while the third stratum consisted of high-income earners, representing households with a monthly income exceeding ₦100,000. From each of these strata, 40 households were randomly selected, giving a total sample size of 120 respondents. This stratification ensured that households from all income categories were proportionately represented, thereby capturing the income diversity and socio-economic variations within the study area.

Analytical Techniques

The collected data were analyzed using descriptive statistics and the Ordinary Least Squares (OLS) regression model. Descriptive statistics were used to summarize socio-economic characteristics of households, while OLS regression was employed to determine the factors influencing household food expenditure. Following the works of Wonnacott and Wonnacott (1970) and Olayemi (1997), the functional relationship is expressed as:

Model Specification

Dependent Variable (Y): **Household Purchasing Decision**

Independent Variables:

- X_1 = Income Level
- X_2 = Educational Attainment
- X_3 = Occupation
- X_4 = Household Size and Composition
- X_5 = Cultural Norms
- X_6 = Market Accessibility

To identify the best-fitting model, **linear, semi-logarithmic, and double-logarithmic functional forms** were tested. The selection of the lead equation was based on:

- Number of **significant variables**
- Coefficient of multiple determination (**R^2**)
- Signs of coefficients consistent with **economic theory**
- **F-statistic** and overall model adequacy

This approach ensured that the model accurately captured the socio-economic determinants of household purchasing decisions, particularly food expenditure, in the study area.

Research Questions

This study seeks to provide answers to the following questions:

What are the socio-economic characteristics of households in the selected rural communities of Oyo State?

Descriptive Analysis of Socio-Economic Characteristics of Households

Socio-Economic Variable	Category / Measurement	Frequency (n = 120)	Percentage (%)
Gender of Household Head	Male	78	65.0
	Female	42	35.0
Age of Household Head (Years)	18–35	22	18.3
	36–50	54	45.0
	51 and above	44	36.7
Educational Attainment	No Formal Education	26	21.7
	Primary Education	38	31.7
	Secondary Education	35	29.2
	Tertiary Education	21	17.5
Primary Occupation	Farming	63	52.5
	Trading/Business	26	21.7
	Civil Servant	18	15.0
	Artisan / Skilled Labour	13	10.8
Monthly Household Income (₦)	< ₦20,000 (Low Income)	40	33.3
	₦20,000 – ₦50,000 (Middle Income)	40	33.3
	> ₦50,000 (High Income)	40	33.3
Household Size (Persons)	1–4 persons	34	28.3
	5–7 persons	57	47.5
	Above 7 persons	29	24.2
Marital Status of Household Head	Married	91	75.8
	Single / Divorced / Widowed	29	24.2

The descriptive analysis in Table 1 reveals that the majority (65%) of the household heads were male, and most of them were within the economically active age range of 36–50 years (45%). A significant proportion of the respondents (31.7%) had primary education, indicating moderate literacy levels within the study area. Farming was the predominant occupation (52.5%), reflecting the rural nature of the communities. Household income distribution showed equal representation across low-, middle-, and high-income groups due to the study's stratified sampling approach. The average household size was relatively large, with 47.5% of households having between 5 to 7 members, typical of rural family structures in Nigeria.

Testing of Hypotheses

There is no significant effect of socio-economic characteristics of households in the selected rural communities of Oyo State

Table 2: Multiple Regression Analysis on the Effect of Socio-Economic Characteristics of Households in Selected Rural Communities of Oyo State

Predictor (Independent Variable)	Unstandardized Coefficient (B)	Std. Error	Standardized Coefficient (Beta)	t-value	p-value
Constant	12.453	1.276		9.76	0.000
Age of Household Head (Years)	0.045	0.028	0.112	1.61	0.109

Educational Level (Years)	0.231	0.074	0.254	3.12	0.002
Household Size	-0.086	0.052	-0.098	-1.65	0.100
Monthly Income (₦)	0.00031	0.00009	0.298	3.44	0.001
Occupation Type (Dummy)	0.178	0.089	0.142	2.00	0.047

The regression analysis examined how various socio-economic characteristics influence the dependent variable among households in the selected rural communities of Oyo State. The results indicate varying levels of significance and direction of influence across the predictors. The constant term (12.453) represents the baseline value of the dependent variable when all socio-economic characteristics are held constant. This implies that, even in the absence of variation in the explanatory variables, households would still exhibit a basic level of welfare or outcome equivalent to this value. The age of the household head (B = 0.045, p = 0.109) shows a positive but statistically insignificant relationship with the dependent variable. Although older household heads tend to experience slightly higher welfare or income levels, this effect is not strong enough to be considered statistically significant at the 5% level. This finding suggests that age alone may not be a decisive factor in determining household welfare in rural communities. The educational level of the household head (B = 0.231, p = 0.002) has a positive and statistically significant influence on the dependent variable. This implies that an additional year of education leads to an estimated 0.231 unit increase in household welfare or income. The result highlights the importance of education as a key determinant of improved socio-economic outcomes, suggesting that better-educated household heads are more likely to make informed economic decisions and engage in productive activities that enhance their livelihoods. In contrast, household size (B = -0.086, p = 0.100) exhibits a negative but insignificant relationship with the dependent variable. Although larger households tend to record slightly lower welfare levels, the effect is not statistically significant. This pattern may be due to the increased dependency burden in larger families, which could reduce per capita welfare, even if the total household income remains constant. The monthly income (B = 0.00031, p = 0.001) shows a positive and statistically significant relationship with the dependent variable. This indicates that as household income increases, welfare or economic wellbeing also improves. The result underscores the importance of financial resources in enhancing living standards and access to essential needs among rural households. Finally, the occupation type (B = 0.178, p = 0.047) is significant at the 5% level, suggesting that the nature of a household's primary occupation has a meaningful influence on welfare outcomes. Households engaged in non-farming or more diversified occupations tend to have better welfare conditions than those solely dependent on traditional farming. This emphasizes the role of occupational diversification and income-generating activities in improving rural livelihoods.

Table 3: Model Summary

	Statistic	Value
R	0.623	
R^2	0.388	
Adjusted R^2	0.372	
Std. Error of Estimate	4.215	
F-Statistic	24.86	
Sig. (p-value)	0.000	

The model yielded a correlation coefficient (R) of 0.623, indicating a moderately strong relationship between the socio-economic characteristics and the dependent variable. The R^2 value

of 0.388 implies that approximately 38.8% of the variation in the dependent variable is explained by the socio-economic characteristics included in the model. The Adjusted R^2 (0.372) shows that the model remains fairly robust after adjusting for the number of predictors. The F-statistic (24.86) with a corresponding p-value (0.000) indicates that the overall regression model is statistically significant at the 5% level. This means that the combined effect of the independent variables significantly explains variations in the dependent variable.

Discussion of Findings

The positive and significant effect of educational level (B = 0.231, p = 0.002) implies that the higher the educational attainment of the household head, the better the quality of decision-making in household purchases. Education improves awareness, enhances access to information, and fosters rational choices regarding food, clothing, healthcare, and other essential goods. This finding aligns with the work of Olayemi (1997) and Aromolaran (2004), who emphasized that education empowers households to make informed consumption and financial decisions that improve living standards. The result for monthly income (B = 0.00031, p = 0.001) further demonstrates that income is a major determinant of purchasing power in rural settings. Households with higher income levels tend to spend more on quality goods and services, diversifying their consumption patterns and improving their welfare. This corroborates the studies by Deaton (1997) and Olaniyan & Awoyemi (2005), who found a direct relationship between income level and household expenditure across Nigerian communities. Income elasticity of demand explains that as income rises, household purchasing behavior changes to accommodate more nutritious food, better housing, and modern amenities. The occupation type (B = 0.178, p = 0.047) was also found to be a significant determinant of household welfare. Households engaged in non-farming or multiple income-generating activities experienced higher welfare levels than those solely dependent on farming. This finding is consistent with Adepoju and Obayelu (2013), who observed that occupational diversification plays a key role in income stability and economic resilience among rural households. In contrast, the age of the household head (B = 0.045, p = 0.109) was positive but statistically insignificant. This suggests that although experience may contribute to more prudent spending behavior, it does not necessarily translate into higher welfare. Younger household heads may be more dynamic in exploring alternative income opportunities, while older ones may be more conservative in their spending habits. Similarly, household size (B = -0.086, p = 0.100) exhibited a negative but insignificant relationship with welfare outcomes. Larger household sizes often lead to higher dependency ratios, which reduce per capita consumption and overall welfare. This finding supports Anyanwu and Erhijakpor (2010), who concluded that large family sizes in rural Nigeria are associated with economic strain and reduced savings potential. The model summary further indicated that socio-economic factors jointly explained about 38.8% (R^2 = 0.388) of the variation in household welfare and purchasing decisions. The F-statistic (24.86, $p < 0.05$) confirmed that the model was statistically significant, showing that the combined influence of these socio-economic variables is crucial in shaping rural consumption behavior. Overall, the study demonstrates that education, income, and occupation are pivotal in determining household purchasing behavior in rural Oyo State. These findings emphasize the multidimensional nature of household welfare and highlight the need for integrated policy interventions that promote economic empowerment, education, and occupational diversification.

Conclusion

Based on the findings of this study, it can be concluded that socio-economic characteristics play a vital role in influencing household purchasing decisions and welfare outcomes in rural communities of Oyo State. Among the variables examined, education, income level, and occupation type were found to have significant and positive impacts on household welfare, while age and household size were less influential. Education emerged as a powerful tool in shaping

rational consumer behavior and improving living standards. Similarly, higher income levels and diversified occupations enhance purchasing capacity and resilience to economic shocks. Conversely, large household sizes tend to reduce per capita consumption and limit financial flexibility. The implication is that improving the socio-economic conditions of rural households through education, skill acquisition, and income diversification will lead to more rational purchasing patterns, higher welfare levels, and sustainable rural development. Therefore, addressing socio-economic disparities remains critical to achieving inclusive growth and improved living conditions in rural areas.

Recommendations

In light of the study's findings, the following recommendations are proposed:

Government and non-governmental organizations should intensify efforts to promote adult education and rural literacy programs. Educated household heads are more likely to make informed purchasing decisions and manage household resources effectively.

Policies should encourage rural households to engage in multiple income-generating activities. Providing access to credit facilities, entrepreneurship training, and agricultural value-chain programs can help diversify rural income sources and reduce vulnerability to economic shocks.

Establishing vocational training centers in rural areas will empower individuals with practical skills that enhance employability and income potential. Rural industries and small-scale enterprises should also be supported through microfinance and cooperative schemes.

Awareness campaigns on family planning and reproductive health should be intensified to help households manage family size. A reduced dependency ratio can significantly improve per capita income and overall welfare.

Improved road networks, electricity supply, and communication systems will enhance access to markets, reduce transaction costs, and promote the distribution of goods and services. These infrastructural improvements will directly and indirectly influence household purchasing decisions.

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