





MODERATING FACTORS AND CUSTOMER LOYALTY OF SELECTED HOTELS IN LAGOS STATE, NIGERIA




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ABSTRACT

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Keywords

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Tourism.

The moderating variable has the tendency of increasing or decreasing the strength of the relationship between the independent and dependent variables. However, factors that moderate this relationship have scarcely been research upon in the hotel services sector. This study therefore examined the moderating effects of five salient demographic variables (sex, age, education, occupation, income) on the relationship between customer satisfaction and loyalty. The study employed descriptive research design with cross-sectional survey using a structured questionnaire to collect the data. The data were analysed using percentages and General Linear Model (GLM). The results show that age, education, and occupation significantly moderate the relationship between customer satisfaction and loyalty while sex and income do not at the 0.05 significant level. Based on the findings of this, it is therefore recommended that hotel managers should consider the significant effect of age, educational qualification, and occupation in determining the extent of the relationship between customer satisfaction and loyalty when formulating and implementing marketing strategies.

Contribution/ Originality: This study contributes to the existing literature by examining the moderating effects of five salient demographic variables (sex, age, education, occupation, income) on the relationship between customer satisfaction and loyalty.

1. INTRODUCTION

The hotel services industry has been considered as the backbone and cornerstone of the tourism industry in the provision of essential services and covers a variety of facilities that are a dynamic part of the global travel and tourism industry (Gee, 1997; Kandampully, Zhang, & Bilgihan, 2015). The hotel services sector when combined with its sister sectors, catering and tourism, have been considered as one of the fastest growing industry accounting for more than one

third of the total global services trade (UNWTO, 2009). As a corollary to this, there has been a significant increase in the contribution of the hotels services sector to the gross domestic product (GDP) in Nigeria from 0.92 percent in 2016 to 0.93 in 2017 as indicated by the National Bureau of Statistics [NBS] (2018). This is informative for stakeholders in the tourism and hospitality industry to consider the sector as viable sector for local and foreign investment with an estimated 12.6 percent compound annual growth rate between 2018-2022 and with much of the growth taking place in Lagos State (Adewunmi, 2012; PwC, 2018).

Consequently, the need to identify demographic factors that can effectively help in marketing strategy as well as determine the influence on the relationship between customer satisfaction and loyalty has been a concern for businesses (Kardes, Cline, & Cronley, 2011). Prentice (2013) argued that even though customer satisfaction is essential to a thriving business, customer loyalty plays an even more significant role because it is an indicator of success in the service industry. This includes the hotel services sector where some demographic factors have been examined in relation to customer perception of hotel service quality in relationship to satisfaction and loyalty in previous studies (Abdullah & Hamdan, 2012; Tabassum, Rahman, & Jahan, 2012). In other words, it is suggested that demographic factors may significantly influence the level of relationship between customer satisfaction and loyalty. Moreover, the relationship between customer satisfaction and loyalty has been observed as fluid since customer satisfaction does not directly determine loyalty. Consequently, Kirkby and Nelson (2003) argued that although customer satisfaction is a critical part of loyalty, it cannot be solely responsible for achieving loyalty. The authors further stressed that there can be satisfaction without loyalty but there cannot be loyalty without satisfaction. Hotel services provide an opportunity to examine this intriguing dimension of the relationship between customer satisfaction and loyalty. Chan and Mackenzie (2013) stated that a hotel is “an establishment held out by the proprietor as offering sleeping accommodation to any person presenting himself, who appears able and willing to pay a reasonable sum for the services and facilities provided, and who is in a fit state to be received”. Dittmer (2002) on the other hand, regards a hotel as an establishment which provides furnished accommodation for persons who are temporarily away from home or some who consider it as a home. The classification of hotels is a complex exercise as Gee (1997) indicated that there is no one way to classify the different types of hotels that exist in the world such that identification of hotels is by descriptors preceding the word “hotel” which reflects the type of facilities or amenities and the target market.

Hotels.ng (2017) indicate that about 9567 hotels exist currently in 480 cities in Nigeria with an estimated 2247 hotels in Lagos State which offer services to various customers for the purpose of business and leisure. Patronage of these hotels entails the evaluation of the quality of services based on such standards as hotel rating which can serve as indication of expectations in terms of satisfaction and loyalty. Brody (2009) explained that hotel guests depend on information about the star rating of hotels in order to make their choices and in addition the rating also helps hotel management to offer quality service in order to sustain their rating level. Demographic factors can therefore be very useful basis for identifying customer segments in relation to customer satisfaction and loyalty of hotel services and how to meet customer needs and wants (Kotler, Wong, Saunders, & Armstrong, 2005).

1.1. Statement of the Problem

The extent of the relationship between customer satisfaction and loyalty towards hotel services may be significantly explained by a moderator such as the demographic factors. Kardes et al. (2011) indicate that demographic factors provide effective way of segmenting a firm's market and especially focus on who buys the firm's products and services. Similarly, Kotler et al. (2005) indicate that demographic factors are among the four popular segmentation criteria including geographic, psychographic, and behavioral used in determining the different segments of the market and how to meet customer needs and wants.

The moderating effect of a comprehensive number of demographic factors on the relationship between customer satisfaction and loyalty has scarcely investigated in terms of the hotel services sector in Nigeria. Moreover, evidence from previous studies on the implications of demographic factors on the relationship between customer satisfaction and loyalty has been inconsistent. This

study therefore examines the moderating effects of five salient demographic variables (sex, age, education, occupation, income) on the relationship between customer satisfaction and loyalty.

Some researchers have however viewed demographic basis of market segmentation as inefficient and a poor predictor of brand choice as well as customer satisfaction and loyalty (Fennell, Allenby, Yang, & Edwards, 2003). For example, lifestyle has been suggested increasingly as a more comprehensive basis for market segmentation than demographic segmentation since it focuses more on why the customers buy rather than who buys, which is often, the focus of demographic basis (Ahmad, Omar, & Ramayah, 2010; Kardes et al., 2011). Moreover, researchers have not adequately determined the specific demographic factors that influence customer perception of service (Gupta & Bansal, 2011). While results of some previous studies have shown that demographic factors do not significantly influence the perception of service quality (Ramez, 2011) some studies however have shown that demographic factors have significant moderating influence on buying behavior (Udo-imeh, 2015). Previous studies in the hotel industry in Nigeria have largely indicated the significant effect of demographic factors such as age and gender on customer experience of hotel services but a comprehensive investigation of demographic factors which comprises of other factors such as income, education, and occupation and the moderating effect is lacking (Iyiade, 2009; Juwaheer, 2011; Tabassum et al., 2012). This study therefore seeks to fill this gap by investigating the influence of these variables as regards the relationship between customer satisfaction and loyalty toward hotel services in Lagos State, Nigeria.

1.2. Research Hypotheses

The following five hypotheses were formulated and tested in this study:

H₀₁: Sex does not moderate the relationship between customer satisfaction and loyalty of hotel services.

H₀₂: Age does not moderate the relationship between customer satisfaction and loyalty of hotel services.

H₀₃: Education does not moderate the relationship between customer satisfaction and loyalty of hotel services.

H₀₄: Occupation does not moderate the relationship between customer satisfaction and loyalty of hotel services.

H₀₅: Income does not moderate the relationship between customer satisfaction and loyalty of hotel services.

2. LITERATURE REVIEW

2.1. Theoretical Framework

Demographic segmentation theory explains consumer purchase behaviour according to variables such as age, gender, family size, family life cycle, income, occupation, education, generation, ethnicity, nationality, religion, and social class (Goyat, 2011). Stafford (1996) suggests that demographic segmentation allows a business with diverse demographic characteristics to promote different products and services to dissimilar groups. Moreover, customer demographics are easier to measure as Pooja (2013) indicated that demographics factors will continue to be one of the most popular and well-accepted bases for segmenting markets and customers especially in the banking industry where demographic data are readily available in a bank database. Similarly, in the hotel services industry, demographic segmentation theory has been widely suggested and used as a veritable basis for determining customer segments for the purpose of customer satisfaction and loyalty (Tabassum et al., 2012; Walls, Okumus, Wang, & Kwun, 2011).

2.2. Interrelationship between Customer Satisfaction and Loyalty

The assumption that a satisfied customer would repeat purchase or recommend a product or service to another customer or even advocate or talk about it is the underlying hypothesis behind the relationship between customer satisfaction and loyalty. Customer satisfaction generally measures how a firm's product or service meet or surpass the expectation of customer and it is considered as a key performance metric and differentiating factor among competitors (Gitman & Carl, 2005). Similarly, Hokanson (1995) suggested that some of the key drivers of customer satisfaction include quality of employees, billing quality, competitive pricing, and service responsiveness. Customer loyalty has been linked to repetitive purchase of products and services (Moiescu & Bertonecelj, 2010) and its measurement is considered to be multidimensional and

complex with cognitive, emotional, behavioral, and attitudinal components and not mere repetitive purchases (Back & Parks, 2003). Loyal customers tend to exhibit behaviours towards the firm's product or service such as high retention rates, spending more in buying, resist negative information about the product or service, refer friends, relatives and business associates to the firm, and will fervently desire to buy the product or service against all odds and costs (Ahluwalia, Unnava, & Brunkrant, 1999; Wettstein & Hanf, 2009). According to Reichheld and Teal (1996) loyal customers also have less tendency to switch to competitors and more tolerant to increases in prices than non-loyal customers. It is suggested that firms should harness the variables of customer loyalty effectively as they have a higher correlation with profit and success of the business (Wettstein & Hanf, 2009).

Measurement of customer loyalty on firm's performance clearly shows that it has enormous impact on company's performance and the attitude of actual and potential customers toward the firm. For example it has been noted that when a company retains just five percent more of its customers, profits increase by 25 percent to 125 percent (Frederick & Sasser, 1990; Gould, 1995). Although customer satisfaction is a critical part of loyalty, it cannot be solely responsible for achieving loyalty as Kirkby and Nelson (2003) assert that a firm can offer satisfaction without loyalty but not loyalty without satisfaction. Customer satisfaction may not be a guarantee for a firm's performance as Skogland and Siguaw (2004) pointed out that irrespective of the level of customers' satisfaction with a service they still can switch to other service providers. Similarly, Ramanathan (2012) argued that other factors such as perceived quality and image may contribute to loyalty.

2.3. Conceptual Framework

The conceptual framework shows the analytical framework that explains the key concepts and variables of the study and the presumed relationship among them (Miles & Huberman, 1994; Robson, 2002). This has been represented in a conceptual model as illustrated in Figure 1.

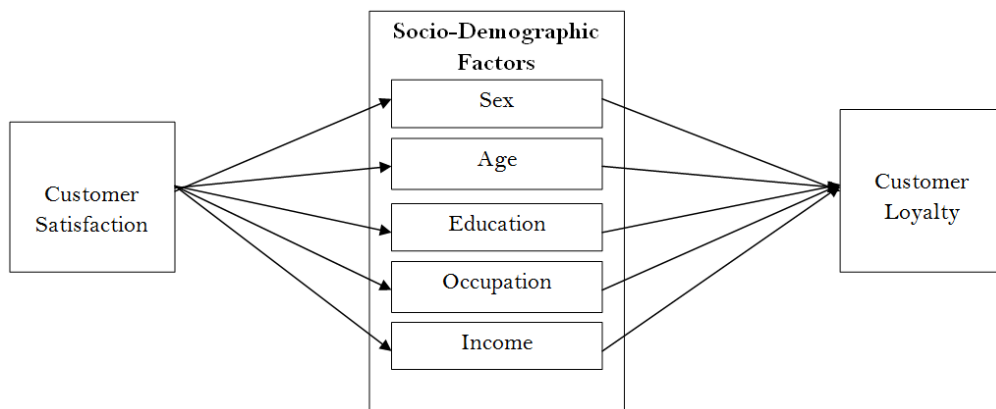


Figure-1. Conceptual model of the moderating effect of demographic factors on the relationship between customer satisfaction and loyalty.

2.4. Demographic Factors and Marketing Strategies

Marketing strategies regarding segmentation often rely on vital population statistics usually referred to as demographic characteristics which include age, gender, income, occupation, social class, marital status, household size, family life cycle, and ethnicity (Kardes et al., 2011). Kardes et al. (2011) further argued that demographic basis of market segmentation is the most popular segmentation method as it is considered to be visible, relatively easy to measure, and tend to reflect the varying degree of consumer preferences and buying habits especially between gender characteristics. An extension of the demographic segmentation is the geo-demographic segmentation, a strategy that combines geography and demographic segmentation bases, which suggests that people with similar demographic characteristics tend to live in close proximity to each other (Kardes et al., 2011). Among the demographic variables, extant literature has

consistently indicated that age is the most significant variable that influences customer perceptions of services (He, Li, & Lai, 2011).

2.5. Empirical Review of the Effect of Demographic Factors on Customer Satisfaction and Loyalty toward Hotel Services

Hagan (2015) investigated the relationship between guests' demographic characteristics which include age and gender in relation to guests' experience of service quality as well the different perceptions of the guests based on demographic factors. He found that significant differences along demographic variables exist among guests with respect to hotel services but there was uniformity in experiences in terms of age. Walls et al. (2011) seek to determine the antecedents of customer experience in luxury hotels. A sample of 15 guests was interviewed using semi-structured in-depth interviews. The study found that trip related factors and personality characteristics determine customer experience towards luxury hotels.

Moreover, there are previous studies which indicated no significant variation in age among guests from the experience of tourist destinations (Lee & Chen, 2009; Siu & Mou, 2005). In previous studies, demographic factors such as age and sex have been identified as significant determinants of hotel service experience. For example, Abdullah and Hamdan (2012) found age and gender as part of the factors that influenced Malaysians and other foreign guests in the choice of hotel accommodation. Consequently, sex which refers to the biological and physiological characteristics that define the 'male' and 'female' categories can significantly differentiate consumption behaviour along gender characteristics. Similarly, Tabassum et al. (2012) found significant differences between the ranking of male and female guests with respect to guests' experience of hotel service quality. Juwaheer (2011) conducted a study on gender biased towards hotel services in Mauritius. A sample of 401 guests of various categories of hotels in Mauritius was surveyed using stratified sampling method. The result of independent sample t-test showed significant difference between males and females in their experience of hotel services. The differences showed that women have higher expectations of hotel service quality in areas like healthy menus, environments, security, complaint handling, privacy, visual images and cleanliness. Age when defined in relation to chronological age, refers to the number of years a person has lived. Stafford (1996) argued that age is a critical factor in marketing strategy as it enables the marketer to determine how needs and wants evolve and change as the individual customer grows. Extant studies in the service industry show that significant differences in age exist among various customers along age ranges and particularly between the youth and the older customers.

2.6. Hotel Services and Customer Perceptions

The hotel industry has been considered as the backbone and cornerstone of the tourism industry in the provision of essential services (Kandampully et al., 2015). Gee (1997) explained that the hotel and lodging industry which is also referred to as the accommodations industry, covers a variety of facilities and are a dynamic part of the global travel and tourism industry. The hotel sector when combined with its sister sectors, catering and tourism, have been considered as one of the fastest growing industry accounting for more than one third of the total global services trade (UNWTO, 2009). Gee (1997) indicated that historically, people have always sought for a place of rest and refreshment and have been provided facilities such as inns, shelters, hospices, and religious houses for pilgrims and that, it was until the fifteen century that commercial hospitality started in Europe with the idea of the bed and breakfast type of accommodations. However in Nigeria, the history of formal hotel business dates back to the establishment of the Nigerian Railway Caterers Limited in the 1920s by the colonial masters which provided sleeping beds, food, and drinks for travelers and the railway staff in the train coaches (Abomeh, 2013).

The perspective of modern hotel services and operations has become more complex with innovative and technological qualities. Cooper, Fletcher, Fyall, Gilbert, and Wanhill (2008) agreed that due to this complexity, consumers perceive modern hotel services and operations to offer more than food and accommodation but to also organize events such as conferences, parties and conventions. Shan-Chun, Barker, and Kandampully (2003) opined that the extent to which hotels make their services available to their customers is dependent on factors such as locality and that city hotels whose customers primarily consist of business guests are more likely to equip their

accommodations with advanced in-rooms technologies and modern experiential facilities than hotels in remote or resort locations. Customers search for hotels whose operations and services meet their perception by assessing such hotels on their level of service quality and standards such as hotel ratings within the industry. One of the commonest ratings of hotels and accommodation is the star rating system. Brody (2009) explained that hotel guests depend on information about the star rating of hotels in order to make their choices and in addition the rating also helps hotel management to offer quality service in order to sustain their rating level. The perception of the hotel industry and the services rendered by this industry affects several aspects of people's lifestyles and the need to develop and improve the industry and its services to meet customer expectations cannot be underestimated.

3. METHODOLOGY

3.1. Research Design

The research design is intended to serve as the blueprint and strategy to achieve the research objectives and also as a guide in the various stages of the research (Nachmias & Nachmias, 1996; Saunders, Lewis, & Thornhill, 2009). This study therefore adopted the descriptive research design using cross-sectional survey which involves the collection of information from any given sample of population elements once and is generally concerned with research about market characteristics, estimation, prediction, and equally tends to determine the degree to which marketing variables are related or associated (Malhotra, 2007).

The population of the study comprises of individual customers of 3-Star hotels in Lagos State, Nigeria. There is an estimated 2247 hotels in Lagos State (Hotels.ng, 2017) which offer services to various customers for the purpose of business and leisure. Lagos State is recognized as the commercial nerve centre of Nigeria and the hub for business transactions in the West and Central Africa region. She is the most populous state in Nigeria with a population estimated around 22 million, contributes over 30 percent to GDP, and over 50 percent of Nigeria's industrial capacity is domiciled in Lagos State. She has continued to be recognized as the focal point for both internal immigration and consumption growth in Nigeria (LASG Economic and Fiscal Update, 2016).

The multi-stage sampling technique was used to select local government areas (LGAs) for the purpose of data collection as it is more suitable and economical to overcome the problems of geographically dispersed and large population when face to face contact with respondents is needed (Saunders et al., 2009). In the first stage, Lagos State was divided into three clusters based on the three senatorial districts (Lagos Central, Lagos East, and Lagos West). In the second stage, the number of local government areas from each cluster was selected by simple random sampling without replacement using the lottery method. A breakdown of the selected local government areas according to senatorial districts is as follows: Lagos Central 3 - (Lagos Island, Lagos Mainland, Eti-Osa), Lagos East 3 - (Ikorodu, Epe, Kosofe), and Lagos West 5 - (Amuwo-Odofin, Ifako-Ijaiye, Agege, Ikeja, Alimosho).

The proportion of the total number of local government areas and sample size for each cluster in Lagos State to be represented in the study was determined through quota sampling technique in order to give a fair representation of the different cluster or classes of the population in the study (Dixon-Ogbechi, 2002). Purposive sampling was used to determine the number of 3-Star hotels selected for the study. These were hotels with minimum standards specified in extant literature that the researcher considers as typical cases that can provide the requisite data and moreover representative of the population of interest (Dixon-Ogbechi, 2002). Internet sources such as Jumia Travels. Com, Tripadvisor.com and Hotels.ng provided the platform to search for these hotels and their ratings. Consequently, 47 hotels were selected from the three senatorial districts and 11 local government areas.

Finally, convenience sampling was used to administer questionnaire to guests in the selected hotels through the reception hall as they come into the hotel to enjoy the services of the hotel. Some of the guests who were not given at the reception got a copy in their rooms by the porters. The data for this study were therefore primary data collected through the use of a structured questionnaire administered to guests in selected 3-Star hotels in Lagos State, Nigeria. The questionnaire was given to the guests at the reception hall and some of the guests who were not given at the reception got a copy in their rooms by the porters in the concierge section. Research

assistants were given a list of the hotels to visit and administer questionnaire based on the ones selected on the internet. Telephone numbers of contact persons in the selected hotels was taken to enhance the follow up procedure accordingly.

Demographic factors, customer satisfaction and loyalty, are the three constructs that make up the framework for this study. -demographic factors comprise of 5 items, and were measured using the basic demographic scales such as sex, age, and income etc. Customer satisfaction comprises of 6 items and was adapted using empirically tested satisfaction scale developed by Oliver (1997) and Dagger, Sweeney, and Johnson (2007) to give more validation and reliability. On the other hand, customer loyalty comprises of 5 items, and was adapted using customer loyalty scale developed by Nysveen, Pedersen, and Skard (2013) used in measuring brand loyalty and Word-of-mouth. The items for all the constructs in this study were rated using a five-point Likert summing rating scale with response format ranging from 1 (strongly disagree) to 5 (strongly agree).

4. DATA ANALYSIS AND RESULTS

47 hotels were selected from the three senatorial districts in Lagos State. 651 copies of the questionnaire were administered in the 47 hotels but 497 were retrieved and used for the analysis. The demographic composition of the respondents indicates that (289) 58.1 percent of the respondents were males while (208) 41.9 percent were females. With respect to age, (114) 22.9 percent of the respondents were between 18 to 27 years, (183) 36.8 percent were between 28 to 37 years, (155) 31.2 percent were between 38 to 47 years, (28) 5.6 percent were between 48 to 57 years and (17) 3.4 percent were 58 years and above. Regarding educational qualification of the respondents, (57) 11.5 percent had school certificate, (81) 16.3 percent were Diploma holders, 306 (61.6) percent had HND/B.Sc, 32 (6.4) percent had Postgraduate degree and 21 (4.2) percent indicated others. With respect to occupation, (75) 15.1 percent were students, (48) 9.7 percent were teachers, (188) 37.8 percent were corporate workers, (73) 14.7 percent were entrepreneurs, (59) 11.9 percent were civil servants, (32) 6.4 percent were traders while (22) 4.4 percent indicated others. Regarding monthly income, (326) 65.6 percent earned below N100,000, (113) 22.7 percent earned between N100,001 to N300,000, (48) 9.7 percent earned between N300,001 to N500,000, (6) 1.2 percent earned between N700,001 to N900,000 and (4) 0.8 percent earned N900,001 and above. The demographic composition of the respondents shows that there are responses for all the variables used to measure demographic factors. Therefore, the data is balanced and suitable for the analysis.

4.1. Hypotheses Testing

Table 1 shows the relationship between customer satisfaction and loyalty toward hotel services. The R-Square value of 0.332 indicates that customer satisfaction explains 33.2% of the variation in customer loyalty. The result further indicates a statistical significant relationship between customer satisfaction and customer loyalty. This implies that customer satisfaction has significant positive influence on customer loyalty.

Table-1. Relationship between customer satisfaction and loyalty toward hotel services.

Source	Type III sum of squares	Df	Mean square	F	B	t	Sig.
Corrected model	72.322 ^a	1	72.322	245.756			.000
Intercept	11.026	1	11.026	37.469	1.148	6.121	.000
Satisfaction	72.322	1	72.322	245.756	.647	15.677	.000
Error	145.669	495	.294				
Total	8424.800	497					
Corrected total	217.991	496					

Note: Dependent variable: Customer loyalty.

a. R Squared = .332 (Adjusted R Squared = .330).

Source: Field survey (2018).

4.2. Moderating Effect of Demographic Factors on the Relationship between Customer Satisfaction and Customer Loyalty of Hotel Services

Table-2. Moderating effect of sex on the relationship between customer satisfaction and customer loyalty of hotel services.

Source	Type III sum of squares	Df	Mean square	F	B	t	Sig.
Corrected model	72.322 ^a	2	36.161	122.630			.000
Intercept	9.088	1	9.088	30.819	1.150	5.551	.000
Sex	.000	1	.000	.001	-.001	-.026	.980
Satisfaction	71.678	1	71.678	243.077	.647	15.591	.000
Error	145.669	494	.295				
Total	8424.800	497					
Corrected total	217.991	496					

Note: Dependent variable: Customer loyalty.

a. R Squared = .332 (Adjusted R Squared = .329)

Source: Field survey (2018).

Table 2 shows the moderating effect of sex on the relationship between customer satisfaction and customer loyalty of hotel services. The R-Square value of 0.332 indicates that customer satisfaction combined with sex explains 33.2% of the variation in customer loyalty. The result further indicates that sex has no significant influence on customer loyalty. This implies that sex does not moderate the relationship between customer satisfaction and customer loyalty of hotel services. Therefore, hypothesis 1 is accepted.

Table-3. Moderating effect of age on the relationship between customer satisfaction and customer loyalty of hotel services.

Source	Type III sum of squares	df	Mean square	F	B	t	Sig.
Corrected model	74.476 ^a	2	37.238	128.179			.000
Intercept	9.602	1	9.602	33.051	1.081	5.749	.000
Age	2.155	1	2.155	7.416	.067	2.723	.007
Satisfaction	66.066	1	66.066	227.409	.627	15.080	.000
Error	143.515	494	.291				
Total	8424.800	497					
Corrected total	217.991	496					

Note: Dependent variable: Customer loyalty.

Source: Field survey (2018).

a. R Squared = .342 (Adjusted R Squared = .339).

Table 3 shows the moderating effect of age on the relationship between customer satisfaction and customer loyalty of hotel services. The R-Square value of 0.342 indicates that customer satisfaction combined with age explains 34.2% of the variation in customer loyalty. The result further indicates that age has significant influence on customer loyalty. This implies that age moderates the relationship between customer satisfaction and customer loyalty of hotel services. Therefore, hypothesis 2 is rejected.

Table 4 shows the moderating effect of educational qualification on the relationship between customer satisfaction and customer loyalty of hotel services. The R-Square value of 0.345 indicates that customer satisfaction combined with educational qualification explains 34.5% of the variation in customer loyalty. The result further indicates that educational qualification has significant influence on customer loyalty. This implies that educational qualification moderates the relationship between customer satisfaction and customer loyalty of hotel services. Therefore, hypothesis 3 is rejected.

Table-4. Moderating effect of education qualification on the relationship between customer satisfaction and customer loyalty of hotel services.

Source	Type III sum of squares	df	Mean square	F	B	t	Sig.
Corrected model	75.118 ^a	2	37.559	129.864			.000
Intercept	4.453	1	4.453	15.396	.832	3.924	.000
Educational Qualification	2.796	1	2.796	9.668	.085	3.109	.002
Satisfaction	74.918	1	74.918	259.036	.665	16.095	.000
Error	142.873	494	.289				
Total	8424.800	497					
Corrected total	217.991	496					

Note: Dependent variable: Customer loyalty.

a. R Squared = .345 (Adjusted R Squared = .342)

Source: Field survey (2018).

Table-5. Moderating effect of occupation on the relationship between customer satisfaction and customer loyalty of hotel services.

Source	Type III sum of squares	df	Mean square	F	B	t	Sig.
Corrected model	74.051 ^a	2	37.025	127.071			.000
Intercept	9.646	1	9.646	33.103	1.084	5.754	.000
Occupation	1.729	1	1.729	5.935	.038	2.436	.015
Satisfaction	67.896	1	67.896	233.019	.633	15.265	.000
Error	143.940	494	.291				
Total	8424.800	497					
Corrected total	217.991	496					

Note: Dependent variable: Customer loyalty.

a. R Squared = .340 (Adjusted R Squared = .337)

Source: Field survey (2018).

Table 5 shows the moderating effect of occupation on the relationship between customer satisfaction and customer loyalty of hotel services. The R-Square value of 0.340 indicates that customer satisfaction combined with occupation explains 34.0% of the variation in customer loyalty. The result further indicates that occupation has significant influence on customer loyalty. This implies that occupation moderates the relationship between customer satisfaction and customer loyalty of hotel services. Therefore, hypothesis 4 is rejected.

Table-6. Moderating effect of income on the relationship between customer satisfaction and customer loyalty of hotel services.

Source	Type III sum of squares	df	Mean square	F	B	t	Sig.
Corrected model	72.398 ^a	2	36.199	122.825			.000
Intercept	11.103	1	11.103	37.673	1.156	6.138	.000
Income	.077	1	.077	.260	-.014	-.510	.610
Satisfaction	71.536	1	71.536	242.724	.650	15.580	.000
Error	145.593	494	.295				
Total	8424.800	497					
Corrected total	217.991	496					

Note: Dependent variable: Customer loyalty.

a. R Squared = .332 (Adjusted R Squared = .329)

Source: Field survey (2018).

Table 6 shows the moderating effect of income on the relationship between customer satisfaction and customer loyalty of hotel services. The R-Square value of 0.332 indicates that customer satisfaction combined with income explains 33.2% of the variation in customer loyalty. The result further indicates that income has no significant influence on customer loyalty. This implies that income does not moderate the relationship between customer satisfaction and customer loyalty of hotel services. Therefore, hypothesis 5 is accepted.

4.3. Discussion of Findings

The purpose of the study is to determine the moderating effect of demographic factors on the relationship between customer satisfaction and loyalty towards hotel services. Five demographic factors were considered in the study: sex, age, education, occupation and income. Five hypotheses were stated in relation to the five demographic factors.

Results from the analysis show that sex does not moderate the relationship between customer satisfaction and loyalty towards hotel services. Abdullah and Hamdan (2012) found sex as one of the factors influencing choice of hotel accommodation. Similarly, Tabassum et al. (2012) found significant differences between males and females experience of hotel service quality. Juwaheer 2011 also found that women have higher expectations of hotel services.

It was found that age moderates the relationship between customer satisfaction and loyalty towards hotel services. The result supports the finding of Abdullah and Hamdan (2012) that age is a significant factor influencing hotel services. However, the result is at variance with the finding of Hagan (2015) that there is uniformity in the experiences of all age groups with respect to hotel services.

Previous studies indicate that sex and age are the most commonly investigated demographic factors with respect to hotel services but this study went further to examine the effects of education, occupation and income. The results show that education and occupation moderate the relationship between customer satisfaction and loyalty towards hotel services while income does not moderate the relationship between customer satisfaction and loyalty towards hotel services. The study expected that income will moderate the relationship but it does not. This finding may be due to the standardization and grading of hotel services. In most cases, hotel service providers offer hotel accommodation at varying quality and prices so that customers can go for their choice, hence, income may not moderate the relationship.

5. CONCLUSION AND RECOMMENDATIONS

This study investigated the moderating effect of demographic factors on the relationship between customer satisfaction and customer loyalty. The study revealed that age, educational qualification and occupation significantly moderate the relationship between customer satisfaction and loyalty towards hotel services while sex and income do not moderate the relationship. This has implication for the management of hotel services. Based on the findings of this study, it is therefore recommended that in order to enhance the link between customer satisfaction and loyalty, hotel managers should give more attention to age, education and occupation in the set of demographic factors when designing marketing strategies especially as regards hotel services.

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