

Physical Settings and Patronage of Three Star Hotels in Nigeria's Federal Capital Territory Abuja.

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Abstract

This paper develops and tests a model to explain customers' physiological, cognitive and emotional behavior. The authors put forth an integrated model that explains how physical setting plays critical role in shaping customers expectation. The model proposes three influences of physical settings: ambient conditions, spatial layout and signs, symbols and artifacts. The authors study employee dynamics associated with the physical settings that moderate the effects on consumer patronage. The results from empirical study of three star hotels in Abuja the federal capital territory show strong support for the effects of ambient conditions, spatial layout and signs, symbols and artifacts. Some of the effects are moderated by employee dynamics that are associated with the services.

Keywords: physical settings; customer patronage; ambient conditions; three star hotels; employee dynamics.

INTRODUCTION

Understanding how hotel business interacts with their esteem customers and deliver value services in a unique physical setting is of decisive importance in the hospitality industry (Peterson and Zinkhan, 2011). Hotel business' use of physical settings devices as a marketing strategy is increasing rapidly in the hospitality domain. As organizations continue to make widespread use of physical instruments to attract customers in the hotel industry, the actual concern service organizations revolves around the idea of successful existence of hotel industry and proffer efficient marketing of its services thus, for any firm to be successful and operate profitably in a dynamic business environment, it must derive strategies that will appeal to customers patronage (Kuti and Harrison, 2012). These strategies must be clearly outlined by the firm. Physical settings plays a critical role in shaping expectations; differentiating service firms; facilitating customer and employee-customer goals and influence the nature of customer experience (Bitnes, 1992). It is therefore important for service firms such as those in the hotel industry to manipulate their physical environment efficiently infusing aesthetic elements such as architecture and design in the overall layout to appeal to customers, enhancing satisfaction and increasing repeat patronage (Amoabi and Caleb, 2009). In a fast and dynamic environment such as ours, with regards to hotel business, people tend to respond to their environment holistically. That is, the totality of their perceptions of stimuli is that which constitutes and determines their responses to a given environment. Although, serenity and solitude way constitute a contributing factor to effective physical setting and influence internal responses and customers behavior, hotels atmospherics, such as humid temperature a good luminous density and lighting, colors, music and sent may lure customers as well as travelers and visitors away from home to spend time in those hotels. These customers who travel away from homes seek evidence of the eventual quality of the intangible service from observing the tangible elements that is the physical setting (Berry and Parasuraman, 1991).

Within the hospitality industry, studies pertaining to physical settings have been conducted and there are evidence that physical setting influence the satisfaction of the customer and the employee motivation thereby enhancing productivity (Benard Silas, 2012). The key element of physical setting as created in hotels is in form of tangible organizational resources.

Physical setting is viewed as an important phenomenon in shaping not only customer's physiological, cognitive and emotional states but also their behaviors. A good physical setting of a hotel evokes service experience and long lasting memories in the mind of the customers even after the consumption of such products and services. Physical

setting in hotels can therefore be used as a competitive edge over various other strategies adopted to keep the service industry as a going concern.

In this article, we study how physical settings influence customer patronage; the purpose of this article is twofold. The first purpose is to develop a model that explains why customers' patronize a particular hotel service. Second, we want to investigate the efforts of the moderating variable – employee dynamics on the influence of physical setting on patronage of customers.

These relationships are examined seeking to add to the limited body of knowledge in the hotel industry in Nigeria. From the above, there is thus an apparent need to examine physical setting and customer patronage of three star hotels in Nigeria's' federal capital territory Abuja. There is no doubt, and evidence that extensive research have been undertaken by scholars on physical settings and customer patronage as found in previous studies, but empirical studies which analysis physical setting and customer patronage of three star hotels in Nigeria, is very limited. Therefore to close this gap in the existing body of knowledge, this study focuses at establishing if any relationships exist between physical setting and customer patronage.

PRIOR RESEARCH

Virtually, all prior research on physical evidence or physical settings rest on the premise that an environment in which vendors and customers interact combined with real commodities or services to facilitate customer patronage (Cosmos and Maryland, 2010).

Physical settings emphasize the impact of physical environment in which a service process takes. Physical settings may be likened to landscape. It includes facilities exterior (landscape, exterior design, signage, use of signs and symbol, parking, surrounding environment) and facilities interior (interior design and décor, equipment, signage, layout, air quality, temperature and ambiance). Physical settings along with other tangible like business cards, stationary, billing statement, reports, employee dress, uniforms, brochures, web pages and virtual physical settings forms the physical evidence in marketing of services (Bitnes, 1992).

This definition was originally made for the physical environment. However, people involved in the service environment also have certain influences on the physical environment, so the less tangible social environment should also be included in the broad definition of physical settings.

Physical settings of service organizations can be modified by moving things, removing things and adding or destroying the environment and physical surroundings. The underlying assumption in Bitnes (1992) model of physical settings is that each customer comes to a service organization with a goal or purpose or might be aided or hindered by the physical surroundings. One of the main reasons customer attain leisure service (patronize hotel) is to experience excitement and stimulations. The degree of arousal or excitement experienced by customers while consuming the leisure service may constitute a major determinant of their subsequent pleasure or satisfaction with the service experience and whether the customer returns to the particular hotel to patronize (Mano and Oliver, 1993; Russel and Pratt, 1980).

Though not every customer is highly involved with the leisure services, customers who are inherently less involved with leisure service itself may experience greater excitement if the s physical settings are designed so as to be pleasing and stimulating. Therefore the physical environment becomes an important tool for communicating the quality of service setting, as physical settings can either enhance or suppress the emotions of customers who are involved in patronizing hospitality service organizations.

Among various researchers of physical settings related issues, Baker et al (1994) indicate that ambient and social elements in the service organization significantly affect customer's quality perceptions, suggesting that customer's satisfaction in all dimensions of physical settings indeed increases their re-patronage intentions. Gifford (1988); Ching (1996) found out that the ambient odor affects consumer decision if they are congruent with the target product – class. Recently, Nguyen, (2006); Rosenbaum et al (2011) show that physical settings and perceived waiting time positively influence overall service quality; overall service quality influence perceived value. Therefore it is imperative to study the factors of dimension of physical settings that influence consumer overall perception of the physical environment and their subsequent internal and external responses towards service experience and repeat patronage.

Dimensions of physical settings

Based on the study by Wakefeild and Baker (1998), the physical environment includes elements such as layout, interior architecture and decoration, lighting, music, aromas and cleanliness. Namesivayam and Lin (2008) also state that physical settings of the physical environment of an organization consist of elements, such as overall layout, design, and decoration. The physical setting also includes elements of atmospherics, such as temperature, lighting, color, music, and scent (Bitnes, 1992; Namsivayam and Lin, 2008). Physical setting also influences not only consumers cognitive, emotional, and physiological states but their behavior (Bitnes, 1992; Namsivayam and Lin, 2008).

Ambience Conditions

Wakefield and baker (1998) said that there are previous research studies that have suggested that the ambience conditions of a service organization is an important determinant of patron's behavior. Alternatively, Aubert Gatmet and Cova (1999) said that the ambience conditions itself is considered as instrumental in customers assessment of the quality and level of service they can expect and, consequently, in customer satisfaction with service business such as hotel. The ambience condition of the hotel may influence customers emotional state and thereby have important effect on their behavioral responses and patronage.

Ambience conditions as a factor that affects perceptions of human responses to the environment includes background characteristics of the environment such as temperature, noise, music, scent, and lighting (Baker, 1987; Russel and Snodgrass, 1987; Wohlfarth, 1984; Kim 1998). As a general rule, ambient conditions affects the five senses, though sometimes such dimensions may be totally imperceptible, yet it may have profound effects particularly on employees who spend long hours in their work environment (Russel and Snodgrass, 1987).

Spatial Layout and Functionality

Spatial layout refers to the ways in which machinery, equipment and furnishings are arranged, the size and shape of those items, and the spatial relations amongst them, and functionality refers to the ability of those items aforementioned to facilitate performance and also accomplishment of purpose which it's meant for.

Previous empirical research in psychology and organizational behavior of spatial layout and functionality dimensions always from the employees point of view. (Sundstrum and Sundstrom, 1986). With the exception of some research on service organization layout, congestion, safety, comfort, confidence, and the use of orientation aids (Levine, Marchon, and Hanley 1984). Sense of belonging may also influence the spatial layout of customers within the environment and identification with a service provider. Though, not much has been done about the effects of spatial layout and functionality on customers in service organizational settings.

Signs symbols and artifact

Signs, symbols and artifacts as visual communication tool in the service organization consist of graphics and theatrical effects that are used to assist in the discharge of service, providing service product/information and product recommendations or special purchases. It serves as explicit/implicit signals that communicate about the place to its users (Becker, 1981). The explicit communicators are examples of those signs displayed on the exterior and interior of a structure which may be used as labels for inscription of company name: and department or any other, for directional purpose, (example, egress and ingress) and to communicate rules of behavior (example, no smoking, restrictions on age).

Signs and symbols also help customers find a suite or merchandise and expectation for behavior and norms in the hotel area. It may also contain communications of symbolic meaning and create an aesthetic impression of quality of materials used in artwork, construction, presence of certificate and photographs on walls, floor coverings and personal objects (Levy and Weitz, 2004). Signs that are made robust and appropriate graphics and artifacts such as pictures, add character, beauty and uniqueness to the image of the hotels. Signs and symbols are extremely complex and should be used sparingly as may be intentionally or accidentally conveyed and subject to multiple interpretations of intended and unintended consequences to both the customer and the service provider.

Employee

One of the most important tasks of the employee is how to attract and retain customers' patronage. It is necessary for them to identify the attributes of the hotel characteristics that are most important to the patrons so that an effective strategy can be developed, since the service environment constitutes many factors that can affect behavior and provides a context in which behavior occurs. This study refers to physical settings factors in a service organization. These factors are expected to play an important role in the success or failure of the hotel and employees should be abreast to its dynamics.

Customer behavior

In service organization, the physical environment may have an impact on customer patronage and ultimate satisfaction (baker et al, 2007). Holman and Wilson (1982) examined the customer responses to the environment. They said that customer with and without time pressure respond to the different service environment. For example, if customers are very busy and have limited time to make purchases, they will often move through the service environment ignoring its physical setting and other decorative dimensions and became angry when the environment hinders them unlimited time to spend in service environment shopping and sightseeing enjoy the atmosphere. In both cases, if the customer is not satisfied with the images and/or service delivered by a particular service organization, they often find other outlets for their purchase the next time (Holman and Wilson, 1982). Therefore service organization need to identify the characteristics of hotels especially how the dimensions of the environment directly affect the physical environment and lead to a positive response from their customers, as well as properties that affect customers' decision for the future.

Earlier research suggests that the length of time that customers will desire to stay in the leisure service setting and whether they will repatronize the hotel is in part a function of their satisfaction with the physical setting (McOmish and McColl-Kennedy, 2003). Since behavioral approaches include the desire to stay in a particular place and the desire to leave the place, leisure service in service organization is essentially a sensory experiences should attempt to engage, entertain, involve and absorb the customers through all five senses to include music, lights, colors, displays, fragrances, a soft cozy, ambience and many more element that shapes customers mood and behavior (McOmish et al, 2008).

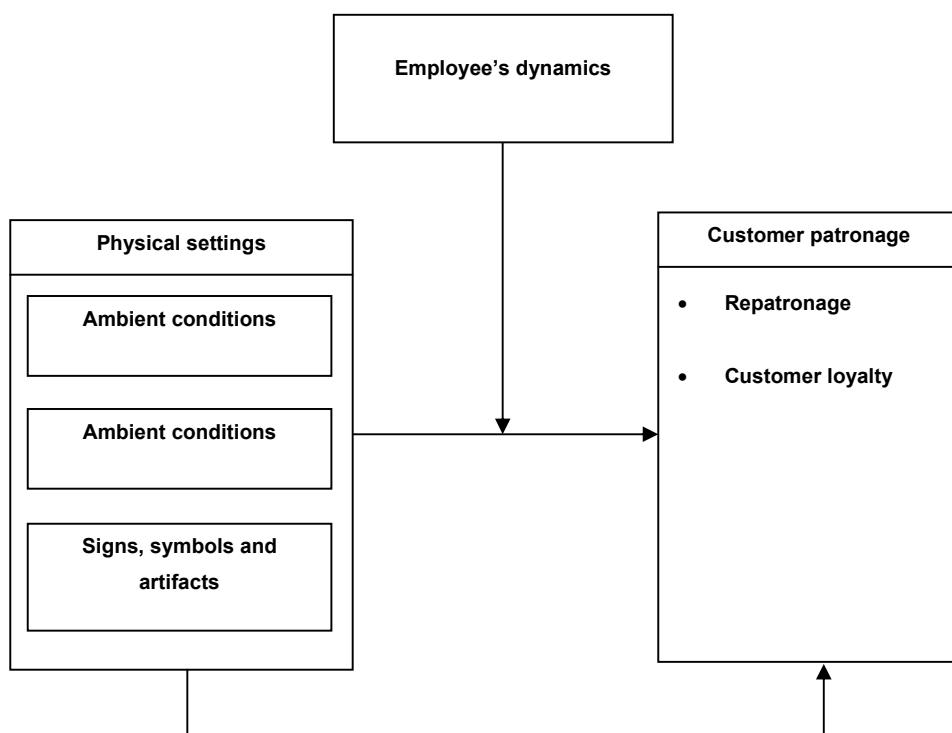


Figure 1 Conceptual model of physical settings and customer patronage

Source: conceptualized from literature, 2012.

Hypothesis1: The greater the firm's employee dynamics, the greater is the influence of ambient conditions on customer patronage.

Hypothesis2: The greater the level of employee dynamics, the lower is the impact of spatial layout on customer patronage.

Hypothesis3: Signs, symbols, and artifacts have a stronger effect on customer patronage than spatial layout.

Hypothesis4: Employee dynamics do not moderate the effect of physical settings on consumer's patronage.

METHOD

We selected three star hotels in Abuja as the context for our research because the federal capital territory Abuja represents a researchable successful place where the hotel business is doing very fine. Again the hotels in Abuja provides a universal interface for individual investors to participate in the hospitality markets, which suggest that the industry is a productive context in which to examine customer patronage.

Given the nature of the industry, we constructed our sampling framework using multiple sources. We obtained a list of three star hotels from the Nigeria chamber of commerce and industry and validated the list by using different search engines. This process resulted in a sampling frame of 21 firms.

DATA COLLECTION

We use the qualitative and quantitative research approaches to collect data for this work. For the qualitative approach, we interviewed customers from 10 three star hotels located in the heart of Abuja. The screening yielded 210 potential respondents. Further screening yielded 130 responses of the possible 210, of the 130 responses, 120 were usable for a response rate of 57 percent. Our sample represents customers of the three star hotels in Abuja.

Table 1 Result from CFA Models

<i>Measurement model</i>	<i>Range of standardized factor loading</i>	<i>Customer reliability</i>	<i>Average variance extracted</i>	<i>NNFI</i>	<i>CFI</i>	<i>SRMR</i>	<i>CFI</i>	<i>X²(df. P-value)</i>
Employee dynamics	.48 - .73	.90	.56	.80	.87	.09	.81	112.1(25,p<0.1)
Ambient conditions	.54 - .90	.93	.71	.92	.96	.06	.90	120.5(32,p<0.1)
Spatial layout	.70 - .86	.91	.80	.85	.91	.05	.85	95.1(40,p<0.1)
Signs, symbols and artifacts	.46 - .92	.95	.59					

Note: NNFI = Non-normal fit index; CFI = comparative fit index; SRMR = standardized root means square residual; GIF = Goodness-of-fit-index; df = degree of freedom.

Table 2 Descriptive Statistics

	1	2	3	4
1. Ambient conditions		.42*	.52*	.40
2. Spatial layout			.60*	.36*
3. Signs, symbols and artifacts				.65*
4. Employee dynamics				
M	3.16	4.12	5.21	4.42
SD	1.02	1.20	1.15	1.30

*p<.05

Table 3 Least Square Result

Variable category	Independent variables	Dependent variable	
Moderating	Employee dynamics (ED)	.215*	.150
Physical settings	Ambient conditions (AC) Spatial layout (SL) Signs, symbols and artifacts (SSA)	.076 .30 .211	.082 .041 .005
Interactions	AC x ED SL x ED SSA x ED	.071* -.061 -.118*	.032 .006 .042
Patronage	Customer Patronage	.510*	.055

We report standard errors and one – tailed test for hypothesized effects.

We specified the statistical model as follows:

$$Cp = \alpha_0 + \alpha_1 ED + \alpha_2 AC + \alpha_3 SL + \alpha_4 SSA + \alpha_5 (AC \times ED) + \alpha_6 (SL \times ED) + \alpha_7 (SSA \times ED) + E.$$

Where:

- Cp = The dependent variable (customer patronage).
- α_0 = The constant in the equation.
- $\alpha_1 - \alpha_7$ = The coefficients of influence for the explanatory variable.
- ED = Employee dynamics
- AC = Ambient loyalty
- SL = Spatial layout
- SSA = Signs, symbols and artifact
- E = The error term in the equation.

DATA ANALYSIS

The authors conducted a confirmatory factor analysis to assess the validity of our measures. We grouped similar constructs into measurement models as it is depicted in table 1. The models confirm adequate levels of fit and all the factor loadings were greater than .4. All the composite reliabilities were greater than .7 (Nunnally and Bernstein, 1994), and in all cases, the average variances extracted were greater than .5.

Measures of employee dynamics construct were developed as formative. We did this because we conceptualized employee dynamics as a combination of indicators of human skills, relationship skills and coordination skills. Our procedures of interviews and pretest of participants provide evidence of validity. The second table shows the correlations and descriptive statistics of composite scales for hypothesis testing.

We hypothesized that the effects of ambient conditions and spatial layout with interact employee dynamics to influence consumer patronage. Consistent with the hypothesis our result show the employee dynamics moderates the influence of ambient conditions, such that employee dynamics increases the effect of ambient conditions on customer patronage (hypothesis1: $b = .071$ $p<.05$). However, employee dynamics does not moderate the effect of spatial layout on customer patronage (hypothesis 2).

We find partial support for the interaction between signs, symbols, and artifacts and employee dynamics such that signs, symbols are not useful for employee skills coordination in terms of patronage (hypothesis 3: $b = -.188$, $p<0.5$). This association is not significant for customer patronage.

We hypothesized that employee dynamics moderate the impact of physical settings on patronage of customers. our result show significant moderating effects. However, the final hypothesis pertaining to signs, symbols and artifacts having a stronger effect on customers patronage than spatial layout is supported. Appropriate signs, symbols and artifacts lead to better patronage (hypothesis4: $b = .510$, $P<.05$).

DISCUSSION

In this paper, we make an attempt to offer some understanding of customer patronage of three star hotels in Abuja through the provision of physical evidence in service organizational settings. We advanced the issue of providing physical evidences, identified a set of physical settings that are relevant to the hotel business, and tasted their influence on patronage specific to three star hotels. We brought out employee dynamics as providing a moderating effect. Our results indicate notable findings with respect to provision of physical evidence in service settings.

Our result shows that ambience conditions in conjunction with employee dynamics are critical for customer patronage in the three star hotels. In this technology-driven and dynamic market place, there is a payoff in anticipating what customers need and wants in a particular hotel place. Ambience conditions as a factor that affects perceptions of human responses to the environment which include characteristics such as, temperature, noise, music, scent and lighting are what can make customers to spend reasonable period in a place. Ambience condition provides the requisite strategy to enhance customer satisfaction. Ambience conditions are likely to be specific, thereby contributing to the hotel's competitive advantage in the industry. This indicates that a significant effect of the interaction between spatial layout is really only discernible on patronage. However, color as one of the dimension of spatial layout is used to create the desired atmosphere in hotel and this put confidence in the mood of the customer to patronize the service another time.

We argued that signs, symbols and artifacts provide the firms with the ability to take advantage to signal communication in the business place. Our results show that, as we hypothesize the interplay between signs, symbols and artifacts and employee dynamics is somewhat complex. First, from the point of customer patronage, signs, symbols and artifacts serve as explicit signal that communicate about the lace to the customers. The explicit communicators are examples of those signs displayed on the exterior and interior of a structure which may be used as label for inscription of company name, department for directional purposes and to communicate rules of behaviors. Our argument that signs, symbols and artifacts has a stronger effect on patronage than spatial layout is supported with the interaction effect of $SSA \times ED = -.118 + .04 \times 0.61 = .006$, is statistically equal to zero. However, the positive effect of employee dynamics on signs, symbols and artifacts is an indication to buttress that the two measures of physical settings is not in tandem.

Finally, our study also shows the effect of employee dynamics on physical settings and customer patronage. Our result also shows that positive relationships exist between the moderating effect of employee dynamics on the influence of physical settings and patronage. Employees in service setting attract and retain customers. It is necessary for them to identify the attributes of the hotel characteristics that are most important to the patrons so that an effective strategy can be developed. The power of employee to keep abreast to its dynamics for the success of the hotel is more critical; employee must continue to play an important role to enhance customer's patronage in the service of the business.

CONTRIBUTIONS AND IMPLICATIONS

Our study makes the following contributions to the growing literature on physical settings and customer patronage in three star hotels. We identify, conceptualize and measure three evidences for physical settings in service organizations and use employee dynamics as a moderating variable to contribute to new empirical insights. We recommend that managers use creative managerial styles to maintain a satisfying environment to influence customers to stay as long as possible in the hotel. We also advance a framework to understand the physical setting of the hotel and how it should be designed to make ancillary service areas more accessible to customers.

The management of the hotels should make the hotels more like 'home from homes' in order to provide a harmonious and comfortable environment where guest can feel very much at home. When these are put in place, we can build, monitor, and improve so that customers will continue to patronize the industry.

FURTHER RESEARCH

The issue of physical setting in hospitality sector can be explored further in several contexts. First, our measure of physical evidence should be replicated in other hospitality contexts for further validation. There has been other dimension of physical settings or servicescape by Rosenbaum et al (2011) in his examination of physical settings in other hospitality industry. Similarly, differences may occur across other firms. Future studies should examine the specific characteristics of three star hotels and physical surroundings and further test the efficacy of our measures among different samples and in different contexts.

This study provides a preliminary relationship between physical settings and customer patronage, but does not directly investigate the impact of physical settings over time and see how this affects patronage in the long run.

Our research concentrated on three star hotels in Abuja, further studies should look at the influence of physical setting in five star hotels in Nigeria as a whole and to see whether physical settings in three star hotels will be very different from that of the five star hotels.

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