

## PERCEIVED IMPACT OF TOURIST PRODUCTS AND PRICES ON TOURISM PATRONAGE: A CASE OF TOURIST CENTRES IN OGUN STATE

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### Abstract

*This study examined the perceived effect of tourism product and pricing on patronage of tourist sites from the point of view of tourist centres' staff. Specifically, the study identified tourism products on offer at the tourist sites, examined the effect of the products and products' pricing on the sites' patronage. Convenience sampling was used in selecting the study respondents from 10 popular tourist sites in Ogun State. Structured questionnaire was the instrument used for data collection. The data were analysed using frequency counts, percentages, charts, measures of central tendency, and Chi-square statistical model. Findings revealed that the Tourist-Oriented Products (TOP) commonly offered by the tourist sites include food & beverages (90%), Museums, Temples, Garden or theme parks (80%), souvenirs outlets (70%), galleries (60%) and tourism information centers (60%). Resident-Oriented Products (ROPs) are rarely offered by the sites. Both Products and Pricing were perceived to have significant effect ( $p < .05$ ) on tourism patronage in the study area.*

**Keywords:** Staff perception, Tourism products, Pricing, Tourism Patronage, Ogun State

### INTRODUCTION

Patronage is the soul of every business. A business enterprise without patronage will sooner or later liquidate. This reality makes businesses do whatever it takes to secure continuous patronage. Researchers have been partners-in-progress with businesses, governments and many non-governmental organisations to continuously study patronage, its impact on business survival and growth and factors influencing it with a view to bringing about improvements in patronage.

Perception is a significant factor in business. Studies on perception of brands, product quality, product value, and pricing have featured prominently in the business literature. Many studies have been conducted on the link between perception of product, pricing etc and patronage (Osei et al., 2021; Ifediora et al., 2017; Nyarko-Sampson et al., 2017; Nyarunda, 2016; Al-Nahdi et al., 2009; Kim et al., 2007). The focus of the studies has been overwhelmingly on

consumer perception because of its direct bearing on patronage which is crucial to business success. Assessment of consumers' perception about product or pricing's link with patronage is, however, only one side of the story. The perception of the employees of the firms on the link between products, pricing and patronage is another side of the story often neglected in the extant marketing and business literature.

Employees (particularly the sales force) have perceptions of how their organisations are fairing. They often have an appreciable level of information on what works and what does not work. They have an understanding of the products that align with consumers' needs, the pricing that works and the adverts that bring desirable results. Given the employees' knowledge base about their organisations, the impact of product and pricing on patronage can also be measured from their perspectives. Focusing on the perceptions of the employees

can also reveal an underlying understanding of how their organisation's product and pricing are fairing with implications for their motivation. Studies (Maheshwari & Vohra, 2015; He et al., 2012; Lai & Yang, 2009) have found that staff perception of their firms' strategies (e.g. product mix, pricing etc) can affect the staff motivation and commitment to further implementation of the strategies

As stated earlier, studies that assess the link between product, pricing and patronage from the employees' perspectives are scarce which creates a vacuum in knowledge. This study focuses on tourist centres. It is unclear what the perceptions of tourist centres' staff on the link between the products and pricing of their tourist attractions and patronage are. The aim of this study is to examine the perceived impact of tourist products and prices on tourism patronage in tourist sites within Ogun State, Nigeria. Towards achieving this research aim, the following research questions are raised.

### RESEARCH QUESTIONS

- a. What are the tourism products on offer and their respective prices at the tourist centres?
- b. What effect do the tourist centres' products have on the tourist centres' patronage?
- c. What effect does the tourist centres' pricing have on the patronage of the tourist centres?

### OBJECTIVES OF THE STUDY

The general objective of this study is to examine the impact of products and pricing offered by tourist centres on tourist centres' patronage in Ogun State.

The specific objectives are to identify the tourism products offered at the tourist centres and their prices; examine the effect of tourism products on tourist centre patronage; and examine the effect of price on tourism patronage in the study area

### HYPOTHESES

The hypotheses of the study (stated in null form: H0) are presented below:

H01: There is no significant relationship between the products offered and the tourist centres' patronage

H02: There is no significant relationship between product prices and the tourist centres' patronage

### SIGNIFICANCE OF THE STUDY

The researcher hopes that this study will enable the tourist industry/cooperators and government to value the effect of non-application of marketing concepts. The study will also help all the tourist industry in Nigeria especially in Ogun State to know the reason behind the poor performance of the tourist industries and understand the impact of play on the tourist facilities and the users. The study may also act as a literature review for those interested in doing further studies in this area of study will also help keep the tourist proprietors to live up to their effectuation of their consumers or guests by making sure that all necessary tourist centres are developed and the facilities adequately maintained. Finally, the management properties including the government will benefit from this report of this study

### BRIEF LITERATURE REVIEW

#### Tourism Products.

The United Nations World Tourism Organisation (UNWTO, 2022) defines a Tourism Product as "a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers". The foregoing definition of the tourism product by the UNWTO implies that tourism products can be tangible or intangible, man-made or natural, and physical or experiential (services).

Tourism products are numerous but can be divided into Tourism Oriented Products (TOP) and Resident Oriented Products. (ROPs). TOPs are products targeted at tourists but are also open to residents or non-tourists. These may

include sightseeing, transportation, accommodation etc while the ROPs are targeted at the residence but may also be enjoyed by tourists. ROPs may include canteen, gym and Another classification of tourism products are tangible and intangible tourism products. by products. The main product itself involves sightseeing, the right or opportunity to participate in cultural or leisure activities at the tourist centres among others. Tourism products may include transportation, accommodation, food service, gym service, laundry service, viewing centres, tours, theme or amusement parks, supermarkets etc.

#### Product Pricing

Price is one of the main determinants of demand. Hotels often increase or decrease prices to take advantage of surges in demand or address downturns in demand. Other firms may, however, use standard prices. It is customary for a firm to use cost-push or demand-push pricing. In an inflationary economy, a firm may use a replacement cost pricing strategy. Replacement pricing factors in the cost of replacing the item to be sold. A firm may offer trade or cash discounts on pricing. Trade discounts involve reducing the average price as customers purchase a specified quantity of goods or services. The cash discount, on the other hand, occurs when customers pay on time or ahead of service delivery (Deshmukh & Wilayate, 2019).

#### Empirical studies

Al-Salamin and Al-Hassan (2016) examined pricing strategies' impact on the buying behaviours of consumers in Saudi Arabia. The study was a survey involving 433 respondents. Findings revealed that penetration, bundle and discount pricing strategies had positive relationships with consumers' patronage.

Oyewole (2020) examined consumer patronage response to price changes in food-type groceries supermarkets in Dublin, Ireland. The study was also a survey involving 108 respondents. Findings revealed changes in price significantly influenced patronage. Age and gender were found to mediate the relationships between price

and patronage. Higher changes in demand in response to price were found among females and youths than their male and old counterparts. Bassey (2014) examined the effect of perceived price fairness on hotel customers' satisfaction and loyalty. Satisfied customers will most likely be loyal and loyal customers continue to patronise a firm. The study was a survey involving questionnaire administration through email to collect data from customers of hotels who had booked and made reservations online. Descriptive statistics, confirmatory factor analysis, measures of central tendencies, correlation and multiple regression models were deployed in analysing the study data. Findings revealed that perceived price fairness correlates positively with customer loyalty which positively influenced repeated patronage.

Wangui et al. (2018) investigated pricing strategies and hotel growth relationships in Nyeri County, Kenya. Without patronage, hotel growth may not be feasible. Unlike the Bassey (2014), the study respondents were managers of hotels within the County. Findings revealed that pricing by the hotels has a significant relationship with hotel growth.

Olugbemi et al. (2020), in a survey involving cross-section data collection within Ikorodu Local Government of Lagos State, examined the factors that affect hotel patronage. Findings revealed that product offer including clean environment, clean and hygienic staff among others, which are integral part of total product offer by the hotels, significantly influence patronage of the hotels.

Okeke et al. (2021) examined the determinants of hotel patronage in Imo State, Nigeria. The study is also a survey of selected hotel users within Oweri- the State capital. Specifically, the study examines the effect of price, various dimensions of service quality include ambience, servicescapes and physical facilities on patronage. Findings revealed that ambience, spatial layout, and well-placed signs and artefacts significantly influenced hotel patronage in the study area.

## **METHODOLOGY**

The study was conducted in Ogun State, Nigeria. Ogun State has some major tourist attractions. The major tourist attractions include Olumo Rock, Lisabi Sacred Forest, Bilikisu Sungbo Shrine, Ebute Oni Tourist Beach, Madam Tinubu Shrine, Abeokuta Museum, Centenary Hall, Olusegun Obasanjo Presidential Library (OOPL), Palace of Ake and Olowu Palace among others. Ten (10) of the tourist attractions were purposively selected for this study. The attraction with at least 2 permanent staff was targeted. The respondents, however, comprise both permanent and non-permanent staff at the managerial levels identified through a preliminary survey. A total of 67 questionnaires were sent out to the respondents but only 56 (83.6%) were returned, good enough and used for analysis. The data obtained were analysed using frequency count and charts, simple percentages, and chi-square. The tourist centers visited include the following:

S/N	Tourist site	Address
1	Olumo Rock	Ikija, Abeokuta
2	Adire Market	Itoku, Abeokuta
3	Alake's Palace	Ita Iyalode, Abeokuta
4	Abeokuta Museum	Centenary Hall, Abeokuta
5	Ogun River	Abeokuta
6	Centenary Hall	Kuto, Abeokuta
7	Itoku Market	Itoku, Abeokuta
8	Kuti's Palace	Off NEPA Roundabout, Isabo, Abeokuta
9	Olowu's Palace	Owu, Abeokuta
10	Abéokuta	Quarry Road, Abeokuta

Sports Club

## RESULTS & DISCUSSION

The results of the data analysis and their respective discussions are presented simultaneously in line with the research objectives.

### Tourism Products

Figure 1 and Figure 2 presents the distribution of tourist centres by the tourist-oriented and resident-oriented products available in tourist centres within the study area. It is important to state that the researcher focuses on these products as the commonly offered product in tourist centres in the country. A tourist centre may have other desirable products not captured in the data. Besides, the products were assessed at a cross-section. There is a possibility that the products on offer might have changed. Notwithstanding, it provides a general view of what to expect from a typical tourist centre in the study area.

### Tourist-Oriented Product (TOP)

As evident in Figure 1, the Parking area is a facility-based TOP product on offer by all (100.0%) the tourist sites. This is closely followed by food & beverages (90%), Museums, Temples, Garden or theme parks (80%), souvenirs outlets (70%), galleries (60%) and tourism information centers (60%). This implies the tourists can expect to experience these services in most of the tourist centers in focus in this study. It is evident in the figure that only 30% of the tourist sites provide online booking services. This has the potential to limit access to markets outside the State.

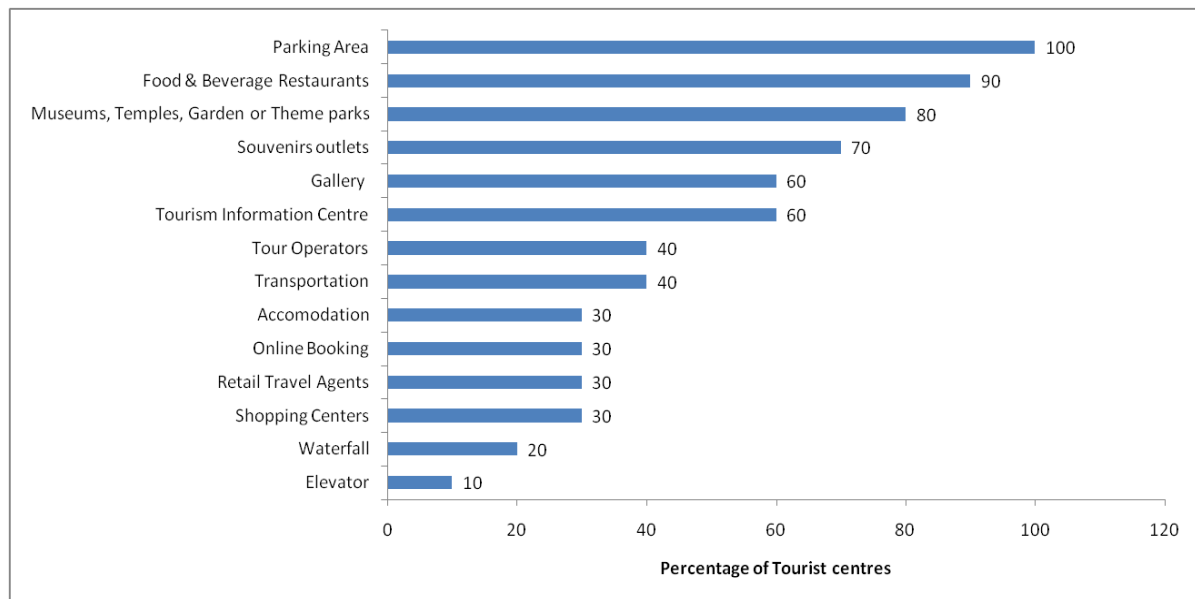


Figure 1: Distribution of tourist centres by tourist-oriented products  
 Source: Field Survey, 2021

### Resident-Oriented Products

The resident-oriented products (ROPs) found in tourist sites within the study area include public parks, banks & ATMs and petrol Pumps as evident in Figure 2. ROPs define products

owned or co-owned (partnership) by the tourist sites. It is evident in the figure that compared to the TOPs, ROPs were scarce. Only the minority of the tourist centers has Public parks (30%), ATM points (20%) or petrol pump (10%).

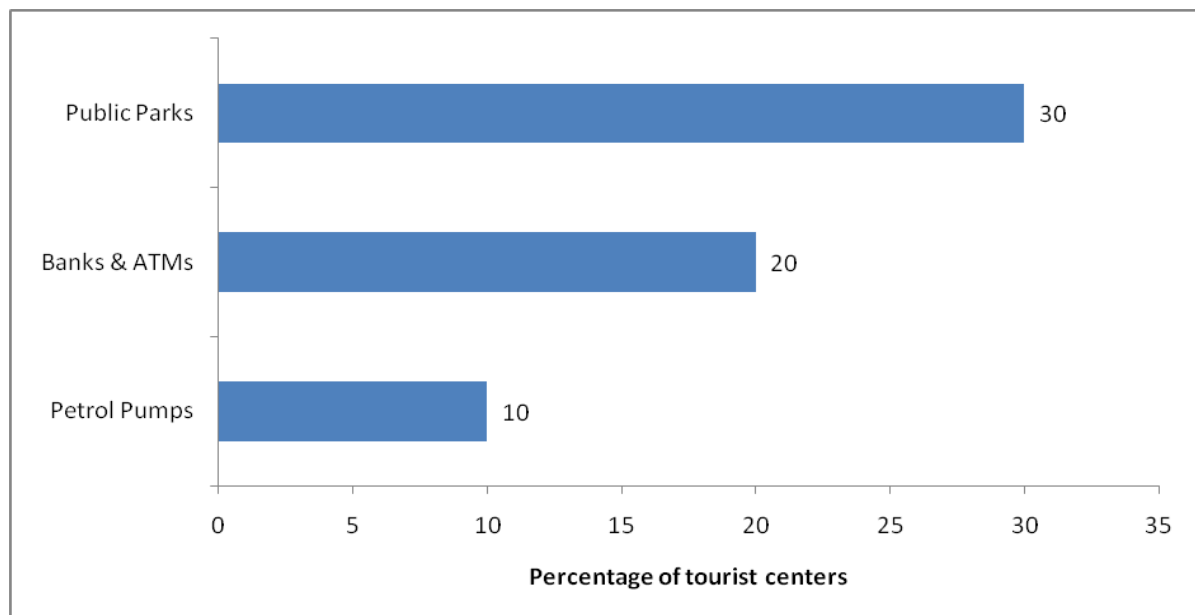


Figure 2: Distribution of tourist centres by resident-oriented products  
 Source: Field Survey, 2021

### Perceived effect of tourism product on patronage

The tourist products focus on facilities and services designed to meet the needs of the

tourists. Tourism is an experiential good and the totality of tourism products influences tourism experience (Olaoye et al., 2019). An assessment of perceived effect of tourism

products on tourist sites patronage was analysed to assess how various combinations of services that form tourist sites' products could influence patronage and the viability of offering such product combinations or services. The results are provided in Table 1. Perceptions of staff at the tourist sites were sought. The grand mean responses ( $\bar{\chi} = 4.34$ ) indicate that the tourist

products including transportation to tourist sites, providing side attractions from independent entertainers, gifting tourists branded materials and using in-house cultural displays as side attractions are generally perceived by the respondents as having significant impact on tourist sites patronage in the study area.

Table 1: Distribution of respondents by perceived effect of products on tourism patronage

Perceived effect of tourist products on tourism patronage	Responses										
	SA		A		U		D		SD		$\bar{\chi}$
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
Providing potential tourists with tourist sites-owned transportation to tourist sites has tendency to improve tourist sites patronage	85	74.9	27	25.1	-	-	-	-	-	-	4.75
Providing potential tourists with tourist sites-owned transportation to tourist sites is a good business offer in terms of costs and benefits	37	32.0	47	41.9	6	5.5	22	19.6	-	-	4.00
Side attractions from independent entertainers help to attract tourists and improve tourism patronage	33	29.4	64	57.1	13	11.6	2	1.8	-	-	4.18
Side attractions from independent entertainers are good businesses to tourist sites in terms of cost and benefits.	32	28.6	42	37.5	32	28.6	6	5.4	-	-	3.99
Providing branded gifts to tourists improves patronage of tourists sites	52	46.4	24	21.4	24	21.4	8	7.1	4	3.6	4.17
Providing branded gifts to tourists is a good business to tourist sites in terms of costs and benefits.	68	60.7	30	26.8	4	3.6	6	5.5	4	3.6	4.50

In-house cultural display as a product bundle influences tourist sites patronage	62	55.4	36	32.1	14	12.5	-	-	-	-	4.29
In-house cultural display is a good business to tourist sites in terms of benefits and costs.	70	62.5	24	21.4	4	3.6	10	8.9	4	3.6	4.51
Grand Weighted Mean											4.34

Source: Field Survey, 2021, SA = Strongly agree, A = Agree, U = Undecided, D = Disagree, SD = Strongly Disagree  $\bar{\chi}$  = Weighted Mean

#### Perceived Effect of Price on tourism patronage

Understanding the effect of pricing as a component of marketing strategy can help tourist sites management to set the right price for tourist products. This is the basis for evaluating the perceived effect of price on tourist sites patronage in the study area. The results are presented in Table 2. Results show that the grand mean was estimated at 3.4 which fall within the threshold of 'agreement' with the positive perception on relationship between pricing strategies and tourist sites patronage and

by implication, disagreement with the negative perceptions of the relationships between the pricing strategies and patronage. For instance, the majority (61.6%) of the respondents 'strongly agreed' that giving cash discounts for booking ahead has a significant effect on tourist sites patronage. Besides, the weighted mean of 4.0 indicates strong agreement with the statement that reduction in prices has a tendency to improve patronage. Given this perception, it can be inferred that tourist site patronage in the study area is price-sensitive.

Table 2: Distribution of respondents by perceived effect of pricing on tourism patronage

Perceived effect of pricing strategies on tourist sites patronage	SA		A		U		D		SD		$\bar{\chi}$
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
Reduction in prices has tendency to improve patronage	51	45.5	35	31.3	7	6.3	12	10.7	7	6.3	4.0
Reduced price does not necessarily improves patronage	32	28.6	17	15.2	16	14.3	32	28.6	15	13.4	2.2
Giving cash discounts for booking ahead has significant effect on patronage	69	61.6	23	20.5	4	3.6	7	6.3	9	8.0	4.2

Giving cash discounts for booking ahead has no significant effect on patronage	11	9.8	19	17.0	9	8.0	38	33.9	35	31.3	2.4
Trade discounts to tourists increases repeated purchases by tourists	37	33.0	42	37.5	24	21.4	5	4.5	4	3.6	3.9
Trade discounts does not necessarily encourage repeat purchase from tourists	15	13.4	21	18.8	13	11.6	21	18.8	42	37.5	2.5
Grand Mean											3.4

Source: Field Survey, 2021, SA = Strongly agree, A = Agree, U = Undecided, D = Disagree, SD = Strongly Disagree  $\bar{x}$  = Weighted Mean

### TEST OF HYPOTHESES

Chi-square test result of relationship between tourism products and patronage revealed that the chi-square value calculated is greater than the Chi-square value tabulated; therefore we fail to reject the null hypothesis. In other words, there

is significant relationship between products offered by the tourist sites and patronage in the study area. The relationship between tourism pricing and patronage also followed the same trend.

Table 3: Chi-square test of relationship between tourism products, pricing and patronage of tourist sites

Variables	df	$\chi^2_{cal}$ (0.05)	$\chi^2_{tab}$ (0.05)	Significance	Decision
Tourism product vs patronage	3	9.064	7.81	Significant	Reject H01
Pricing vs patronage	2	11.657	5.99	Significant	Reject H02

Source: Field Survey, 2021, Decision Rule: reject H0 if  $\chi^2_{cal} > \chi^2_{tab}$ , otherwise: fail to reject H0,  $\chi^2_{cal}$  = Chi-square value calculate or computed, H01 and H02 = as previously defined.

### CONCLUSION

Based on the findings of this study, it can be concluded that both tourism products and pricing have a significant impact on tourism patronage in Ogun State. The tourist-oriented products commonly offered by tourist sites in the study area include food and beverages, museums, temples, garden or theme parks,

souvenir outlets, galleries, and tourism information centers. On the other hand, resident-oriented products are rarely offered by the sites. The study also found that tourist site patronage in the study area is price-sensitive, with respondents indicating that giving cash discounts for booking ahead and reducing prices both have a significant effect on patronage.



Overall, the results suggest that offering a combination of services that form tourist sites' products, including transportation to tourist sites, providing side attractions from independent entertainers, gifting tourists branded materials, and using in-house cultural displays as side attractions, can significantly impact tourist sites patronage in the study area. The study recommends that tourist site managers in Ogun State pay close attention to the products and pricing offered at their sites as these factors are key determinants of patronage.

### RECOMMENDATIONS

Based on the study findings and conclusions, it is recommended that;

Tourist site managers should pay close attention to the products and pricing offered at their sites as these factors are key determinants of patronage. Tourist sites should focus on offering a combination of services that form tourist sites' products, including transportation to tourist sites, providing side attractions from independent entertainers, gifting tourists branded materials, and using in-house cultural displays as side attractions.

Tourist site managers should consider offering resident-oriented products in addition to tourist-oriented products as this could increase patronage. Resident-oriented products that could be offered include educational programs, local cuisine, and cultural events.

Tourist sites should invest in online booking services as this could increase access to markets outside the State, thereby increasing patronage.

Tourist sites should consider adopting pricing strategies that are sensitive to the price-sensitivity of tourists. This could include giving cash discounts for booking ahead and reducing prices during low tourist seasons.

Tourist site managers should continually assess the impact of their product and pricing strategies on patronage and adjust as necessary. This could be done through regular customer feedback surveys and analysis of patronage data.

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