EVALUATING SERVICE QUALITY AND BUSINESS OUTCOMES POST-PANDEMIC: PERSPECTIVE FROM HOTELS IN EMERGING MARKET

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Abstract

The impact of the novel coronavirus has been severe, and while crises are impossible to predict, they must be anticipated and planned for in business. However, less is known about the preparedness of emerging markets, particularly in the hospitality industry in Nigeria. Therefore this study seeks to situate the service quality debate within the emerging hotel service arena by exploring service quality and business outcomes in selected hotels within the Ogun East senatorial district, Ogun State, Nigeria. The study adopted the survey research design, which is cross-sectional. A convenience sampling technique was adopted in arriving at the respondents. A total of 232 copies of a questionnaire were received from the customers of twenty hotels in six major towns within the Ogun East senatorial district -Ijebu-Ode, Ago-Iwoye, Ijebu-Igbo, Sagamu, Ilishan-Remo, and Iperu-Remo representing 89.3% response rate. The regression analysis was carried out to test the effect of service quality on business outcomes. The main findings of the empirical study show that there is strong support for service quality to improve business outcomes in hotels. Specifically, service quality significantly impacted both competitiveness and brand recognition, the study's two measures of business outcomes. However, taken individually, the study found that tangibility as a factor showed little impact on outcomes but a strong impact on brand recognition. Similarly, service assurance significantly affected business competitiveness but only mildly impacted brand recognition. The distinct effects of service quality and business outcomes post-pandemic in Nigeria were highlighted. It also provided hotel stakeholders and owner-managers with insights on the need to enshrine service quality management in the corporate policies to reduce customer dissatisfaction and poor business outcomes. It is also essential for hotel operators to stay abreast of the current and future needs of an ever-evolving industry and to meet the demands of guests who are becoming more sophisticated. Innovation and originality are essential to the hotel industry's outcome. This is one of the first studies to provide empirical evidence of the relationship between service quality and business outcomes post-pandemic in Nigeria. The results provide new insights into this relationship and may clarify divergent results found in the literature from other climes.

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INTRODUCTION

The quality of service and the achievement of customer satisfaction are fundamental for the survival of the hotel business (Taylor, 2001; Keshavarz, & Jamshidi, 2018; Wang, Mohammad, Syed, Ismail, Chieh-Yu, & Yi-Hui, 2023). Since the past few decades, service quality has been linked to customer satisfaction and business outcomes in the majority of service industries, professional service sectors, and small and medium-sized enterprises, including tourism, hospitality, healthcare, banking, education, and insurance. The relationship between quality service and business outcomes has gained remarkable recognition since the (Ali, Gardi, Othman, Ahmed, Ismael, Hamza, Aziz, Sabir, Sorguli, & Anwar, 2021; Amin, Onyeukwu, & Osuagwu, 2018; Bonfanti, Vigolo, & Yfantidou, 2021; Fida, Ahmed, Al-Balushi, & Singh, 2020; Nair & Choudhary, 2016; Sarkar & Islam, 2021; Supriyanto, Wiyono, & Burhanuddin, 2021). While the literature on service quality has primarily focused on well-established markets, the novel coronavirus (COVID-19) pandemic has changed the dynamics and has compelled business operators to seek improvement to customer satisfaction and also determine which aspects of service quality need the most attention, particularly in the hospitality industry. Globally, the impact of the COVID-19 pandemic has forced businesses to continue to thrive for ways to improve service quality to maintain and improve business.

One of the efforts in recent times to improve customer satisfaction is service quality (Amangala, Wali, Andy, 2020; Obananya, 2020). According to Jahanshahi, Gashti, Mirdamadi, Nawaser & Khaksar, (2011), five drivers influence consumer satisfaction: price, service quality, product quality, emotional considerations, and costs. From a practical standpoint, service quality is so important, and further research on hotel service quality is required to enhance the understanding of how hotel management should manage service quality to enhance customer satisfaction, business outcomes, and other pertinent criteria in the post-COVID-19 period. It has been observed that by enhancing service quality, businesses can gain consumer loyalty, which can benefit the business and its Outcomes (Bayad, Bayar, Baban, Shahla, Nechirwan, Pshdar, Hassan, Bawan, Sarhang, & Govand, 2021; Demir, Maroof, Khan, & Ali, 2020; Khudri & Sultana, 2015; Top & Ali, 2021; Yu, Seo, & Hyun, 2021).

The hotel business evolved thousands of years ago, by people who travel from one location to another, for one reason or another, be it business or pleasure. It was called by different names, such as an inn, tavern, and lodge, and the whole purpose was to provide decent accommodation and comfort to travellers for a fee and make them feel at home away from home. The modern hotel as we know it today started in Europe in the 15th century, but the United States brought about real growth in the industry in the 18th century. In Nigeria, the first hotel was reported to be the Airport hotel in Lagos, founded in 1942. This was how recent the industry is in Nigeria. Hotel service is recently regarded as one of the core businesses making up the tourism complex system, one of Nigeria's

fastest-growing industries during the past 20 years. Currently, it accounts for slightly below 5% of the Nigerian GDP, significantly up from less than 1% about 20 years ago, according to the Nigerian Bureau of Statistics. The intensively competitive market requires hotels to continuously renew and improve themselves to attract customers. In recent years, the ever-changing and complex hospitality industry has embarked upon challenges largely due to economic turbulence and the consequences of COVID-19. The need for continuous improvement and higher performance standards through effective service quality practices is necessary. The COVID-19 pandemic has generated significant worldwide changes in the healthcare, business, and economic sectors (Ahani Nilashi,2020; Ismael, Sorguli, Aziz, Sabir, Hamza, Gardi, & Al-Kake, 2021; Olubiyi, 2022). However, little changes are noticeable in Nigeria. The country is still struggling to build a good hospitality sector and infrastructure for the public good, but the effort has not yielded an impactful standard, so businesses in the sector continue to grapple with ways to improve business outcomes, particularly competitiveness. The role of service quality in the success of hotel businesses cannot be ignored in Nigeria.

In this context, attention to service quality to improve business outcomes is crucial. From the customer's perspective, service quality is considered one of the most important factors deciding the success of tourism and hotel businesses in Nigeria. Therefore, measuring service quality and evaluating its impact on business outcomes is a topic of great concern for academics and practitioners in many service industries, including the tourism and hospitality industries in the country. There are not many studies dealing with this concern yet in Nigeria and many developing countries, particularly Ogun State, Nigeria. Previous scholars have examined service quality from divergent viewpoints, including customer orientation, service quality perception, market intelligence, and culturally based behavioral, in the context of the hospitality industry. More so, recent existing research on the COVID-19 pandemic in the context of the hotel business has focused mainly on the impact of the pandemic on hotels (Filimonau, Derqui, Matute, 2020; Hao, Xiao, Chon, 2020; Jiang & Wen, 2020; Obananya, 2020; Top, & Ali, 2021; Wang, Mohammad, Syed, Ismail, Chieh-Yu, & Yi-Hui, 2023). Limited studies address service quality and business outcomes of hotel businesses in developing nations post-COVID-19. Existing literature in Nigeria contains limited evidence about the outcomes level of hotel businesses in relation to service quality.

The hospitality industries, particularly the hotels in Nigeria, still need a lot of input and attention from the academia (Adesina & Chinonso, 2015; Apata, Afolabi, & Ajayi, Abimbola, Adebayo, & Okhiria, 2019; Olunlade & Efozia, 2021; Tayyab, Awan, Bukhari, 2020) because globalisation has contributed to the emphasis on service quality and no nation can afford to ignore it because of the severe consequences on business continuity, performance, and customer satisfaction. The present study focuses on understanding the hospitality industry, its performance, business outcome, and service quality in the face of

the post-COVID-19 pandemic. Furthermore, the measurement of service quality and its perception varies from person to person and situation to situation. Therefore, several frameworks and multiple models have been employed to measure service quality in the hotel, lodging, and hospitality business. These models include lodgserv and holserv (Wang, Mohammad, Syed, Ismail, Chieh-Yu, & Yi-Hui, 2023; Ladhari, 2009; Al Khattab and Aldehayyat, 2011; Boonitt & Rompho, 2012). SERVQUAL directly measures expectations and perceptions, while in the SERVPERF model, service quality is evaluated by perceptions of the service delivered only (Barbara, 2010).

Furthermore, Parasuraman, Zeithaml, and Berry (1988) designed the SERVQUAL model, a multi-dimensional research instrument designed to capture consumer expectations and perceptions of a service along the five dimensions that represent service quality: Tangibles, Reliability, Responsiveness, Assurance, and Empathy. These studies provided mixed results on the impacts of different service quality dimensions on customer satisfaction and customer loyalty in various regions, including Asian countries. However, the application of such frameworks in measuring service quality in Nigerian hotel businesses is still limited. To fill this gap, our study is conducted to empirically investigate hotel service quality in the Ogun East Senatorial district of Nigeria. The main objectives of this study are to measure perceived service quality at these hotels and its impact on business outcomes, as well as brand recognition.

Literature Review
The Concept of Service Quality

Hospitality is a specific type of business that involves taking care of the traveller at their destination (Gardi,2021). Service quality is the level of excellence expected by customers, and the level of excellence is controlled with the aim of fulfilling customer desires (Rather & Camilleri, 2019). Service quality is the extent to which the customers' needs or expectations are met. The importance of service quality is well recognized in the hospitality industry since hotels cannot survive intense competition without satisfying their customers with quality service. Service quality derives from marketing, which values the human interaction between a business and its customers (Antony *et al.*, 2004). It incorporates the concept of meeting and exceeding customer expectations, and it is generally accepted that better service quality positively impacts an organisation's performance and competitive positioning (Parasuraman *et al.*, 1988; Zeithaml *et al*, 1990). While technology makes products look similar, service quality differentiates them in the market (Denburg & Kleiner, 1993).

Eshghi (2008) defined Service Quality as the overall assessment of a service by the customers or the extent to which a service meets the customers' needs or expectations. Service Quality is an important area to academicians because of its relevance to service companies, and therefore many researchers have tried to develop various models to

measure it, even though some claim it is hard to measure because of its intangibility, which is hard to quantify. Sareshchander, (2002) states that the veritable gains of a quality revolution come only from customer delight, which again largely depends on the customers' perception of overall service quality''. This is why it is imperative to understand how the customer perceives service quality and how these perceptions could affect their repurchase behavior. This way, organizations can identify gaps and take corrective actions to improve their activities. However, the definition of service quality is fraught with disagreements (Robinson, 1999: Presbury *et al.*, 2005).

As a consequence, there are numerous definitions of quality. Juran (1988) defined quality as 'fitness for purpose whereas Crosby (1984) defined it as 'conformance to requirements', whilst Garvin (1988), identified internal and external failures and measured quality by counting malfunctions. However, these definitions derive from a goods manufacturing perspective and are not applicable to services (Gronroos, 1984). The second series of definitions sought to define quality from a service perspective. Gronroos (1984) divided service quality into three components: technical, functional, and image, and argued that functional quality is the most critical aspect. Lewis and Booms (1983) defined quality as a measure of how well the service level delivered matches the customers' expectations. Parasuraman *et al.* (1988) defined service quality as a gap between customers' expectations and the performance they actually receive, whilst Asher (1996) suggested that quality is the degree to which customers' perceived expectations are met based on a subjective judgment of the service transaction.

The review of service quality definitions is important to the study as accurate knowledge of what customers expect is the first and perhaps the most critical step in delivering service quality. Furthermore, the controversies that belie service quality implementation may stem from the difficulties surrounding defining the quality concept (Robinson, 1999). Based on the theory of perceived service quality, Parasuraman, Zeithaml, and Berry (1985) proposed their conceptual gap model of service quality and explained that perception of service quality is a comparison of consumers' expectations with the actual service performance and quality evaluation, involving both process and outcomes of service delivery. In their succeeding studies (i.e. Parasuraman *et al*), Servequal proposed a scale for measuring consumer perceptions of service quality. The scale measures 22 items in five dimensions. These dimensions are: 10Tangibility, which refers to physical assets, equipment, and appearance of personnel; 2)Reliability, which is defined as the ability to perform the promised service dependably and accurately; 3)Responsiveness, which is defined as the willingness to help customers and the provision of prompt service; 4)Assurance, which is defined as the knowledge and courtesy of employees and their ability to inspire trust and confidence; 60Empathy, which is defined as caring and individualized attention to customers;

The Importance of Service Quality

A number of scholars have highlighted the benefits of delivering Quality Service; Giese and Cote (2006) in their research, concluded that ''the benefits of providing a better service to customers include increased profitability and customer satisfaction. Quality Service in today's competitive business world is identified as one of the ''Strategies of Success'' Abdulla, (2006). Tahir and Abubakar (2007) observed that service quality plays an increasingly important role as it is critical to the profitability and survival of service industries. Based on the increasing role, it has been suggested that service industries should have a strategic and dynamic understanding of quality services and customer expectations in the competitive environment to ensure customer commitment and loyalty for a long time. Maryam (2014), in her research, discovered that service quality has a significant relationship with organizational competitiveness using eight constructs, internal customer satisfaction, management commitment, customer productivity system, policy and procedure, human resource management, infrastructure, and environmental factors.

As a result of the changing global economy, advancement in technology, and recessions experienced in most nations, the business environment has become intensely competitive, giving rise to pressures in all sectors, the service industry inclusive. According to Harvington and Akehurst (2000) in their study explained that ''the hotel industry is experiencing competitive pressures as a consequent effect of the worldwide economic recession. The ''Intense'' competitive hotel environment has modified the service delivery ethos and has promoted the importance of adopting a quality 'ethic''. Furthermore the increasingly more knowledgeable and discerning ''GUESTS'' are more eager than ever to switch their allegiance to those companies perceived as providers of continuously improving products and service quality. Johns, (1999); O'Neil, (2001).

An empirical study of grocery stores covering Europe, the Middle East & Africa (UMEA) by Chingang and Lukong (2010) revealed that service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. Companies need to know how to measure these constructs from the consumers' perspective to better understand and satisfy their needs. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty, and retention and profitability.

However, while service quality has an important role to play in the development of customer satisfaction, its direct influence on business outcomes has been questioned by several researchers. This questioning is based on several reasons, including the view that it is not service quality alone that leads to business outcomes improvement.

Business Outcomes

Business outcomes is derived from strategic management, which is concerned with evaluating the efficiency and effectiveness of business actions toward attaining organisational goals. The word outcomes in the organizational context have different connotations. It could be Operational performance, Organizational Outcomes, or simply financial performance. There is consensus in the reviewed literature that performance management and improvement is at the 'heart' of strategic management (Harrington & Akehurst, 2000). Indeed, much of the thinking on strategy is concerned with defining and measuring business outcomes (Atkinson & Brown, 2001). Despite the importance attached to it, like service quality, the concept of business outcome is fraught with definitional problems.

Cokins (2006) defined business outcomes as the framework for managing the execution of an organisation's strategy. In other words, it describes the process of how an organisation translates plans into results. Thus, business outcomes is related to success. In the hotel industry, business outcomes could be viewed in terms of how well stakeholders' expectations are fulfilled (Phillips, 1999). However, given the multiplicity of stakeholders, the role of the various stakeholders' divergent and often conflicting interests and motives should be considered when measuring business outcomes (Phillips, 1999). The stakeholders of paramount concern in this research are the customers who make use of the services of the hotels sampled.

Hotel industry in Nigeria

Nigeria's hotel history dates back to pre-independence. The Grand Hotel and Bristol Hotel were the first commercial hotels to open in 1942; other noteworthy hotels in the 1950s included the Victoria Beach Hotel, and Victoria Hotel (Flint, 1983; The Nashua Telegraph, 1960; Savoy and Olympic Hotels Whiteman, 2012). From 1960 to 1965, the first half of the post-independence period was characterised by tremendous growth in interregional travel for commerce, education, and politics. This resulted in the establishment of government-owned hotels in major cities, such as the Hotel Presidential in Port Harcourt and Enugu in 1963 (National Bureau of Statistics, 2015) and the Premier Hotel in Ibadan in 1966. Six military coups, a civil war, the discovery of oil deposits, and the demise of two republics in 1979 and 1993 occurred during the chaotic era from 1966 to 1998. By this time, only three international hotel chains existed in the country: the Eko Hotel, a private development established in 1976, initially branded a Holiday Inn (Corporate Nigeria, 2010); Ikeja Hotels PLC entered into a management contract with ITT Sheraton to bring the Sheraton brand to Lagos Mainland in 1985; and the Hilton established in Abuja, the Federal Capital Territory through a franchise agreement in 1987. (Proshare Nigeria, 2015). Numerous more government hotels, such as the Festac 77 Hotel in Lagos, the Durbar Hotel in Kaduna, and the three Gateway Hotels in Ogun State,

opened in 1979 during the oil boom of the 1970s (National Bureau of Statistics, 2015). During this time, the government purchased the Victoria Hotel and renamed it the Federal Palace Hotel (Traveller's Network, 2011). It is believed that these government-run hotels were not always able to provide adequate levels of service (UNWTO, 2006), which led to the privatization of several of them following the return of democracy in 1999.

In tandem with several private-sector investments, the number of renovated and newly constructed hotels in the Nigerian market expanded considerably. From three international brands in 1985, there are now 15 chains with 45 branded hotels and 23 independent hotel brands operating throughout the country, including Sheraton, Four Points by Sheraton, Hilton, Radisson Blu, Swiss International, Le Meridien, InterContinental, Best Western, Southern Sun, and Sun International. With the 2014 acquisition of the Protea brand, Marriott has also established a foothold in Nigeria (Marriott International, 2014). A few national hotel brands, such as Rockview and Chelsea, supplement the increasing number of independent boutique and family-owned hotels nationwide.

Service Quality and Business Outcomes

The services literature and research suggest a direct link between quality and business outcomes (Parasuraman, 2002). The link is perceived to be either through offensive marketing by attracting new customers or defensive marketing by retaining the existing customer base. This has led to the increasing popularity of quality improvement programmes and service quality becoming a strategic issue in services. However, very few of the studies to date have focused on the conceptualisation of service quality and business outcomes from hotel practitioners' perspectives. This study is therefore expected to fill part of the vacuum created in literature.

METHODOLOGY

This paper relied on the prior study methodology of Olubiyi, Adeoye, Jubril, Adeyemi, and Eyanuku, (2023), Adeyemi, and Olubiyi, (2023). Olubiyi, Egwakhe, and Akinlabi (2019), Olubiyi, Egwakhe, and Egwuonwu, (2019), Olubiyi, Egwakhe, Amos, and Ajayi (2019), Olubiyi, Lawal, and Adeoye, (2022). Olubiyi (2019), Olubiyi, Lawal, and Adeoye, (2022), Olubiyi, (2022a), Olubiyi, (2022b), Olubiyi, Jubril, Sojinu, and Ngari, (2022), Ukabi, Uba, Ewum, & Olubiyi, (2023) and Uwem, Oyedele, and Olubiyi, (2021). From the outset, it was clear to the researchers that given the time available for the study, an effective approach must be found to obtain data from the study population. Ogun East was considered for this study, an area within Ogun State, Nigeria. This emerging location consists of two major social-cultural blocs, namely the Ijebus and the Remos. Each bloc comprises many towns, out of which exist diverse categories of hotels. It would therefore

be necessary to balance this representation in a way that reflects the relative population of hotels and hotel users. To this extent, the following six major towns were identified: Ijebu-Ode, Ago-Iwoye, and Ijebu-Igbo, from the main Ijebu bloc, while Sagamu, Ilishan, and Iperu represent the Remo bloc.

A survey research design was used to elicit information from respondents. Data collected were from primary sources using a questionnaire. Two hundred and sixty (260) copies of the validated questionnaires were administered to 260 customers from 20 hotels. The purposive sampling technique was used to randomly select the 20 hotels due to their capacity to fulfill the questionnaire requirements, after which 232 copies of the questionnaire were properly filled and returned to the researchers, representing 89.3% response rate. A few copies of the questionnaire were returned incomplete or invalid and were therefore excluded. The researchers adopted the convenience sampling technique because it was anticipated that there would be great difficulty in covering all the qualified hotels in the population and that the 20 hotels chosen account for more than 75% of hotel rooms in the Ogun East senatorial district. Furthermore, Higginson (2010) and Chrisman et al. (1998) have supported the use of non-probabilistic sampling procedures in family business research, as nearly all the hotels sampled are family-owned businesses.

The research adapted the Service Quality construct developed by Parasuraman *et al.*, (1988). Thus, the five following scales were used to measure service quality: tangibility, reliability, responsiveness, service assurance, and empathy. On the other hand, the two scales used to measure business outcomes are competitiveness and brand loyalty. A range of five to six questions was asked to properly capture the elements of each scale. In all, there were six questions to measure demographics and thirty-seven questions for the research variables. It was the intention of this study to measure the effect of the combined dimensions of service quality on hotel business competitiveness on the one hand and hotel brand recognition on the other hand. In terms of reliability, the questionnaire was designed to perform in a consistent and predictable way so that the questions convey the same intended meanings to all respondents. The survey instrument was also subjected to validation by experienced faculty members, whereby all recommendations for improvements were implemented in the final form of the questionnaire.

On the question of ethics, the researchers accompanied the questionnaire with a cover letter, which explains the purpose of the research and solicits the respondents' support and time to complete the questionnaire in an objective manner. The researchers ensured that only the hotel customers completed the questionnaire and assured anonymity by requesting that the completed questionnaire be enclosed in envelopes provided by the researchers for this purpose. The regression analysis tested service quality's effect on business outcomes (competitiveness and brand recognition). A simple linear regression model is used as indicated below:

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$$y_1 = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + e \text{ --(1)}$$

$$y_2 = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + e \text{ --(2)}$$

Using SPSS, regression analyses were carried out to determine the impact of the independent variables on the dependent variables to test the two hypotheses being postulated in the study. The Table below is the summary of the hotels sampled:

Table 1: Hotels Sampled

S/N	Towns	Number of Hotels	Questionnaire Distributed	% of Distribution	Questionnaire Returned	% of Response
1.	Ijebu-Ode	6	80	30.8	71	88.8
2.	Sagamu	5	70	26.9	65	92.9
3.	Ago-Iwoye	3	30	11.5	26	86.7
4.	Ilishan	2	40	15.4	35	87.5
5.	Ijebu-Igbo	2	20	7.7	18	85.0
6.	Iperu	2	20	7.7	17	90.0
	TOTAL	**20**	**260**	**100.0**	**232**	**89.2**

Source: Researchers' Computation (2023)

Interpretation of Findings and Discussion

In terms of demographics, the questionnaire sought to know more about the personality and general characteristics of respondents. Therefore, the researchers were interested in relevant issues related to the objectives of the study. The questionnaire did not include characteristics such as age, income, religion, or ethnicity. This is also consistent with the assurance of anonymity. Concerning how frequently they visit the hotel, 120(51.7%) respondents stated they visit the hotels often, while 82(35.3%) stated they visit sometimes, and 30(12.9%) said they are first-timers. Therefore, with a total of 202 (87.0%) respondents being regular or occasional users, there is the confidence that they have sufficient experience to complete the instrument. When asked about the purpose of their visit, 110(47.4%) respondents were there on business, 90(41.4%) visited the hotels for pleasure, and 26(11.2%) were there for a meeting or conference. In the opinion of the researchers, this represents a broad spectrum of perspectives from the part of respondents.

Regarding the nationality of respondents, 203(87.5%) were Nigerians, while 29(12.5%) were foreigners, representing a ratio of 8:1. This wide gap is hardly surprising and is consistent with the general expectation of the study. Nonetheless, foreigners' opinions would help ensure diversity in the responses. On the issue of gender, 155(66.8%) responses were received from men, while 77(33.2%) responses came from women, representing a ratio of 2:1. While the Nigerian population is fairly even gender-wise, the disparity among respondents for this particular study is consistent with apriori expectation. The occupation of respondents brought out some interesting statistics.

150(64.7%) respondents, nearly two-thirds of the total, are self-employed. The remainder is shared between government – 22(9.5%), company – 45(19.4%), NGO – 4(1.7%), retired or other – 11(4.7%). From the findings, the majority are owners of their businesses, while the retirees are probably former government or company employees who have returned to their hometowns on retirement. It also confirms the general belief that the economy of Ogun east is driven mainly by the private sector, particularly the small and medium enterprises (SMEs).

Finally, an important question is who pays the bill? Since most of the respondents are self-employed, the expectation favours self-payments. It is therefore not surprising that 158(68.1%) respondents stated they paid for themselves, 62(26.7%) respondents were sponsored while the remaining 12(5.2%) enjoyed complimentary services – i.e. they got the services free of charge. Thus, the argument could be made for the overall genuineness of the responses. A graphical representation of responses is presented below:

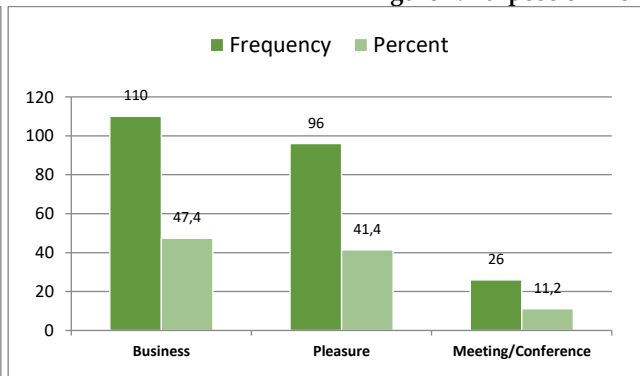**Figure 1: Frequency of Visit**
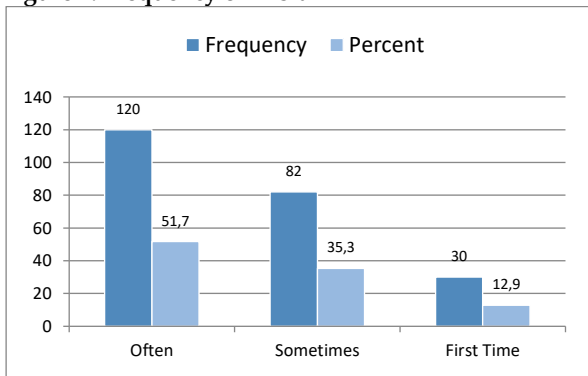
Figure 2: Purpose of Visit

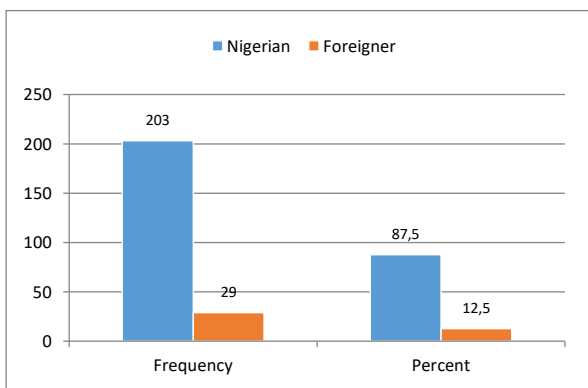**Figure 3: Nationality**

Figure 4: Gender

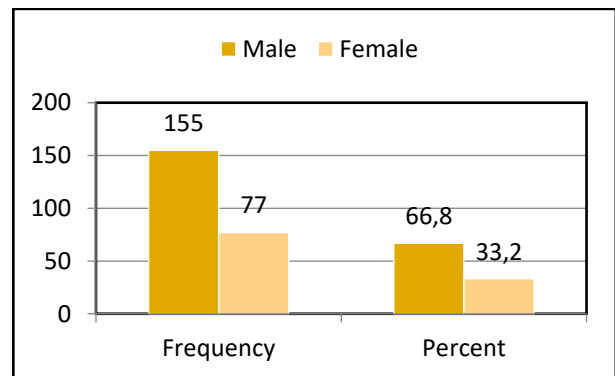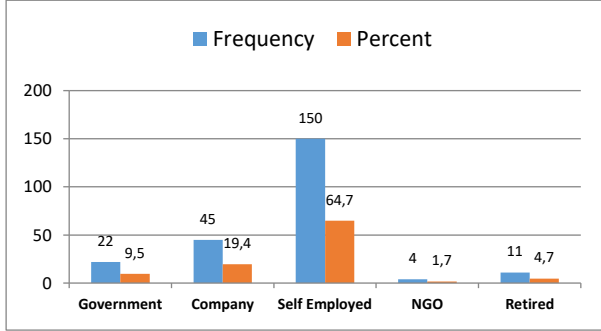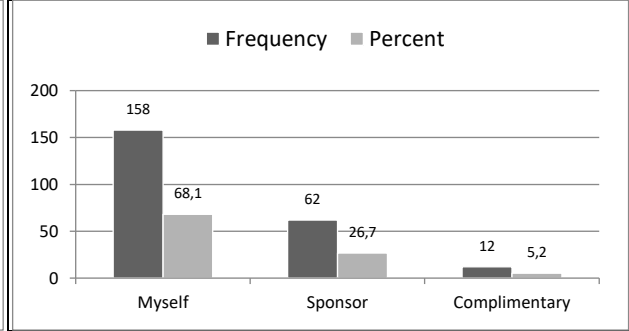**Figure 5: Occupancy**   **Figure 6: Who Pays Bill**

Figure 5: Occupancy

Figure 6: Who Pays Bill

Furthermore, two hypotheses were tested, and the results of the analyses are presented as follows:

Table 2: Regression Result for Hypothesis One (H_{01})

Model	R	R²	Unstandardized Coefficients		T	Sig.	Std. Error of the Estimate
			B	**Std. Error**			
1 (Constant)	0. 890	0. 792	1.584	1.016	1.560	0.120	3.118
Tangibility			-0.036	0.078	-0.455	0.649	
Reliability			0.287	0.094	3.053	0.003	
Responsiveness			0.162	0.099	1.636	0.103	
Service Assurance			0.383	0.076	5.008	0.000	
Empathy			0.327	0.072	4.550	0.000	

Source: Field Study, 2023

a. Dependent Variable: OUTCOMES

b. Predictors: (Constant), TANGIBILITY, RELIABILITY, RESPONSIVENESS, SERVICE ASSURANCE, EMPATHY

$Y = f(x_1 + x_2 + x_3 + x_4 + x_5)$

Y = Competitiveness(CT)

x_1 = Tangibility (TB)

x_2 = Reliability (RB)

x_3 = Responsiveness (RP)

x_4 = Service Assurance (SA)

x_5 = Empathy (EM)

$Y = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + e$

CT = 1.584+-.036*TB+0.287*RB+0.162*RP+0.383*SA+0.327*EM..........................(1)

The result of hypothesis one (H_{01}) shows that, on the overall basis, there is a positive relationship between the dimensions of Service Quality and Competitiveness. From Table 2 above, the result revealed that a unit increase in service quality dimensions would lead to a 0.792 increase in competitiveness. The R^2, which is the explanatory power of the dependent variable, reveals that the independent variable explains as much as 79% variation on the dependent variable. The t-statistical result shows that the individual parameter is significant since it has a probability level of less than 5%. The Table also shows that at $p<0.05$), the dimensions of service quality were found to have a significant impact on business competitiveness. Hence, it has not been statistically satisfied, and thus, we reject the Null Hypothesis (H_{01}) that service quality has no significant impact on business competitiveness.

Table 2: Regression Result for Hypothesis Two (H_{02})

Model	R	R²	Unstandardized Coefficients		T	Sig.	Std. Error of the Estimate
			B	Std. Error			
1 (Constant)	0.824	0. 679	5.526	0.932	5.930	0.000	2.860
Tangibility			-0.172	0.072	-2.399	0.017	
Reliability			0.336	0.086	3.891	0.000	
Responsiveness			0.240	0.091	2.642	0.009	
Service Assurance			0.130	0.070	1.859	0.064	
Empathy			0.260	0.066	3.939	0.000	

Source: Field Study, 2023

a. Dependent Variable: Brand Recognition
b. Predictors: (Constant), TANGIBILITY, RELIABILITY, RESPONSIVENESS, SERVICE ASSURANCE, EMPATHY

$Y = f(x_1+ x_2+ x_3+ x_4+ x_5)$
Y = Brand Recognition (BR)

$Y = \alpha_0+\beta_1x_1+\beta_2x_2+\beta_3x_3+\beta_4x_4+\beta_5x_5+e$
$BR = 5.526+-0.172*TB+0.336*RB+0.240*RP+0.130*SA+0.260*EM$..........................(2)

Also, the result of hypothesis two (H_{02}) shows that, on an overall basis, there is a positive relationship between the dimensions of the independent variable (service quality) and the dependent variable (brand recognition). From Table 3 above, the result revealed that a unit increase in the dimensions of service quality will lead to a 0.679 increase in brand

recognition. The R^2 which is the explanatory power of the dependent variable reveals that about 70% variation on the dependent variable is explained by the independent variable. The t-statistical result shows that the individual parameter is significant since it has a probability level of less than 5%. The Table also shows that at ($p<0.05$), the service quality dimensions were found to have a significant impact on brand recognition. Hence, it is statistically satisfied, and thus, we reject the Null Hypothesis (H_{02}) that service quality has no significant impact on brand recognition.

RESULT AND DISCUSSION

This study showed strong support for service quality and business outcomes in selected hotels in the Ogun East senatorial district. Both factors of outcome and brand recognition are significantly influenced by service quality. The finding of this study is in agreement with the majority of the findings on this path and supports the previous research conducted (Giese & Cote, 2006; Kuo, Chang, Chen, & Hsu, 2012; Nwosu, 2016; Setó-Pamies, 2012; Wang, Mohammad, Syed, Ismail, Chieh-Yu, & Yi-Hui, 2023), which found benefits in increased profitability and customer satisfaction, and Tahir and Abubakar (2007) who found that service quality is critical to profitability and survival of service industries. A firm cannot be said to be competitive except it is also profitable, and to the extent that this is so, service quality must drive the outcome of firms. The study took a different angle on the outcome by exploring the impact of innovativeness. As earlier stated, the study found a strong impact between the dimensions of service quality and business outcome as defined by innovative activities. Taking individually, however, tangibility as a dimension showed no significant effect on the outcome of the hotels studied, and this is contrary to the apriori expectation of the researchers. On the surface, it may seem like the finding was unexpected, but a critical examination may tend to support the fact that customers are looking beyond and taking as given the influence of tangibles, such as infrastructure and equipment, which money can buy. The lesson here is that customers perceive the 'softer' dimensions of reliability, responsiveness, assurance, and empathy – factors that are unique to each hotel, as those things they consider important as far as business outcome is concerned.

On the other hand, tangibility showed a strong impact on brand recognition. This would appear logical as brands are engrained in customers' minds through physical things like buildings, logos, letterheads, service items, and uniforms. It is also noteworthy that service assurance only mildly impacted brand recognition. Service assurance, as presently constructed in the Servequal scale, may leave customers disorientated because they may not link brands to such issues as employee behaviour, courtesy, and the knowledge to answer customer questions. Service assurance may even be affected by the service culture of the people in the locality of the hotel.

Recommendation and Conclusion

The study revealed that the level of service quality by hotels in the Ogun East senatorial district of Ogun State to their various customers is crucial to customer satisfaction and business performance. For customers to continue to patronize the hotels in large numbers, the hotels should see that they receive consistently happy and quality services. Therefore, it is also essential to implement all the necessary mechanisms to ensure that hotels consistently provide satisfactory service to their numerous customers. Further, it is essential for hotel operators to stay abreast of the current and future needs of an ever-evolving industry and to meet the demands of guests who are becoming more sophisticated. Innovation and originality are essential to the hotel industry's outcome.

Furthermore, while it may be difficult to generalise the findings of the study without taking cognisance of the limitations inherent in it, the results nevertheless have backing from research conducted in different climes and in diverse service industries that service quality greatly impacts upon business outcome, as indeed the case of the selected hotels from the Ogun East senatorial district. In particular, hotel practitioners should consider the need to adapt their quality service strategies to reflect other factors in the local environment and the peculiar nature of their customers.

Limitations and Suggestions for Further Research

This study is no exception to the rule that every research endeavour has at least one limitation. One of the limitations of this study is that it was conducted in the Ogun East senatorial district of Ogun State, Nigeria, using twenty hotels in six major towns that offer different services in terms of quality. As a result, the results may not be sufficient to generalize hotel service quality for the entire State or the country, as hotel service quality in other parts of the country may vary. Therefore, future research on service quality of hotel services in Nigeria should consider selecting hotels of the same rating from six different geopolitical zones. In conclusion, the cross-sectional nature of the paper prevents the authors from making strong claims of causality.

Declarations

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Authors contribution

The authors proposed the research topic, model, approach, and independently authored the paper without any sponsor.

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Declaration of Competing Interest

There are no conflicting interests, according to the author. The author further declares that he has no known competing financial interests or personal relationships that might have influenced the work disclosed in this study.

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