



# THE IMPACT OF PRODUCT PERCEPTION ON PATRONAGE OF MADE IN NIGERIA GOODS

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## ABSTRACT

### KEYWORDS:

*patronage, perception, products, consumers & students*

*The extent to which indigenous products are despised because of the love of foreign made goods is very alarming. Today most people believe that anything that comes from outside the shores of Nigeria is better than what Nigerians produce. This study examines the extent to which the perception of consumers would relate with their patronage of made in Nigerian products. 100 copies of questionnaire were distributed to both staff and students of the University of Port Harcourt. Findings shows a rejection of all the stated null hypotheses except hypothesis eight which test the relationship between behavioral component of perception and patronage action. This study call for total re-orientation of citizens through government policies, scholarly efforts as well as individual effort.*

## 1.0 INTRODUCTION

According to Wikipedia, (2017), patronage can be defined as support received by small/local business from patrons also known as customers. Patronage could also be seen as a financial assistance, encouragement or support which goes out from one individual or group to other individuals or group. One of the most visible patronage actions in Nigeria is when customers go into a seller's shop and come out later with item/items purchased. Such patronage action begins from the mind, there is always an intention made by the customer to patronize a particular seller, there is also an action taken to purchase which would always bring about another behavioral effect of repurchasing.

In considering patronage in this study, customer product perception is used to predict the extent to which customers would buy made in Nigerian products. Because perception is more psychological in nature, we have adopted the proposition made by Van der Walt (1991) where he considered the cognitive components, affective components and the behavioral components of perceptions.

## 1.2 STATEMENT OF PROBLEM

The effects of non-patronage of Nigerian products have not only crippled the Nigerian economy, but have taken it to a deep recession. It is very sad to note that Nigerians import virtually everything sold in the market, even the smallest of all items.

According to an observation made by Iloani (2017), the overall confidence of customers towards made in Nigerian goods significantly dropped at the last quarter of 2015 from

-3 to -1.9. In another analyses, it was realized that overall business confidence of entrepreneurs which was 8.3% towards the end of 2016 fell down to 6.6% in first quarter of 2017. This indicates that something is not right with the perception of customers in Nigeria towards made in Nigeria goods. In the 60s, the popular slogan for made in Nigeria products were "Aba-made" (Njoku, 2004). Then, entrepreneurs tried to move the direction of Nigerian consumers away from foreign made goods such as textile, shoes, etc.

It is very sad today to realize that even those Nigerians who have gone extra mile to produce cars in Nigeria are not patronized by the government because of its high taste and hunger for goods made abroad. Innoson vehicles today produce over 5000 vehicles per annum yet the governments have not given them the recognition they deserve and the push to make them grow into a multinational company. Therefore, the problems associated with non-patronage of made in Nigerian products could best be analyzed from the government perspective, the individual perspective and group perspective.

## 1.3 RESEARCH OBJECTIVES

In carrying out this research, nine research objectives have been provided to enable us understand the extent to which consumer perception relates with patronage of made in Nigerian products and they are:

- i. To what extent does cognitive components of perception relate with patronage intention.
- ii. To what extent does cognitive components of perception relate with patronage action.

- iii. To what extent does cognitive components of perception relate with repeat purchase
- iv. To what extent does affective components of perception relate with patronage intention.
- v. To what extent does affective components of perception relate with patronage action.
- vi. To what extent does affective components of perception relate with repeat purchase.
- vii. To what extent does behavioral components of perception relate with patronage intention.
- viii. To what extent does behavioral components of perception relate with patronage action.
- ix. To what extent does behavioral components of perception relate with repeat purchase.

## 1.4 RESEARCH HYPOTHESIS

From the research objectives, we shall develop nine hypotheses for this work, namely;

- Ho<sub>1</sub>: There is no significant relationship existing between cognitive components of perception and patronage intention
- Ho<sub>2</sub>: There is no significant relationship existing between cognitive components of perception and patronage action
- Ho<sub>3</sub>: There is no significant relationship existing between cognitive components of perception and repeat purchase.
- Ho<sub>4</sub>: There is no significant relationship existing between affective components of perception and patronage intention
- Ho<sub>5</sub>: There is no significant relationship existing between affective components of perception and patronage action.
- Ho<sub>6</sub>: There is no significant relationship existing between affective components of perception and repeat purchase.
- Ho<sub>7</sub>: There is no significant relationship existing between behavioural components of perception and patronage intention
- Ho<sub>8</sub>: There is no significant relationship existing between behavioural components of perception and patronage action.
- Ho<sub>9</sub>: There is no significant relationship existing between behavioural components of perception and repeat purchase.

## 2.1 THEORETICAL FRAMEWORK

The theoretical foundation for this work is domiciled in the Theory of Reasoned Action (TRA) which was proposed by Ajzen & Fishbein (1969). This theory is of the opinion that the strongest as well as most proximal human behavior is his behavioural intention. According to Ajzen (1985), this behavioral intention is a function of his attitude as well as his subjective norm. This attitude can be regarded as individual response towards carrying out certain behaviors such as patronizing or purchasing made in Nigeria products while the individual's subjective norm has to do with the accepted norm related to the performance of such action e.g. purchase. Theory of Reasoned Action (TRA) fits into this study because it is one of the many theories which explains the psychological processes humans go through and consider before taking critical actions such as purchase of goods and services.

## 2.2 CONCEPT OF CUSTOMER PERCEPTION

According to Hanna and Wozniak (2013), perception can be regarded as a process whereby individual selects, organizes as well as interprets sensations. The frame of any individual's perception affects the way he interprets the world around him. It is true that two customers can never have the same perception about a particular product and this is often because their needs, wants and preferences are not the same. The perception of customers are not the same. The perception of customers are very important to business owners because it determines their level of success, growth and sustainability.

### 2.2.1 Cognitive Components

Cognitive perception according to Van der Walt (1991), could be seen as customer's total configuration of his knowledge and belief concerning certain products. In other words, when an average Nigerian looks at products made in Nigeria, does he rate it up to the level of his desire? This factor is very critical in the further processes that would determine patronage. The cognitive perception is often the point of attraction towards such products. At this level, the customer may choose not to buy the product if he is not satisfied, except he develops the affective component which favors purchase of such products and this could sometimes come from persuasion of sellers when they make them understand the product attributes/features. At this level, the existing knowledge of the customer, maybe due to his experience is largely considered.

### 2.2.2 Affective Components

Van der Walt (1991), further proposed that customer feelings, emotion as well as prejudice accounts for customer's affective perception. It is also true that most of the prejudice and the feelings customers have concerning made in Nigeria products may be false. However, the greatest disadvantage is the fact that such prejudice and feelings are really not easy to change. So many factors account for those feelings. Some are socio-cultural, some are personal while others are being predicted by other macroeconomic factors. Today, only few agricultural products have benefitted from positive feelings of customers such products like garri, rice, tomatoes, copper wire, etc while others such as made in Nigeria cars are still not favored.

### 2.2.3 Behavioral Components

Behavioral components refer to customer reactions, intentions as well as habits towards purchase of products. When the behavior of individuals is not in contradiction with information received about the products, there would be a very high probability that purchase would take place. When such information contradicts the behavior, patronage would not take place. The behavioral components is the last stage of customer perception because it is at this stage that decision to act for or against is made.

## 2.3 CUSTOMER PATRONAGE

According to Nwulu & Asiegbu (2015), patronage can be defined on material assistance or encouragement, which is given by a patron. Such patronage could come in form of buying goods or paying for his services. Patronage is often a determinant for sales growth which leads to profitability, high market share as well as competitive advantages. It is the desire of every marketer to be patronized by customers; because the essence of every business is to attract customers. Made in Nigerian products need high level of patronage from Nigerians to boost the country's GDP.

**2.3.1 Patronage Intention**

Patronage intention can be defined as the probability that specific customers would be willing to buy organizational products in future (Zeithainl, 1988). Fishbein&Ajzen (1985) were also of the opinion that the final decision of customers to buy or not to buy specific product is greatly affected by his purchase intention. Purchase intention is more psychological than behavioral because it is the outcome of such intention which determines the end point of any purchase transaction. According to Ajzen (1991), behavioural intention is a function of customer attitude and subjective norm: (BI = A + SN) where BI= behavioral intention, A= attitude and SN= subjective norm

**2.3.2 Patronage Action**

Grewal & Levy (2010), are of the opinion that decision is the process whereby an action is selected from several alternatives. At this point, purchase is made and customers must have chosen from among alternatives. Made in Nigeria goods do not get up to this stage most times as customers would only want to derive satisfaction from purchase of foreign goods and this has often resulted in lack of growth in the Nigerian economy. Consumer action/decision making is a five stage series which includes, need recognition, information search, evaluation of alternatives, purchase decision and post purchase decision.

**2.3.3 Repeat Purchase**

Wirtz&Lwin (2009), describes repeat purchase as the willingness of customers to re-patronize firm’s products. This is a result of the satisfaction derived from previous purchase, when the customer feels satisfied about the product he has purchased, there is possibility that such customer would buy again in the future. Most times, these customers do not just

buy again, they become ambassadors of such products by telling their friends and families positive things concerning the product. When the customer is dissatisfied, he does not only stop patronizing organization’s products, but would try as much as possible to discourage friends/family members from patronizing such products.

**2.4 CONSUMER PRODUCT PERCEPTIONS & PATRONAGE OF MADE IN NIGERIA PRODUCTS**

Made in Nigeria goods are those products that are manufactured in Nigeria by manufacturing companies domiciled in Nigeria (Njoku, 2004). Today, we are witnesses to industries fading away in Nigeria, companies like NAFCON and other firms domiciled in Port Harcourt, Aba, Onitsha and Nnewi have also faced hard times which have led to their extinction. It is very unfortunate to realize that the average Nigerians believes that all the clothing and shoes purchased from Aba are fake; people only love foreign made products. This is because the government has not been pro-active on issues that concern citizen perception/ideology and their intention to buy.

**3.0 METHODOLOGY**

In this study, 100 copies of questionnaire were distributed to both staff and students from the University of Port Harcourt. 79 copies were retrieved and useful for analyses and Spearman’s rank order correlation would be used to test the significance of our hypotheses. This would be done using Statistical Package for Social Sciences (SPSS) version 20.

**4.0 DATA ANALYSES AND FINDINGS**

Table 1.1 Correlation Matrix

			Correlations					
			Cognitive_co mponent	Affective_com ponent	Behavioural_c omponent	Patronage_int ention	Patronage_ac tion	Repeat_purch ase
Spearman's rho	Cognitive_component	Correlation Coefficient	1.000	.789	.371	.963	.922	.964
		Sig. (2-tailed)	.	.000	.001	.000	.000	.000
		N	79	79	79	79	79	79
	Affective_component	Correlation Coefficient	.789**	1.000	.407	.751	.691	.761
		Sig. (2-tailed)	.000	.	.000	.000	.000	.000
		N	79	79	79	79	79	79
	Behavioural_component	Correlation Coefficient	.371	.407	1.000	.236	.215	.222
		Sig. (2-tailed)	.001	.000	.	.037	.057	.049
		N	79	79	79	79	79	79
	Patronage_intention	Correlation Coefficient	.963**	.751	.236	1.000	.980	.996
		Sig. (2-tailed)	.000	.000	.037	.	.000	.000
		N	79	79	79	79	79	79
	Patronage_action	Correlation Coefficient	.922**	.691	.215	.980**	1.000	.969
		Sig. (2-tailed)	.000	.000	.057	.000	.	.000
		N	79	79	79	79	79	79
	Repeat_purchase	Correlation Coefficient	.964**	.761	.222	.996**	.969**	1.000
		Sig. (2-tailed)	.000	.000	.049	.000	.000	.
		N	79	79	79	79	79	79

\*\* Correlation is significant at the 0.01 level (2-tailed).

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

Hypothesis one shows a perfect relationship existing between cognitive component of consumer perception and patronage intention with a correlation coefficient of 0.963 and a p-value of 0.000 which is less than alpha of 0.05. Therefore we would reject the null hypothesis.

Hypothesis two also shows a perfect relationship existing between cognitive component of perception and patronage action with a correlation coefficient of 0.922 and a p-value of 0.000 which is less than alpha of 0.05. We would also reject the null hypothesis.

The same goes for hypothesis three having a perfect relationship existing between cognitive component of perception and repeat purchase with a correlation coefficient of 0.964 and a p-value of 0.000 which is also less than 0.05. We would also reject the null hypothesis.

Hypotheses four, five and six also shows a strong relationship existing between affective components of perception and the three measures of consumer patronage with coefficients of 0.751, 0.691 and 0.761 respectively, a p-value of 0.000 each less than alpha of 0.05. Therefore, we would reject the null hypotheses.

Finally, while hypotheses seven and nine have significant relationships with coefficients of 0.236 and 0.222, p-values of 0.000 each, hypothesis eight has no significant relationship with a correlation coefficient of 0.215 and p-value of 0.57 which is higher than alpha of 0.05, meaning that we would reject hypotheses 7 and 9 and accept hypothesis eight.

### 5.1 CONCLUSION

Accepting hypothesis eight which states that 'there is no significant relationship existing between behavioral components of perception and patronage action' means that most buyers have not formed the habit of purchasing made in Nigerian goods especially the very expensive ones. They prefer patronizing the conventional agricultural products such as garri, tomatoes, onion, wheat flour, cassava flour, plantain flour, etc than industrial items. It was observed that most of the clothing students wear are made abroad, from their hair to the tip of their toes. Some staff of the university used made in Nigeria fabrics but some other purchases are not made in Nigeria goods. This means that a lot still need to be done to strengthen the drive to patronize made in Nigeria goods.

### 5.2 RECOMMENDATIONS

From the conclusion above, the following recommendations have been proposed.

- i. Citizens must learn to love what they own because nobody would love it better than them. Nigerians must come out of the mentality of foreign goods and patronize made in Nigeria products such as cars, generators, tricycles, motorcycles, etc. this would not only ensure growth of such industries but increase our GDP as a country.
- ii. Government must look inward and empower indigenous firms that have done well in distinguishing themselves like Innoson and Dangote. There should be a high level of government involvement through policies to ensure that Innoson motors are purchased in every ministry and parastatals.

- iii. Scholars have a great role to play in this re-orientation process. They must ensure that students are encultured with the habit of encouraging made in Nigeria products and even becoming entrepreneurs themselves.

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