

THE IMPACT OF CUSTOMERS LOYALTY ON ORGANISATIONAL PERFORMANCE IN HOTEL INDUSTRY (A CASE STUDY OF SELECTED HOTELS IN ABEOKUTA, OGUN STATE)

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ABSTRACT

The research was to investigate the impact of customer loyalty on organizational performance in the hotel industry, the data for this study were obtained from primary source where a survey was carried out on selected Hotel organizations and their customers in Abeokuta Metropolis of Ogun state. The five (5) selected hotels in includes Green legacy Resort, Daktad Suites, IBD international hotel, Jambed hotel and Suites and Mokland Hotel. 100 respondents were chosen as the sample size while 100 questionnaires was administered to the respondents and only 80 questionnaires were carefully filled and returned, and the data was analyzed using statistical package for social science version 20 with a descriptive and inferential statistics, From the findings it shows that 76.3% of the respondents agreed that with an effective customer loyalty, hotel services remain the best despite competitors product from other hotels. It was recommended that management of the hotels should develop and continually deliver quality product and services to customers as product features which likely to help consumers develop brand loyalty.

Keywords: Customer, Loyalty, Brand, Services, Hospitality and Hotel

INTRODUCTION

Customer loyalty is one of the most frequently addressed subjects in the hospitality industry. The subject has gained attention of other service organization because of its importance to the successful running of any business. Realizing the prime importance of customer loyalty to organizations, a major concern is to determine how it affects the –overall performance in the hotel industry. Issues involving customer loyalty in service organizations have drawn the attention of various researchers concerned with finding the determination of customer loyalty and their implications in the organization. (Heskett and Sasser, 2010)

Organization performance involves analyzing a company’s performance against its objectives and goal. In other words, organization performance comprises real results or outputs compared with intended outputs. The first analysis focuses on three main outcomes, first—shareholder value performance, second- financial performance and the third- market performance.

Nowadays, the competition for improving the quality of services is known as a key guideline issue for the organizations working in hospitality industry. The organizations achieving a higher level of service quality will have higher level of customers’ satisfaction as an introduction to gain stable competitive advantage (Guo, Duff and Hair 2013).

Regarded to the challenge ruling the business environment, not the organizations are not intended to attract new customers, but also they have taken the strategy of saving current customers and improve their loyal against the organization. So, the customers’ satisfaction is not enough and marketers should provide the context of improvement and elevation of the customers’ loyalty more than ever. In such a paradigm, the aim is to make long-term relationships

with the beneficiary groups and above all with the customer; so that they can save more customers and lose lesser customers to finally guarantee the market share and profit making of the organization in long-term (Osman, Hemmington and Bowie, 2012).

Challenges like intensified global competition, continuous increase in customers' expectation and consequently their demands in order to increase the quality of productions and services have led to the fact that the hotel industry cannot efficiently meet their needs and demands and this will be followed by the risk of losing unsatisfied customers and they will go toward the competitors and also the final reduction of profit will be followed by bankruptcy. To make loyalty in customers and, it is very significant to build an environment which encourages loyalty (Duffy, 2014). The customers' loyalty is the necessity of the companies survive and the only way of saving customers is to meet their needs, demands, expectations and making them satisfied. The customer's loyalty is important due to its positive impact on sales, obtaining a share from the budget and saving the customer.

Objective of the Study

The broad objective of this study is to examine the impact of customer loyalty on organization performance in the hotel industry while the specific objectives are to:

- % assess socio-economic characteristic of the customer
- % assess the impact of customer loyalty on organization performance.
- % determine the relationship between customer loyalty and organizational performance.

Statement of the Problems

The hotel industry is very competitive nowadays; this leads to a lot of collapse due to their inability to provide quality services that meet the customer's expectation which may lead to customer dissatisfaction. Customers always want the best services that the organization can provide. When these services are poor, it pursues the customers away which do not lead to retention of such customers. The image of an organization depends on its customer loyalty; the way the organization relates to the customers through the quality services rendered will determine their profitability. Therefore, this study assesses the impact of customer loyalty on organization performance in the hotel industry.

Research Hypotheses

- Ho1: There is no significant relationship between customer's income and loyalty
- Ho2: Customer loyalty has no significant impact on organizational performance.

LITERATURE REVIEW

Meaning of Customer Loyalty

Usually it is cheaper to keep existing customers than to attract new ones. Growing loyalty among customers allows the organization savings when decreasing marketing costs, transaction costs, and also the costs as the result of customers' change are decreasing. Besides, the scopes of sales to existing customers are bigger. Organisations having long-term customers may set higher price for their products and services, since the customers trust them. Thus, for the hotels it is necessary to have loyal clients, especially in the case where the hotels belong to a chain, and their customers are often travelling.

The term customer loyalty is used to describe the behavior of repeat customers, as well as those that offer good ratings, reviews, or testimonials (Kumar, & Advani, 2012). It is not only about customers doing a particular company a great service by offering favorable word of mouth publicity regarding a product/service, telling friends and family, but also, it is a process, a program, or a group of programs geared toward keeping a guest happy so he or she will provide more business. According to Iddrisu, (2011), mentioned that loyalty is developed over a period from a consistent record of meeting, and sometimes even exceeding customer expectations.

Customer loyalty can therefore be achieved in some cases by offering a quality product with a firm guarantee or through free offers, coupons, low interest rates on financing, high value trade-ins, extended warranties, rebates, and other rewards and incentive programs. The goal of these is to develop happy customers who will return to purchase again and persuade others to use that company's products or services. This equates to great cost savings and profitability to the

company through the keeping of current customers as against attracting new ones as well as making stakeholders happy (Mukherjee, 2012). Loyal customers are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers. However, there are many factors for such manner of customers to remain loyal.

Customer loyalty is both an attitudinal and behavioral tendency to favor one brand over all others, whether due to satisfaction with the product or service, its convenience or performance, or simply familiarity and comfort with the brand.

According to Kuo, Chang, Cheng, and Lai (2013) in Chinese hotels emphasize the significance of service quality for the loyalty of customers. After the research of hotel customers performed in Spain it was determined that the evaluation of service quality is higher by the customers who are more loyal.

Boon-Liat and Zabid (2013), having interviewed the guests of Malaysian hotels, ascertained that perceived service quality is highly related to customers' satisfaction, which ensures higher loyalty of customers.

It is said that customers' satisfaction may be applied to measure customers' loyalty, however the approaches exist where customers' loyalty cannot be explained only by satisfaction. Although satisfaction is necessary to ensure customers' loyalty, it cannot, however, be identified as customers' loyalty. Reichheld (2010) criticizes the use of customers satisfaction research to determine customers' loyalty, claiming that research fails to determine what organisations should in fact know.

Geronikolas (2012) reports that the five factors in the hotel industry that are most likely to drive customers away include untrained and perceived rude staff; lack of cleanliness around the premises, in hotel rooms or within its restaurants; the guest's desire to experience new places ("need for change"); price, affordability, and value for money. Overall, hotel food and beverage standards appear as the most important in hotel tangibles and seem to be becoming increasingly significant in creating both a loyal base of satisfied customers and driving dissatisfied customers away. Other factors that appear frequently as elements driving business away are the actual hotel room (state, comfort, air condition or heating facilities, etc.), bad service, issues concerning the hotels reliability (delivering promised services, accurately and consistently), managerial behavior towards special needs and situations that may occur, problems occurring with other guests (the general ambience the hotel's other customers create) and noise within the hotel or surroundings.

Component of Customer Loyalty

Customer loyalty is when a customer consistently purchases from a business. This is typically based on the customer's needs, preferences and experiences with the business. The following are common types of customer loyalty.

- i. **Product:** Consistently purchasing the same product. This can be due to the features or quality of the product. For example, a customer may try several shampoos until they find one that they prefer. Once a preference is established it may continue for years. Calculating customer loyalty for products requires extensive market data and is often based on representative samples. For example, a firm might define a loyal customer as someone who purchases the product at least once a month for six consecutive months.
- ii. **Services:** Subscription-based services often benefit from loyal customers that represent monthly recurring revenue streams. Calculating loyal customers is easy for subscription based services as ample data is typically available. Six consecutive months is a common threshold. Restaurants and other non-subscription services typically base customer loyalty on purchase frequency such as once a month or six times a year.
- iii. **Brand:** Brand loyalty may result from reputation, customer experience or a customer who identifies with the brand. Customers may be loyal to all the products offered by a brand or some subset.
- iv. **Distribution:** A customer may be loyal to a location simply because it's convenient. For example, a customer may be loyal to a restaurant chain because it's close to their office. If the convenient location closes, the customer may be unlikely to seek the chain out elsewhere. Likewise, brand or product loyalty may end if products aren't available where the customer shops.

- v. Price: A customer may be in the habit of consistently purchasing the same product or service based on price alone. For example, a customer may always purchase the same brand of coffee because its always the cheapest on the shelves. Such a customer will immediately switch if prices go up and may be indifferent to efforts to improve product quality
- vi. Relationships: A customer may be loyal to a person such as a salesperson but not the underlying products, services or brand. Often a top salesperson who leaves a firm is able to attract their former customers to their new firm's products.

The Importance of Customer Loyalty and Relationships in the Hotel industry

The main purpose of a hotel is to create and retain customers who bring profit into the company in order to be able to keep existing. Wu & Lu (2012) discuss the tourism and service industries, pointing out the relevance of customer orientation. Research shows that the main income of several hotels comes from its loyal existing customers. Therefore, hospitality managers argued whether or not satisfying customers is sufficient, or perhaps customer loyalty within the hotel industry is of higher importance rather than customer satisfaction. Accordingly, the hotel industry suppliers are dependent on retaining customers and that is why CRM (customer relationship management) is wise to use to ensure customer loyalty. Loyal customer is involved within a customer-supplier relationship, where the customer repurchases from the same hotel service provider whenever possible and continues to uphold a positive attitude towards the supplier. Furthermore, according to research hotels that attempt to improve their market share by using discounts on prices, run a serious risk of having a negative impact on the hotel's long-term profitability. In addition, the cost of establishing new customers is far beyond the costs that retaining old customers have. That is why, it is rather quality of service and building relationships than price to differentiate and gain customer loyalty. However, it is mentioned that to recommend, repurchase and exhibit loyalty, according to results of a hypotheses test, also of relevance is hotel image and customer satisfaction with food/beverage, reception, housekeeping and price.

It is stated by Peelen and Beltman (2013) that customer-supplier relationships occur at various levels and compositions. The relationship can be either primary or secondary. A primary relationship between customer and supplier has value, people are involved with each other and got to know each other over a period (Peelen & Beltman, 2013). It is logical in that case that secondary relationships are less personal and more superficial contact is occurring. Both can be seen as a loyal customer-supplier relationship, since it is about repurchasing and continuing of using the service and not whether the customer or supplier are personally involved. However, on the long-term it might be useful within the hotel industry to start personal interaction and build a primary customer-supplier relationship to gain more loyalty and build a life-time relationship experience.

Drivers of Customer Loyalty

Since customer loyalty has become paramount for organisations, a major concern is to find out the determinants or drivers of customer loyalty. The marketing and service literature abound with studies which pointed out customer satisfaction as one of the prime determinants of customer loyalty (Heskett and Sasser, 2010). Customer satisfaction is considered a strong predictor of behavioural variables such as customer loyalty, word of mouth, repurchase intentions, etc. Many researchers as well as service profit chain literature have reported that there is a positive correlation between customer satisfaction, customer retention and customer loyalty which ultimately leads to profitability.

Service quality has also been associated with customer loyalty. While some researchers have reported that customer satisfaction exerts a stronger influence on purchase intentions than service quality, others provided strong empirical evidence supporting the notion that service quality increases customer intentions to remain with a company. For instance, (Heskett and Sasser, 2010) have found that service quality results in repeated sales and increased market share, which leads to customer loyalty. A research by concluded that when organisations enhance the quality of their services, customers' favourable behavioural intentions are increased while unfavourable intentions are decreased simultaneously. Corporate and brand image have also emerged as determinants of customer loyalty. According to Anderson (2011), higher levels of customer satisfaction increases loyalty by building a positive corporate image. Also confirmed that there is a positive relation between corporate image and customer satisfaction, which leads to loyalty. Further studies have also concluded that corporate image plays a significant role in developing customer loyalty amongst existing customers.

Perceived value expressed as the ratio of perceived benefits to perceived costs is also considered as a determinant of customer loyalty (Zeithaml, 2008; Costabile, 2010; Lam 2011). Customers develop loyalty towards a particular firm when there is a feeling that they are receiving greater value as compared to competitor firms (Bitner and Hubbert, 2011; Sirdeshmukh, 2012). A study by Lam (2011) showed that customer value positively correlates with customer satisfaction and customer loyalty.

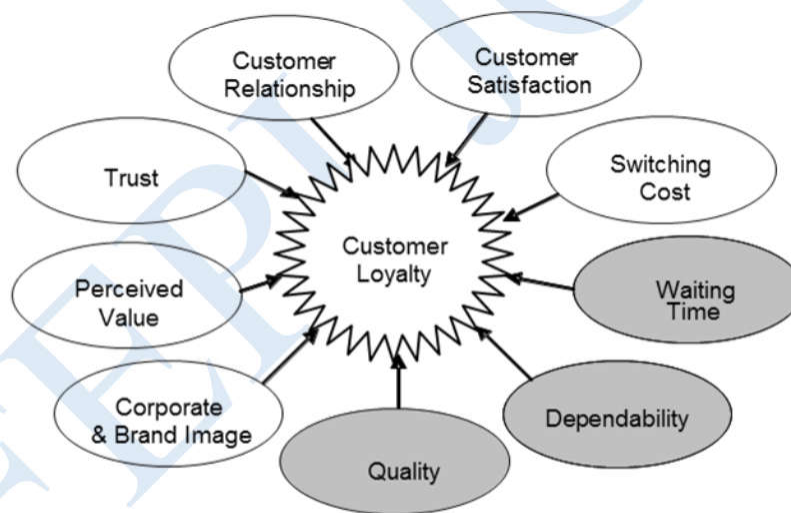


Figure 1 Main Drivers of Customer Loyalty (Heskett and Sasser, 2010).

Customers Expectation

Davidow and Uttal (2012) proposed that customers' expectation is formed by many uncontrollable factors which include previous experience with other companies, and their advertising, customers' psychological condition at the time of service delivery, customer background and values and the images of the purchased product. Similarly, Miller (2010) also stated that customers' expectation related to different levels of satisfaction. It may be based on previous experiences, learning from

advertisements and word-of-mouth communication. Santos added that expectation can be seen as a pre-consumption attitude before the next purchase, it may involve experience.

Customers' expectation is what the customer wishes to receive from the services. The diversity of expectation definitions can be concluded that expectations is uncontrollable factors which including past experiences, advertising, customer perception at the time of purchase, background, attitude and product image. Furthermore, the influences of customers expectation is pre-purchase beliefs, word-of-mouth communications, individual needs, customers' experiences and other personal attitudes. Different customers have different expectations based on the customers' knowledge of the product or service.

External and Internal Factors that Influence Customer Loyalty

Several scholars in the field have attempted to classify factors that may influence customer loyalty. For example, (Cahill, 2012) differentiates between the three main groups of customer loyalty determinants, namely customer-related factors, relationship-related factors and company-related factors. It can be specified that customer-related determinants of loyalty are derived from individual consumer characteristics. Relationship-related determinants are closely associated with the interaction between sellers and buyers. They include such factors as previous experience, quality, trust, normative feelings and emotional closeness (Cahill, 2012). It is reported that the key company-related determinants are the company's reputation, the price-quality ratio and the appropriate customer loyalty programmes. In contrast, Duffy (2014) singles out two main groups of customer loyalty determinants, namely internal and external. It is explained that internal factors refer to the customer perspective of loyalty to specific brands and services. In turn, external factors refer to the suppliers of goods and services and their ability to cultivate and maintain customer loyalty. As it may be observed, the classifications provided by Duffy (2014) and Chen and Popovick (2014). are similar. Internal and customer-related determinants refer to the same category of factors. Similarly, external and complexrelated factors have identical meanings. In accordance with Osuagwu (2010) internal factor represents psychographics and demographics of individual consumers. It has been revealed that different age groups, social classes, genders and people with different educational backgrounds may differ in forms of customer loyalty (Duffy, 2014). It is contrasted by another group of researchers that “external factors such defensive marketing tactics of competitors, and the activities of supply chain members, could also be explored to assess their effect on the structural relationship between service quality, relationship quality and customer loyalty” (Singh and Waddell, 2011).

Kracklauer (2011) are convinced that customer loyalty should be viewed as a combination of customer satisfaction and customer trust. Furthermore, the researchers developed the model of persistent and longterm customer loyalty, which is determined by such factors as short-term loyalty and commitment. Hence, the role of satisfaction, trust and commitment is emphasized by. Stone (2010) agree that commitment and customer satisfaction prove to be important determinants of customer loyalty. Nevertheless, the researchers account for a wider range of factors including service experience, information exchange, efficient relationship management, customer involvement and participation, importance of the product, company size, product size, personal attitudes and household income. As it may be seen, Stone (2010) identified both internal and external factors influencing customer satisfaction and their loyalty. If efficient, relationship management is a company-related factor, whilst household income appears to be a customer related characteristic. It can be critically remarked that organisations do not have absolute control and power over customer loyalty as a variety of factors do not depend on them.

Schweizer (2013) critically approaches the most powerful determinants of customer loyalty, which have been identified by the previous researchers in the field. The scholar does not classify them into internal and external, but rates them according to their importance. The identified determinants are purchase conditions, companies' pricing policies, product quality, product availability, reputation and image, consumer trust, previous experience, positive recommendations, available customer loyalty programmes, customer commitment, customer involvement and participation, switching barriers, customer attributes, customer behaviour patterns, product importance, individual experiences, etc. Schweizer (2013) is convinced that customer loyalty is influenced by a combination of factors, which is always unique for different situations. It may be argued that “customer loyalty yields significant benefits when its pursuit is part of an overall business strategy” (Duffy, 2014). The major company-related benefits are cost efficiency, channel migration and greater consumer awareness.

Customer Expectations and Customer Loyalty

Paradis and Alireza (2012). observed that service offerings from hospitality industry have become necessities because of dramatic changes in consumers lifestyles. According to them, in order to fulfill the demands of the growing markets, the hospitality market tried to grow and compete with others in marketplace by meeting customer expectations. Despite increased attention by the researchers on customer loyalty, assessment of customer loyalty within the service context is low in developing countries like Nigeria. Analysis of past studies have shown that there are inconsistencies in the findings of effect of customer expectations and customer loyalty.

Hotel service quality

To provide hotel service, two elements are necessary: material base and service, due to these different elements the management of hotels faces an ambivalent problem of quality – two different quality aspects: technical quality, which reflects a material basis, and functional or process quality (service).

Kinderis, Žalys, and Žalienė (2011) notice that technical quality is what the customer receives during their stay. The hotel guest gets accommodation, the restaurant visitor gets food. This is an external side of quality. Often, but not always, these elements may be measured by the customer, their nature depends on the technical solution applied by the enterprise to solve the customers’ problem. Their availability and status may be shown to the customer before choosing the service, since the expectation related to quality are affected in this way. Hence, technical quality is usually related to material measures and technologies, the features of which are established by the usual evaluation methods of the quality of the goods. However, the parameters of technical quality do not ensure by themselves that the hotel will satisfy the customers’ wishes, even if they met advance commitments and promises of the provider. The quality of even the highest category hotel may be negatively evaluated by the customer in, for example, the case of the conflict with service personnel or in case of theft. Thus, a customer is always affected by the way a technical service is provided to him. This manner defines another aspect of the quality, i.e., functional quality. This is the behaviour of provider and other circumstances – interest, attention, respect, politeness of personnel, confidentiality, ability to find a solution in case of a force majeure, etc. A functional quality is more difficult to control, since high quality deviation is possible.

There is no one opinion in which technical or functional quality is more important (Kinderis 2011). Lockwood (2014), in his description of the management of hotel activity, claims that service cannot be shown and described in advance. Besides, the assessment of customers in this respect is subjective, therefore he suggests focusing on tangible evidence of every operation, i.e., the interior of a room, correspondence with a guest, etc. However, Vengriene (2010), citing the other authors, notes that the research shows that customers appreciate the professionalism and skill of hotels’ employees.

This discussion shows two main groups of elements, the quality of which should be managed by the owner of a hotel. However, some hotel experts suggest taking into account what is more appreciated by a customer (Kinderis 2011).

Yilmaz (2012) analysed the service quality and customers' expectations of Turkish 2 5-star hotels. The research results have shown that there is no significant gap between the expected and received service quality. The highest expectations of customers at Turkish hotels were related to the criteria of reliability, assurance and responsiveness, slightly lower expectations were related to material values and empathy. The lowest gap between expected and experienced quality was determined for the criterion of empathy, and the highest was determined for the quality criterion of material values. According to Boon-Liat and Zabid (2013) and Kinderis (2011), to ensure service quality the hotels ought to pursue general classification requirements. The suggestion for the improvement of hotel service quality was to carry it out across three levels, taking into account the improvement of process quality, result quality and structural quality throughout the influence of 'soft' and 'hard' service segments and the environment, or impact on them. Besides, it is appropriate to apply some measures more widely, such as the rules, lists of quality verification, mystery guests, personal inspections, expert consultations, perfect system of customers' service, meetings, methodologies for service assessment, etc. It is necessary to pay more attention to the improvement of the hotel's management itself, in particular to a general quality management and improvement of service supply culture, involving all employees of the enterprise in this process.

In the research performed it was determined (Boon-Liat & Zabid, 2013) that the higher the hotel category according to the star classification system, the higher the quality of services provided by them. The customer paying a higher price usually expects better quality, however, whether he remains loyal and stays in the same hotel again after having received the higher quality was not determined by this research. After the analysis of the already performed scientific research it may be claimed, that in the research of the correspondence between service quality criteria of the hotel industry and customers' expectations there is a high interest. It was not intended however to reveal the quality effect on customers' loyalty by these studies, and this is relevant, since it is not necessarily the higher gap between expected and received quality which will affect customers' loyalty.

METHODOLOGY

Study Area

ABEOKUTA WAS FOUNDED in 1830 after the intertribal wars ravaged refugees in Egba forest from their original homes between 1817 and 1830. The name of the town "ABEOKUTA" was derived from the protection which the fleeing settlers sought under the Olumo Rock, now a tourist center in the town. Abeokuta means 'the refugees under a rock', signifying the protection which the Olumo Rock offered the refugees from possible attacks. Each section settling in a separate quarter of the town. A strong system of relating with each other and general governance of the kingdom was later developed. At its peak, the Kingdom covered a vast expanse of land that stretched from River Oba on the North to Ebuta Metta on the South, Osun River on the East to Ipokia and River Yewa on the West. The four sections that formed the Egba nation are Egba Alake (Eku, Aarin and Agbeyin) Egba Oke Ona, Egba Gbagura, Egba Owu. Below are the study hotels used in this research work.

Green Legacy Resort

The green legacy was established in 2013 by the former president Olusegun Obasanjo. It is located near Olusegun Obasanjo presidential Library Complex along the presidential boulevard way, NNPC Bus stop, Oke-Mosan, Abeokuta, Ogun State. The luxurious 4-star resort offers breathtaking scenery with world class facilities over a large expanse of land.

The Green legacy Resort have 45 staff and 120 rooms that come in the categories of standard rooms, Deluxe, Easter package., family connecting room standard suite and the Ambassadorial suit. The Green legacy Resorts offer a wide variety of top-class hospitality facilities which include grand outdoor pools, a bar stocked with the fitness complemented by a well-equipped standard gym, event hosting facilities and a well-furnished conference room. Daktad Suites

Daktad Suites was established in the year 2010 by honorable Habeeb Ajayi. It is located at Majek Kembo close, off Quarry Road (post office), Ibarra, Abeokuta, Ogun State. It is close to the Nigerian postal service office in Abeokuta.

Daktad suite have 35 staffs and 47 rooms that are grouped into the exclusive rooms, classic rooms, elegance Room, Deluxe room, Royal Double, Executive mini-suite, VIP room and presidential suites.

Facilities at Daktad suites include an event hall, ample car parking space, regular power supply, restaurant with an array of excellent testing dishes plus complimentary breakfast service, a bar, a swimming pool and gym facilities.

IBD International Hotel Abeokuta

History of IBD Int'l Hotel

IBD International Hotel is a high-class hotel owned by Alhaji Ibrahim Dende Egungboun found at M.K.O. Abiola Way, Leme, Abeokuta, Ogun, Nigeria. It is in a serene environment and gives guests a unique lodging experience.

Categories of rooms at IBD International Hotel include the Standard, Deluxe, Executive and Presidential. These rooms are uniquely designed with wall arts and feature modern amenities such as full air-conditioning, a fridge, a telephone and an en-suite bathroom. IBD International Hotel also have 20 staffs has made a couple of awesome facilities available to its guests to ensure maximum comfortability. These facilities include: free Wi-Fi, 24 hours power supply, a swimming pool, free and adequate parking space, a fitness centre/gym for guests to engage in workout sessions, a restaurant that serves a wide range of delicacies from which guests can order from, and a bar that is well-stocked with both alcoholic and non-alcoholic drinks. Security is top notch at the hotel.

A couple of additional services like laundry/dry cleaning, 24-hour room service and airport shuttle are also available.

Jambed Hotel and Suites

Jambed Hotel and Suites is an affordable hotel in Abeokuta, Ogun. Located in a serene environment, Jambed Hotel and Suites is situated at Alowonle Adigbe Abeokuta. The hotel features a swimming pool, gym, and an event hall.

The hotel offers a range of rooms, all which are fully furnished with air conditioning, flat-screen TV with cable connections, a dresser, coffee table, armchairs and an ensuite bathroom. The onsite restaurant and bar serve a variety of meals and drinks. Guests can enjoy relaxing swimming sessions. All guests have access to the fully equipped gym.

The event hall is available for various occasions. Dry cleaning and room services are rendered on request. Onsite security personnel guard the premises and onsite parking is available. Check in - From 14:00. ID required

Check out - By 12:00

Payment - Cash, MasterCard, Visa accepted

Cancellation - Free cancellation

Pets - Not Allowed

Children - Babies and Kids under 8 stay free

Mokland Hotel

Mokland Hotel is a classic modern hotel located at 7, Oba Alake Road, Ibara GRA, Abeokuta, Ogun state, Nigeria. It features excellent features like a swimming pool, gym, spa and event facilities. All rooms are tastefully furnished, spacious, air-conditioned, fitted with satellite LCD televisions. It is also accompanied with high-speed Internet, safety deposit boxes and a private modern bathroom. These rooms are categorised into Mokland Annex, Super Double, Executive, Deluxe, Special Deluxe, Mokland Diplomat and Suite. The Suite comes with a VIP guest room and two spacious bedrooms. It offers superior comfort. If you adore a city view, you would love the Deluxe room which offers a

balcony with a view of the city. The rooms are spacious and stylishly furnished. It offers Free Wireless Internet. Guests have access to the swimming pool and are offered deck chairs.

Guests can also relieve stress by visiting the on-site spa. Mokland Hotel has a fully equipped gym with a personal trainer to help stay in shape. It also features event spaces for a variety of occasions like weddings, conferences etc. Excellent catering services and event facilities are provided. An array of cuisines can be ordered at the on-site restaurant that is opened 24/7. The bar offers a variety of drinks and food. Ample parking is available while security personnel guard the premises round-the-clock. Laundry/dry cleaning, 24-hour room service, concierge and car hire services are made available by the hotel on request.

Research Population

The population of this study was selected among the three study areas. The population involved selected respondent which have staff and guest in the hotel of Daktad Hotel, Green Legacy Resort, IBD International hotel, Jambed hotel and suites and Mokland Hotel. The population of the study consist of 20 respondents from each of the five hotels under study totaling 100 as the population.

Sample Size and Technique

The purpose of this research, the number of respondents (senior staff and junior staff) of Daktad, Green Legacy Resort and IBD International Hotel make up the population size while the sample size will be selected using Taro Yamen formula it is calculated thus:

$$n = \frac{N}{1 + N(e)^2}$$

n= sample size

N = finite population

I = constant

e = correction factor level (level of significance of error assumed to be 5% α 0.05 by Shawms,(2011).

Therefore,

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{100}{1 + 100(0.05)^2}$$

$$n = \frac{100}{1 + 0.25}$$

$$n = \frac{100}{1.25}$$

n = the sample size to be used is 80 Respondent Research Instrument

For the purpose of this research work, questionnaire method will be adopted to gather information from respondents of the study area and the questionnaire will be divided into two sections which are, section A and which entails the personal information of the respondents and section B includes the questions based on the impact of customer loyalty on organization performance in the hotel industry.

Data Collection

The data was collected with the aid of questionnaires; the questionnaire was divided into 3 section. The section A contains information on the socio-economic characteristics of the respondent, section B contains information on the respondent loyalty and section C contains information on the measure of organizational performance.

Data Analysis

The data collected was subjected to both descriptive and inferential statistics using statistical package for social science version (20.0).

RESULTS AND DISCUSSION

Results

Table 1 shows the socioeconomic characteristics of the respondents; it was revealed from the table that more than half (61.3%) of the respondents were male, 30.0% falls within the age range of 31-35 years, 37.5% had HND/BSC while 26.8% of the respondents earned 41000-50000 monthly respectively.

Table 1: showing the socio-economic characteristics of the respondent

Variable	Frequency	Percentage
Gender		
Male		
Female	49	61.3
Total	31	38.8
	80	100.0
Age		
18-25		
26-30	21	26.3
31-35	25	31.3
Above 36	24	30.0
Missing	9	11.3
Total	1	1.3
	80	100.0
Educational qualification		
SSCE	3	3.8
ND/NCE	27	33.8

HND/BSC	30	37.5
MSC/MBA	20	25.0
Total	80	100.0

Income		
10000-20000	10	12.5
21000-30000	19	23.8
31000-40000	15	18.8
41000-50000	21	26.8
above 50000	15	18.8
total	80	100.0

Source: field survey 2019

Table 2 shows the percentage distribution of customers' loyalty. It was observed from the table that about half (41.3%) of the respondents agreed that optimum customers loyalty patronage remains constant despite change in price, half (50%) of them agreed that customers loyalty will increase as long as the hotel provide quality service while 61. 3% strongly agreed that with an effective customer loyalty, hotels services remain the best despite competitors from other hotels. Also majority (60.0% and 61.3%) of them agreed that Customer loyalty increases emotional intelligences to the hotel environment and customer loyalty serves as an advertising medium in promoting hotel environment while more than half (51.3% and 55.0%) of the respondents agreed that customer loyalty enhances the cooperate image of hotel in public and Customer loyalty promote recommendation of hotels product among customers. 60% of them also strongly agreed that Customer loyalty serves as a pledge to the patronage of hotel product and services.

Table 2; percentage distribution of customers' loyalty

Variable	Frequency	Percentage
With optimum customer loyalty patronage		
remain constant despite change in price		
Strongly agree	19	23.8
Agree	33	41.3
Disagree	6	7.5
Strongly disagree	3	3.8
Undecided	19	23.8
Total	80	100.0
Customer loyalty will increase as long as the hotel		
provide quality service		
Strongly agree	19	23.8
Agree	40	50.0
Disagree	10	12.5
Strongly disagree	2	2.5
Undecided	9	11.3
Total	80	100.0

With an effective customer loyalty, hotel service remain the best despite competitors from other

hotels

Strongly agree	12	15.0
Agree	49	61.3
Disagree	13	16.3
Undecided	6	7.5
Total	80	100.0

Customer loyalty increases emotional

intelligences to the hotel environment

Strongly agree	13	16.3
Agree	48	60.0
Disagree	9	11.3
Strongly disagree	2	2.5
Undecided	8	10.0
Total	80	100.0

Customer loyalty serves as an advertising medium in promoting hotel environment

Strongly agree	15	18.8
Agree	49	61.3
Disagree	8	10.0
Strongly disagree	2	2.5
Undecided	6	7.5
total	80	100.0

Customer loyalty enhances the corporate image of hotel in public

Strongly agree	22	27.5
Agree	41	51.3
Disagree	10	12.5
Undecided	7	8.8
total	80	100.0

Customer loyalty promote

recommendation of hotels product among customers		23.8
Strongly agree	19	55.0
Agree	44	10.0
Disagree	8	3.8
Strongly disagree	3	7.5
Undecided	6	100.0
total	80	

Customer loyalty serves as a pledge to the patronage of hotel product and services		17.5
Strongly agree	14	60.0
Agree	48	10.0
Disagree	8	12.5
Undecided	10	100.0
Total	80	

Source: field survey 2019

Table 3 shows the percentage distribution of organizational performance. It was revealed that majority of them (68.8%, 76.3%, 82.5 and 73.8%) believed that attainment of customers loyalty influences competitive advantage of hotels in the competitive market, customers loyalty influences the survival of the organization in a competitive market, customer loyalty enhances the profitability index of the hotel business and that Customer loyalty serves as an advertising medium via brand loyalty to enhance organizational performance. Also 72.5% and 61.3 % accepted that customer loyalty enhances the profitability index of the hotel business and that Organizational expansion increases in sales high turnover.

Table 3: showing the percentage distribution of organizational performance

Variable	Frequency	Percentage
Does the attainment of customers loyalty influence competitive advantage of hotels in the competitive market?		
Yes	55	68.8
No	25	31.3
Total	80	100.0

Does customers loyalty influence the survival of your organization in a competitive market?

Yes		
No	61	76.3
total	19	23.8
	80	100.0

Does customer loyalty enhance the profitability index of your hotel business?

Yes	66	82.5
No	14	17.5
Total	80	100.0

Customer loyalty serves as an advertising medium via brand loyalty to enhance organizational performance

Yes	59	73.8
No	21	26.3
total	80	100.0

Has customers loyalty increased the wealth of the organization in anyways

Yes	58	72.5
No	22	27.5
Total	80	100.0

If yes, in what way

Organizational Expansion	22	27.5
Increase in sales	49	61.3
High turnover	9	11.3
Total	50	100.0

Source: field survey 2019

Figure 1 shows percentage distribution of organizational performance; it was revealed that about half of the organizations had good performance, 26% had average while 5% of the organization had poor performance respectively.

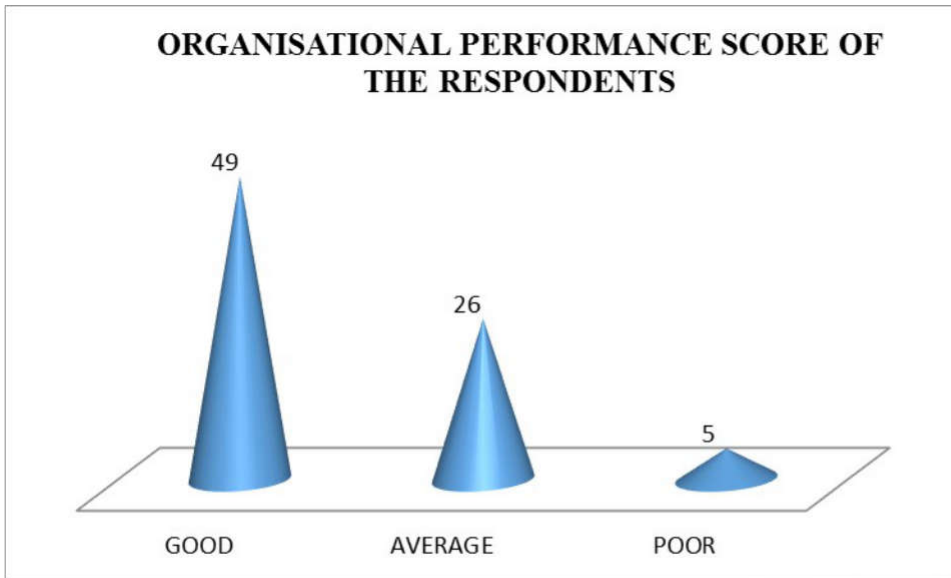


Figure 1; Organizational performance score of the respondents

Source: field survey 2019

Figure 2; shows the percentage distribution of the respondents. The table revealed that majority (61%) were very loyal, 31% were averagely loyal while only few (8%) were not loyal to their respective hotels industry.

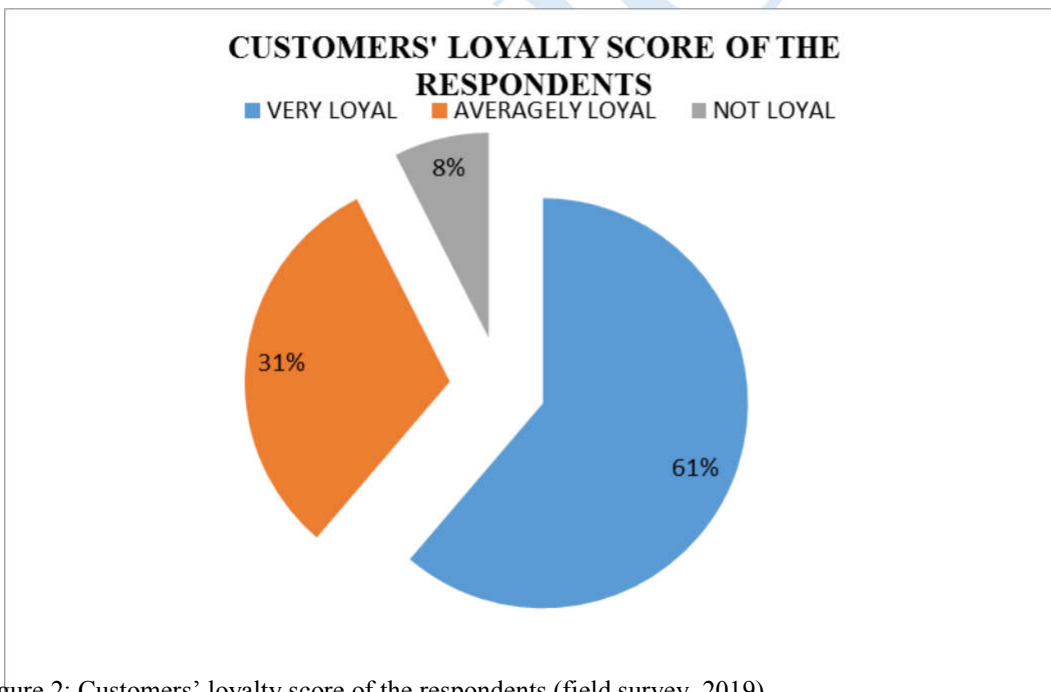


Figure 2; Customers' loyalty score of the respondents (field survey, 2019)

Table 4 shows the relationship between income of the respondents and their loyalty. It was revealed from the table that there was no significant relationship (p-value > 0.05) between income of the respondents and their loyalty.

Table 4; relationship between income of the customers and their loyalty

Variable	Very loyal	Averagely loyal	Not loyal	chi square	P value	Df
10000-20000	7	3	0			
21000-30000	10	8	1	6.795 ^a	0.559	8
31000-40000	11	2	2			
41000-50000	14	5	2			
ABOVE 50000	7	7	1			

Source: field survey (2019)

Table 5 shows the relationship between customers' loyalty and organizational performance. It was observed from the table that there was a significant relationship (p<0.05) between customers loyalty and organizational performance.

Table 5: shows the relationship between customers loyalty and organizational performance

Variable	Good	Average	Poor	Chi square	P-value	df
Very loyal	37	10	2			
Averagely loyal	10	13	2	11.461 ^a	0.02	4
Not loyal	2	3	1			

Source: Field survey 2019

DISCUSSIONS

Table 4.1 shows that majority of the respondent (61.3%) of the respondent were male 30.0% falls within the age range of 31-35yrs, 37.5% had HND/BSC while 26.8% earned between 41,000-50,000 monthly respectively.

It was reported by Oliver (1997) that customer loyalty is an important key to organization. Success and profitability, in line with this finding this study revealed that more than (61%) of the respondents were very loyal. The performance score of the respondents revealed that half (49%) of the organizations had good performance, 26% had average while 5% of the organization had poor

performance respectively. Also, there was a significant relationship (p -value <0.05) between customer loyalty and organizational performance in the study area.

Maranathan (2011) found out in their study that the ability of the organization to attract and retain customer is vital to its success. In line with the study conducted by Lach (2000) it was observed that the customer's that demonstrate the greatest level of loyalty towards the product of hotel services tends to patronize more often and spend more money hence, majority of the respondents(65.1) agreed that regardless of change in price, their patronage remain constant. It was opined by Ho (2009) that competition intensify during economic crisis and many firms are developing their loyalty programme to prevent customer from deviating to competitors' product. In line with this report, (76.3%) of the respondent agreed that with effective customer loyalty hotels service remain the best despite competitors from other hotels.

It was also revealed that there was no significant relationship [p -value (0.559) > 0.05] between income of the respondents and their loyalty. This implies that income does not justify the loyalty of a customer. Also, loyalty score of the respondents showed that (61%) were very loyal (31%) were averagely loyal while (8%) of the respondents were not loyal to their respective hotels.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This research work is to examine the impact of customer loyalty on organizational performance in the hotel industry. It was concluded that the socio-economic characteristics of the employee provide an insight to the understanding of customer.

However, it was concluded that customer loyalty contributes a greatly to organizational performance via customer repurchase effort, customer optimum loyalty to hotel brands and increase in sales volume etc.

It was also concluded that there is a positive and significant relationship customer loyalty and organizational performance.

Finally, it was concluded that socio-economic characteristics contribute to the effective attainment of customer loyalty.

Recommendations

Sequel to the findings the following recommendations were made;

- i. Management of the hotel should develop and continually deliver quality products and services to customers as product features which is likely to help consumers develop brand loyalty
- ii. Management of the hotel should tailor their production activities to engender loyalty to their brands by their consumers by implementing policies to motivate repurchase attitude of their customers.
- iii. Management should consider giving out rewards in the form of recognitions and gifts to help build customer loyalty and should be adopted by companies.
- iv. Customer care and relationship management should be further strengthened so that employees and customer grievances can be quickly solved to avoid a gap that may want customer to test other brands when they experience disequilibrium.
- v. Management of the hotel must focus on those attributes of trust which consumers' use to judge the trustworthiness of the services offered.
- vi. Hotel management should enhance its customer relationship management, which can also keen the customers to optimum loyalty to organizational product.

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