Critiquing the Hotel Strategic Articles in Response to the Nigerian Environment

By Adebanji Ayeni, Oggunnaike OlalekeO, Ibidunni Ayodotun Stephen & Seun Akinde

Abstract- The focused article in question was researched in the united states of America to study the effects that guest satisfactions have at various united states brand influence their rate of occupancies. In other words, if and after the guest have being satisfied, (that is the hospitality they do receive) does that in its own generate more customers to be called into the hotel. According to the research, these trends was coming from hotel branded names companies and franchised administration companies. It has also be seen that to have caused an accelerated growth in the sector of business (that is hoteling). The authors also decided to investigate the percentage of franchised hotel properties influences the guest occupancy level using a three years study period.

They also considered the effects (positive or detrimental) that the brand size has on future hotel occupancy. Finally, they also decided to test the effect that change in guest satisfaction has an effect in average daily rate. The keywords in the article were a strategy, brand, franchise, quality, guest satisfaction and lodging.

GJMBR-A Classification: JEL Code: M10
Critiquing the Hotel Strategic Articles in Response to the Nigerian Environment

Adebanji Ayeni, Ogunnaike Olaleke, Ibidunni Ayodotun Stephen & Seun Akinde

1st Article Critique

Hotel Branding Strategy: It’s Relationship to Guest Satisfaction and Room Revenue

John W. O’Neill & Anna S. Mattila

The focused article in question was researched in the United States of America to study the effects that guest satisfactions have at various United States brand influence their rate of occupancies. In other words, if and after the guest have being satisfied, (that is the hospitality they do receive) does that in its own generate more customers to be called into the hotel. According to the research, these trends were coming from hotel branded names companies and franchised administration companies. It has also been seen that to have caused an accelerated growth in the sector of business (that is hoteling). The authors also decided to investigate the percentage of franchised hotel properties influences the guest occupancy level using a three years study period.

They also considered the effects (positive or detrimental) that the brand size has on future hotel occupancy. Finally, they also decided to test the effect that change in guest satisfaction has an effect in average daily rate. The keywords in the article were a strategy, brand, franchise, quality, guest satisfaction and lodging.

The data of these research were compiled by various sources basically the one done by consumer reports. This is because consumer report periodically conducts large sample survey regarding hotel satisfaction. The two reports focused here were in the year 1998 and 2004. They were chosen because they have the largest inputs of data. In as much the consumer report is known to be reliable and valid, a test should have being done to compare the hotels own report with that of the consumer report. These will ensure the discovery of any disparity in case any of such exist.

The method employed here was to consider the franchised or branded hotel, that is the major focus here was on hotels that were well managed and must have well recognised and obviously set standards. This is an added advantage for the hotels that are being observed. The name will pass a shield to all those that are either franchised or branded under her. It would not be bad for the researcher to look at unbranded, single owned, without multiple chained and un-franchised hotels.

These would normally put the study at a relatively equitable par as they tend to relatively know or determined if the guest satisfaction actually determines the level of room rates expected and occupancy level. Since they don't have all the luxury and manpower to give that satisfaction, they would actually serve a good test. Therefore we could say the work was a bit one sided in concluding that guest satisfaction leads to a rate of occupancy level not including the other facts that the brand name is actually an added advantage to the achieved results.

The multiple linear regression was used to test the correlation between brand occupancy was against brand size, the percentage of franchised properties and the guest satisfaction. The result proved that there is or rather there is an increase between brands with a higher level of guest satisfaction not only achieve a high level of occupancy but they also higher average daily rate. It was observed also that the franchise companies although (those with a higher percentage of franchised properties) are bound to experience lower satisfaction rating. These must be due to binding law and expensive nature that it bears but in the case of Nigeria, that might really be the case.

Author α: Elzade University, Ilara-Mokin, Ondo state, Nigeria. e-mail: adebanjiayen@gmail.com
Author α p: Covenant University, Ota, Ogun State, Nigeria. e-mails: olaleke.ogunnaike@covenantuniversity.edu.ng,
ayodotun.ibidunni@covenantuniversity.edu.ng
Author Q: University of Ilorin, Ilorin, Kwara State, Nigeria. e-mail: akindeseun@gmail.com
These are based on fact that it is franchised company tend to be more patronised by the high and middle class regularly. These, in turn, will lead to the high occupancy level even though the expected satisfaction is not derived. Another view that should be looked at here is whether the increase in satisfaction level and occupancy rate called for an expansion. Another major problem was that the data sample was quite small. A total of seventeen hotels were used to do the data analysis in a country where there tend to be in hundreds of them coupled with the fact the analysis got were basically from 1999 to 2004 so we could say the data being used are in the process of being obsolete.

The location in where this research was being conducted also placed a paramount question to its validity. A place like Las Vegas obviously would prove a wonderful result for the gotten output but compare that to an African state like OYO. Would this research prove its purpose and findings truly executed? The fact that regression analysis was the only test used to conduct these work night prove to be inadequate as another method such as the chi-square could have being employed. When these have being done, we do see if the same result would be achieved. As I earlier indicated if the same result would be attained by single owners if they added this quality service to their company and the response of a higher economic cost can be boycotted. It would also have to be a benefit if the study explained how the effect of economic policy can be utilised in still achieving these goals.

It should also be reminded that the article only mentioned of one product which is basically the hotelling aspect (that is the accommodation aspect of the organisation) but there are other products that a hotel offer. In Nigeria, take as an example, most hotels thrive mostly in festive seasons. Other constant income or revenue come from the rent of hall for public functions their customers, the pub services and also catering services. All these are what were overlooked in the article. They are all products that also should be serving with quality and not necessarily for the guest to occupy a space for such functions to be carried out.

Finally, no matter how quality the hotel service rendered could be, there is also an issue of money to be spent. With that in regard, in Nigeria (a third world perspective) occupying the rooms would not be of a concern because most guests see these as expensive. This relates to the fact there is a need for a consideration of the economic conditions of where the hotels operate. Generally, the research paper was well discussed and straight forward, the major issues were the small sample size (although noted by the authors) and the economic condition or state in which the country that the particular business (hotelling) exist.
2nd Article Critique

Critiquing the Article on Successful Growth Strategies of Three Chinese Domestic Hotel Companies

Yu Qin, Howard Adler* & Liping A Cai*

The article is focused on the relative strategies that were employed by the case studied companies in China in proportion to the success they have attained. The strategies that were employed by these three different hotel organisations were innovative positioning, keeping cost low, rapid expansion, continuous innovation, focus on quality consistency, extensive training, and several indigenous Chinese cultural operational practices. Relative data that were required for analysis were gotten from interviews with the management of the three companies. Also, information, which was secondary, was gotten from Chinese hotel association (CHA). The information gotten here was the occupancy rate in these hotels. The companies selected were a home inn, Jinjiang inn, and motel chain. All these three were selected based on the criteria of rapid growth they have experienced in the years of establishment. The stated statistics showed that at 2009, a home inn which was established in May 2002, 621 hotels, Jinjiang inns established in 2003 has 325 and lastly motel chain had 191 which was also established in the same year with Jinjiang. The secondary source had it that they had 80 percent occupancy rate higher when compared to the other star rated hotels at 58.30 percent. Majorly, it’s seen that this academic research was done to ascertain the reason or better explaining the success of these selected hotel chains. Even though, it has being stated that they sure employed some selected strategies, the question of how and in what stages were they employed is a question that was clarified. All those strategies that were earlier mentioned could not have all being applied all at once but at successive stages of the business operations. For the application of those strategies, the question posed is the conditions that need to be in place, the question of conducive environment to know how and where to site their locations?

In these articles, it has also stated clearly about related works that has being done earlier to take care of issues such as examine the porter’s generic strategies and its application, the relationship between structure and strategy of hotel organisations with the characteristics of competitive strategies in the lodging industry. All others research were done but basically with the purpose of trying to explore the structure strategy-performance relationship in the hospitality industry rather of the strategy itself.

The posed question here is it was never indicated that there was a relative effect of the population in the hotelling business. These would help in determine the high occupancy rate that is currently being experienced. The work, though, is a much-appreciated work because it is one of the few which focused on hostelling in the developing world and in these case china, unlike the past that was focused on smaller economies such as Hong-Kong and Singapore. The option in the selected sample can be seen as reliable based on the high influx of human population. In regards to our home country, it seems that hotelling would have to be a culture. The reason behind the earlier made statement is that it seems the Nigerians do not always have to buy the hotelling idea much and also the culture of staying with friends while on most trips has become a culture amongst the people. So a hotel with so much disperse branches around the country will be looming for failure. The option would be situated in the major cities. The verse land mass of the Chinese would also have a positive effect as to having so many branches across china and that obviously is not the corresponding effect for Nigeria.

Another base that was indicated in the article is the notification that the high population that the country has a culture of travelling. This is an aspect that is quite reasonable but with incoming of the Information technological era, won’t there be an elusive change in the rate of dispersion. These base the fact that your business activity can be carried out from your place of residence rather than a compulsory movement to occur. This is reasoned out of the fact that they would obviously need to find it cheaper and quite reasonable in conducting their activity from their respective locations. A significant change came to the into the hotelling business when the government of china decided on going with the open door policy in 1979 tremendous change has being observed and the since the state owned property has being released, the atmosphere for competition has seen made it up for different stages of business growth to be experienced and it was rapid but the question of that being replicated in a country (Nigeria) that has had the freedom, much would be expected to be done to bring about a growth in the business.

The economy factor of the Chinese makes it easy and thriving for the experience that is being gotten in that line. In comparison with Nigeria, the economy condition is still on the developing (just developing) side and thus might not be favoured with such a high growth experience that is being attained in China. It would be good if the
issue of an F.D.I can also help in the growth of these businesses. In that aspect, would it still be possible to transmit such cultures of waste control and unnecessary spending as against the Nigerian culture of waste?

In doing or carrying out this research, the use of qualitative methodology was used. These were daily exploratory in nature. The absence of a quantitative approach is being advised to see the comparative result in the former analyses that were made by the authors. Another issue would have been to also put up a larger scale of opinions gathering by getting information from the customers of the selected hotels. These will ensure the reliability of the test that has being derived. The questioners should have also invariably extended to the customers to get their opinions on the reason for their preference forgetting about the stated opinions by the management of the various hotels.

As opposed to the secondary data that was being derived from the association watchdog of the hotelling association in china and corporations with the authors in getting first-hand information, same would prove abortive as the adequate and reliable record would almost seem more of a mirage than achievable.

The current development of terrorist attacks might also seem also limit the investors’ ability to locate her presence in the country (Nigeria). Finally, the ability to make the workers having to perform dual roles or responsibility might result in the employees not being able to give their best. This is due to the unrelated task that such employee is being made to go.