

**IMPACT OF PROMOTIONAL STRATEGY ON THE
HOSPITALITY INDUSTRY**

(A CASE STUDY OF KWARA HOTEL ILORIN)

BY

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HND/23/MKT/FT/0127**

**BEING A RESEARCH PROJECT SUBMITTED TO THE
DEPRTEMENT OF MARKETING, INSTITUTE OF FINANCE
AND MANAGEMENT STUDIES, KWARA STATE
POLYTECHNIC, ILORIN**

**IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE
AWARD OF HIGHER NATIONAL DIPLOMA (HND) IN
MARKETING**

CERTIFICATION

This is to certify that this project has been read and approved as meeting the requirement for the award of Higher National Diploma (HND) in Marketing, Institute of Finance and Management studies, Kwara State Polytechnic, Ilorin.

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DEDICATION

I dedicate this project to Almighty God, The universal sovereign for making it possible for me to complete this work successfully.

ACKNOWLEDGMENT

I appreciate Almighty God who has given me strength, wisdom program and end it in peace, happiness and good health.

My gratitude goes to my supervisor MR DARE ISMAIL for his assistance, supervision and guiding toward my written, I pray to almighty God to uplift them in all their endeavor.

I also acknowledge the numerous parents MR AND MRS. YAKUBU for their support, financially and spiritually, may God spare their life to enjoy the fruit of their labour.

Finally I return all my praise and thankful to Almighty God throughout my program. Glory be to God.

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ABSTRACT

This study examined critically the impact of promotional strategy on customers patronage in hotel industry. In order to achieve the objectives of this work, three independent hypotheses were formulated and subsequently subjected to differing test to ascertain the effects of promotional strategy on customer patronage, also effect of word of mouth advert on the choice of hotel by customers. Also, it also established the differences in the reactions of consumers to different promotional activities used by hotel. In order to empirically ascertain the findings of this research and to achieve the objectives stated at the beginning of this work, primary data were collected through the administration of questionnaires to a total of 220 respondents among the accessible Kwara Hotel customers. Out of the total 220 administered, 200 were fully answered and retrieved while the remaining 20 were not retrieved. The data obtained were analyzed using descriptive statistics for demographic ones and inferential statistics (Pearson Moment Correlation, simple linear regression, , and test between the subject effects) for operational ones. This study examined the impact of promotional strategy on customer patronage in Hotel Industry with particular interest in Kwara Hotel as its case study. During the course of this study with the data analysed, hypotheses tested and findings discovered, the study therefore concluded that: There is a significant effect of promotional activities on customer's patronage The word of mouth advert has significant effect on the choice of I-Jotel by the customers, and There is significant difference in the reaction of customers to promotional activities

Keywords: Promotional Strategy, Hospitality, Kwara Hotel

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Every organization needs to have clear marketing objectives as the major route to achieving organizational goals. In marketing, promotion is a function of performance which cannot be achieved without customers patronizing the organization, a company success depends on how promotional strategies are used to achieve marketing objectives, which will result in effective performance.

To achieve a set of organizational goals and objectives, companies conceptualize, design and implement various marketing strategies. These strategies can be corporate, business, operational or functional. Promotional strategies constitute one of the functional strategies for application by any hospitality industry in order to enhance business performance and ensure customer patronage.

Promotional strategy is important for the success of any organization, whether service or product-oriented. Promotional strategy is a method by which needs, attributes and competitors' products are assessed and the firm concentrates its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.(Nymous, 2006).Promotional strategy focus on delivering greater value to customers and the firm at a lower cost however, quantifying the return on investment form marketing expenditure on activities such as advertising. Promotion and distribution is one of the most complex issue facing decision markers.

In order to measure promotional strategy effectiveness, a business has to break down its marketing function into constituent parts, along with a mechanism through which to analyze the interaction between those parts. By doing this,

decision-makers will finally be in a position to relate marketing expenses to shareholders value and to understand how to tie marketing initiative back into the value created for the company. Decision-makers will be able to understand the internal motives that propel the marketing value of business.

Promotional strategies in hospitality industry serve as the fundamental components of marketing plans designed to fill market needs and reach marketing objectives. Promotional strategy involves careful scanning of the internal environmental factors including marketing mix, plus performance analysis and strategic constraints. While external environmental factors include customer analysis as well as evaluation of the element of technological, economic, cultural or political legal environment likely to impact success.

Promotional strategy in hospitality industry in Nigeria is basically designed to direct the flow of hotel and tourism services profitably to target customers. The need for an effective promotional strategy stems from intense competition, not just from hotels but other hospitality industries. Therefore hotels strategize their promotion to create customer value as well as to establish customer need and to provide needs, in-order to add more value to their service and gain competitive advantage.

However, there are challenges in measuring promotional strategies in relations to productivity. Indeed several researchers indicate that there is gap in this regard (Okoh, 2009).

Promotion is that pail of communication that consists of company messages designed to stimulate awareness of interest in, and purchase of its various products and services. Companies use advertising, sales promotion, salespeople, and public relations to disseminate messages designed to attract

attention and interest. Promotion cannot be effective unless it catches people's attention.

Promotion in marketing involves the design and communication of information about the existence, the nature and the usefulness of a business organization and or its product or service to a given market audience or the society at large. Through promotional activities, an organization is intricately interwoven with its products. Additionally, a business organization through promotion creates for itself the desirable impression in the minds of its customer, the organisation and its community. Buyers patronize products or services because of their beliefs in the qualities of the products as well as having confidence in the ability of the firm to make reliable and functional product or services.

As an economy shifts from the relative scarcity to comparative abundance, as both the number of consumer and the number of producers grew, more so, competition for customer's money intensified, a need emerged for planned, controlled marketing communications.

Over the years, the transmission of information about products to potential buyer in a manner- designed to prompt positive action has grown increasingly sophisticated. Marketers have developed good ways to communicate and have also learnt to identify and segment market. Marketers have made intensive studies of the motivation and buyers psychology or consumer behaviour and have come to rely increasingly on marketing research as opposed to hunches. Also, marketer have come to depend on planned communication to arouse attention, stimulate interest, generate desire and motivate action. Most firm no longer operate on the principle that all you need is a good product" to make sales. Modern marketing

therefore, calls for more than developing a good product, pricing it attractively and making it available to target customers.

Organization or marketing organization manages a complex marketing communication system. The organization communicates with its middlemen, customers and public. To communicate well, organization hires advertising agencies to develop effective advert, sales promotions specialist to design sales incentive programme and public relation firms to develop their corporate image. They train their sales people to be friendly, helpful and persuasive. For many organizations, the question is not whether to communicate, but know how much to spend on communication and in what ways. Even then, there is a question of effectiveness. It is one thing to create awareness, another to draw sustained attention, and still another to trigger action. Attention is to get someone to spend time focusing on something. But whether this leads to taking action is another question.

1.2. Statement of Research Problem

Hotel has arisen to a very high level in our country. thou it's still under development as compared with other nation's growth and development in the hospitality industry, we have this challenge facing it, the issues of promotional strategy, promotion being strategically a means of promoting products and services to the target customer, has not been effectively employed in the hospitality industry, when a customer seeks to find a destination do not get within the country because the places of attraction, recreation, relaxation, refreshment, and comfort are not available as an option to him when he seeks for them due to poor promotional activities, the issue of word of mouth as it impact customer patronage has not been considered by most researchers .

Although several promotional strategies are conducted each year by companies, promotion managers are frequently confronted with, the challenge of defending the question of the impact of promotions activities on customer patronage of hospitality industry. Also, due to budgetary constraints the hotel cannot meet with the necessary requirements needed to facilitate their promotional activities. There is also no special training or course for the staffs so as to effectively promote the services the hotel is rendering which will in return affect the level of customer patronage.

1.3. Research Question

The problems identified in this research are stated as questions that will be answered in this research as follows.

This research shall provide answers to the following questions which are;

- i. What are the promotional activities used in Kwara Hotel that the customers are aware of?
- ii. What are the effects of the promotional activities on Kwara Hotel's customer patronage?
- iii. Do word of mouth advert have any impact on the customer's choice of hotel?
- iv. Do customers have different reactions to the promotional activities used by Kwara hotel?

1.4. Objective of the Study

The main objective of this study is to examine the impact of promotional strategy on the customers of Kwara hotel; while the specific objectives are to:

- i. examine the promotional activities of Kwara Hotel that customers are aware of;

- ii. assess the effects of the promotional activities on customers' patronage of the Hotel:
- iii. determine the effect of word of mouth advert in the choice of hotel by the customers.
- iv. evaluate whether there is significant difference in the reaction of customers to promotional activities

1.5. Hypotheses of the Study

- i. **H₀₁:** There is no significant effect of promotional activities on customer patronage
- ii. **H₁₁:** There is significant effect of promotional activities on customer patronage
- iv. **H₀₂:** Word of mouth does not have any significant impact on the choice of hotel by customers
- iv. **H₁₂:** Word of mouth has significant impact on the choice of hotel by customers
- v. **H₀₃:** There is no significant difference in the reaction of customers to promotional activities.
- vi. **H₁₃:** There is significant difference in the reaction of customers to promotional activities

1.6. Significance of the Study

The significance of the study includes the depth knowledge that will be acquired and also provide an insight into the effectiveness of the promotional strategies adopted by the organization. the importance of promotional activities will and how it affects customer patronage will also be looked at. Also to consider the role of the management of Kwara hotel in ensuring the effective promotion of

the services it is rendering are of acceptable prices so as to give customer the / desired level of service and satisfaction.

However, after completion of this research work, the organization of Kwara hotel and all other hotels in Kwara state is expected to identify some basic problems and the anticipated problem that could be envisaged in the future. Having in mind that this research work would provide some workable and realistic solution and also give other researchers guidelines as to do their work. It also gives room for further research when necessary.

1.7. Scope of the Study

The research is exclusively restricted to Kwara hotel organization at Ilorin, Kwara state. This research work will cover the impact of promotional tools on customers' patronage in terms of advertising, awareness, absolute price difference, balance strategy, broad cast advertising, chatter, competitive advantage, competitive, coupon, discourage retention strategy, marketing, marketing mixes. pricing, promotional publicity, strategy etc. therefore, due to time constraint and to make researcher's work easy, advertising, sales promotion, publicity and word of mouth in particular would be more focused on in this work.

The purpose for selecting this organisation alone is to ensure easy data collection and to obtain fast responses from the respondents at a reduced cost. Therefore, the study covers hotel patronage in Ilorin metropolis, as it is almost impossible to visit all the towns and villages in Kwara state. The study will also be limited to a year.

1.8. Definition of Terms

Advertising: Non personal promotional activities that are paid for by one or more sponsors.

Awareness: A means of measuring factors having to do with advertising campaigns, such as creating awareness of a new project.

Absolute price difference: The price difference in absolute terms as compared with the price originally charged prior to a change.

Balancing strategy: A marketing strategy in which the firm seeks to balance revenue cost flows to achieve desired profit and market share.

Broadcast advertising: Advertising is one in television or radio.

Chatter: The promotional environment in which the buyer is presented with so many choices that is difficult for one promotion to stand out from the others.

Competitive advantage: An advantage that a firm can offer over a competitive firm.

Competitive: Organization was competing with the firm for business or the acceptance of ideas, product or services.

Coupon: A direct response device used for ordering or inquiring about a product or service. Also a promotional device used to promote increase in sales through price discount or other form of special purchase offer.

Discount Pricing: Pricing at a discount when ordered in large quantities or under other special circumstances determined by the seller.

Free offer: Free items given in return for purchasing a product. Goodwill: An advantage that a marketer has acquired due to his past performance of actions, which goes beyond the product or services sold.

Maintenance strategy: A strategy of maintaining firm's position in the market.

Marketing: The process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual (customer or consumer) and organizational objective.

CHAPTER TWO

LITERATURE REVIEW

This chapter on literature review will try to discuss promotion intensively. The chapter will also discuss the promotional strategies (each of them in details). Such promotional strategies include advertising, sales promotion, personal selling, public relation, publicity, word of mouth. It also look at the concept of service industry with the marketing mixes used for these service industries

2.1 Conceptual Review

2.1.1 Promotion

Cole (2011), defines promotion as “the means used in bringing customers from a state of relative unawareness to a state of actively adopting the product”. It is a means of communicating with individuals, groups, or organizations to directly or indirectly facilitate exchange of information and persuading one or more audience to accept an organization &s product. Ross (2011), defines promotion as the total marketing communication programme of a particular product. Adebisi (2006) also defined promotion as any marketing effort whose function is to inform or persuade actual or potential consumers about the merit a product possess for the purpose of inducing a consumer to either start buying or continue purchasing the firm’s product advertisement, sales promotion, personal selling, direct marketing, public relations and publicity can influence what consumers think about products, what emotions they experience in purchasing and using them and what behaviour they perform including shopping in particular stores and purchasing specific brands (Ibojo & Ogunsiji, 2011). Since consumers receive so myth information from marketers and screen out a good deal of it, it is important for marketers to devise

communications that offer consistent messages about their product and place them in media that consumers in the target market are likely to use. This is because marketing communications play a critical role in informing consumers about products and services including where they can be purchased and in creating favourable images and perceptions. Modern marketers are pushing prices high to finance heavy promotion budgets. Recent estimates indicate that consumer packaged goods manufacturers allocate fully 58% of their marketing expenditure towards promotion, (Low & Mohr, 2006).

Some organization such as Kwara hotel used promotion to expand their market and to present a corporate viewpoint on a public or particular issue. Most sources identify the specific promotional objectives or goals of providing information, increasing sales, positioning product and stabilizing sales.

To generate profit over an extended period, a company must establish a significant lasting value for its products or services in the minds of important segment of customer. Value alone is not enough: customer must be convinced that the product or services is worth its price.

The management of a company has to determine what contribution of advertising, sales promotion, personal selling, public relation and publicity will make the most effective promotional mix, promotional mix is the unique blend of controlled marketing communications that a firm utilized for each know exactly how much the advertising or any other, promotional tools will help achieve the goals of their sales programme.

2.1.2 Concept of Promotional Strategy

A promotional strategy encompasses all communication efforts aimed at generating sales or building a favourably attitude for an organization itself for

example. even the most useful and want satisfying product will be a marketing failure, if no one knows it is available, and therefore, a basic purpose of promotion is to disseminate information to let potential customer know about it.(Dueze, 2001). Despite being widely used in the management sphere. Promotional strategy has scarcely been explored in the academic field. Alvarez & Casielles, (2005); D'Astous & Landreville, (2003). The widespread use of consumer promotions in product management has sparked considerable debate over their effectiveness, Critics argue that promotions are ineffective as they make consumers more promotion prone, resulting in market share losses in the long run. Ehrenberg, (1994); Totten & Block, (1987). Meanwhile, the term “promotion” means different things to many people depending on the context and discipline being used. Thai is, the concept is used ordinarily here to mean an element of a “marketing mix’

2.1.3 Importance of Promotion Activities

(Hall,1990) Promotional activities is very important because it will help an organization to know the nature of the market, the amount of money available for promotion, the nature of the product, the state of the product life cycle etc.

The nature of the market can influence the use of a promotional mix that could be seen in the following cases:

a. Geographical scope of the market: Personal selling may be more effective and adequate-in a small local market, but as the market broadens geographically a greater stress must be placed on advertising.

b. Types of customers: the promotional strategy is influenced by whether the business is aiming it sales campaign at industrial user, household consumers or a middlemen. In a particular case study, the organization will center their promotional strategy or sales campaign on the visitors in

the state, tourists and some patroness within the state during holidays and weekends. (Casielles, 2005).

c. Concentration of the market: The total number of prospective buyers is one consideration. The fewer potential buyers there are the more effective personal selling compared to advertising. (Duncan, 2008).

Lack of money may force a company to use a less efficient promotional strategy regardless of what may be the most desirable promotional mix. Also, the nature of the product or service affects the promotion tool to use because consumer products and industrial goods for example, frequently require different strategies.

The state of the product life cycle also affects the choice of a promotional strategy. Both of the promotional strategies applies to different stages of the product life cycle say the introductory, growth maturity and decline stages. Therefore, the promotional activities is very important in developing or organization product (Knoppers, & Ellings, 1998).

2.1.4 Reasons why Organization have to carry out Promotional Activities

There are many reasons why organizations have to carry out promotion activities. In the first place as the distance between producers and consumers increases, and as the number of potential customers grows, the problem of market becomes significant. In our economy want satisfaction has generally replaced the necessity of fulfilling only basic psychological requirements. Consequently, customers are very selective in their buying choices and a promotion” communication programme is needed to reach them.

Therefore, a marketer needs to understand how communication works. Communication involves the following nine elements. Two of those elements are the major parties in communication sender and receiver. Another two are the

major communication tools message and media while the other four are major / communication tools message and media while the other four are major communication tools message and media feedback. The last element is noise in the system. (Source:<http://bizcommunicationcoach.com/elements-ofcommunication-process-in-business/>)

2.1.5 Advertising

Evolution of Advertising

Advertisement goes back to the very beginning of recorded history archaeologist working in the countries around the Mediterranean Sea have dug up signs announcing various events and offers. The roman painted walls to announce gladiator fights. and the Phoenician painted pictures promoting their wares on large rocks along parade routes. A prime wall painting praised a politician and asked for the people's roles.

Another early form of advertising was the town crier. During the golden age in Greece. Town crier and the sales of slaves, cattle, and other goods. An early 'singing commercial' went as follows: for eyes they were shining, for cheeks like the down for beauty that last after girl hood is gone for prices in reason, the woman who knows /will by her cosmetic of Aesclepios". Another early advertising form was the mark that trades people placed on their goods such as pottery.

As the person's reputation spread by word of mouth, buyer began to look for his special mark, just as trademarks and brand names are used today. Over 1000 years ago in Europe, Osnabruck linen was carefully controlled from quality 1 and commanded a price 20 percent higher than branded Westphalia linens. As production became more centralized and market became more distant, the mark became more important.

The turning point in the history of advertising came in the 1450 when Gutenberg invented the printing press advertising on longer has 18 products extra copies of a sign by land. The first printing advertisement in English language appeared in 1478.

In 1622, advertising got a big boost with the launching of first English newspaper, the weekly news, later Addison and Steele published the tattler and became more supporters of advertising.

In a country like Nigeria, before the coming or commencement of this modern advertisement shown in the television, magazines and newspapers, there use to other old forms of advertising. As one drives along the street high ways, one comes across such slogan as “paradise Hotel-beer and wine plenty, by fresh eggs here, do your wheel balancing and wheel alignment here, high life supermarket” and so on.

2.1.6 Concept of Advertising

Advertising is the paid promotion of goods, service and ideas by an identified sponsor. (Lancaster & Massingham, 2002). Appreciated advertising as any paid form of non-personal presentation of ideas, goods or services by an identified sponsor. (Later & Keller, 2008). Perceived advertising as any paid from of non-personal communication of ideas or products in the prime media that is television, press radio etc. marketers see advertising as part of an overall promotional strategy other components of the promotional mix include public relations, personal selling and sales promotion.

Advertising is a very important component of the organization's communications strategy. Advertising i a form of persuasive communication that is paid for and that makes use of the mass media to reach target audiences.

Contemporary advertising is the persuasive, “structured and composed non-personal communication of information” about product offerings; and it is paid for by the organization. (Arens, 2011). Advertising, therefore, aims to communicate specific information to a particular target audience in order to persuade the audience to react in a particular manner. Advertising is a way of announcing what the organization wants to sell (the attributes and advantages of its products). Its primary aim is to encourage potential consumers to react positively to the propositions of the organization. Mass media advertising, such as television commercials, targets large audiences with a relatively universal message are the various advertising media adopted by Kwara Hotel to convey their offerings to their customers for the purpose of this study, the following definition will be used for advertising: advertising is a paid, structured and non- personal form of marketing communication by an identified sponsor. It is designed to reach a specific target audience with a persuasive message about a product, service or idea. The purpose is to elicit a favourable response from the target audience.

(Kotler, 2016). Proponents of advertising say it is the spark plug for our economy that it reduces the unit cost of a product or service by creating mass demand. Some people use to say that the adverts. In a magazine are more interesting than the editorial content.

It has no reason for being except in so far as it is good for business. As the truth seems to be that it is very good for business indeed. The order of money demands the respect of financial executives it is not uncommon to find that the chief executive of a hospitality industry is a graduate of advertising department. A top executive of a modern corporation need not to know the details of advertising production, but he can scarcely afford not to know the principle strategies of

advertising thinking — which is hot music with the rest of the marketing mix along with selling, merchandising, sales promotion and public relations. (Kotler, 2003).

A top executive needs to know enough about advertising operation to understand his companies advertising director, talk with its agency heads, and discern a great advertising plan from a mediocre one. (Reichant, 2001). In his book advertising differently advertising has been defined as an identified sponsor's paid sales about a product, a service or an idea delivered in a communication medium which is representative of a market for the offering. (Kotler, 2013). Defined “advertising as the art of getting a unique selling proposition into the heads of the most people at the lowest possible cost” This use of the word “art” is rich with meaning parts of the advertising process are pure business, other parts might faintly be called science (such as comparisons of market penetration of various media). But the actual creating of advertising is an art, and the overall procedure of deciding what message to advertise, where and whom to advertise it, how to express it, and how much to invest in each step this is not and probably never can be an exact science, computers notwithstanding. The American marketing association has adopted the following as definition; any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. This certainly is a very succulent statement and merits some elaboration, firstly advertising is paid for, it is a commercial transaction and it is this which distinguishes it from publicity. It is a non-personal in the sense that advertising message, visual, spoken or written are directed mass audience, and not directly at the individual as is the case in personal selling. Finally, advertising are identifiable with their sponsor or originator, which is not always the case with publicity or propaganda.

2.2 Theoretical Framework

2.2.1 Expectation confirmation theory

Expectation confirmation theory (alternatively ECT or expectation disconfirmation theory) is a cognitive theory which seeks to explain post-purchase or post-adoption satisfaction as a function of expectations, perceived performance, and disconfirmation of beliefs. The structure of the theory was developed in a series of two papers written by Richard L. Oliver in 1977 [1] and 1980 [2]. Although the theory originally appeared in the psychology and marketing literatures, it has since been adopted in several other scientific fields, notably including consumer research and information systems, among others.

Expectation confirmation theory involves four primary constructs: expectations, perceived performance, disconfirmation of beliefs, and satisfaction.

Expectations: Expectations refer to the attributes or characteristics that a person anticipates or predicts will be associated with an entity such as a product, service, or technology artefact. Expectations are posited to directly influence both perceptions of performance and disconfirmation of beliefs, and are posited to indirectly influence post-purchase or post-adoption satisfaction by way of a mediational relationship through the disconfirmation construct. Pre-purchase or pre-adoption expectations form the basis of comparison against which the product, service, or technology artefact is ultimately judged.

Perceived Performance: Perceived performance refers to a person's perceptions of the actual performance of a product, service, or technology artefact. According to expectation confirmation theory, perceptions of performance are directly influenced by pre-purchase or pre-adoption expectations, and in turn directly influence disconfirmation of beliefs and post-purchase or post-adoption

satisfaction. Perceived performance is also posited to indirectly influence post-purchase or post-adoption satisfaction by way of a mediational relationship through the disconfirmation construct.

Disconfirmation of Beliefs: Disconfirmation of beliefs refers to the judgments or evaluations that a person makes with respect to a product, service, or technology artefact. These evaluations or judgments are made in comparison to the person's original expectations. When a product, service, or technology artefact outperforms the person's original expectations, the disconfirmation is positive, which is posited to increase post-purchase or post-adoption satisfaction. When a product, service, or technology artefact underperforms the person's original expectations, the disconfirmation is negative, which is posited to decrease post-purchase or post-adoption satisfaction (i.e., to increase dissatisfaction).

Satisfaction: Post-purchase or post-adoption satisfaction refers to the extent to which a person is pleased or contented with a product, service, or technology artefact after having gained direct experience with the product, service, or artefact. Expectation confirmation theory posits that satisfaction is directly influenced by disconfirmation of beliefs and perceived performance, and is indirectly influenced by both expectations and perceived performance by means of a mediational relationship which passes through the disconfirmation Construct (Source:https://en.wikipedia.org/wiki/Expectation_confirmation_theory).

2.2.2 AIDA Model

AIDA is an acronym that stands for Attention, Interest, Desire and Action. The AIDA model is widely used in marketing and advertising to describe the

steps or stages that occur from the time when a consumer first becomes aware of a product or brand through to when the consumer trials a product or makes a purchase decision. Given that many consumers become aware of brands via advertising or marketing communications, the AIDA model helps to explain how an advertisement or marketing communications message engages and involves consumers in brand choice. In essence, the AIDA model proposes that advertising messages need to accomplish a number of tasks in order to move the consumer through a series of sequential steps from brand awareness through to action (purchase and consumption). The AIDA model is one of the longest serving models used in advertising, having been developed in the late nineteenth century. Since its first appearance in the marketing and advertising literature, the model has been modified and expanded to account for the advent of new advertising media and communications platforms. A number of modified alternative models are in current use.

The AIDA model

The AIDA model is just one of a class of models known as hierarchy of effect models or hierarchical models, all of which imply that consumers move through a series of steps or stages when they make purchase decisions. These models are linear, sequential models built on an assumption that Consumers move through a series of cognitive (thinking) and affective (feeling) stages culminating in a behavioural stage (doing e.g. purchase or trial) stage.

The steps proposed by the AIDA model are as follows:

Attention - The consumer becomes aware of a category, product or brand (usually through advertising)

Interest - The consumer becomes interested by learning about brand benefits & how the brand fits with lifestyle

↓ Desire - The consumer develops a favorable disposition towards the brand

↓ Action - The consumer forms a purchase intention, shops around, engages in trial or makes a purchase

The common thread among all hierarchical models is that advertising operates as a stimulus (S) and the purchase decision is a response (R). In other words, the AIDA model is an applied stimulus-response model. A number of hierarchical models can be found in the literature including Lavidge's hierarchy of effects. DAGMAR and variants of AIDA. Hierarchical models have dominated advertising theory and, of these models, the AIDA model is one of the most widely applied.

2.3 Empirical Review

Ivuanyi, H. (2008) have studied promotional problems in hospitality industry. The study consists of live case studies within Enugu state which include Home Pride Guest House, Zodiac Hotels, Crystal Park Hotel, First Hotel and Presidential Hotel. These hotels have played many parts in the socio-economic growth of the town. The sample size of 480 respondents were randomly selected and was used for the study. Chi-square was used to analyze the data.

Based on the data collected and analysed, the following were found; the establishment of hotels in Enugu urban is a welcome development because of the socio-economic role played by these hotels to the public, these hotels require and actually make use of advertising in order to create awareness to the public including their present and potential customers, by the use of advertising, a lot of progress was made by these hotels, the researcher also found out that so many constraints militated against the hospitality industry such as finance, the researcher

did not stop with the finding but went ahead to recommend as what to do to eliminate constraint on hospitality industry.

Irene, S. (201(J) said that the research investigates the extent to which Greet hotels had developed the electronic customer relationship marketing (ECRM). The study verifies the practices that frequently appear in relationship marketing process within online operations or whether their internet presence mainly depends on the basic actions of ‘supplying information’ and hreservations Also, it investigates the effect of e-CRIVI system on customer loyalty and satisfaction as well as the impact of relationship marketing practices to customer retention and acquisition. They have understood the importance of using electronic channels instead of traditional ones to implement their marketing strategies. Thus, e-CRM system has assisted hotel business to manage more effectively their reservations and serve their customers as fast and as effective as possible. They did not seem to apply many of the relationship marketing strategies to emphasize customer retention and continual satisfaction because of difficulties in staff training. Multiple linear regression and ANOVA were used for data analysis

2.4 Identification of Research gaps in the Literature

This project work is unique in that it looked deeply into impact of promotional strategy on customer patronage in hotel industry in Nigeria. The area of word of mouth advert has not yet been done by most of the empirical research works carried out by previous researchers. Empirical research work was conducted on impact 01: electronic customer relationship marketing in the performance of hotels tn Nigeria and because it case “supplying information’s and “reservations”. Also, it investigates the effect of e-CRM system on customer loyalty and satisfaction as well as the impact of relationship marketing practices

to customer retention and acquisition. His opinion was that, customer satisfaction in hospitality business can easily be achieved through rendering of proper internet services to customers.

CHAPTER THREE

RESEARCH METHODOLOGY

Research methodology describes the procedure to be followed in realizing the goals and objectives of a research (Ogolo, 2007). It will answer the questions about a research activity in terms of what, where, how, and by what means? It is the research plan or blueprint of actions. The choice of the research design will involve decisions relating to: what entities (individuals, groups, organization, etc.) should be studied? What aspects of characteristics of these entities are of interest? Where will the study be located? Why is the study being undertaken? What periods of time will the study cover? What type of data is needed? Where can data be found? And what kinds of relationship will be anticipated studied? (Eboh, 2009).

3.2 Research Design

Powell & Connaway (2009) opined that research design is the plan and the structure of the research framework. Descriptive survey will be used in this study to investigate the impact of promotional strategies on the customer patronage in hotel industry because descriptive research design provides answers to questions of what, when, how, who associated with a particular research problem. This tool is useful in developing a more focused study and collects large amount of data for detailed analysis. Descriptive survey will obtain information concerning the current status of the phenomena and describe 'what exists' with respect to variables or conditions in a situation.

3.3 Population of the Study

The target population of the study is the customers of Kwara hotel.

3.4 Sample and Sampling Technique

There are two main types of sampling techniques used in various research studies: Probability sampling and non-probability sampling. Probability sampling gives each and every unit within the population an equal chance of being selected. On the other hand non probability sampling procedure does not really give all the units the chance of being selected as part of the sample and hence the selected sample is not representative of the entire population.

The specific sampling technique used for this study is the Simple random sampling/ purposive random sampling; Simple random sample is a subset of a statistical population in which each member of the subset has an equal probability of being chosen. Judgmental sampling technique is a non-probability sampling where the researcher selects units to be sampled based on their knowledge and professional judgment. The two sampling techniques were used because of the large population and also for easy distribution of questionnaire. Simple random sampling was not used alone so that the researcher would avoid giving the questionnaire to a non customer of Kwara hotel.

In this study, the sample size was based on the result from the calculation of sample using the formulae propounded by Godden (2004) for unknown infinite population where the formulation is greater than 50,000. The exact population of Ilorin cannot be ascertained. However, according to the report of 2011 General Census in Nigeria, Ilorin population is at 908,490 (see <http://www.population.gov.ng/index.php/state-population>). This is what informed the adoption of the sample size formulae of population greater than 50,000.

$$SS = \frac{Z^2 \times (p) \times (1 - p)}{C^2}$$

SS = Sample Size

$Z = Z\text{-value}^A$ (1.96 for a 95 percent confidence level)

$P =$ Percentage of population picking a choice, expressed as decimal (20% expressed as decimal = 0.20)

C Confidence interval, expressed as decimal (0.05 significance level)

Z-values (Cumulative Normal Probability Table) represent the probability that a sample will fall within a certain distribution.

The Z-values for confidence levels are:

1.645 = 90 percent confidence level

1.96 95 percent confidence level

2.576 99 percent confidence level

Therefore; $SS = \frac{1.96^2 * 0.2 * (10.20)}{0.052}$

0.052

$SS = \frac{3.8416 * 0.2 * 0.8}{0.0025}$

0.0025

$SS = \frac{0.614656}{0.0025}$

0.0025

= 245.8624, which is approximately 246.

Hence, two hundred and forty-six (246) sample size was used for this study.

3.4 Research Instrument(s)

Data used in this study was obtained from a structured questionnaire (a list of specific questions and choice of possible answers) were designed and used to obtain information from respondent because there were no available statistics from which to source secondary series of information in determining the impact of promotional strategy on customer patronage in hotel industry

3.5 Validity and Reliability of the Instrument

Onukwo (2002) defines validity as the degree to which the instrument measures the qualities, abilities, skills, traits, information, etc it was designed to measure. To confirm the content appropriateness of the survey instruments, the researcher took special care in designing the survey instruments to improve the quality of the instruments and ensured that the stated problem of the study external validity and content validity were adopted. External validity is the extents to which the results of the study can be generalized from a sample to a population. It follows directly from sampling. An instrument that is externally valid helps obtain population generalization, or the degree to which a sample represents the population. Content validity refers to the appropriateness of the content of an instrument. In other words, do the measures (questions, observations, etc) accurately assess what you want to know? This would involve taking representative questions from each of the sections of the unit and evaluating them against the desired outcomes. These two types of validity instruments is to ensure that the sample size is large enough to generalize from when further research is conducted. similar findings would be reached and also that the research conducted actually measures accurately what I want to know in this research. Content validity will be adopted for this study

Reliability is the degree to which similar outcomes are produced by a measuring instrument when used in different situations (Onwumere, 2005). The items will be field tested using a sample of population of Ilorin metropolis involved in hotel industry or marketing, after which some items will be modified. The decision is to consider the study instrument reliable, if the Cronbach's coefficient alpha of the test-retest variables is equal or more than 0.80 which means there is 0.36 error variance in the score i.e. as the estimation of reliability increases, the fraction of a test score that is attributable to en-or will decrease.

3.6 Method of Data Collection

The questionnaires were administered personally in order to prevent errors like misinterpretation of the questions asked and to make necessary corrections of the respondents' notions about the researcher's work. Interviews were also taken personally by the researcher to ensure that the respondents give accurate answers to the various issues in the questionnaires.

3.7 Method of Data Analysis

This is how the data is organized to derive meaning from it. It involves what statistical method or tools to be used in organizing the data. Descriptively, data were analyze using frequency counts, mean, percentages, tables and cross tabulations. The inferential statistical tools used were chi-square because there were two variables from a single population and is used to determine whether there is significant association between the two variables, analysis of variance (ANOVA) Multiple linear regression will be used to test the effect of one variable on another, Pearson's product moment correlation coefficient to measure the strength of a linear association between two variables and it is denoted by r . Simple linear regression was used to summarize and study the relationships between two continuous variables. Student T-test is used because promotional activities and customer reaction.

CHAPTER FOUR

DATAPRESENTATION AND ANALYSIS OF DATA

The relevance and usefulness of data presentation and analysis in the research work cannot be over emphasized. The objective of this chapter is to present and analyze the data collected during the research survey and to show the findings resulting from the data collected. The data will be tabulated and the relationship among items in the table will be tested in order to prove their validity or otherwise. It should be noted however, that questions related to the testing of the hypothesis will be analysed.

4.1: Data Presentation

Table 4.1 Analysis of response rate

S/N	Administered questionnaire	Frequency	Percentage
1	Unreturned	20	9.1%
2	Returned	200	90.9%
	Total	220	100%

Source: Field Survey, 2025

From table 4.1, it can be seen that a total of two hundred and twenty (220) copies of the questionnaires were administered in which two hundred (200) copies representing (90.9%) of the questionnaire were properly completed and retrieved while twenty (20) copies representing 9.1% of the questionnaire administered were unreturned by the respondent.

4.1.1 Analysis of Respondents' Bio-Data

SECTION A

The bio-data analyses of the two hundred (200) properly completed questionnaires were shown below:

Table 4.2: Gender of the respondent

		Frequency	Percentage (%)
Gender	Male	117	58.5
	Female	83	41.5
	Total	200	100.00

Source: Field Survey, 2025

Table 4.2 shows that one hundred and seventeen (117) respondents representing 58.5% of the sample size were males while eighty-three (83) respondents representing 41.5% of the sample size were females. Thus, majority of the respondents were males.

Table 4.3: Age of the respondent

		Frequency	Percentage (%)
Age group	Below 20years	43	21.5
	20-29 years	27	13.5
	30-39 years	25	12.5
	40-49 years	61	30.5
	50-59 years	40	20.0
	Above 59 years	4	2.0
	Total	200	100.0

Source: Field Survey, 2025

Table 4.3 shows that forty-three (43) respondents representing 21.5% of the sample size were of the age group 20-29 years, twenty-seven (27) respondents

representing 13.5% of the sample size were of the age group 20-29years, twenty-five (25) respondents representing 12.5% of the sample size were of the group 30-39years, sixty-one (61) respondent representing 30.5% of the sample size were of the age group 40-49 years, forty (40) respondents representing 20.0% of the samples were of the age group 50-59 years, while four (4) respondents representing 2.0% of the samples were of age group above 59 years. Thus, majority of the respondents were of the age group 40-49 years.

Table 4.4: Educational level of the respondent

		Frequency	Percentage (%)
Education	Non-formal	29	14.5
	Primary	17	8.5
	Secondary	74	37.0
	Tertiary	76	38.0
	Others	4	2.0
	Total	200	100.0

Source: Field Survey, 2025.

Table 4.4 shows that twenty-nine (29) respondents representing 14.5% of the sample size have no formal education, seventeen (17) respondents representing 8.5% of the sample size have primary education, seventy-four (74) respondents representing 37.0% of the sample size have secondary education, seventy-six (76) respondents representing 38.0% of the sample size have tertiary education, while four (4) respondents representing 2.0% of the sample size have other education. Thus, majority of the respondents have tertiary education.

Table 4.5: Marital status of the respondent

	Frequency	Percentage (%)
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Marital status	Married	61	30.5
	Single	30	15.0
	Divorced	62	31.0
	Separated	35	17.5
	Widowed	12	6.0
	Total	200	100.0

Source: Field Survey, 2025

Table 4.5 shows that sixty-one (61) respondents representing 30.5% of the sample size were married, thirty (30) respondents representing 15.0% of the sample size were singles, sixty-two (62) respondents representing 31.0% of the while divorced, thirty-five (35) respondents representing 17.5% of the sample were separated, twelve (12) respondents representing 6.0% of the sample were widows. Thus, majority of the respondents were divorced.

Table 4.6: Occupation of the respondent

		Frequency	Percentage (%)
Occupation	House wife	23	11.5
	Paid Employment	60	30.0
	Business	78	39.0
	Retired	26	13.0
	Student	13	6.5
	Total	200	100.0

Source: Field Survey, 2025

Table 4.6 shows that twenty-three (23) respondents representing 11.5% of the sample size were house wife, sixty (60) respondents representing 30.0% of the sample size were paid employment, seventy-eight (78) respondents representing 39.0% of

the sample size were business, twenty-six (26) respondents representing 1.3% of the sample were retired, thirteen (13) respondents representing 6.5% of the sample were student. Thus, majority of the respondents were business.

Table 4.7: Monthly household income of the respondent

Amount (₦)		Frequency	Percentage (%)
Income	Less than 50000	51	25.5
	50000-100000	40	20.0
	100000-200000	72	36.0
	Greater than 200000	37	18.5
	Total	200	100.0

Source: Field Survey, 2025

Table 4.7 shows that fifty-one (51) respondents representing 25.5% of the sample size earn less than N50000 in a month, forty (40) respondents representing 20.0% of the sample size earn between N50000-N100000, seventy-two (72) respondents representing 36.0% of the sample earn N100000-N200000, thirty-seven (37) respondents representing 18.5% of the sample earn greater than N200000 in a month. Thus, majority of the respondent earn between N100000-N200000 in a month.

4.1.2: Presentation and Analysis of Data According to Research Statement

Survey on Impact of Promotional Strategy On Customer Patronage In Hotel Industry, the responses were determined by requesting the respondents to rate the output of their responses on a scale ranging from strongly agree to strongly disagree coded 5 to 1 respectively.

Table 4.8: Kwara hotel use advertising as a part of its promotional tools

Table 4.8 shows that 97 respondents representing 48.5% of the sample strongly agreed that Kwara hotel use advertising as a part of its promotional tools, 56

respondents representing 28.0% of the samples agreed, 12 respondents representing 6.0% of the samples were undecided, 17 respondents representing 8.5% of the samples disagreed, while 18 respondents representing 9.0% of the sample size strongly disagreed. Thus, majority of the respondent strongly agreed that Kwara hotel use advertising as a part of its promotional tools.

Table 4.9: Incentives in form of sales promotion are used by Kwara hotel

		Frequency	Percentage (%)
Response	Strongly Disagree	22	11.0
	Disagree	27	13.5
	Undecided	46	23.0
	Agree	75	37.5
	Strongly Agree	30	15.0
	Total	200	100.0

Source: Field Survey, 2025

Table 4.9 shows that 30 respondents representing 15% of the sample strongly agreed that incentives in form of sales promotion are used by Kwara hotel, 75 respondents representing 37.5% of the samples agreed, 46 respondents representing 23% of the samples were undecided, 27 respondents representing 13.5% of the samples disagreed, while 22 respondents representing 11.0% of the sample size strongly disagreed. Thus, majority of the respondent agreed that incentives in form of sales promotion are used by Kwara hotel.

4.3 Test of Hypotheses

4.3.1 Hypothesis 1

H₀₁: There is no significant effect of promotional activities on customer patronage

Table 4.3.1.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.779 ^a	.608	.606	7.094
a. Predictors: (Constant), Customers' patronage				

Table 4.3.1.1 shows the Pearson moment correlation value (0.779) which indicates a strong positive linear relationship between promotional activities and customer patronage.

The coefficient of determination r^2 (0.608) indicates that more than half of the variation (60.8%) that exists in the dependent variable — customer patronage explained by the independent variable-promotional activities.

Table 4.3.1.2: ANOVA

Model		Sum of squares	Df	Mean Square	F	Sig
1	Regression	15425.735	1	15425.735	306.540	.001 ^b
	Residual	9963.765	198	50.322		
	Total	25389.500	199			
a. Dependent Variable: Promotional activities						
b. Predictors: (Constant), Customers' patronage						

Table 4.3.1.2 shows the analysis of variance (ANOVA) tests for overall significance, ($f=306.540$, $p=0.001$).

Decision Rule:

Since the significant value ($p=0.001$) of the t-statistic is less than 0.05 level of significance, the null hypothesis is hereby rejected and the alternative accepted.

Therefore, it was concluded that there is a significant effect of promotional activities on customer patronage.

4.4 Discussion of Findings

Based on the analysis of responses and the test of hypotheses presented in the chapter four, as shown from the tables 4.3.1.1 to 4.3.3.1, the following findings were discovered.

in examining the significant effect of promotional strategy used by Kwara Hotel and customer patronage, it is shown in the table 4.3.1.1 that the Pearson moment correlation value is (0.779) which implies that there is a highly positive linear relationship between promotional strategies and customer's patronage and since the p-value (0.00 1) of the ANOVA test for overall significant is less than the critical value (0.01), we reject the null hypothesis and conclude that there is a significant effect of promotional activities on customer patronage. This result is consistent with Ivuanyi, H. (2008).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This section presents a summary of the research work, draws some meaningful conclusions on the bases of the findings and makes some recommendations to not only the Kwara Hotel hut also to the participants in the Hotel Industry in Nigeria.

5.1. Summary

This study examined critically the impact of promotional strategy on customers patronage in hotel industry. In order to achieve the objectives of this work, three independent hypotheses were formulated and subsequently subjected to differing test to ascertain the effects of promotional strategy on customer patronage, also effect of word of mouth advert on the choice of hotel by customers, Also, it also established the differences in the reactions of consumers to different promotional activities used by hotel.

In order to empirically ascertain the findings of this research and to achieve the objectives stated at the beginning of this work, primary data were collected through the administration of questionnaires to a total of 220 respondents among the accessible Kwara Hotel customers. Out of the total 220 administered, 200 were fully answered and retrieved while the remaining 20 were not retrieved. The data obtained were analyzed using descriptive statistics for demographic ones and inferential statistics (Pearson Moment Correlation, simple linear regression, , and test between the subject effects) for operational ones.

5.2 Conclusion

This study examined the impact of promotional strategy on customer patronage in Hotel Industry with particular interest in Kwara Hotel as its case study. During the course of this study with the data analysed, hypotheses tested and findings discovered, the study therefore concluded that:

There is a significant effect of promotional activities on customer's patronage;

The word of mouth advert has significant effect on the choice of Hotel by the customers; and

There is significant difference in the reaction of customers to promotional activities.

5.3 Recommendations

Based on the findings of this study, the following recommendations were put forth for the hotel owners and management:

- i. There should be serious and undiluted attention to promotional strategy as this will attract more customers to their firms.
- ii. Word of mouth advert has been found to influence customer's choice of hotel. Therefore, concerted effort should be made to satisfy customers better so as to ensure positive impression about the hotel. If this is achieved, the satisfied customers will relate the hotel positively to other potential customers.
- iii. Continuous marketing research should be ensured by the organisation to understand how consumer react towards different promotional activities as it was discovered that, customers react differently to promotional activities.
- iv. Sales promotion in form of incentives should also be given to the customers as this tend to attract customers to the firm.

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