

## THE IMPACT OF CUSTOMER SERVICE AND CUSTOMER SATISFACTION ON HOTEL PATRONAGE OF SELECTED HOTELS IN OSUN STATE

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### **Abstract**

The hospitality industry's competitive nature requires exceptional customer service to improve guest satisfaction, loyalty, and repeat patronage. The study explores the influence of customer service quality and customer satisfaction on hotel patronage in Osun State, Nigeria. Using a survey research design, data were collected via a structured questionnaire from 351 respondents selected via simple random sampling. Regression analysis was used to examine the relationships among the variables. The findings show a significant positive correlation between customer service quality and hotel patronage ( $B = 0.240$ ,  $t = 4.715$ ,  $p < 0.001$ ) and a significant positive effect of customer satisfaction on patronage intent ( $B = 0.142$ ,  $t = 2.375$ ,  $p = 0.018$ ). The results also showed a positive correlation between service quality and customer satisfaction. Although customers exhibited loyalty, they encountered issues such as inconsistent service delivery and insufficient staff training. The study concludes that quality service and customer satisfaction are important to patronage in the hospitality industry. The study therefore recommends

consistent staff training, investment in technology to create personalised experiences, and proactive strategies to address service failures.

**Keywords:** Customer Service, Customer Satisfaction, Hotel Patronage

### **1. Introduction**

Globally, the hospitality industry is one of the most rapidly expanding sectors, and it plays an important role in the growth of the economy, society, and the advancement of cultural exchange among people worldwide. The industry is divided into about three sectors: accommodation, food and beverage, and tourism. The accommodation sector of the hospitality industry provides accommodation services to guests, which may or may not include other services such as food and beverage, depending on the type and size of the accommodation. There are various types of accommodation, including hotels. Hotels are central to the hospitality industry, operating in a highly competitive landscape where the quality of customer service and overall satisfaction are critical to building loyalty, encouraging repeat patronage, and generating positive recommendations (Abdullah & Othman, 2019; Anwar & Abdullah, 2021). Beyond merely providing lodging, hotels are service-oriented enterprises that must address a wide range of customer needs to stay competitive. As reported by the National Bureau of Statistics (2023), the

accommodation and food services sector experienced 2.9% real GDP growth in Q2 of 2023, indicating a recovery after the COVID-19 pandemic.

Despite growth and recovery rates, some hotels grapple with ongoing issues such as insufficient staff training, inconsistent service quality, and inadequate facilities, which adversely affect customer satisfaction and deter repeat visits.

Prior research has shown that service quality is a fundamental factor in determining satisfaction and loyalty in the hospitality industry. The SERVQUAL model, proposed by Parasuraman et al. (1988), includes dimensions such as reliability, responsiveness, empathy, assurance, and tangibles as essential components of service provision, while studies in Nigeria indicate that empathy and reliability have particularly strong effects on guest loyalty (Nwokorie, 2021). Furthermore, the proliferation of digital platforms has heightened the importance of customer satisfaction, as online reviews increasingly influence hotel selection (Marchant, 2023). Just one negative review can discourage prospective guests, highlighting how lapses in service can undermine long-term business success.

Despite the growing literature, evidence is scarce on the interplay among customer service, satisfaction, and hotel patronage in Osun State. Much of the current research either generalises findings across Nigeria or focuses predominantly on upscale hotels in major cities such as Lagos and Abuja (Adeniji, 2021). Given

Osun State's pivotal position as a centre for culture and tourism, a targeted investigation is essential to understand the specific service-related factors impacting hotel patronage in this area.

This study aims to explore how service quality influences customer satisfaction, how service quality affects hotel patronage, and the extent to which customer satisfaction drives repeat patronage in selected hotels in Osogbo and Ede, Osun State. By analysing these interconnected aspects, the research endeavours to provide a more comprehensive understanding of the dynamics that foster loyalty and sustainable growth within the hotel sector.

This contribution is both theoretical and practical. Theoretically, it enhances scholarly discourse on service quality in developing hospitality markets by applying the SERVQUAL framework to the Nigerian context. In practice, it delivers evidence-based insights for hotel managers and policymakers on how to enhance service delivery, specifically regarding staff responsiveness, training, and customer care. By elevating customer satisfaction and loyalty in this manner, it can bolster the competitiveness of Osun State's hospitality industry and help achieve its broader tourism and economic development objectives.

## **2. Literature Review and Theoretical Framework**

### **Customer Service and Customer Satisfaction**

Customer service is acknowledged as a vital factor influencing guest experiences

and their loyalty in the hospitality industry. It includes elements such as responsiveness, empathy, professionalism, and the ability to meet or surpass customer expectations (Schramm-Nielsen et al., 2018). Satisfaction is achieved when the actual service performance meets or exceeds the anticipated expectations (Oliver, 1980). Previous research indicates that perceptions of quality are significantly affected by staff friendliness, responsiveness, and reliability (Nwokorie, 2021; Ogunnaike et al., 2024). In Nigeria, where the hospitality industry is still developing, delivering effective customer service is especially crucial for maintaining loyalty and encouraging repeat business.

### **Hotel Patronage and Loyalty**

Hotel patronage, defined as the repeated utilisation of hotel services coupled with a guest's emotional or behavioural commitment, is the lifeblood of the hospitality industry. This concept, as foundational marketing theorists like Kotler and Armstrong (2007) assert, moves beyond transactional stays to encompass a sustained relationship between guest and establishment. At its core, this relationship is bifurcated into two interconnected yet distinct dimensions: attitudinal loyalty, rooted in psychological bonds of trust and satisfaction, and behavioural loyalty, evidenced by concrete actions such as repeat visits and referrals. The cultivation of both forms of loyalty is not serendipitous; a hotel's service quality fundamentally drives it. Evidence from

seminal works by scholars such as Buzzell and Gale (1987) and Zeithaml, Berry, and Parasuraman (1996) consistently demonstrates that dimensions such as empathy, reliability, and responsiveness are the primary drivers of guest allegiance. This dynamic plays out with particular nuance in markets like Nigeria, where research by Okoli and Azuh (2016) underscores reliability and responsiveness as paramount, highlighting the critical need for consistent, high-quality service delivery to foster loyalty.

Attitudinal loyalty represents the "heart" of the guest-hotel relationship. It is an affective state, an internalised preference and commitment that forms the psychological bedrock for long-term patronage. As loyalty expert Frederick Reichheld (2013) elucidates, this dimension transcends mere satisfaction. A satisfied guest is one whose expectations were met; a loyal guest has developed trust, emotional attachment, and a favourable brand perception that resonates on a deeper level. This loyalty is cultivated through experiences that make the guest feel genuinely valued and understood. It is the feeling a guest has when they identify a hotel as "their" place, a haven of familiarity and comfort in an unfamiliar city. Attitudinal loyalty is what insulates a hotel from competition; when a guest is psychologically committed, they are less likely to be swayed by minor price differences or promotional offers from rivals, as their choice is rooted in emotion and trust rather than pure utility.

### Theoretical Framework

This research utilises two fundamental theories. The SERVQUAL model (Parasuraman et al., 1988) provides a framework for evaluating service quality across five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. This model is frequently applied in the hotel industry to identify discrepancies between customer expectations and their actual experiences. The Expectancy-Disconfirmation Theory (Oliver, 1999) complements this by suggesting that satisfaction occurs when actual performance meets or exceeds prior expectations. Together, these theories illustrate how service quality influences customer satisfaction and subsequent patronage.

Numerous studies conducted in Nigeria have explored the relationship between service quality and its effects on satisfaction and patronage. John and Adebayo (2021) demonstrated that all five dimensions of SERVQUAL significantly influence guest satisfaction in hotels in Abuja, with reliability proving to be the most critical factor. Additionally, Uwabor et al. (2021) identified responsiveness as the key driver of satisfaction in resort hotels. Isiaka et al. (2024) found generally low satisfaction rates in hotels located in Abeokuta, pointing out deficiencies in tangibility and confidentiality. In Port Harcourt, Charles-Davies (2022) emphasised empathy and assurance as essential elements in driving satisfaction. Research beyond Nigeria underscores the importance of responsiveness, effective

complaint management, and technology adoption in fostering guest loyalty (Han et al., 2009; Jiang & Kim, 2015).

Although the current study validates the significance of service quality in influencing satisfaction and loyalty, there are still notable gaps. Many studies in Nigeria focus on specific cities (e.g., Abuja, Port Harcourt, Umuahia) and rarely address rising tourist destinations like Osun State. Few investigations examine the combined effects of service quality and satisfaction on long-term patronage intentions, nor do they consider how challenges such as inconsistent staff training and service recovery impact loyalty. This study aims to fill this gap by analysing hotels in Osogbo and Ede, merging the SERVQUAL model and Expectancy-Disconfirmation Theory to empirically assess how service quality and satisfaction can predict repeat patronage. The anticipated results are intended to assist managers in enhancing service delivery and strengthening the competitive edge of the hospitality industry in Osun State.

### 3. Methodology

This study utilised a survey research design, appropriate for exploring relationships among variables in a real-world context (Creswell & Creswell, 2018). This design facilitated the acquisition of quantitative data regarding customer service, customer satisfaction, and hotel patronage. The research took place in Osun State, concentrating on Osogbo and Ede due to their significance in tourism and hospitality. Four hotels

were deliberately selected: Royal Spring Hotel and Regina Suites Hotel in Osogbo, and Western Sun International Hotel and Palmcrest Hotel in Ede. These establishments were chosen for their large clientele and their importance within the state's hospitality industry.

The study population consisted of hotel guests from the selected hotels. A sample of 351 respondents was selected using simple random sampling to ensure every customer had an equal opportunity to be selected (Taherdoost, 2016). This sample size was deemed sufficient to provide trustworthy estimates for the analysis.

Data collection was carried out using a structured questionnaire divided into sections covering demographics, service quality, satisfaction, and intentions to patronise. The instrument utilised a five-point Likert scale, which is commonly used to assess attitudes and perceptions in hospitality research (Joshi et al., 2015).

Content validity was established through expert evaluation in hospitality and research methodology. A pilot study was conducted outside the main study area, necessitating modifications. Reliability was verified using Cronbach's alpha coefficients, all of which exceeded the 0.70 threshold suggested by Nunnally and Bernstein (1994), indicating internal consistency.

The data were coded and analysed using descriptive statistics to summarise demographic details, while Pearson correlation and regression analyses were applied to examine relationships among customer service, satisfaction, and hotel patronage. Regression analysis is particularly suitable for evaluating

predictive relationships in hospitality research (Tabachnick & Fidell, 2019). A statistical significance level of 0.05 was established. Ethical standards were rigorously maintained. Participants provided informed consent before participating in the study, and assurances of anonymity and confidentiality were maintained throughout data collection and reporting.

#### 4. Results and Discussion

##### Respondent Profile

Of the 360 questionnaires sent, 351 valid responses were received, yielding a response rate of 97.5%. The predominant demographic among respondents was male, comprising 84% of the total. A significant proportion, 58%, belonged to the 30–39-year age group. In terms of marital status, 44% were married, 30% identified as single, and 26% reported being divorced. As for educational background, 73% of participants had completed postsecondary education (37% with a BSc/HND and 36% with an MSc/MBA/PhD), suggesting that the clientele of hotels in Osun State mainly consists of educated, middle-aged individuals. This finding is consistent with previous studies in Nigerian hospitality that have found that higher levels of education and income are associated with increased hotel patronage.

**Table 1**

*Demographic Profile of Respondents (N = 351)*

Variable	Frequency	Percentage (%)
<b>Gender</b>		
Male	295	84.0

Female	56	16.0
<b>Age (years)</b>		
Below 20	7	2.0
20-29	28	8.0
30-39	203	58.0
40 and above	113	32.0
<b>Marital Status</b>		
Single	105	30.0
Married	154	44.0
Divorced	92	26.0
<b>Educational Level</b>		
OND/ND	96	27.0
BSc/HND	130	37.0
MSc/MBA/PhD	125	36.0

**Source:** *Field Survey (2025)*

**Regression and ANOVA Results**

To evaluate the study hypotheses, regression analyses were performed. Service quality was found to be a significant predictor of customer satisfaction ( $B = 0.24, t = 4.72, p < .001$ ), while customer satisfaction had a notable impact on hotel patronage ( $B = 0.14, t = 2.38, p = .018$ ). However, service quality did not directly affect hotel patronage ( $F = 1.39, p = .194$ ). Additionally, the ANOVA outcomes supported the notion that the relationship between satisfaction and patronage was statistically significant ( $F = 9.35, p < .001$ ).

**Table 2**

**Regression Results for Service Quality, Satisfaction, and Patronage**

Relationship Tested	B	t	F	Sig. (p)	Result
Service Quality	0.24	4.72	7.94	.000***	Significant
Satisfaction					
Satisfaction patronage	0.14	2.38	9.35	.018*	Significant
Service Quality Patronage (Direct)	0.20	3.50	1.39	.194	Not Significant

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

**Source:** *Field survey (2025)*

**Discussion of Findings**

The findings suggest that customer service quality plays a crucial role in boosting satisfaction; however, it does not necessarily lead to increased repeat visits. This observation reinforces the SERVQUAL framework (Parasuraman et al., 1988), which highlights that elements such as responsiveness, empathy, and assurance are key factors in achieving customer satisfaction.

Cleanliness and perceived value for money were identified as essential contributors to satisfaction, aligning with Ko et al. (2023), who recognised hygiene as a determinant of customer loyalty in the hospitality sector.

Additionally, the role of satisfaction as a mediator between service quality and customer patronage reflects the conclusions of Priyo et al. (2019), who asserted that customer satisfaction is the primary mechanism through which service quality affects loyalty. Nevertheless, the lack of a direct link between service quality and patronage aligns with the observations of Lockyer (2005) and Yoon and Uysal (2005), who indicated that factors such as pricing, amenities, and brand reputation often have a greater impact on repeat patronage than service quality alone.

In summary, the findings illustrate that while enhancing service quality is essential for improving customer satisfaction, hotels in Osun State should also focus on competitive pricing, modern amenities, and robust branding strategies to maintain customer loyalty and patronage.

## 5. Conclusion and Recommendations

This study presents empirical findings indicating that customer service quality and customer satisfaction are fundamental factors influencing hotel patronage in Osogbo and Ede, Osun State, with customer satisfaction acting as a crucial mediator between service quality and repeat patronage. The results reveal that responsiveness, empathy, and reliability are the most significant aspects of service quality. Although customer service improves satisfaction, it does not automatically lead to repeat patronage, underscoring the importance of additional elements such as pricing, location, amenities, and brand reputation in fostering customer loyalty.

Based on these findings, the following recommendations were offered for hotels in Osun State:

- i. Ongoing Staff Training: Establish regular training sessions that concentrate on communication, empathy, and problem-solving skills to improve customer interactions.
- ii. Enhancement of Service Quality: Uphold high standards of cleanliness and maintenance throughout all guest areas to provide a safe and enjoyable experience.
- iii. Customer Feedback Mechanisms: Carry out regular satisfaction surveys and service evaluations to assess guest perceptions and inform data-driven improvements in service.
- iv. Digital Engagement: Leverage digital platforms to create personalised guest experiences, streamline complaint resolution, and enhance online customer interaction.

v. Pricing Approaches: Formulate competitive and transparent pricing strategies that reflect the value provided, thereby improving customer satisfaction and loyalty.

vi. Management of Brand Reputation: Foster a favourable brand image through consistent service quality, effective marketing, and encouragement of positive word-of-mouth recommendations.

Implementing these strategies could strengthen customer loyalty, boost repeat patronage, and support the sustainable growth of the hospitality and tourism industry in Osun State.

This research contributes to the hospitality management literature by offering empirical insights into the relationships among service quality, customer satisfaction, and hotel patronage in the Nigerian context. By affirming SERVQUAL dimensions in hotels in Osun State, it emphasises the cultural and contextual factors that influence guest expectations and behaviours, laying the groundwork for future research in developing economies. Future research could expand this study beyond the hospitality sector to include other industries, such as banking, telecommunications, and insurance, for broader comparisons. Integrating digital and technological aspects, including AI-assisted customer service, virtual reality experiences, and online reputation management, can yield a more comprehensive understanding of service quality. Comparative studies across regions, mixed-methods or longitudinal approaches, and explorations of human

resource practices such as training, recognition, and emotional labour management are advised to capture the evolving customer experience and create culturally sensitive service quality models.

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