

LOCATION: AN ANTECEDENT FACTOR OF CUSTOMER PATRONAGE AMONG SELECTED HOTELS IN SOUTHWEST, NIGERIA

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Abstract: *Study examine location as antecedent factor of customer patronage among selected hotels in southwest, Nigeria. Explanatory variables like convenient location; conducive environment; good access road and secure environment were used to explain the predictive effect of location on customer patronage of the hotels. Methods adopted includes descriptive via structured questionnaire; heterogeneous purposive sampling technique and multiple regressions analysis. Total numbers of 69 hotels across all sizes, ranging from one to five stars were sampled with the population of 5,070. Descriptive results showed that male have the highest value of patronage. Customers within the age bracket 31-40 patronised more than any other age groups. Married customers take the lead of hotels patronage, also customers with University qualification top the lead of patronage among other qualifications. While highest value years of experience were attributed to ages 31-40. Besides, data analysis unveiled that among the predictive factors convenient location take the lead. This is follow by good access roads; conducive environment and secure environment. In conclusion, good location is considered as the most viable influential factor that capable of attracting more customers' patronage in hotel business.*

Key words: Location; customer's patronage; hotels; convenient location; conducive environment; good access roads; secure environment;

1.0 Introduction

Opinion in general showed that the consciousness of customers on location has been over two decades gaining spontaneous momentum and is alarming on daily basis. Especially, in this recent time of business environment, where organisations cannot precisely predicted the behaviour of patrons. This placed necessity on the business owners to be conscious while taken decision on chosen the location of business. Doing this, it is of the general opinion that it will reposition and/or innovate such business for effective performance. Therefore, it is not overstatement that location, if not carefully handle has tenacious capacity to make or mar the performance thereby clogging the wheel of operations which eventually capable of affecting customer's patronage. Looking at the hospitality industry precisely hotels, the important of enjoy unbreakable or repeat customer patronage has sparked the interest of the stakeholders to work assiduously in order to ensure that priority is given to location. From the study of Kala and Guanghua (in Minai & Lucky, 2011), described location as a choice of where business is to be located irrespective of its size, small, medium and large cities or urban or rural locations. Stemming from this, it shows that visionary investors will go extra mile to secure a good location in order to pave way for business thriving, it further strengthens the fact that location is a strategy defined by the organisation which eventually dictate where business should be sited. According to Alvarez-Ferrer, et al., (2018), many thoughts normally came to mind as whether or not should such business be located near the beach, in the mountain area, cities with historical attributes like monuments, or important cities, near airport, seaport among others. More than often, some business owner prefers location economies which may arise when companies are geographically centered because they require a specific factor located in a specific geographic area or peradventure, they share suppliers and market. Melia (2010) study, critical success factors and performance management and measurement: a hospitality context shows that managers of hotels strongly believe that location is a weapon of competitive advantage and critical success factor of their hotels' business. Inferred from the authors, one will agree that there is a nexus between a hotel with good location and upsurge of customer patronage. Obviously, customers patronise hotels for different purposes, for personal, which may include a change of environment, and non-personal such as seminar, for business, and in all cases, sees their privacy as ultimate.

Many factors have been considered as an antecedent to hotels performance as stipulated by authors in the past studies such as geographic location; human skills; proximity among others. However, these were not sufficient to make a generalise findings of what could be obtain in the current study areas considering variability in government policies, financial based of the business owner, among others. Besides, little or no efforts were made to investigate effects of conducive environment, convenient location, good access road and secure environment of hotels business precisely, in southwest, Nigeria.

2.1 Literature Review

Theoretical Framework

Theory of Reasoned Action (TRA)

The application of the theory had been found useful virtually in all the organisations. The theory revealed that the ability of behavioural intention to elicit actual behaviour has to do with antecedent factors, in view of this, it can be explained that the outcome of behaviour being displayed by customer can be said to have been ignited by the present of other factors prior to the actual behaviour being displayed. Considering this explanation, it shows that actual behaviour is a function of antecedent factors. On the other hand, it shows that no behaviour that can be exhibit without the root cause.

This also mean that before a hotel can start to enjoy the patronage of a particular customer, there must be antecedent factors, of which the customer will considered of being a rewarding and that is capable of eliciting satisfaction and possibly sustained continuous patronage of customers. In this study, the antecedent factors are the location such as convenient location; conducive environment, good access road and security.

Moreover, it can be reasonably agreed upon that when these variables are well planned it can provoke customer intention which invariably has capacity to elicit patronage. Its relevance to the current study shows that to exhibit real behaviour (i.e customer's patronage) hinged on the presence of certain factors in the hotels.

2.2 Location and customer patronage

Generally, the positive effect of business location on its performance has received overwhelming support from past researchers across the globe. Studies have been conducted to examine the relationship between location and customer patronage. Take for instance, Ukamaka (2021) focus was on evaluation of the effect of location on retail business performance. The result showed that strategic location has a positive effect on the retail patronage. However, author further stated factors that aid the retailer in making decision about location of a shop in particular area such as economic, population structure, competition, saturation level, store characteristics and magnet. The study is qualitative in nature. Nowkocha (2022) investigated influence of location decisions on the performance of woman-owned small and medium scale enterprises (SMSE) in Nigeria. From the study, it was shown that the highest percentage of women owned SMSE had experienced a significant increased and relative increase in the performance based on their location. Quantitative approaches, questionnaire, purposive random sampling technique, simple mean, standard deviation and Principal Component Analysis (PCA) were adopted as methods.

From the perspective study of Shah, Anwar and Hasnu (2018), does location matter in determining firm's performance? A comparative analysis of domestic and multinational companies showed

that in location, multinational companies performance exceeds domestic as a result of investments and inventory utilization. Secondary data from 153 firms listed on Pakistan stock exchange were used while regression and ratio analysis were used for testing hypotheses.

In the case of Sefiani, Davies, Bown (2016) in a study, examine the perceptual effects of location on the performance of small business in Tangier. Their findings are not differed from the previous author's findings. Though, most of the aforementioned studies were not precisely mentioned the nature of the SMSE unlike the hotel, which was the focus organisation of the current study, but the fact remain that investigation was done on how location influences business performances make the previous studies relevant in the current study. However, since operational modes of these businesses were not the same cum their policy implementations call for further probe.

Alias and Tan (2014) in research conducted in Malaysia on key determinants of marketing and operations of the hotel business, found location, by ranking from a customer perspective, as most important, among other factors such as service quality, room rate, and room size. From the perspective of hoteliers, by the ranking, the in-house reservation system was considered the most significance followed by service quality, location, room rate, and guest loyalty programme. One hundred and three (103) questionnaires were used. Ninety-three (93) out of the questionnaires were administered to the customers and ten (10) questionnaires were administered to hoteliers. Multiple regression and Pearson correlation were used for data analysis. More importantly, because the study used both hotel guests and operators as respondents, hence, it creates a platform for comparison of opinion from the perspective of the duo. However, it was observed that how the population and the sample size were determined was not included in the study. Oliveira, Pedro and Margues (2013) study on the efficiency performance of the Algarve hotels in Portugal using a revenue function, showed that location was considered most significant factor. In their study, star rating was not significant. The stochastic frontier approach was used for analysis. Since star rating was not significant in these authors study, it can be said that customers who patronise done so by considering the suitability of the hotels in term of location. It was discovered that the techniques used to select the study population and sample size were not indicated.

In addition, Cheng (2013) on analyse the hotel industry in Porter five competitive forces in Hong Kong revealed that two crucial factors that enable hotels to differentiate themselves are a good location and quality of service. It shows that location is being considered as a strategy way of attracting customers for more patronage. This study was qualitative in nature. In addition, number(s) of the hotel(s) used were not indicated. Hence, this makes it impossible to generalised their findings.

Phadungyat (2008) concluded that location was considered the most key factor, among others like service and facilities, for the choice of a service apartment. The investigation was carried out at serviced apartments of the Ascott Group (Ascott Sathorn, Somerset Park Suan Plu, Somerset Suwan Park View, and Somerset Lake Point) in Bangkok. Her study focused on factors influencing the selection of serviced apartments by female business travellers. Methods employed include questionnaire, 5 points Likert scale descriptive, and inferential statistics. Looking at this study, Phadungyat does not emphatically state the nature of the service apartment where the investigation was conducted. Again, her study focused on a female, which may not be sufficient to justify the case of customer patronage in hotels which involved both sexes. Above, all, the study was foreign based. Melia (2010) in the study conducted in Irish shows that location was considered an important determinant, among other factors, called critical success factors (CSFs) The CSFs were considered as the factors that must be achieved before any hotel of all sizes can enjoy the patronage of the customers. Her research works were centered on critical success factors and performance

management and measurement: a hospitality context. Focus groups and the in-depth interviews were used. Respondents include managers and owners of small and medium-sized independently owned hotels. Besides that, Melia's study was investigated in Irish, her findings are not enough to justify the general findings in other places or countries where the business of hotels was operated. Using internal customers like managers and hotels' owners as respondents were not enough to explain the generality opinion of customers that are patronising hotels from macro environment. In addition, Kotler and Keller (2009) showed that though the cost of offering a product at each location has been the same, yet, the same product is priced differently due to location. They stressed further that the key to retail success is location. These pointed to the efficacy of good location as a competitive advantage for hotels' owners and it shows that service providers must pay particular attention while taken a decision on location of industry. Furthermore, a research studies of Ramly, Ahmad and Ahmadin (2004), on factors influencing customers patronising Mamak Restaurants: A survey in Shah Alam, Malaysia, showed that location was found to have significantly contributed to the patronage of the restaurants. Although, business operation hours were considered the most important factor, next to the location, are socialized reasons, parking space, among others. The methods employed by the authors include survey, structured questionnaire as the primary source of data. The fact that Ramly, *et al.*, study was carried out in restaurants, the relevant of their study cannot be overlooked. This is because there is a similarity in the delivery of services in both restaurant and hotel. In addition, both were a service industry. However, the study is not without its shortcoming. For example, the sampling technique(s) used to select study population and sample size were completely absent. Again, it is of the general opinion that the operational mode of a hotel is more complex compared to the restaurant. Consequently, Ramly, *et al.*, findings would not be appropriate for generalisation of what make customers to patronise hotels in Nigeria, precisely southwest.

2.3 Conceptual Framework

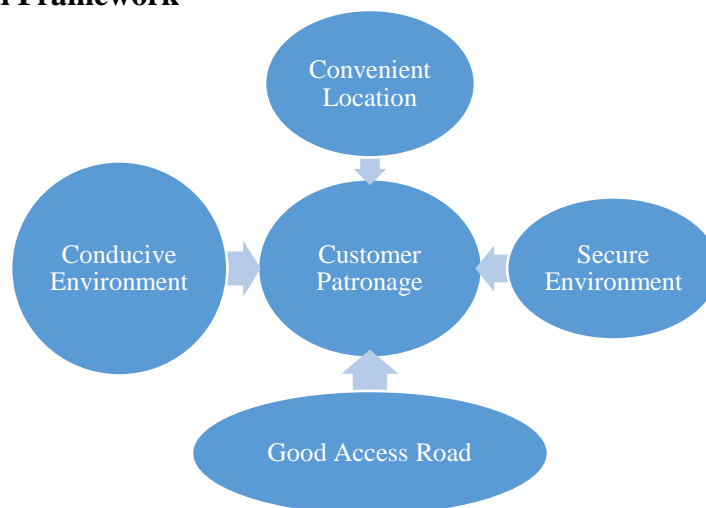


Fig. 2.1 Conceptual framework showing the influence of location on Customer's patronage of Hotels

Source: Author's Conceptual Framework, 2022

Fig 2.1 hypothetically showed that the unbreakable customer patronage of the hotel anchored on the explanatory variables of location. (convenient location, conducive environment, good access road, and secure environment). From the conceptual framework, it can be deduced that hotel that is strategically located with aforementioned explanatory variables stand to gain a better chance of enjoy a repeat patronage of the customers. In the same vein, if a hotel is wrongly located there is

the likelihood that such hotel may not enjoy repeat patronage. As a matter of fact, customers will be satisfied if what they receive as a value is equal to the value they part with. From these scenarios, it shows that the presence of these explanatory variables has tenacious capacity of attracting or repelling customers. As such, investors in the industry of hotel must be very careful while taken the decision on the choice of location.

3.0 **Research Question**

i What influence would location have on customer patronage of hotels in Southwest Nigeria?

3.1 **Methodology**

The population of the study was 5,070 of the hotel customers from the six states in Southwest Nigeria. This was derived from information obtained from the customers' records of the hotels, through their managers and customer service officers. Both the existing and the new customers who had already made payments for hotel lodging were considered to be part of the population. Descriptive was used via structured questionnaire. While multiple regressions was used to unveil the predictive effect of the location on customer's patronage. Besides, heterogeneous purposive sampling technique was used to select various star hotels (one star to five stars) across southwest, Nigeria and the respondents of the study. Both the content and face validity were tested via expert in the field of the study, and pilot study respectively. Sample size was 371. This, according to Yamane (in Israel, 2013) was considered to be the lowest level of acceptable responses to maintain a confidence level of 95% and a 5% error level. Yamane, (1967) stated further that questionnaire returned can be greater than the calculated number but cannot be less than it. To this end, in order to cater for response bias and missing values due to improper filling by the respondents, a total of four hundred and fifty (450) copies of questionnaire were distributed and the researcher was able to retrieve four hundred (400) copies which were adequately filled and returned.

4.0 Results and Discussions

Table 4.1 Respondents

Characteristics of Respondents	Frequency	Percentage
Sex		
Male	278	69.5
Female	122	30.5
Age		
Below 30	86	21.5
31-40	194	48.5
41 and above	120	30
Marital Status		
Single	98	24.5
Married	302	75.5
Educational Background		
University	202	50.5
Polytechnic	132	33
Others	66	16.5
Years of patronage Experience		
Below30	98	24.5
31-40	142	35.5
41 and above	160	40

Source: Field survey 2022

Table 4.1 unveils respondents' demographic characteristics. Under sex, results showed that male has a higher percentage value of 69.5% while female had 30,5%. Under age distribution, 31-40 takes the lead value of 41% followed by 41 and above with 30% while below 30 was 29%. In the

case of marital status, single takes the lead with 52.5% and married have 47.5%. Educational background, University has 50,5%, Polytechnic 33%, and others 16.5%. Years of patronage experience showed that below 30 was 24.5%, under 31-40 was 35.5%, 41 and above was 40%.

Table 4.2. A Summary of the Multiple Regression Analysis of the Interactive effect of Location on Customer Patronage

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
	.882	.778	.775	.511

*p<0.05 Source: Author's Computation using SPSS, 2022

The model summary in Table 4.2 gives the predictive value of R² and adjusted R² to be 0.778 and 0.775 respectively. While the closeness value is 0.003/0.3%, It is further stated that 78%. of the variance in customers' patronage is predicted by all the independent variables measured in the model. These predictor variables are; (COL) Convenient Location, (COE) Conducive Environment, (GAR) Good Access Road, (SEE) Secure Environment.

Table 4.3 Multiple Regression Showing Contributions of Location of the Hotels to Customer Patronage.

Location	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.354	.158		2.236	.026
Convenient Location (CL)	.670	.036	.665	18.388	.000
Conducive Environment (CCOE)	.054	.032	.053	1.722	.009
Good Access Road (GAR)	.218	.037	.222	5.929	.000
Secure Environment (SE)	.016	.029	.017	.541	.009

Source: Author's Computation using SPSS, (2022)

Table 4.3 showed that convenient location has Beta = .665 p <.05 and t-value = 18.388, at a significance level of 0.000. Followed by Good Access Road with Beta = .222, p <.05 and t-value = 5.929 at a significance level of 0.000, Conducive Environment and Secure Environment give Beta = .053 and .017 and t-values of 1.722 and .541 respectively at significance levels of 0.009 with P<0.05.

4.3 Discussion of Findings

Stemming from table 4.1, it was shown that male patronized hotel more than female counterpart. The reason(s) may not be far from the fact that men are more involved in travelling especially outside their domain. Some, it may be by nature of their businesses or jobs, change of environment among others. Besides, it was shown that as a matter of necessity, women in these contemporary also patronized hotels for different purposes, such as for businesses, seminars, conferences even

by the nature of their jobs. Moreover, among the age range, it was unveiled that ages 31-40 patronised hotels more than any other age bracket. It can be deduced that peoples within this age range can afford to engage in any jobs that may involving travelling from one place to another without giving consideration on whether or not they have married or not especially men. In addition, peoples within this age range patronise hotels for honey-moon, holiday with their families and so on. Findings equally showed that age 41 and above take the second lead of patronage. The reasons may not be too far from the people within the ages 31-40. However, general opinion showed that the older these people become, the lesser they patronise hotels. The least patronage under age was below 30. From marital status, married take the lead value. Here, it can be deduce that married patronize hotels more than single. This may not be far from the fact that business men, women, politicians among others today sees hotels as a secured and conducive place where they can best engage with their business partners. Moreover, fact about the single status was that they lodge in the hotels mainly for business purposes. As such, these findings unveiled that the contemporary hotels are now serving as places where new business ideas are conceiving and incubating. Besides, it is a place where some sensitive business decisions are taken. Table 4.1 equally showed that respondents from Universities have the highest value of the patronage. This may be simply stemmed from the fact that University is taken the lead among the established institutions in Southwest, Nigeria. Follow by Polytechnic and others respectively. Year of experience attributed the highest value to age bracket 41 and above). Next is age bracket 31-40 while age below 30 takes the least value.

Carefully look at the results of the study, it showed that location contributed in no small measure to influence customer patronage of hotel from the perspective of the p-values of the explanatory variables. Contrary to the contemporary general opinion as a result of insecurity, among these tested explanatory variables, convenient location is considered most predictable factor. However, other constructs like nearness to a major road, conducive environment, and secure environment were equally considered important. In addition, the join contribution of all the explanatory variables of location showed that the presence of strategy location in the light of customer patronage of a hotel had been considered key to the success of the hotel. These findings were in accordance with Alias and Tan (2014). Alias and Tan study was carried out in Malaysian which revealed that, from the customers' perspective, location was found to be the most determinant among other factors. Contrary, in the same study, hoteliers showed that in-house reservation system was considered most significance. One distinct fact about the current study and previous researchers was that this current study measured location via different constructs; hence, it was able to shed more light on the join and individuals explanatory variables contribution towards customer's patronage of the hotels.

The similarity in Alias and Tan from the perspective of customers and the current study may be attributed to the fact that customer feels delighted when they can easily locate their destination, especially, a stranger in an unfamiliar environment. The findings of this study are also consistent with Oliveira, Pedro and Margues (2013) carried out in Portugal which showed that location is significantly related to the frequency usage of the hotel. The findings are not too far from the studies of Cheng (2013); Phadungyat (2008); and Melia (2010).

Meanwhile, Melia study used managers and owners of hotels as respondents, but the current study uses customers as respondents. Generally, it is expected that there should be opposing in the results after compared the two studies. Amazing, the current study findings are consistent with Melia's

findings, despite the fact that authors used different respondents at different study areas. The reason for this may not be far fetched. 1, it may be as a result of the managers and owners of hotels wealth of experienced in the business. 2, using all sizes of hotels may be another reason. From these findings, it can be reasonably concluded that good location is considered as a viable influential factor that capable of attracting customers' patronage.

5.0 Conclusion

Stemming from the findings, it shows that customer patronage of hotels in this contemporary business environment specifically, in the current study areas, is a function of Convenient Location, Conducive Environment, Good Access Road, and Secure Environment. Giving this, conclusively, it was affirmed that strategy locations enhance the unbreakable customer patronage of the hotel.

5.1 Recommendations

Stemming from the findings of the study, convenient location was considered to have the greatest predictive effect on customer patronage among location constructs that was tested. This is followed by nearness to a major road, conducive environment, and secure environment. In this respect, it is recommended that investor(s) should endeavour to site hotel at conspicuous and easily described location. Besides, all possible efforts must be gear towards making the environment friendly while the security apparatus should be put in place for maximum protection of life and properties of the patrons.

5.2 Policy Implications of Recommendations

Government: Considering the significant role play by the tourism sector in every nation's economy hotels inclusive cannot be ignored. Therefore, it becomes pertinent that Nigeria government efforts should be gear towards giving necessary assistance to the tourism industry, especially, hotels for its survivals. Laws guiding it operations should be at least be reviewing every four years in order to match up with world class contemporary hotels. With this, more employment will be created, it will definitely shoot-up GDP and capital investment. Doing this, it will not only add more values to the bottom line of the nation's economy, but it will bring to the minimal level the evil menaces that had been enveloped the country.

Investors:

Here, investors should engage in the act of corporate social responsibility by giving necessary support that capable of boosting the performance of the hotels business. This they can do by providing good road, alternative constant power, and water supply to the immediate environment where they are carrying out their business operations.

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