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# The Impact of Solar System Installation on Small and Medium-Scale Businesses in Nigeria: A Case Study of Frozen Foods Industry

***Fapetu, O.F.[1], Oladipo, Z.O.[2], Tanimola, B.A,[3] Oloye, O.C[4], Nenuwa I.O.,[5] Kehinde, O.[6], Adesina F[7]***

*[1,2,4] Department of Mechatronics Engineering, Rufus Giwa Polytechnic, Owo, Nigeria*
*[3,5,6,7] Department of Mechanical Engineering, Rufus Giwa Polytechnic, Owo, Nigeria*

**A B S T R A C T**

The transition to sustainable energy sources has gained prominence as a pivotal driver of economic growth and environmental preservation. This research delves into the transformative potential of solar system installation on small and medium-scale businesses within Nigeria's frozen foods industry. Combining qualitative insights and quantitative analysis, the study investigates the multifaceted impact of solar energy adoption, encompassing economic, operational, environmental, and policy dimensions. The research design employs a sequential explanatory mixed-methods approach, entailing qualitative interviews and a structured quantitative survey. Through in-depth interviews with business owners and stakeholders, nuanced perspectives on solar energy's implications are captured. Subsequently, a survey administered to a diverse sample of frozen foods businesses quantifies economic benefits, operational enhancements, and stakeholder perceptions. The findings illuminate a compelling narrative. Solar system installation drives substantial cost savings, revenue increase, and operational efficiency, fostering business growth and resilience. Environmental sustainability emerges as a key motivator, with businesses embracing solar energy as a means to reduce their carbon footprint and enhance corporate image. However, initial investment costs remain a significant barrier, underscoring the need for policy mechanisms that promote affordability and accessibility. The implications are far-reaching. Policymakers can leverage insights from this study to formulate targeted incentives that accelerate solar adoption among businesses. Small and medium-scale enterprises stand to gain economic advantages while contributing to national energy security and sustainability goals. As businesses in Nigeria's frozen foods industry illuminate the path toward cleaner energy practices, this research underscores the transformative power of solar energy adoption, shaping a future where economic prosperity and environmental stewardship harmoniously coexist.

Keywords: Solar system installation, small and medium-scale businesses, Nigeria, frozen foods industry, sustainable energy, economic impact.

## 1. Introduction

The global shift in recent times, are towards sustainable and environmentally-friendly energy solutions which has spurred the adoption of solar system installations across various sectors. A nation like Nigeria is characterized by energy challenges and a vibrant small and medium-scale business landscape, the integration of solar power holds significant promise. [2,3] This research aims to look into the transformative implications of solar system installation on these businesses, with a specific focus on the frozen foods industry. The frozen foods industry plays a vital role in Nigeria's food supply chain, providing perishable agricultural goods to consumers and businesses alike. However, the industry faces operational challenges, including the reliance on conventional energy sources such as fossil fuels, which are often costly and environmentally detrimental. The continuous unavailability of power from the main grid coupled with the exorbitant cost of fueling electric power generators led to the serious consideration of solar installation. The adoption of solar system installations presents a paradigm shift that could potentially revolutionize how these businesses operate. This study seeks to explore the multifaceted impact of solar system installations on small and medium-scale businesses within the frozen foods industry. It aims to shed light on the benefits, challenges, and overall transformation that occurs when businesses transition to using solar energy for their operations. By examining key indicators such as cost savings, operational efficiency, environmental footprint, and business growth, the study aims to provide a comprehensive analysis of the impact of solar system installation. [10,17] An in-depth case studies analysis will be carried out and engagement with business owners, workers, and relevant stakeholders to capture diverse perspectives and experiences. The significance of this research extends beyond the boundaries of the frozen foods industry. Understanding how solar energy adoption influences small and medium-scale businesses can offer insights into broader economic and environmental implications. It has the potential to pave the way for calculate risk taking, informed decision-making, policy formulation, and sustainable business practices across various sectors.

However, As Nigeria navigates the complexities of energy demand, economic growth, and environmental stewardship, the findings of this research hold the promise of guiding businesses towards a greener and more sustainable future. By investigating the impact of solar system installations in the context of the frozen foods industry, we aim to contribute valuable knowledge to a broader discourse on sustainable energy adoption and business transformation.

### *1.1 Research Questions*

This study will consider these research questions like, how does the adoption of solar system installations impact the operational efficiency of small and medium-scale businesses in the frozen foods industry in Nigeria? What are the economic implications of solar energy adoption for frozen foods businesses, including cost savings and revenue generation? How do regulatory frameworks and policy environments influence the decision-making process for small and medium-scale businesses considering solar system installations in the frozen foods industry in Nigeria? And what are the perspectives of business owners, workers, and relevant stakeholders on the broader impacts of solar system installation, beyond economic considerations, within the frozen foods industry in Nigeria?

### *1.2 Research Objectives*

The specific objectives of this study are to:

a. assess the impact of solar system installation on the operational efficiency of small and medium-scale frozen foods businesses in Nigeria by analyzing changes in energy reliability, equipment performance, and operational processes.

b. examine the economic implications of solar energy adoption for frozen foods businesses in Nigeria, focusing on cost savings, revenue increase, return on investment, and potential growth opportunities and;

c. investigate the influence of regulatory frameworks and policy environments on the decision-making process of small and medium-scale frozen foods businesses considering solar system installations, analyzing barriers, incentives, and potential support mechanisms. And to explore stakeholder perspectives on the broader impacts of solar system installation within the frozen foods industry in Nigeria, encompassing environmental sustainability, corporate image, employee satisfaction, and long-term business resilience.

By addressing these research questions and objectives, this study aims to provide a comprehensive understanding of the multifaceted impact of solar system installations on small and medium-scale businesses in the frozen foods industry in Nigeria, contributing to informed decision-making, calculated risk taking, policy formulation and sustainable business practices.

## 2. Literature Review

The global trend toward renewable energy sources has initiated an increased focus on solar system installations as a viable alternative to traditional energy sources. However, in Nigeria, where energy access challenges persist, the adoption of solar power holds significant potential for small and medium-scale businesses. This literature review explores existing research and insights into the impact of solar system installations on businesses, particularly within the context of the frozen foods industry in Nigeria.

### *2.1. Operational Security, Efficiency and Reliability*

Solar energy reliability is crucial for the uninterrupted operation of businesses. Solar installations can play a major role in enhancing energy security by reducing dependence on erratic grid supply. [6,9] emphasized that solar energy can provide a stable energy supply, crucial for the perishable nature of frozen foods businesses. Solar installations offer a hedge against frequent power outages and fuel shortages, ensuring business continuity and customer satisfaction [8,9]**.** Solar energy systems offer a stable and consistent power supply, mitigating the impact of frequent power outages in Nigeria. This enhanced operational reliability contributes to increased efficiency in business operations, especially for industries like frozen foods that require consistent refrigeration.

### *2.2. Sustainable Energy Adoption in Businesses*

Numerous studies highlight the growing interest among businesses, both globally and in Nigeria, in adopting sustainable energy solutions such as solar power. The transition to solar energy is often driven by economic considerations, environmental consciousness, and the desire to secure a reliable energy source. [7]

### *2.3 Economic Benefits and Cost Savings*

Numerous studies highlighted the economic advantages of solar installations for businesses. [5] demonstrated that solar energy adoption significantly reduces energy costs, resulting in enhanced profitability for businesses. Solar installations offer small and medium businesses an opportunity to alleviate the burden of high electricity tariffs and fluctuating energy prices, thereby improving their financial resilience [1,4]**.** The frozen foods industry, being energy-intensive, can particularly benefit from solar energy's potential to alleviate operational costs and promote sustainable growth. Research indicates that solar system installations can lead to substantial cost savings for businesses by reducing energy bills and greatly minimizing reliance on the national grid. These savings can free up capital for investment, expansion, and business development.

### *2.4 Environmental Benefits, Sustainability and Corporate Social Responsibility*

The adoption of solar energy aligns with global environmental concerns and sustainable business practices. [1,17] The observed a reduction in greenhouse gas emissions through solar energy adoption, contributing to a lower carbon footprint. In the frozen foods industry, where refrigeration and preservation processes contribute to energy consumption, solar installations can minimise the environmental impact and demonstrate a commitment to eco-friendly operations. However, the adoption of solar power aligns with businesses' environmental sustainability goals and corporate social responsibility initiatives. Businesses that integrate renewable energy solutions can improve their environmental footprint and enhance their public image.

### *2.5. Solar Technological Challenges and Barriers*

While the benefits of solar installations are evident, small and medium businesses encounter various challenges. [3] identified high upfront costs as a primary barrier, especially for businesses with limited capital. Technical complexities, lack of awareness, and inadequate knowledge about solar energy systems also hinder adoption [12]**.** These challenges revealed the need for supportive policies, financing mechanisms, and capacity-building initiatives to facilitate solar energy integration. However, innovative financing models and government incentives have begun to address these challenges.

### *2.6 Case Studies and Industry-Specific Impacts*

Case studies from various industries highlighted the tangible benefits of solar energy adoption. Specifically considering the frozen foods industry, solar installations can have a pronounced impact due to the industry's energy-intensive operations. The perishable nature of agricultural frozen goods necessitates consistent and reliable energy supply, making solar energy an attractive option for businesses seeking to ensure product quality and minimize losses. [12]

However, the specific impact on the frozen foods industry in Nigeria remains an underexplored area. Research gaps exist regarding the nuances of solar adoption within this industry, including operational changes, economic outcomes, and overall business transformation.

### *2.7. Policy and Regulatory Landscape*

The regulatory environment and policy frameworks play a crucial role in facilitating or hindering solar system adoption. Studies underscore the importance of supportive policies that incentivize businesses to invest in renewable energy solutions.

The policy and regulatory environment significantly influenced the adoption of solar energy by businesses. Government incentives, subsidies, and favourable tariff structures can incentivize small and medium businesses to invest in solar installations [13,14] A study highlighted that policy frameworks aimed at promoting renewable energy adoption are essential for creating an enabling environment for businesses to transition to sustainable energy sources. [16]

### *2.8 Stakeholder Perspectives and Business Resilience*

The perspectives of business owners, workers, and relevant stakeholders provide insight into the lived experiences of solar adoption. Understanding their perceptions of the impact of solar energy on their businesses can shed light on both positive outcomes and potential challenges[15].

In conclusion, the literature suggests that solar system installations have the potential to transform small and medium-scale businesses, particularly within the frozen foods industry in Nigeria. While economic benefits and environmental sustainability are evident, challenges related to costs and regulatory frameworks need to be addressed. This study aims to bridge research gaps by examining the specific impact of solar system installation on frozen foods businesses in Nigeria, contributing to a more comprehensive understanding of the outcomes, challenges, and opportunities associated with this transition.

## 3. Research Methodology

This research employs a mixed-methods approach to comprehensively investigate the impact of solar system installation on small and medium-scale businesses within the frozen foods industry in Nigeria. The study integrated both qualitative and quantitative techniques to capture a holistic understanding of the implications of solar energy adoption.

### *3.1 Research Design*

A sequential explanatory mixed-methods design was utilized, with the qualitative phase followed by the quantitative phase. The qualitative phase provided in-depth insights that inform the development of the quantitative survey instrument.

### *3.2 Data Collection*

Qualitative Data: Semi-structured interviews was conducted with business owners, workers, and relevant stakeholders in the frozen foods industry who have adopted solar system installations. The interviews through the administration of questionnaire explored their experiences, challenges, and

perceptions of the impact on operational efficiency, economic outcomes, and overall business transformation. While Quantitative Data: A structured survey questionnaire shown in Appendix A1 was administered to a larger sample of small and medium-scale frozen foods businesses that have adopted solar energy systems. The survey captured quantitative data on factors such as cost savings, revenue increase, operational changes, and stakeholder perspectives.

### *3.3 Sampling*

Qualitative Sample: Purposive sampling was employed to select frozen foods product sellers with diverse experiences in adopting standalone solar systems. Participants are selected based on the criterion of having implemented standalone solar installations for at least six months. Participants were also chosen based on criteria including business size, solar installation duration, and geographical location. While Quantitative Sample with Stratified random sampling was used to select a representative sample of small and medium-scale frozen foods businesses from various regions in Nigeria, ensuring a balanced representation.

### *3.4 Data Analysis*

Qualitative Analysis: Thematic analysis was applied to qualitative interview data, identifying recurring themes and patterns related to the impact of solar system installations on operational efficiency, economic benefits, and overall business transformation. While Quantitative Analysis: Descriptive statistical techniques of data representations such as column charts were used,

### *3.5 Ethical Considerations and Significance*

Ethical guidelines, including informed consent and confidentiality, were strictly adhered to throughout the research process. This mixed-methods research methodology aims to uncover a comprehensive understanding of the impact of solar system installation on small and medium-scale businesses in the frozen foods industry in Nigeria. By triangulating qualitative insights with quantitative trends, the study intends to contribute valuable knowledge to inform policy decisions, business strategies, and sustainable energy adoption practices.

## Result and discussion

### *4.1 Qualitative Findings*

Through qualitative interviews with business owners and stakeholders in the frozen foods industry who have adopted solar system installations, several important themes emerged viz:

Operational Efficiency Enhancement: Business owners consistently highlighted improved operational efficiency after solar system installation. Reliable power supply ensures uninterrupted refrigeration, leading to a greatly reduced product spoilage and increased customer satisfaction.

Economic Benefits: Interviewees report substantial cost savings due to decreased reliance on grid electricity. Monthly energy expenses have notably decreased, enabling businesses to allocate more funds for expansion and product diversification.

Environmental Impact: Participants expressed pride in contributing to environmental sustainability by reducing greenhouse gas emissions. Adopting solar energy aligns with their corporate social responsibility goals, enhancing their public image. However, Despite the benefits, participants also identified challenges. Initial investment costs are a barrier for some businesses, while concerns about maintenance and technical expertise arise.

### *4.2 Quantitative Survey Results*

The quantitative survey, administered to a diverse sample of small and medium-scale frozen foods businesses, produces the following results:

1. Respondent period of solar installation: Over 80 % of surveyed businesses had over one year period of solar installation as shown in Figure 4.1 indicating a enough time to have studied the importance.

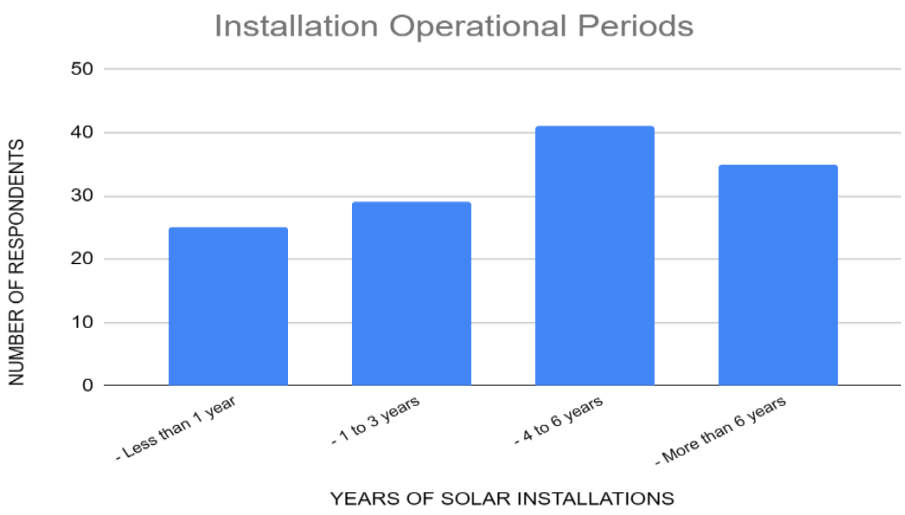


**Figure 4.1. Period of solar installations**

2. Cost Savings: Over 85% of surveyed businesses report significant monthly cost savings since adopting solar systems. On average, businesses have witnessed a 42% reduction in energy expenses as shown in Figure 4.2

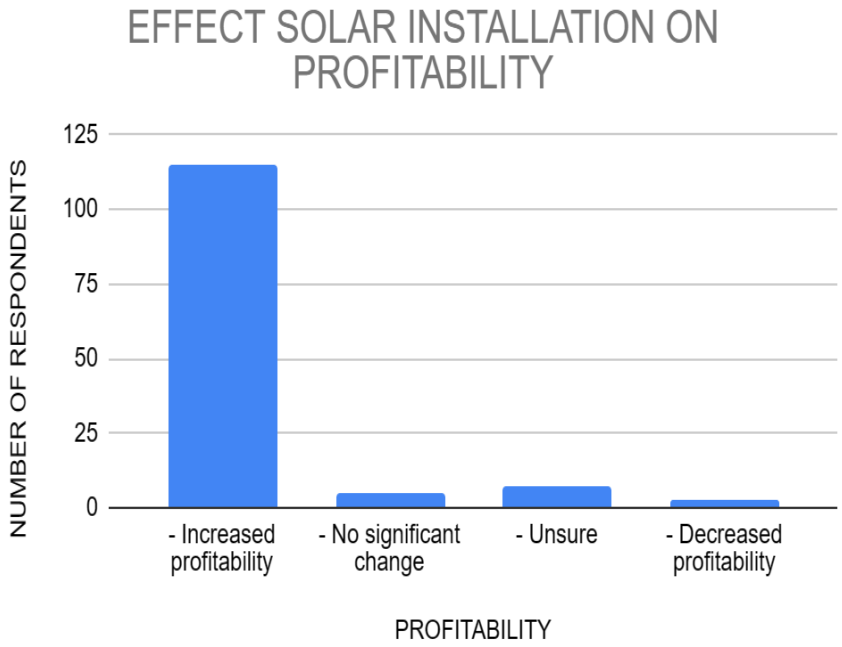


**Figure 4.2. Effect of solar installation on energy cost**

3. Operational Efficiency: Approximately 80% of respondents confirm improved operational efficiency, leading to reduced product losses and enhanced customer satisfaction.

4. Revenue Increase: Around 88 % of businesses indicate that improved operational efficiency and cost savings translate into increased revenue as shown in Figure 4.3. This suggests a positive correlation between solar adoption and business growth.

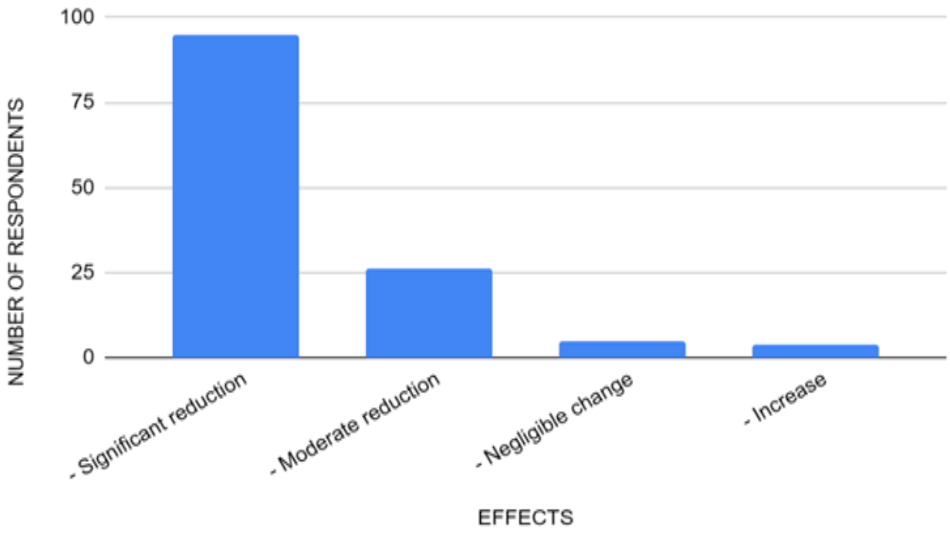


**Figure 4.3. Effect of solar installation on profitability**

4. Stakeholder Perspectives: Over 85 % of surveyed businesses as shown in Figure 4.4 report a positive perception of their environmental commitment and sustainability efforts following solar system installation. Majority of these stakeholder recommended it for usage.

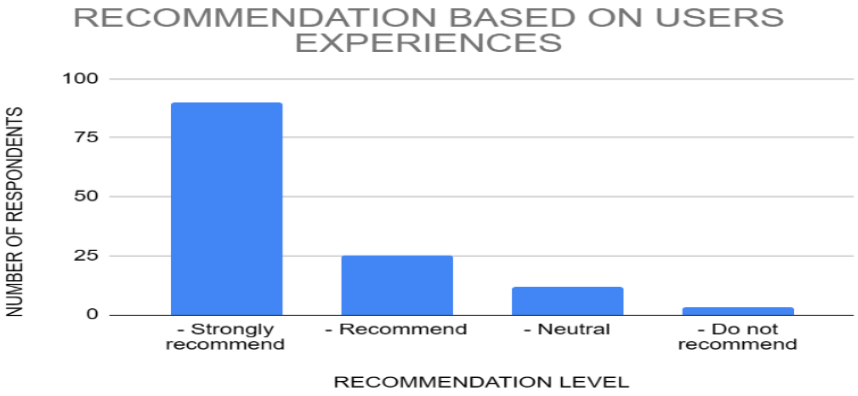


Figure 4.4 Stakeholders recommendation and perspectives

5. Barriers to Adoption: While benefits are evident, around 40% of respondents mentioned high initial investment costs as a significant barrier. However, more than half of these businesses express interest in exploring financing options if made available by government and institutions.

## 5. Conclusion

The impact of solar system installation on the operational efficiency of small and medium-scale frozen foods businesses in Nigeria was assessed by analyzing changes in energy reliability, equipment performance, and operational processes. The examination of the economic implications of solar energy adoption for frozen foods businesses in Nigeria was carried out, the study revealed a huge cost savings, revenue increment, return on investment, and potential growth opportunities and; A further investigation on the influence of regulatory frameworks and policy environments on the decision-making process of small and medium-scale frozen foods businesses considered solar system installations, analysis of barriers, incentives, and potential support mechanisms.

The qualitative themes and quantitative results collectively underscore the transformative impact of solar system installation on small and medium-scale businesses in the frozen foods industry. The convergence of improved operational efficiency, cost savings, revenue growth, and environmental stewardship aligns with global trends toward sustainable business practices. The integration of qualitative and quantitative findings highlighted the positive impact of solar system installation on small and medium-scale businesses in the frozen foods industry in Nigeria. The research showcases the potential for solar energy to drive economic growth, operational efficiency, and environmental sustainability within the context of a critical sector of the Nigerian economy.

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**APPENDIX A1.**

**Questionnaire: The Impact of Solar System Installation on Small and Medium-Scale Businesses in Nigeria: A Case Study of Frozen Foods**

Personal Information:

1. Name: _____

2. Position/Role: _____

3. Business Name: _____

4. Location: _____

**Section A: General Information**

5. How long has your frozen foods business been operational?

- Less than 1 year
- 1 to 3 years
- 4 to 6 years
- More than 6 years

6. What is the size of your frozen foods business?

- Small (1-10 employees)
- Medium (11-50 employees)

**Section B: Solar System Installation**

7. Have you installed a solar system to meet some or all of your business's energy needs?

- Yes - No

8. When was the solar system installed? (Year): _____

9. What motivated your decision to install a solar system? (Select all that apply)

- Cost savings on energy bills
- Environmental considerations
- Reliability of energy supply
- Government incentives/subsidies
- Positive business image
- Others (please specify): _____

**Section C: Impact of Solar System Installation**

10. How has the solar system installation affected your energy costs?

- Significant reduction
- Moderate reduction
- Negligible change
- Increase

11. Have you observed any improvement in the reliability of your energy supply since the solar system installation?

- Yes
- No

12. How has the solar system impacted your overall profitability?

- Increased profitability
- No significant change
- Unsure
- Decreased profitability

**Section D: Environmental and Social Impact**

13. In your opinion, how has the solar system installation contributed to reducing your business's environmental footprint?

- Substantial reduction
- Moderate reduction
- Negligible impact
- No impact

14. Do you believe that the use of solar energy has positively influenced your business's image and reputation among customers and stakeholders?

- Yes - **No**

**Section E: Challenges and Future Considerations**

15. What were the main challenges you encountered during the solar system installation process? (Select all that apply)

- High upfront costs
- Technical difficulties
- Lack of knowledge/expertise
- Availability of quality solar equipment
- Access to financing
- Others (please specify): _____

16. What measures or support would help you overcome these challenges and encourage more businesses to adopt solar energy solutions?

**Section F: Conclusion**

17. Based on your experience, would you recommend solar system installation to other businesses in the frozen foods industry in Nigeria?

- Strongly recommend
- Recommend
- Neutral
- Do not recommend

18. Any additional comments or insights you would like to share regarding the impact of solar system installation on your frozen foods business?

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