Determinants of Customer Patronage in the Choice of Private Accommodation among Undergraduate Students in Ekiti State

Author’s Details:

1 FAYOMI Ezekiel Jide (PhD)-fayomiezejide@eksu.edu.ng Cell Phone: +2348033516038-Ekiti State University, Ado-Ekiti-PMB 5363, Ado-Ekiti, Ekiti State, Nigeria.

2 AWOTUNDE Matthew Olusegun-Cell Phone: +27717651045-217080901@stu.ukzn.ac.za, awotundemo@gmail.com Orchid Acc. = 0000-0002-0362-2847, School of Management, IT and Governance, University of KwaZulu-Natal, Durban. South Africa

3 BANKOLE Oluwole Adeniyi-Bamikololuwole2@gmail.co Ekiti State University, Ado-Ekiti PMB 5363, Ado-Ekiti, Ekiti State, Nigeria.

Abstract:
This study examined the determinants of customer patronage of private accommodation among undergraduate students at Ekiti State University, Ado-Ekiti. A descriptive survey research design was adopted and the study population comprised 13,783 students enrolled in various full-time degree programs. Using a proportionate sampling technique known as the Taro model, a sample of 389 students was selected and a structured questionnaire was designed to gather data. The data were analyzed using a regression model. The results showed that the rent charged and the location of the accommodation significantly affected students’ choice of accommodation and patronage.

Keywords: Accommodation, Customer, Patronage, Physical Structure, Satisfaction

1. INTRODUCTION
Successive governments in Nigeria have shown strong commitment to expanding the higher education sector by establishing more institutions. However, these institutions and the government have paid very little attention to housing the increasing number of students and staff. This has been attributed to the fact, that unlike in many developed countries, student accommodation is not considered a statutory obligation in Nigeria (Yunus, Yusuf, Ilah & Yakubu, 2018). While student accommodation has traditionally been provided exclusively on campus, government’s ineptitude in responding to the question of student housing, and the exponential increase in student enrolment in recent years has shifted the focus to private off-campus residencies (Akingbohungbe & Akinluyi, 2012). According to Asaju and Olanrewaju (2002), student accommodation is one of the major challenges confronting higher education management in Nigeria. In order for students to achieve excellent academic performance, it is essential that they have access to conducive accommodation. In general, housing provision for students enrolled in tertiary institutions has been left in the hands of school management and private investors. The shortage of on-campus accommodation has resulted in students looking to rent rooms in close proximity to their campus for the sake of convenience and to save transport costs. Other factors that determine demand for private accommodation include the students’ family circumstances and the desire to reside with their peer group. Increased demand for residential accommodation around campuses has resulted in the establishment of a niche market that caters to students’ tastes, financial capacity and preference for private accommodation (Adebisi, Ezeokoli, Oletubo & Alade, 2015).

While the study was limited to Ekiti State University, its findings could assist the government and university management to formulate policies to provide sufficient and conducive student accommodation. The results could also inform private investors on the factors that should be taken into account when investing in student hostels. Finally, the findings will assist full-time undergraduate students in deciding on the best accommodation options. The study also adds to the existing literature in this field.

The expansion of Ekiti State University and the subsequent increase in the student population, led to increased demand among staff and students for accommodation within the neighborhood, with a concomitant increase in residential property values. Garga and Bambale (2016) observed that customer patronage is the only economic and social justification for the existence of any business and that Nigerian enterprises thus need to ensure customer satisfaction. Adiele, Grend and Chinedu (2015) also showed that there is a strong positive and significant correlation between physical structure and customer patronage in
Nigeria. The residential properties in low and medium density areas such as the university environment (satellite), Ado-Ekiti and Iworoko command high rentals in the Ado metropolis primarily because of their quality. Much research has been undertaken on the determinants of patronage in different countries using different variables. Adiele and Opara’s (2014) examination of the impact of physical architecture on customer patronage of Nigerian banks established a significant relationship between the physical structure and customer patronage. Kim, Vogt and Rummel (2007) investigated the links between destinations and accommodation from a customer’s perspective and found that there was a significant relationship between these variables. John, Adiele and Nkoro’s (2013) research on the physical settings and patronage of three-star hotels in Nigeria’s Federal Capital Territory, Abuja, showed that ambient conditions, spatial layout and signs, symbols and artifacts had a significant effect on patronage. However, there is a paucity of research on the factors that determine customer patronage of private hostels, especially among university students in Nigeria. This study aimed to fill this gap.

2. LITERATURE REVIEW

The importance of the physical setting in influencing customer perception of a service cannot be overestimated (Puspita, 2014). The service setting plays a critical role in shaping expectations, differentiating firms, facilitating the fulfillment of customer and employee goals, and influencing the nature of customer experiences (Kayppinen-Raisanen & Gronroos, 2015). The physical evidence framework recognizes the importance of physical surroundings to employees as well as customers and posits that the environment is made up of a combination of environmental dimensions, including ambient conditions (temperature, music), and physical architecture (layout and furnishing). As Bitner (2000) notes, marketing researchers have come to realize that, given that consumers are influenced by the physical stimuli experienced at the point of purchase, creating an attractive physical setting should be an important marketing strategy for most exchange environments (Adiele, Grend & Chinedu, 2015).

According to Adiele and Opara (2014), a facility’s physical appearance is a function of architectural design, alongside interior design and decor (Wakefield & Blodgett, 2005). As customers approach a physical structure, they are likely to evaluate the attractiveness of its exterior. Such evaluations influence their behavior and attitudes towards patronizing the structure (in this case, a hostel building) (Baker, 1987). In addition to the appeal of the architectural design, customers may be affected by its color schemes and decor. Unpainted or dull colored facades, seats, and steps may have negative connotations, while brightly colored walls, seats and steps might attract customers (Tom, Barnett, Lew, & Selmant, 1987). Other aspects of interior design, such as ornamental signs, banners, pictures, and other fixtures may also serve to enhance the perceived quality of the service.

Ryu and Jang (2007) posited that the physical environment is an important determinant of consumer psychology (dissatisfaction and satisfaction) and behavior (patronage) (Ryu & Jang, 2007). Moreover, to a large extent, innovative interior design, location, subdued lighting, unique color, cost, an ambient atmosphere, spacious layout, security, and attractive service staff will determine the degree of overall satisfaction and patronage of such physical structure (Han & Ryu, 2009; Kim & Moon, 2009). Olujimi (2010) observed that infrastructural facilities are likely to affect the rental value of residential properties in Nigeria since they are regarded as enhancing the social well-being of city dwellers. Ibrahim (2011) noted that attractive facilities result in high demand for space in particular buildings, resulting in keen competition and thus, high rental values, while a lack of facilities results in low levels of patronage, attraction of poor tenants and consequently, low rental values. The customer is as old as business and the sole purpose of every business is to create customers (Ogwo & Igwe, 2012) and, as Drucker (1973) asserts, to enhance customer satisfaction. Sharma (2014), and Saleem and Raja (2014) described customer satisfaction as the customer’s reaction to a service and their personal judgment of their level of satisfaction.

The importance of the customer and customer patronage includes financial and non-financial dimensions. Customer satisfaction is very important in today’s business world because, as noted by Kuo, Wu and Deng (2009), a service provider’s ability to create high levels of satisfaction is crucial to on-going patronage. When a customer is satisfied with the service provided, they are likely to continue to patronize the service.
provider. Previous research has found that high levels of customer satisfaction can enable a firm to build long and profitable relationships with its customers (Harmeed, 2013). In the case of private student hostels, patronage could be determined by the level of customer satisfaction as well as meeting the student’s preference for private accommodation. Satisfaction and actual usage have been used as measures of customer patronage.

Dick and Basu (1994) suggested that satisfaction, a favorable attitude and repeat purchases define patronage. Intention to use is defined as a specific desire to retain the relationship with a service provider (Czepiel & Gilmore, 1987). Attitudinal measures have an advantage over behavioral measures (actual or repeat patronage) in that they offer greater understanding of the factors associated with the development and modification of patronage (Oliva, Oliver & MacMiliand, 1992). Fishbein and Ajzen (1975) argue that attitudes are functionally related to behavioral intentions, which predict behavior. A person's intention to behave in a certain way is contingent on his/her attitude towards performing the behavior in question and the social pressure on him/her to behave in that way (subjective norm) (Ogwo & Igwe, 2012).

According to Nwulu and Asiegbe (2015), patronage refers to “the material helps and encouragement given by a patron”. In this instance, the patron is seen as a customer in an exchange transaction. It could also mean “the act of being a regular customer to a shop”. In selecting a product or supplier, consumers make decisions on a daily basis. Sometimes less thought is given to this decision-making process; the decision made by the economic person is quite different from those made by a passive, cognitive or emotional individual. Every decision on whether or not to purchase is affected by the person’s basic and emotional state of being. Individuals choose to initiate and conclude a purchase based on the perceived value of the product. Hence, the quality and value of the interior and exterior design might influence student patronage of private hostels.

Service organizations can enhance customers’ purchase behaviour by adding value to product offerings to meet customer’s expectations and satisfy their needs. Fishbein and Ajzen (1975) noted that purchase intention is an important indicator to predict consumer behaviour. Patronage intention describes the likelihood that the consumer will be willing to buy a specific product in the future.

The theory of reasoned action that was employed in this study has "received considerable and, for the most part, justifiable attention within the field of consumer behaviour. Not only does the model appear to predict consumer intentions and behaviour quite well, it also provides a relatively simple basis for identifying where and how to target consumers' behavioural change attempts" (Sheppard, Hartwick & Warshaw, 1988). This theory is a model for the prediction of behavioural intention, spanning predictions of attitude as well as behaviour. According to the theory, behaviour is determined by the intention to engage in the behaviour. The theory of reasoned action was adopted in this study in order to bring to light the factors determining patronage in the choice of private hostels among full-time undergraduate students at Ekiti State University.

3. RESEARCH METHOD

The study was carried out among full-time undergraduate students at Ekiti State University. A survey research design was adopted and a structured questionnaire was administered to investigate and identify the determinants of customer patronage of private accommodation. Only full-time students were included due to their focus on academic activities. According to the university’s Student Affairs department, 13,783 students were enrolled from pre-degree to final year programs at the time of the study. Yamane’s (1967) sampling model was employed due to the large population and 389 questionnaires were administered to targeted respondents. The sample was calculated as follows:

\[
N = \frac{N}{1+N(e)^2}
\]

Where;  
\(n\) = Sample size to be tested  
\(N\) = Total population size  
\(e\) = Acceptable error term (0.05)

Therefore, the total sample size was calculated thus:
Three hundred and thirteen completed questionnaires were returned, representing a response rate of 81%, which was high and adequate for data analysis.

Inferential and descriptive statistics were employed to analyse the data. The descriptive statistics included percentages, tables and frequency distributions to describe the demographic variables of the respondents while inferential statistics were used to achieve the specific objectives through multiple regression analysis and the F-statistic was employed to test the significance of the variables.

4. RESULTS AND FINDINGS

4.1 Respondents’ Demographic Data

Table 1: Distribution of the Respondents’ Demographic Characteristics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>122</td>
<td>39.0</td>
</tr>
<tr>
<td>Female</td>
<td>191</td>
<td>61.0</td>
</tr>
<tr>
<td>Total</td>
<td>313</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly Income</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below ₦30,000</td>
<td>157</td>
<td>50.2</td>
</tr>
<tr>
<td>₦31,000 to ₦50,000</td>
<td>84</td>
<td>26.8</td>
</tr>
<tr>
<td>Above ₦50,000</td>
<td>72</td>
<td>23.0</td>
</tr>
<tr>
<td>Total</td>
<td>313</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 1 above shows that 122 (39.0%) of the respondents were male and 191 (61.0%) were female. This could imply that female students were more interested in participating in the study due to their desire for decent accommodation that is clean and thus protects their health, while catering for their taste for aesthetically pleasing private hostels.

The table also shows that 157 (50.2%) of the respondents had a monthly income of below ₦30,000, 84 (26.8%) fell into the ₦31,000 to ₦50,000 bracket and 72 (23.0%) of the respondents had an income of more than ₦50,000. The results show that most of the respondents had an income of less than ₦30,000, implying that their monthly income does not dictate students’ financial capability to live in private accommodation.

5. DISCUSSION OF FINDINGS

Table 2: Regression Results on Determinants of Customer Patronage of Private Accommodation

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adj R²</th>
<th>B</th>
<th>Std. Error</th>
<th>T value</th>
<th>F Cal</th>
<th>P Value</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Rate</td>
<td>.659</td>
<td>.434</td>
<td>.414</td>
<td>.491</td>
<td>.073</td>
<td>6.746</td>
<td>22.474</td>
<td>.000</td>
<td>Sig</td>
</tr>
<tr>
<td>Interior Facility</td>
<td>.762</td>
<td>.581</td>
<td>.561</td>
<td>.506</td>
<td>.090</td>
<td>6.880</td>
<td>40.676</td>
<td>.000</td>
<td>Sig</td>
</tr>
<tr>
<td>Location</td>
<td>.637</td>
<td>.406</td>
<td>.387</td>
<td>.588</td>
<td>.071</td>
<td>5.473</td>
<td>21.608</td>
<td>.000</td>
<td>Sig</td>
</tr>
<tr>
<td>Security</td>
<td>.444</td>
<td>.197</td>
<td>.172</td>
<td>.262</td>
<td>.067</td>
<td>2.240</td>
<td>7.776</td>
<td>.021</td>
<td>Sig</td>
</tr>
<tr>
<td>F–Tab</td>
<td>1.680</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 shows that, the R (correlation coefficient) of rent rate gives a positive value of 0.659, indicating that there is a strong and positive relationship between rent rate and customer patronage of private hostels. The R² is the portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, R² is equal to 0.434; this implies that rent rate brought about 43.4% of the variance in customer patronage of private accommodation among undergraduate students.
at Ekiti State University. This is further proven by the adjusted \( R^2 \) that shows the goodness of fit of the model which gives a value of 0.414, implying that when all errors are corrected and adjustments are made, the model can only account for 41.4% of rent rate in the surveyed tertiary institution.

Considering the unstandardized \( \beta \) co-efficient, rent rate gives a positive value of 0.491 with \( t = 6.746 \) and \( (P = 0.000 < 0.05) \). This result shows that rent rate has a positive effect on customer patronage; it was therefore found to be significant. Thus, the respondents’ decision to patronize private hostels is strongly influenced by rent rate. However, the higher the T-value, the better the result and the positivity of the result shows that students consider the affordability of the rent rate of a private hostel before taking it up.

Furthermore, the \( R \) (correlation coefficient) of interior facilities gives a positive value of 0.762; this indicates that there is a very strong and positive relationship between interior facilities and customer patronage of private hostels. The \( R^2 \) is the portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, \( R^2 \) is equal to 0.581; this implies that interior facilities brought about 58.1% of the variance in customer patronage of private accommodation among undergraduate students at Ekiti State University. This is further proven by the adjusted \( R^2 \) that shows the goodness of fit of the model which gives a value of 0.561, implying that when all errors are corrected and adjustments are made, the model can only account for 56.1% of interior facilities in the surveyed tertiary institution.

The unstandardized \( \beta \) co-efficient of interior facilities gives a positive value of 0.506 with \( t = 6.880 \) and \( (P = 0.000 < 0.05) \). This result shows that interior facilities have a positive effect on customer patronage; therefore, it was found to be significant. It implies that customer patronage is strongly influenced by interior facilities. However, the higher the T-value, the better the result and the positivity of the result shows that regardless of income level, interior facilities are a major factor influencing student patronage of private accommodation.

The \( R \) (correlation coefficient) of accommodation location gives a positive value of 0.637; this indicates that there is a strong and positive relationship between location and customer patronage of private accommodation. The \( R^2 \) is the portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, \( R^2 \) is equal to 0.406; this implies that location brought about 40.6% of the variance in customer patronage of private accommodation among undergraduate students at Ekiti State University. This is further proven by the adjusted \( R^2 \) that shows the goodness of fit of the model which gives a value of 0.387, implying that when all errors are corrected and adjustments are made, the model can only account for 38.7% of accommodation location in the surveyed tertiary institution.

The unstandardized \( \beta \) co-efficient of accommodation location gives a positive value of 0.588 with \( t = 5.473 \) and \( (P = 0.000 < 0.05) \). This result showed that location has a positive effect on customer patronage; therefore, it was found to be significant. It means that the respondents’ decision to patronize hostel accommodation is strongly influenced by location. However, the higher the T-value, the better the result and the positivity of the result implies that students are very particular about the location of their accommodation and the distance to the campus in order to reduce transportation costs.

Finally, the \( R \) (correlation coefficient) of accommodation security gives a positive value of 0.444; this indicates that there is a moderate and positive relationship between security and customer patronage of private accommodation. The \( R^2 \) is the portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, \( R^2 \) is equal to 0.197; this implies that security brought about 19.7% of the variance in customer patronage of private hostels among undergraduate students at Ekiti State University. This is further proven by the adjusted \( R^2 \) that shows the goodness of fit of the model which gives a value of 0.172, implying that when all errors are corrected and adjustments are made, the model can only account for 17.2% of accommodation security in the surveyed tertiary institution.

The unstandardized \( \beta \) co-efficient of accommodation security gives a positive value of 0.262 with \( t = 2.240 \) and \( (P = 0.021 < 0.05) \). This result shows that security has a weak effect on customer patronage; therefore, it
was found to be significant. It means that the respondents’ decision to patronize hostel accommodation is influenced by security, but not that strongly. However, the higher the T-value, the better the result and the positivity of the result shows that many students do not prioritize security over other determinants due to the cost and financial capability of securing private accommodation. In view of this, relatively few prioritize modern physical security measures such as fencing, burglar bars, closed circuit cameras and other security attributes.

These findings are in accordance with Adiele, Greand and Chinedu’s (2015) study that found that there is a strong positive and significant correlation between facilities’ physical appearance and customer patronage, particularly in terms of ambience; physical architecture and signs. In the same vein, John, Adiele and Nkoro’s (2013) empirical study on three-star hotels in Abuja, the federal capital territory, showed that ambient conditions, spatial layout and signs, symbols and artifacts attract customers. Some of the effects are moderated by employee dynamics that are associated with the service. Finally, Olise, Okoli and Ekeke’s (2015) findings revealed that service quality, atmospheric quality, perceived value, the environment, consumer demographics and modernity are significant factors that influence customer behavior, which is also in accordance with the theory reviewed.

5.1 Test for Significance

The F-test is used to test the overall significance of a model by comparing the F calculated with the F tabulated of each determinant. This comparison is presented in Table 2 that shows that the calculated values of F distribution give values greater than the F tabulated. Hence, the alternate hypotheses are accepted and the null hypotheses are rejected.

6. CONCLUSION

This study aimed to identify the determinants of customer patronage of private accommodation among undergraduate students at Ekiti State University. All the physical features of private accommodation were found to be important, including rent rate, interior facilities, accommodation location, and security, all at 0.05 level of significance, except accommodation security that was found to have a weak effect on patronage. It was shown that of these determinants, interior facilities, has the highest value which means that such facilities influence student patronage of private accommodation more than the other determinants. Based on the findings, the alternate hypotheses were accepted and the null hypotheses were rejected. It is thus concluded that private accommodation attributes positively and significantly influence customer patronage of such accommodation among undergraduate students at Ekiti State University in Ado-Ekiti, Nigeria.

6.1 RECOMMENDATIONS

Based on the findings, it is recommended that investors in student accommodation should strive to offer affordable rents in order to attract patronage. Furthermore, due to the different factors that impact on consumer decision-making, it is recommended that attractive interior design be put in place to influence students’ preference for private accommodation. Location should be considered before investing in private accommodation; hostels should be close to the campus in order to reduce transport costs. Moreover, the environment in which the accommodation is located should be habitable, peaceful and clean. Finally, security is important to protect the safety of both the students and their property. All these features will increase patronage of private accommodation among undergraduate students at Ekiti State University. The study could be replicated in other locations in Nigeria in order to strengthen its findings.

REFERENCES


