

SERVICE DIFFERENTIATION AND CUSTOMER PATRONAGE IN THE HOSPITALITY INDUSTRY IN NIGERIA

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ABSTRACT

This study examined the relationship between service differentiation and customer patronage in the hospitality industry in Nigeria. The study employed the descriptive survey research design. Data were collected from 154 customers of ten selected hotels in Port Harcourt. A structured questionnaire was used as the main instrument for data collection. The data collected were analyzed statistically while the hypotheses were tested using the Spearman Rank Order Correlation Coefficient (ρ). The SPSS 21.0 version was used to correlate the data on the study variables. The findings revealed that there is significant relationship between quality differentiation and customer patronage intention of hospitality organizations. The study also found a significant relationship between quality differentiation and repeat patronage of hospitality organizations. A significant relationship was equally reported between price differentiation and customer patronage intention of hospitality organizations. The study also discovered a significant relationship between price differentiation and repeat patronage of hospitality organizations. From the findings, it was concluded that service differentiation and customer patronage in the hospitality industry. Based on the conclusion, it was recommended that hotel businesses should provide high quality services to their customers as it would increase customer patronage.

Keywords: Service differentiation, quality differentiation, price differentiation, customer patronage, patronage intention, repeat patronage.

INTRODUCTION

The issue of how to increase customer patronage has become a major concern to practicing managers in the hospitality industry. The hospitality industry is highly competitive due to the large number of hotel businesses in the country. This increased competition has prompted many hotel operators to intensify their efforts to increase customer patronage. Increasing customer patronage seems to be the only way for these organizations to survive. As new hotels are being set-up, the need to intensify efforts to boost customer patronage becomes necessary. Intensifying efforts to increase customer patronage include the pursuit of differentiation strategy. As Amelia (2017) rightly stated, hospitality firms need to differentiate their services from their competitors' own in order to increase customer patronage and survive in their industry. Service differentiation is an organizational effort to distinguish its service from competitors' own (Abu-Aliqah, 2012). It involves adding a set of meaningful and valued differences to distinguish the company's service from competitors' own (Kotler, in Komaromi, 2015). A meaningful difference is rooted in the intended benefit of the service, and gives it a meaning that is likely to influence a person's choice (Kourovskaja, 2013). Creating a meaningful difference in a service involves modification of the service quality and providing something that competitors cannot imitate. The difference should give all customers the same experience each time they patronize the service. A service that is well differentiated from competitors' own set the trends for their category and stands out among other competing organizations.

Hotel operators need to find a way to differentiate their services from competitors' own. There are several ways in which an organization can differentiate its service from competitors' own. For instance, an organization may decide to differentiate its services on the basis of quality or price

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(Hickey, 2017). If an organization decides to differentiate its service on the basis of quality, it will use slogan that promote quality; and if the organization decides to distinguish its service on the basis of price, it will promote itself as the cheapest provider of certain category of service. Whichever way an organization decides to differentiate its services, it must ensure that the service gives customers the differentiated experience as promised. Every encounter must deliver a consistent impression of the experience the service gives customers in order to avoid a reality gap and a negative service perception (Kourovskaja, 2013). However, a differentiation effort that does not resonate with customer needs will do little to build value and attract patronage in the market. Hence, hotel operators must work hard to ensure that the difference in their services is relevant to their guests (customers) in terms of satisfying their needs. Services that are well differentiated do more than satisfying customer needs, they build an emotional feeling with the customers and increase customer patronage.

The intense competition in the hospitality industry has made it possible for hotel customers to easily switch from one service provider to another in search for quality services. Therefore, hospitality firm that differentiates its services from competitors' own will gain a competitive advantage over their rivals and enjoyed increased patronage. Some hotel operators have made considerable efforts to differentiate their services from their competitors' own with a view of increasing the level of customer patronage. While some have differentiated their services on the basis of quality others are offering discounted prices for their rooms. The prices of some food and beverage services have also be discounted to attract customer patronage. However, even since these differentiation efforts are made, it is not yet clear whether their efforts have yielded the desired result of increasing the level of customer patronage as there are no substantial empirical evidence that showed the relationship between service differentiation and customer patronage in the hospitality industry in Nigeria. It is view to fill the gap in empirical literature that prompted this study.

Literature Review

Concept of Service Differentiation

Service differentiation occurs when a company offers something unique which customers value and considered to be outstanding among other alternatives (Dranove, Gron and Mazzeo, 2003). Leon-Ledesma (2002) defined service differentiation as the ability of a company to render services which customers will perceived as unique in comparison to other alternatives. Most companies differentiate themselves from their rivals by adding some unique features to their services to make it more valuable in the minds of customers (Patibandla and Sanyal, 2001). Others may differentiate themselves by rendering services with great value at a lower price to gain a competitive advantage in their industry (Haarla, 2003). Kiama and Kagiri (2016) stated that service differentiation is achieved by offering a valued variation in the way in which services are delivered. Service differentiation helps companies to improve their competitiveness and sustain in their respective industries. Kiama and Kagiri (2016) argued that a company that embraces differentiation strategy stands a better chance of attracting more customers than its competitors, boost sales and market share, and increase profitability. However, the success of any differentiation strategy depends on the ability of the company to find a new way to differentiate its services from competitors' own (Atikiya, Mukulu, Kihoro and Waiganjo, 2015). Obviously, competitors will try to imitate a firm that offered a unique and innovative service. As competitors attempt to imitate the firm's last differentiation moves, creative firm should be working on new ways in order to put one step ahead of their competitors.

A successful service differentiation strategy must produce the following results: It must be able to command a higher price for the service, attract more customers to the organization and increase customer loyalty (Murphy in Amelia, 2017). Murphy further stated that a company that adopts differentiation must look at for the results it produces. A service with a unique quality should be able to increase customer patronage and market share. Worthington and Edwards (2000) agreed

with the opinion of Murphy stating that a company's differentiation effort brings an additional value to customers and such value added should be accompany with increased customer patronage. Differentiation efforts require a lot of innovative activities and this makes firms to invest massively on research and development. Miller in Jermias (2008) argued that firms that embrace service differentiation strategy invest heavily in R & D activities to enhance their ability to keep up with their competitors' innovations. However, firms that adopt service differentiation face a risk of uncertainty as their innovative activities could be rejected by customers, thereby resulting to loss of huge sum of money (Atikiya, et al, 2015). Despite the risk, differentiation remains a strategic tool which firms can use to attract customers and improve their competitiveness.

Dimensions of Service Differentiation

There are many ways in which a company can differentiate its service from competitors' own. However, most companies differentiate their services on the basis of quality and price (Hickey, 2017; Atikiya, et al, 2015, Amelia, 2017; Abu-Aliqah, 2012). In this study, we shall discuss quality and price differentiation.

Quality Differentiation

In most marketing literature on service differentiation, quality is a key differentiating factor among organizations. The term "quality" is interpreted in different ways by different people. From the consumer perspective, a quality service is a service that meets their expectations and gives them a satisfactory and positive experience; while from the producer perspective, quality refers to the degree to which service is rendered with speed and efficiency (Atikiya, et al, 2015). Generally, quality is used to describe service that is perceived as being superior to others (Hickey, 2017). Abu-Aliqah (2012) stated that a quality service must meet or surpass customer expectations and give the customers a pleasurable experience. Customers are in better position to judge the quality of a service because they are the beneficiary (Leon-Ledesma, 2002). For instance, whenever a customer patronizes the services of an organization, he or she develops an impression based on how the service was rendered to him or her. Each time the customer patronizes the service of the organization, he judges the quality of the service delivery based on how well the service meets his or her expectations and gives him a positive experience (Kiama and Kagiri, 2016).

Price Differentiation

Price is the monetary value which companies attached to their product or service (Komaromi, 2015). Reibstein, et al (2006) defined price as the amount which consumer pays in order to acquire a product or service from the market. Price is an important factor that influences consumer decision to patronize a product or service. If the price of a product or service is too high, it will discourage consumers from patronizing the product or service and go for other alternatives whose prices are relatively low (Kireru, Ombui and Omwenga, 2016). In most cases, companies priced their product or service based on its quality compared to others in the market. They fix the prices of their product or service to send a message to the customers regarding how unique the product or service is in comparison to other available alternatives in the market. In the process of fixing prices, companies usually consider their cost of producing the product or service as well as the uniqueness of the brand. Usually, a product or service that has a unique features command a higher price while those that are less unique attract low prices (Valipour, Birjandi & Honarbakhsh, 2012). Pulaj, Kume & Cipi (2015) stated that firms that differentiate their service successfully set a higher price than competitors to justify the high costs of being unique or different. Usually, a company can deliver a top quality service and attach a lower price to the service. A company that does this tends to differentiate itself from competitors with a view to increasing customer patronage and competitiveness. Kmart, a US Based Company, has been successful in price to differentiate itself from its competitors (Hickey, 2017). In most cases, a company that uses price as a strategy for differentiation promotes itself as the cheapest provider of certain category of service. For instance, Kmart promotes itself using slogan as: "Great Value and Everyday Low prices" (Hickey, 2017). Others may decide to use their business or company name to emphasis price differentiation. For instance, *Supercheap Auto*, a US Based Automobile

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Company, uses its business name to promote itself as the cheapest provider of automobile products (Dranove, Gron and Mazzeo, 2003).

Concept of Customer Patronage

Customer patronage is a key concept in marketing. The concept has been described from the behavioural and attitudinal point of view. For instance, Ding, Lu and Ge (2015) defined customer patronage as choice behaviour whereby a customer prefers to patronize an organization over others in the same industry. Here, customer patronage represents the preference for a company's products or services. Garga and Bambale (2016) defined customer patronage as the extent to which a customer patronizes a particular company's products or services based on the result of his or her assessment and personal experience. Osman in Kumar (2016) proposed more simplified definition of patronage behaviour of consumer as "the repeat purchase behaviour at a particular company for either the same products or any other products." Based on the theory of planned behaviour, customer patronage behaviour is preceded by attitudes and intentions that are formed prior to a customer's behaviour. Attitude refers to one's overall positive or negative evaluation of performing a particular behaviour. The stronger the positive attitude towards the behaviour is, the stronger the intention and likelihood of performing the behaviour (Armitage and Conner in Jere, Aderole and Jere, 2014). Customer patronage is the only economic and social justification for the existence of any business and this existence is to create customer satisfaction (Garga and Bambale, 2016). When customers are satisfied with their quality of service delivery, they are more likely to consistently patronize the company. Kumar (2016) added that other factors influence customer patronage. Some of these factors include the company's location, organizational image, quality of service delivery, product quality, price, pleasant dressing rooms and parking space. However, in this study, the emphasis is on service delivery and how it influences customer patronage in the hospitality industry.

Measures of Customer Patronage

With respect to hotel organizations, customer patronage behaviour can be measured using various criteria such as patronage intention, frequency of visits, time spent, number of items bought, satisfaction, and repeat patronage (Ding et al, 2015). Pan and Zinkhan in Kumar (2016) recognized two dimensions of consumer patronage behaviour towards an organization: first is company choice (a consumer choice to patronize a particular company) and second is the frequency of visit (how often a consumer patronizes that company. These two dimensions can be summarized as customer patronage intention and repeat patronage. Previous studies used patronage intention and repeat patronage to measure customer patronage behaviour (Jere, et al, 2014; Garga and Bambale, 2016; Kumar, 2016). This study will stick to these two measures and relate them to the hospitality industry.

Patronage Intention

Patronage intention is defined as the desire and willingness of a person to patronize the products or services of an organization (Ding et al, 2015). Every hotel organization wants to increase customer patronage intention in order to maximize profitability. However, increasing customer patronage intention would depend on how customers perceived the quality of service delivery of an organization. Basically, customers' intention to visit a hospitality company would increase if they are certain that the organization delivers top quality service to its customers. However, when customers are not certain that they can get quality service from the organization, their patronage intention would decrease (Kumar, 2016). Customer patronage intention is function of utility (satisfaction) which customers expect to derive from using the services of an organization (Jere et al, 2014). Panda (2013) stated that a particular hotel would be attractive to customers if it delivers top quality services that satisfy customers. If customers do not feel that they can get satisfactory services from a particular hotel, their patronage intention will decrease. Hotel managers have to fully understand the patronage intention of their target customers (Choi and Chu, 2001). Understanding customer patronage intention would help hotel managers to predict their future purchasing behaviour. Hotel managers can get information on customer patronage intention by

assessing their level of satisfaction toward their services rendered. This information would help them (hotel managers) influence consumer patronage decisions by delivery top quality services that customers expect and at a fair price (Panda, 2013).

Repeat Patronage

Repeat patronage is the willingness and desire of a consumer to re-patronize a particular organization in future (Jere, et al, 2014). Panda (2013) defined repeat patronage as a behaviour whereby a consumer repeatedly purchases his or her needs from a particular company despite the fact that there are other companies rendering the same services. Kumar (2016) described repeat patronage as the behaviour in which a customer frequently patronize the products and services of a particular company without considering the products and services offered by other competing organizations. Repeat patronage is a crucial factor that enhances organizational competitiveness. According to Amelia (2017), repeat patronage gives a company an edge over its competitors. It helps to sustain sales growth and increase profit margin. Garga and Bambale (2016) posited that repeat patronage is the desire of every organization because it helps to sustain the customer base of the organization. An organization that enjoys repeat patronage from its customers stands the chance of achieving business success. Panda (2013) stated that increasing repeat patronage is the key priority for business managers as it helps to sustain the customer base of the firm and increase profit margin.

Service Differentiation and Customer Patronage in the Hospitality Industry Quality Differentiation and Patronage Intention

Most companies differentiate their services from competitors' own on the basis of quality (Hickey, 2017). They believe that customers would search for quality service delivery. Companies that differentiate their services on the basis of quality promote themselves using slogan such as "Great Value Everyday" (Hickey, 2017). A company that uses quality to differentiate its services from competitors' own does so to improve its competitiveness (M'Kuma, 2015). Haarla (2003) posited that quality differentiation companies strive to build customer trust on their services by consistently delivering high quality services as promised. These companies made adequate efforts to fulfill their promise of delivering high quality service all the time. Some customers make special efforts to search for certain companies in the market because they believe that their services do not compromise on quality (Atikiya et al, 2015). Pulaj, Kume and Cipi (2015) stated that a company that consistently delivers high quality service will sustain its customer base and increase customer patronage intention.

A number of related empirical studies have been conducted on service differentiation and customer patronage. For instance, Amelia (2017) carried out an empirical study on how product differentiation strategy and service quality build competitive advantage in the hospitality industry in Indonesia. The researcher adopted a quantitative approach where data were collected from 100 visitors to Five Star Hotel in Jakarta. The multiple regression analysis was used to analyze the data collected and the result showed that product and service differentiations significantly enhance customer patronage in the hospitality industry. The study also revealed that product and service differentiations significantly enhance customer patronage intention in the hospitality industry. In another study conducted on the determinants of hotel guests' satisfaction and repeat patronage in the Hong Kong Hotel industry, it was reported that quality differentiation has a significant positive relationship with patronage intention (Choi & Chu, 2001). The study conducted by Dranove, Gron and Mazzeo (2003) revealed that differentiation strategy significantly enhance customer patronage intention. Based on these theoretical and empirical reviews, we develop our first hypothesis:

Ho₁: There is no significant relationship between quality differentiation and customer patronage intention in hospitality organizations.

Quality Differentiation and Repeat Patronage

Some empirical studies have examined the influence of quality differentiation on repeat patronage. For instance, Choi & Chu (2001) empirically examined the determinants of hotel guests'

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satisfaction and repeat patronage in the Hong Kong Hotel industry. Their study adopted the quantitative research approach and descriptive survey design. The researchers used a structured questionnaire to collect data from customers of two hotels in Hong Kong. The data collected were analyzed using the Spearman Rank Order Correlation and results indicated that service differentiation has a positive and significant relationship with repeat patronage. The study also revealed that service quality is the major determinant of guests' satisfaction and repeat patronage of hotels in Hong Kong. In another study conducted on customer loyalty in the hotel industry, it was reported that service quality significantly enhances customer loyalty in the hotel industry (Kandampully and Suhartanto, 2000). The study carried out by Poku, Zakiri and Soali (2013) equally revealed that service quality plays a crucial role in increasing repeat patronage. Based on these reports, we propose our second hypothesis:

Ho₂: There is no significant relationship between quality differentiation and repeat patronage of hospitality organization.

Price Differentiation and Customer Patronage Intention

Price is a major source of differentiation because it determines the level of customer patronage. According to Haarla (2003), when a company renders a service of high quality at a lower price, it attracts more customers to the company and enhances their competitiveness. Amelia (2017) posited that customers are satisfied using a service whose quality is good and affordable prices so that market confidence is greater than its competitors. A company that delivers high quality service at a lower price may have a low cost advantage. According to M'kuma (2015), the low cost advantage is ability to provide top quality service at a lower cost and charging either the same (or a lower) price than competitors (cost-based). This implies that the company has a cost leadership advantage over its rivals in the same industry. The result of low cost of service delivery is low price, and low price attracts more customers and increases an organization's competitiveness (Kireru, Ombui and Omwenga, 2016).

Some empirical studies have showed the influence of price differentiation on customer patronage intention. For example, Abu-Aliqah (2012) empirically examined the relationship between differentiation and organizational performance. His study focused on product and service differentiation and relates them to the performance of Jordan companies. His study employed the quantitative research approach and descriptive survey research where questionnaire was used to collect data for the study. The researcher analyzed the data collected using both descriptive and inferential statistics. The findings revealed that product and service differentiations have significant impact on customer patronage and organizational performance of Jordan companies. In a study conducted on how differentiation among Health Maintenance Organizations affects local market competition, it was reported that price differentiation enhances customer patronage intention in Health Maintenance Organizations (Dranove, Gron and Mazzeo, 2003). Atikiya et al (2015) investigated the effect of differentiation strategy on the performance of manufacturing firms in Kenya. Data were collected from 131 firms in the industrial subsectors located within Nairobi and its vicinity using questionnaire and interview. The data collected were analyzed statistically using Pearson correlation and regression analyses were used to test the relationship between the study variables. The study found out revealed that price differentiation significantly influence customer patronage intention. Based on these reports, we develop our third hypothesis:

Ho₃: There is no significant relationship between price differentiation and customer patronage intention of hospitality organizations.

Price Differentiation and Repeat Patronage

Some empirical studies have showed the influence of price differentiation on repeat patronage. For example, Kandampully and Suhartanto (2000) examined customer loyalty in the hotel industry. The researchers focused on the role of customer satisfaction and image. The study adopted the quantitative research approach and descriptive survey design. A structured

questionnaire was used as the main instrument for data collection while the mean, standard deviation and Pearson product Moment Correlation were used for data analysis. The findings of the study showed that price differentiation significantly enhance customer loyalty in the hotel industry. In another study conducted on the determinants of hotel guests' satisfaction and repeat patronage in the Hong Kong Hotel industry, it was revealed that price differentiation enhance repeat patronage of hotel firms (Choi & Chu, 2001). The study conducted by Abu-Aliqah (2012) also revealed that price differentiation has a positive influence on repeat patronage and organizational performance. Based on these reports, we develop our third hypothesis:

Ho₄: There is no significant relationship between price differentiation and repeat patronage of hospitality organizations.

The above hypotheses are reflected in the conceptual framework below:

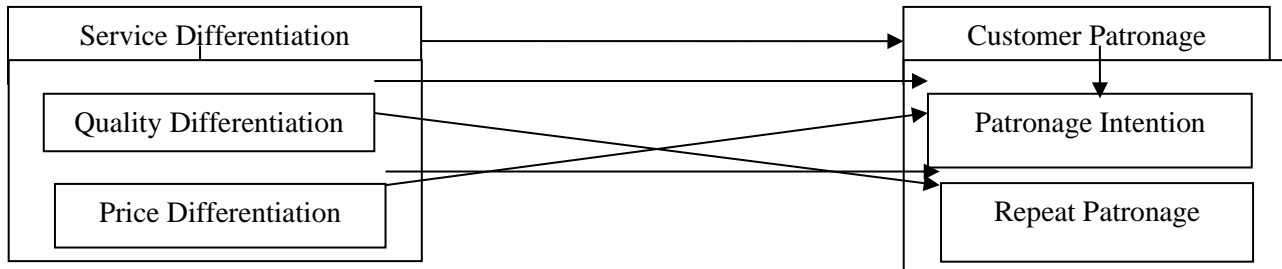


Fig 1.1: Conceptual Framework
Source: Author’s Conceptualization

METHODOLOGY

This study adopted the descriptive survey research design. The population of this study comprised of customers of some selected hotels in Port Harcourt. A population of 326 customers was identified in ten (10) selected hotels in Port Harcourt. A sample size of 180 customers was used for the study. The sample size was determined using the Taro Yamen’s formula: The simple sampling technique was used in selecting the sample size for the study. A self-designed questionnaire was used as the instrument for data collection in this study. The questionnaire was structured on a 4 points likert scale (strong agree, agree, disagree and strongly disagree). The questionnaire was validated through face and content analysis while its reliability was determined using the test-retest method. The questionnaire was administered to the respondents across the ten selected hotels in Port Harcourt metropolis with the aid of five trained research assistants. A total copy of 180 questionnaires was administered to the respondents and 154 copies were collected. The data collected were analyzed using mean and standard deviation while the hypotheses were tested using the Spearman Rank Order Correlation (rho) with the aid of the SPSS (Statistical Package for Social Sciences) 21.0 version.

Empirical Results

The result of the correlation analysis carried out on the study variables were presented in this section and interpreted accordingly.

Table 1: Correlation between quality differentiation and patronage intention

			Quality Differentiation	Patronage Intention
Spearman Rank (rho)	Quality Differentiation	Correlation Coefficient	1.000	.837*
		Sig. (2 tailed)	.	.001
		N	154	154
	Patronage Intention	Correlation Coefficient	.837*	1.000
		Sig. (2 tailed)	.001	.
		N	154	154

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

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Table 1 shows the result of the SPSS correlation analysis carried out on quality differentiation and customer patronage intention of hotel organizations. The result shows that the two variables have a positive relationship ($\rho = .837^*$). The symbol * indicates that the relationship between the two variables is significant at 0.05 level. As a result of this, we then reject the null hypothesis and accept the alternate hypothesis which states that there is significant relationship between quality differentiation and customer patronage intention of hospitality organizations.

Table 2: Correlation between quality differentiation and repeat patronage

			Quality Differentiation	Repeat Patronage
Spearman Rank (ρ)	Quality Differentiation	Correlation Coefficient	1.000	.892*
		Sig. (2 tailed)	.	.002
		N	154	154
	Repeat Patronage	Correlation Coefficient	.892*	1.000
		Sig. (2 tailed)	.002	.
		N	154	154

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 2 contains the result of the correlation analysis performed between quality differentiation and repeat patronage of hotel organizations. The result indicates that quality differentiation and repeat patronage have a positive relationship ($\rho = .892^*$). The symbol * indicates that this relationship is significant at 0.05 level of significance. Based on this result, the null hypothesis is rejected and the alternate hypothesis is accepted. This means that we then accept that there is significant relationship between quality differentiation and repeat patronage of hospitality organizations.

Table 3: Correlation between price differentiation and patronage intention

			Price Differentiation	Patronage Intention
Spearman Rank (ρ)	Price Differentiation	Correlation Coefficient	1.000	.564*
		Sig. (2 tailed)	.	.003
		N	154	154
	Patronage Intention	Correlation Coefficient	.564*	1.000
		Sig. (2 tailed)	.003	.
		N	154	154

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 3 shows the result of the SPSS correlation analysis carried out between price differentiation and customer patronage intention of hotel organizations. The result indicates that price differentiation is positively correlated to customer patronage intention ($\rho = .564^*$) and the symbol * indicates that this relationship is significant at 0.05 level. Consequently, the null hypothesis is rejected and the alternate hypothesis is accepted. This means that there is positive and significant relationship between price differentiation and customer patronage intention of hospitality organizations.

Table 4: Correlation between price differentiation and repeat patronage

			Price Differentiation	Repeat Patronage
Spearman Rank (ρ)	Price Differentiation	Correlation Coefficient	1.000	.583*
		Sig. (2 tailed)	.	.004
		N	154	154
	Repeat Patronage	Correlation Coefficient	.583*	1.000
		Sig. (2 tailed)	.004	.
		N	154	154

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 4 presents the result of the SPSS correlation analysis carried out on price differentiation and repeat patronage of hotel presidential. The result indicates that price differentiation has a positive relationship with repeat patronage ($\rho = .564^*$) and this relationship is significant at 0.05 level as indicated by the symbol *. As result of this, we the reject the null hypothesis and accept the alternate hypothesis which states that there is significant relationship between price differentiation and repeat patronage of hospitality organizations.

Discussion of Findings

Based on the result of the analysis carried out, it was reported that significant relationship exists between quality differentiation and customer patronage intention of hospitality organizations. This finding was derived from the correlation analysis carried out on the two variables. The result revealed that quality differentiation has a positive relationship with customer patronage intention and this relationship is significant at 0.05 level (see table 1). As a result of this, we then reject the null hypothesis and accept the alternate significant relationship between quality differentiation and customer patronage intention of hospitality organizations. This finding is supported by Kume and Cipi (2015) and Choi and Chu (2001) as both studies reported that quality differentiation significantly enhance customer patronage intention of hotel businesses. Haarla (2003) also agreed with this finding when he stated that if a hotel firm differentiates itself from its competitors on the basis of quality services, customers are more likely to develop purchase intention.

This study also found a significant relationship between quality differentiation and repeat patronage of hotel organizations. This finding was obtained from the result of the statistical testing carried out on the two variables. The result showed that quality differentiation is positively related to repeat patronage and this relationship is significant at 0.05 level (see table 2). Based on this result, the null hypothesis was rejected and the alternate hypothesis was accepted. This means that we then accepted that there is significant relationship between quality differentiation and repeat patronage of hospitality organizations. This finding is consistent with the research conducted by Choi and Chu (2001) which revealed that service quality differentiation has a significant relationship with repeat patronage. Kandampully and Suhartanto (2000) also supported this finding when they reported that service quality enhances customer loyalty in the hotel industry.

This study equally reported a significant relationship between price differentiation and customer patronage intention of hotel organizations. This finding was deduced from the result of the SPSS analysis carried out on the two variables. The result revealed that price differentiation has a positive relationship with customer patronage intention and this relationship is significant at 0.05 level (see table 3). As a result of this, the null hypothesis was rejected and the alternate hypothesis was accepted. This means that there is significant relationship between price differentiation and customer patronage intention of hospitality organizations. This finding is supported by Haarla (2003) who noted that when a company renders a service of high quality at a lower price, it attracts more customers to the company and enhances their competitiveness. Hickey (2017) also supported this finding when he stated that consumers are price sensitive and they are more likely to develop purchase intention for those companies whose products/services are cheaper in the market.

Finally, it was reported that significant relationship exists between price differentiation and repeat patronage of hospitality organizations. This finding was derived from the result of the correlation analysis performed on the two variables. The result revealed that price differentiation has a positive relationship with repeat patronage and this relationship is significant at 0.05 level. As result of this, we the reject the null hypothesis and accept the alternate hypothesis which states that there is positive and significant relationship between price differentiation and repeat patronage of hospitality organizations. This finding is supported by Kireru, Ombui & Omwenga (2016) who noted that if a hotel provides quality services at a cheaper price, it will motivates customers to make repeat patronage. Dranove, Gron and Mazzeo (2003) also supported this

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finding when they stated that cheaper price of goods and services inspire customers to re-patronize the product or services in future.

CONCLUSION

From the foregoing, it is evident that service differentiation has the potential of increasing the level of customer patronage in the hospitality industry. The empirical results succinctly demonstrate that, within Nigerian hospitality industry, quality differentiation is found to have a positive and significant relationship with customer patronage intention and repeat patronage. This implies that hotel organization that provides quality services to their customers stands a better chance of increasing customer patronage intention and repeat patronage. This study also reported that price differentiation has a significant relationship with customer patronage intention and repeat patronage. The implication of this is that if hotel firm provides quality services at a cheaper rate, it would increase customer patronage intention and repeat patronage. Based on these results, it was concluded that service differentiation enhance customer patronage in the hospitality industry.

RECOMMENDATIONS

Having concluded the study, the researcher provided the following recommendations:

1. Hotel businesses in Nigeria should embrace service differentiation as it would increase their level of customer patronage.
2. Hotel operators in Nigeria especially those in Port Harcourt should provide quality services to their customers as this would attract more customers to their organization and increase their patronage intention.
3. Hotel operators should provide services that will surpass those rendered by their rivals as this would not only increase their level of customer patronage and competitiveness but would also motivate customers to make repeat patronage.
4. Hotel service providers should provide high quality services at a cheaper price as this would attract more customers to their organization and increase customer patronage intention.
5. Hotel service providers should differentiate themselves on the basis of price and quality as it would motivate customers to make repeat patronage.

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