

ASSESSMENT OF FACTORS INFLUENCING CUSTOMERS PATRONAGE IN HOTELS A CASE STUDY OF EKO HOTELS AND SUITES

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DOI: <https://www.doi.org/10.58257/IJPREMS31717>

ABSTRACT

This research paper aims to assess the factors that significantly influence customers' patronage in the context of hotels, explicitly focusing on the renowned Eko Hotels and Suites. The hospitality industry is highly competitive, and understanding the determinants of customer patronage is crucial for hotels to thrive. By conducting an in-depth analysis of the factors influencing customer behaviour and satisfaction, this study aims to provide valuable insights to help hotel managers enhance their service offerings and attract and retain loyal customers. The research employed a survey approach using a structured questionnaire to collect data from a diverse sample of customers. The findings contribute to the existing body of knowledge in hospitality management and assist industry professionals in making informed decisions to improve customer satisfaction and maximise business success.

Keywords: Factors influencing customers' patronage, hotels, customer behaviour, customer satisfaction, Eko Hotels and Suites.

1. INTRODUCTION

The hotel industry faces a significant challenge as customers increasingly demand high standards and excellent services. Providing quality services has become crucial for hotels, ensuring service quality and perceived value. It is important to note that perceived value predicts customer satisfaction, directly impacting repurchase intentions. (Tidwell, 1999). Customer patronage and satisfaction thus remain vital ingredients for the survival and success of the hotel industry (Reichheld & Sasser, 1990). Chow et al. (2007) studied the relationship of service quality, customer satisfaction and the frequency of patronage.

Recent evidence suggests that customers have become more sensitive to the quality of hotel services (Lee & Hing, 2005). To ensure the provision of excellent services, hotel managers need to clearly understand their customer's expectations (Shi & Su, 2007). It has been observed that when customers have positive experiences with hotel service delivery, they form favourable impressions of the hotel (Zeithaml & Bitner, 2003). Conversely, negative service experiences result in unfavourable impressions (Kothouris & Alexandris, 2005). Building customer loyalty is crucial for cultivating repeat business and gaining a competitive advantage in the industry (Mandhachitara & Poolthong, 2011).

While hotels are known to offer uniform or similar services to their customers, there are variations in the satisfaction levels experienced by tourists. Each tourist possesses a unique sense of judgment when evaluating the hotel services, which may lead to differing satisfaction levels (Forozia, Zadeh & Gilani, 2013). Previous research by Lukenova (2010) has aimed to explore the evaluation of hotel performance and understand why tourists have special assessments of hotel patronage and service delivery. This study aims to bridge the existing gap in the literature by identifying the reasons behind tourists' choices of hotel patronage. Through comprehensive research, we can gain valuable insights into these factors and determine practical approaches for addressing them. Understanding these influential factors will facilitate improvements within the industry when implementing appropriate changes. This study aims to investigate the factors that impact hotel patronage within the hospitality industry in Lagos State, using EKO Hotel as a case study. Specifically, the study seeks to ascertain the factors influencing customer satisfaction at Eko Hotel and Suites.

2. RESEARCH HYPOTHESES

The study tested the following hypotheses:

Hypothesis I

Ho: There is no significant relationship between personnel performance and level of patronage in Eko Hotel and suites

Ho: There is no significant relationship between customer satisfaction and levels of patronage in the hospitality industry

3. HOSPITALITY INDUSTRY

The hospitality industry is crucial to the economy, and hotels are vital players. Understanding the factors that influence customers' patronage of hotels is essential for hotel management to develop effective strategies for attracting and retaining customers. The literature review explores the various factors identified in previous studies as influential

in customers' decision-making when choosing to patronise hotels, explicitly focusing on the renowned Eko Hotels and Suites.

According to Uysal (2007), the hotel industry is an economic development engine; it generates several additional guest facilities such as restaurants, swimming pools, and social or childcare function services, which provide revenue to service other sectors and other auxiliary services. Hotels offer attractive ways to generate scarce foreign exchange and job creation for skilled, semi-skilled and unskilled labour. According to Davidson (2005), hotels offer furnished and serviced accommodations to guests in exchange for payment. They are businesses primarily focused on providing lodging facilities to the general public, along with various services such as food and beverage, linen laundry, furniture use, uniformed service, and room attendant services. Hotels typically have a significant number of rooms, ranging from 50 to 2,000. The term "hotel" broadly encompasses various accommodation properties, including motels, inns, and conference centres (Kasavana and Brooks, 2002).

Customer Satisfaction and Patronage

Hotel patronage is influenced by several factors, including the customer's experience of the hotel surroundings, the attractiveness and variety of activities offered at the tourist site, ancillary services such as transportation to the tourist site from the hotel, and the hotel's location. The servicescape concept, introduced by Bitner (2002), encompasses the physical and social elements of the service environment in which the hotel operates. The experience or service environment, as described by Clarke and Schmidt (2005), consists of four key elements: the physical facility, location, ambience, and interpersonal conditions. The service environment is believed to have a cognitive, physical, and affective impact on individuals' behaviour.

Factors Influencing Customer Patronage

The factors influencing tourists' choice of hotels may vary from one individual to another, but there are common preferences that many share. Cost, appearance, and cleanliness are consistently essential considerations. Additionally, for some tourists, the atmosphere and the presence of friendly staff play a significant role in their satisfaction with a hotel. Other factors contributing to customer satisfaction include the availability of non-smoking rooms, positive hotel evaluations, proximity to attractions, swimming pools, complimentary breakfast, and the convenience of airport shuttle services. These factors collectively contribute to the overall satisfaction of hotel customers.

Many hotel guests prefer non-smoking rooms due to their discomfort with tobacco smoke odours. Even after a smoker has left, the odour can linger and negatively impact the experience of non-smoking guests. The availability of non-smoking rooms plays a significant role in deciding where to stay, particularly for individuals sensitive to odours. While most hotels offer such rooms, they can quickly fill up, especially during busy travel. Hotel ratings or evaluations can influence travellers, particularly those seeking specific facilities. Typically, hotels are assigned a star rating system, with one or two stars indicating basic amenities and services, potentially with an inadequate restaurant. A three-star hotel provides a full-service restaurant and may offer room service. Four and five-star hotels are considered luxury properties, offering the highest quality and commanding higher prices.

The atmosphere of a hotel is closely tied to its ratings. The hotel's uniqueness, appeal, and overall ambience, along with the behaviour and professionalism of the staff, contribute to its atmosphere. For some individuals, the hotel's atmosphere may be even more important than the price. Location is another crucial factor influencing hotel customer satisfaction and can significantly impact pricing. Business travellers often prefer hotels in downtown areas, close to offices, dining options, and relaxation spots. Families on vacation may choose hotels near ski resorts, theme parks, national parks, or other attractions. The proximity to these attractions often affects the price, with closer hotels typically charging more compared to similar options. Other essential factors further explored in this study include the hotel's environment, proximity to various areas, available amenities and services, security measures, leisure facilities, and catering options. These factors collectively contribute to customers' overall satisfaction and choice of hotels.

4. RESEARCH METHODOLOGY

This research utilized a quantitative survey as the research design, employing both primary and secondary sources for data collection. Primary data was gathered through 100 questionnaires distributed to Eko Hotels and Suites customers in Lagos, capturing their opinions and experiences. Secondary sources such as textbooks, journals, articles, and internet materials were also used to complement the research. The study aimed to understand the factors influencing customers' patronage at Eko Hotels and Suites by combining insights from customers and existing literature.

The questionnaire had two sections. Section A focused on socio-economic characteristics, gathering personal information about the respondents. Section B contained questions about the factors influencing hotel patronage. The sample size comprised 100 randomly selected respondents from Eko Hotels and Suites' customer base. Data presentation, processing, and analysis were performed using statistical tools, including frequency and percentage

tables in SPSS software. Hypothesis testing utilised the chi-square technique to measure the discrepancy between observed and expected frequencies. Simple descriptive statistical analysis tools were used to examine demographic factors and calculate averages, percentages, means, and frequency distributions. The chi-square test determined the validity of hypothesis testing, ensuring the sampling distribution followed a chi-square distribution when the null hypothesis was true.

The “chi-square (X^2) statistic is given by the formulae”

$$X^2 = \sum \frac{(O-E)^2}{E}$$

Where: X^2 = Chi-square
 Σ = Summation sign
 O = the observed frequency of any value
 E = the expected frequency of any value

The observed frequency contingency table is constructed using the data collected from the questionnaire, while the expected frequency contingency table is derived from the observed frequency contingency table. Regarding the significance level, the researcher has chosen a 95% confidence level for the accuracy of the study's results. This implies a 5% level of significance, representing the degree of risk associated with the findings.

5. STUDY AREA

Eko Hotel and Suites is a prominent hotel on Victoria Island in Lagos, Nigeria. Initially established in 1977 as Eko Holiday Inn, it is the largest hotel in the country. Designed by architect Oluwole Olumuyiwa in collaboration with Americans, the hotel became known as Le Meridien Eko Hotel and Suites, Lagos. It is part of the Chagoury Group of companies. The hotel consists of four multi-story buildings with 825 rooms and suites. The white buildings offer views of the Atlantic Ocean and the Kuramo Lagoon. Situated on Victoria Island, the hotel enjoys a strategic location close to the economic centres of Lagos. It overlooks picturesque wetlands and provides various lodging options with sea views and panoramic cityscapes.

Eko Hotel & Suites boasts the largest convention centre in Nigeria, hosting various events such as weddings, concerts, movie premieres, art exhibitions, and awards ceremonies. The convention centre can accommodate up to 6,000 people. The hotel features eight restaurants and bars, including the award-winning Sky Restaurant & Terrace, Crossroads Tex Mex Restaurant and Bar, 1415 Italian Restaurant, Kuramo Sports Café, Red Chinese Restaurant, Lagoon Breeze Restaurant, The Grill "Steakhouse," and Calabar Bar. Overall, Eko Hotel and Suites is a prominent Lagos hotel offering luxurious accommodations, a vast convention centre, and various dining options.

Findings

All 100 questionnaires distributed were retrieved and responded to in response to the questionnaire.

Table 1: Responses to Questionnaire

Item	1	2	3	4
Regular hotel visitation	17	29	22	32
Eko hotel location choice influence	28	31	15	26
staff performance influencing level of patronage	30	22	11	37
The restaurant service is excellent	16	40	12	32
price as a factor for choosing Eko hotel over others.	13	28	10	49
service charge increases affecting level of patronage	14	16	29	41
The facilities such as internet, spas are a factor for choosing Eko hotel	12	41	20	27
Staff friendliness to guests	19	62	12	7
staff reliability and willingness to guests	16	45	31	8
Hotel recommendation	24	37	34	5

- 1- AGREE
- 2- STRONGLY AGREE
- 3- DISAGREE
- 4- STRONGLY DISAGREE

Table 2 above presents the frequency of responses to various items related to customers' experiences and perceptions at Eko Hotel. Each item is represented by a number (1, 2, 3, 4), and the corresponding frequencies of responses are shown in the table. Below is the analysis for each response.

1. Regular hotel visitation: This item assesses the frequency of respondents' regular visits to Eko Hotel. The frequencies indicate that 17 respondents visit the hotel regularly according to item 1, 29 respondents visit more, 22 respondents do not visit regularly, and 32 respondents strongly disagree with visiting regularly.
2. Eko Hotel location choice influence: This item examines the extent to which the location of Eko Hotel influences respondents' choice to stay there. The frequencies suggest that 28 respondents consider location influential according to item 28 agreed to being influenced by the location, 31 respondents strongly agreed, 15 respondents disagreed, and 26 respondents strongly disagreed to being influenced. Hence it is clear that the location is of utmost importance.
3. Staff performance influencing level of patronage: This item explores how the performance of the hotel staff influences the level of patronage. The frequencies indicate that 30 respondents feel staff performance is influential, 22 respondents strongly agreed, 11 respondents disagreed, and 37 respondents strongly disagreed with being influenced by staff performance.
4. The restaurant service is excellent: This item assesses respondents' perception of the restaurant service at Eko Hotel. The frequencies suggest that 16 respondents consider the service excellent according to item 1, 40 respondents according to item 2, 12 respondents according to item 3, and 32 respondents according to item 4.
5. Price as a factor for choosing Eko Hotel over others: This item investigates the role of price in respondents' decision to choose Eko Hotel over other options. The frequencies indicate that 13 respondents consider price as a factor according to item 1, 28 respondents according to item 2, 10 respondents according to item 3, and 49 respondents according to item 4.
6. Service charge increases affecting the level of patronage: This item examines how increases in service charges impact respondents' level of patronage. The frequencies suggest that 14 respondents feel affected by service charge increases according to item 1, 16 respondents according to item 2, 29 respondents according to item 3, and 41 respondents according to item 4.
7. Facilities such as the Internet and spas are a factor for choosing Eko Hotel: This item explores the importance of the Internet and spas in respondents' decision to choose Eko Hotel. The frequencies indicate that 12 respondents consider these facilities necessary according to item 1, 41 respondents according to item 2, 20 respondents according to item 3, and 27 respondents according to item 4.
8. Staff friendliness to guests: This item assesses respondents' perception of the staff's friendliness towards guests. The frequencies suggest that 19 respondents feel the staff is friendly according to item 1, 62 respondents according to item 2, 12 respondents according to item 3, and 7 respondents according to item 4.
9. Staff reliability and willingness to assist guests: This item examines respondents' perceptions of the staff's reliability and willingness to assist guests. The frequencies indicate that 16 respondents consider the staff reliable and willing to assist according to item 1, 45 respondents according to item 2, 31 respondents according to item 3, and 8 respondents according to item 4.
10. Hotel recommendation: This item assesses respondents' likelihood of recommending the hotel to others. The frequencies suggest that 24 respondents are likely to recommend the hotel according to item 1, and 37 respondents according to item.

6. HYPOTHESES TESTING

Ho: there is no significant relationship between personnel performance and level of patronage in Eko Hotel and suites. To test the hypothesis, two variables were used, and the analysis is displayed on the tables below.

Table 3: Performance and Patronage

Does staff performance affect your level of patronage			
	Observed N	Expected N	Residual
agree	30	25.0	5.0
strongly agree	22	25.0	-3.0
disagree	11	25.0	-14.0
strongly disagree	37	25.0	12.0
Total	100		

Table 3 analyses the relationship between staff performance and the level of patronage. It includes the observed, expected, and residuals for each response category. "Agree" category: The observed frequency is 30, indicating that 30 respondents agreed that staff performance affects their level of patronage. The expected frequency, based on the overall distribution, is 25.0. The residual is calculated by subtracting the expected frequency from the observed frequency, resulting in a value of 5.0. This positive residual suggests that more respondents agree compared to what would be expected. "Strongly agree" category: The observed frequency is 22, indicating that 22 respondents strongly agree that staff performance affects their level of patronage. The expected frequency is again 25.0. The residual is calculated as -3.0, indicating fewer respondents in this category than expected. "Disagree" category: The observed frequency is 11, representing the number of respondents who disagree that staff performance affects their level of patronage. The expected frequency is 25.0, and the residual is -14.0. This negative residual indicates a significant shortfall in the number of respondents who disagree compared to the expected value. "Strongly disagree" category: The observed frequency is 37, representing the number of respondents who strongly disagree that staff performance affects their level of patronage. The expected frequency is once again 25.0, and the residual is 12.0. This positive residual suggests an excess number of respondents who strongly disagree compared to what would be expected. Overall, the total sample size is 100. The table provides insights into how the respondents' opinions regarding the impact of staff performance on their level of patronage are distributed. The residuals indicate the deviation from the expected frequencies, highlighting the differences between observed and expected values in each response category.

Table 4: Recommendation of Hotel

Would you recommend this hotel to others			
	Observed N	Expected N	Residual
agree	24	25.0	-1.0
strongly agree	37	25.0	12.0
disagree	34	25.0	9.0
strongly disagree	5	25.0	-20.0
Total	100		

The table analyses the responses to the question, "Would you recommend this hotel to others?" It includes the observed, expected, and residuals for each response category. "Agree" category: The observed frequency is 24, indicating that 24 respondents agreed that they would recommend the hotel to others.

The expected frequency, based on the overall distribution, is 25.0. The residual is calculated by subtracting the expected frequency from the observed frequency, resulting in a value of -1.0. This negative residual suggests slightly fewer respondents in this category than expected. "Strongly agree" category: The observed frequency is 37, indicating that 37 respondents strongly agree that they would recommend the hotel to others. The expected frequency is again 25.0. The residual is calculated as 12.0, indicating significantly more respondents in this category than expected. "Disagree" category: The observed frequency is 34, representing the number of respondents who disagree with recommending the hotel to others. The expected frequency is 25.0, and the residual is 9.0.

This positive residual suggests an excess number of respondents in this category compared to what would be expected. "Strongly disagree" category:

The observed frequency is 5, indicating that five respondents strongly disagree with recommending the hotel to others. The expected frequency is once again 25.0, and the residual is -20.0. This sizeable negative residual indicates a significant shortfall in the number of respondents in this category compared to the expected value. Overall, the total sample size is 100. The table provides insights into how the respondents' opinions regarding recommending the hotel to others are distributed. The residuals indicate the deviation from the expected frequencies, highlighting the differences between observed and expected values in each response category.

Table 5: Relationship between Staff performance effect on patronage and recommendation of the hotel

Test Statistics	
Does staff performance affect your level of patronage	Would you recommend this hotel to others
14.960 ^a	25.040 ^a
3	3
.002	.000

At a 95% confidence interval with a significance level of ± 0.05 , any significant value below 0.05 is considered statistically significant. In such cases, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted. Conversely, if the significant value is greater than 0.05, H_1 is rejected, and H_0 is accepted. The degrees of freedom are denoted by $N-1$, where N represents the sample size of the population. The chi-square value is used to determine the significant value from the contingency table at a 95% confidence interval. In this case, the significant value is calculated as 0.000, significantly less than 0.05.

Consequently, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted. This implies a significant relationship between personnel performance and patronage in Eko Hotel and Suites.

7. DISCUSSION OF FINDINGS

Table 5 presents the test statistics for two variables: "Does staff performance affect your level of patronage" and "Would you recommend this hotel to others." For the variable "Does staff performance affect your level of patronage," the test statistic is 14.960. This test statistic is commonly associated with a chi-square test, indicating a significant relationship between staff performance and the level of patronage. The value "a" next to the test statistic represents that it is statistically significant at a certain significance level. Similarly, for the variable "Would you recommend this hotel to others," the test statistic is 25.040, also significant at a certain level of significance denoted by "a." This suggests that there is a significant relationship between the recommendation of the hotel to others and the other factors being investigated. The numbers "3" and "3" represent the degrees of freedom for each variable. Degrees of freedom are calculated based on the number of response categories minus one. In this case, each variable has three response categories, so the degrees of freedom are three minus one, resulting in a value of two. The values ".002" and ".000" represent the p-values associated with the test statistics.

These p-values indicate the probability of observing the test statistic under the null hypothesis. In both cases, the p-values are very small, suggesting strong evidence to reject the null hypothesis and accept the alternative hypothesis, indicating a significant relationship between staff performance, hotel recommendation, and the respective factors being investigated. Overall, the test statistics and p-values provide statistical evidence to support the presence of significant relationships between staff performance, level of patronage, and the hotel's recommendation to others.

The findings of this study, which aimed to investigate the influence of customer satisfaction on Eko hotels' patronage, align with the research objective. It is evident that when the staff perform their duties effectively and efficiently across various departments, customers are more likely to be satisfied with the hotel and inclined to return. The concept is supported by Wall & Mathieson (2006), who emphasise that customer satisfaction with staff performance leads to effective customer relations.

This, in turn, reduces issues such as product complaints, negative feedback about staff, increased accidents, errors in order taking, failure to note prior bookings, conflicts between staff members, low staff morale, equipment breakages, and shortages. A positive staff-customer dynamic ultimately contributes to improved overall experiences and a higher likelihood of customer loyalty.

These findings underscore the significance of staff performance in shaping customer satisfaction and influencing patronage at Eko hotels. By prioritising efficient and effective service delivery, the hotel can enhance customer relations and address potential challenges, fostering a positive environment that promotes customer satisfaction and encourages repeat visits.

8. CONCLUSION

This study reveals that several factors significantly influence hotel patronage among customers at Eko Hotels and Suites. The findings confirm that staff performance has a noteworthy impact on customer patronage in the hotel industry. Additionally, customer satisfaction is a significant factor in the hospitality sector, indicating its importance in shaping customers' choices.

Although specific figures on hotel occupancy rates were not provided, the study highlights the positive earnings and growth potential due to the respondents' favourable experiences with the hotel's services. Furthermore, the research findings emphasise the crucial role of location in customers' hotel selection process. Recommendations from satisfied customers to their friends and family emerge as a key influencer in customers' decision-making process. These insights underscore the importance for hotels to maintain high levels of performance and customer satisfaction in order to attract and retain customers.

By prioritising excellent service delivery and creating positive experiences, hotels can enhance customer loyalty and generate positive word-of-mouth recommendations, leading to increased patronage and business growth.

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