

ASSESSING THE EFFECTS OF GLOBALIZATION IN HOSPITALITY AND TOURISM INDUSTRY IN KOGI STATE, NIGERIA

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ABSTRACT

The paper examined globalization in the hospitality and tourism industry in Lokoja, Kogi State . Three hotels were randomly selected with a total population of 120 respondents, 20 customers and 20 staff from each hotel. The research used both survey and descriptive methods to collect information. 120 structured questionnaires were distributed to respondents and 98 questionnaires were purposively retrieved and used for the study. 4- point Likert scale was used to determine the perception of the respondents. Table and percentages were also used to analyzed the data, Result obtained showed that, 100% respondent agreed that globalization had brought technological development and creates job opportunities in hospitality industry and 95% reduction on the prices of food commodities. Increase in patronage, exchange in food culture, and improve standard of living. The paper recommends that, the operators of the industry should maintain good standard of hygiene in the hospitality environments. Government should provide security for adequate protection of the life and properties of the tourist for sustainable hospitality industry.

Keyword: Globalization, Hospitality, Tourism, Industry, Technology, Development

INTRODUCTION

Globalization is the process of interaction and integration between people, companies and government of different nations; a process being driven by international trade and investment, and it is aided by information technology. This process has an effect on the environment, culture, political system, economic development and prosperity as well as the physical well-being in the society globally. Globalization is, therefore, an economic process of interaction and integration that is associated with the social and cultural aspects in the development of hospitality industry. It has brought transformation in hospitality industry. This resulted in liberalization of international trade, competition, movement of capital and workforce, independence of national borders, and free movement of investments (Cerovic, Vukadinovic, and Knezvic 2015).

The hospitality industry is made up of hotels, boarding houses, motels, tourist camps, holiday centers; restaurants, bars, cafeterias, snack bars, pubs, nightclubs and other similar establishments for the provision of accommodation, meals and entertainment. It also involves industrial and institutional, hospital, factory and office canteens, schools, aircraft and ship catering (ILO, 2001). Globalization had affected hospitality

industry technologically, by making the industry to move at a faster pace. It is the force of globalization that makes hospitality and tourism industry to become the fastest growing industry; accounting for more than one third of the total services.

OBJECTIVE OF THE STUDY

The objective of the study is to examine the economic impact of globalization and the technological advancement which globalization had brought to hospitality industry in Kogi State.

LITERATURE REVIEW

The hotel industry provides services for people who are away from home for long or short periods of time. These services can vary according to the specific needs of the guest and the establishment operating the services (Sani 2009; Baker, Bradly and Huyton 2000). The hospitality industry is important to the development of many parts of the world. The industry has benefited from the process of globalization, and constant increase in the rate of eating by travellers, increases in room occupancy and tourist infrastructure (Cerovic et al 2015). The more people travel, the more hospitality service is required by the travelers. It

creates more opportunity for employment for people, and improvement of standard of living.

Globalization as a phenomenon, has affected almost every sphere of social life, especially in the post-war nations. Globalization has triggered various changes. Firstly, in the liberation of international trade and secondly, in competition with other investors in the work force. A special characteristic of this phenomenon is the removal of barriers for capital, goods, financial and investment flows (Vukadinovic *et al.*, 2013). One of the more important economic activities in the process of globalization is technological development in the hospitality industry. This view is specially related to mass tourism, which is considered as one of the visible manifestations of globalization, so that development of tourism can be seen in every dimensions of these processes: economic, social, cultural and even political (Halwiecka *et al.*, 2011). The same authors, based on the huge significance of tourism in global economy, stressed the importance and popularity of researching these relations, particularly as connected to economic dependence between tourism and globalization on a global or regional level. In research and theory, tourism stands out as an example of a very strong influence of globalization. Important characteristics of globalization influence on the development of tourism are the progress and transfer of technology, efficient transportation of travelers, open borders and other factors.

The Economic Impact of Globalization in the Hospitality Industry

Hospitality industry is one of the main sources of income and job creation. The industry is important because it contributes to the growth of an economy by providing employment opportunities for the people, and funding a large percentage of a country's Gross Domestic Product. It raises the national income and foreign currency earning through the goods and services, thus improving the balance of payments (Sani 2009; Baker *et al.*, 2000). There is no doubt that hospitality industry is the livewire of a nation at all levels. Tourist expenditures go to tourism services on the annual basis (Akpabio, 2008). In Nigeria, hospitality

business is booming. This attracts investors from all parts of the world to invest in hospitality business. This expansion clearly reflects the number of international hospitality industry brands set up in Lagos and Abuja, Kano, and Porthacourt and other large cities in Nigeria. The industry is transiting to a state of constant profitability and contributing to the real growth in the economy (Jumia Travel, 2019).

It is estimated that there are over a million hotels in the United States of America. But in Nigeria, there are only about 12 internationally branded hotels (Amadi, 2008a). Nigeria has a few internationally branded hotels due to the perception of the country as a high risk destination for investments in hotel and tourism businesses. These are capital intensive and require long – term investment for the investor to recoup his money. Investors in hotels hardly look for a place in Nigeria to do business, due to the exorbitant cost involved with starting business, but today, globalization had made it possible for investors to break through in hospitality investment.

The impact of globalization activities is considered as a global phenomenon in the hospitality industry thus, affecting almost every spheres of social life of the employees and customers in hospitality sectors through their services. Globalization has triggered off various changes in the hospitality industry. The liberalization of international trade had brought about competition due to globalization. The managers of hospitality industries are able to learn about the different food culture as they mingle with different groups of people from various works of life. This increases their knowledge of offering better services and can compete with their counterpart.

There is free movement to invest in hospitality industry. A special characteristic of this phenomenon is the removal of barriers for capital, and goods, this brings financial and investment flows (Vukadinović *et al.*, 2013). The freedom of movement and settlement had increased which is an added advantage to hospitality business. One of the more important economic activities in the process of globalization is the mass movement of travelling to a destination. Hospitality industry supplies tourist needs (accommodation and food) at different

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destinations for tourist to enjoy their experience. This mass travel is considered as one of the visible manifestations of globalization in the industry development of hospitality. This can be seen in every processes of the economic, social, cultural and political (Halowiecka *et al.* 2011).

According to Sofronov (2018), by 2030 (ICAC 2018) it is estimated that there will be 1.8 international tourists' arrivals. This means an average of 5 million people will be crossing international borders every single day. As powerful as the travel and tourism sector is concerned in terms of its rich and economic impact, it is unique in the diversity of its composition. The stakeholders in travel and tourism range from global hotel chains, cruise lines and seaports, airport and airlines turning over billions of dollars every year, to individuals running a bed and breakfast, teaching a cooking class or leading a tour through their local community.

Looking at the industry, it allows us to see the true picture of hospitality industry not only as the fast economic impact, it has at the global world level, but also to consider the life transformation effect it can have on real people in destination across the world (ICAO 2018). The travel sector accounted for 10% of global GDP and 313 million jobs or 1 in 10 jobs globally in 2017 with 4.4% GDP growth in 2017, the highest rate since 2011. The sector out performed all major economic sectors within the industry, manufacturing industry occupying the second place with 4.2%. The financial services lag behind with 2.5% in industrial sector growth. With the right regulatory and policy environments, including support from government, travel and tourism industry have the potential to create ten million jobs of new jobs by 2028. This shows that travel and tourism grow faster in 2017 than every other sector.

The USA received the greatest direct and total contributions to GDP from travel and tourism industry with a total of \$1501.9 billion in 2017. China is forecast to overtake in both categories by 2028 (ICAO 2018). According to aviation industry, a new record was established; 4.1 billion passengers were carried by aviation industry on schedule service in 2017 indicating that there is 1.7% increase over 2016. Thus, the figure is expected to double by 2036 with 7.8 billion people predicted to

travel by air each year, 55% of international tourist travel to destination by aircraft.

Cruise travel is on the rise, with 27.2 million passengers expected to set sail in 2018. In 2017, 25.8 million passengers cruised, representing 4.5% growth in 2016. The overall growth in the cruise industry has exceeded that of the general global tourism sector (45%) for over the past 10 years. In 2017, hotels and resort industry on international visitors on accommodation, food and drinks, entertainment shopping and other hospitality services and goods amounted to \$1.22 trillion in 2017. The industry generated \$878 billion in revenue and employed 4.3 million people (ICAO 2018).

Technological Advancement in Hospitality and Tourism Industry in Kogi State

The increase in access, availability and affordability of food used in different cuisine in the hospitality industry through globalization is now available in Kogi State. Globalization made it easy to enjoy different food culture and affordable nutritious food, such as ready to eat snacks, fresh fruits and vegetables are available in the hospitality industries at Lokoja. The markets for Western-style and processed food products have found a place in Kogi State and food can be stored for used for a longer period through cooling storage facilities (Black 2016), with the forces of globalization. In Kogi State, the traditional way of using mortar to pound yam in the hospitality industries is no longer invoke. However, yams are pounded mechanically, without any stress. Technology had made it easier for multinational food corporations to shift ready to eat foods to hotels in Lokoja for consumption, thus solving the problems of food security in the hospitality industry.

The provision of services for e-booking for hotel reservation had a great impact in the growth of the hospitality industry in Kogi State. The use of e-payment had increased sales and tourist can book accommodation without being physically present at Lokoja. According to World Economic Forum (2018), the Wi-Fi and wireless devices in the

hospitality industry, offer customers more personalized service experience by reducing waiting time and track guest's location and activities quickly. Thus, customer at different parts of the state can assess hospitality product of their choice and pay for reservation without delay.

Technology and the internet exert a strong impact on the development of hospitality industry (Vukadinović et al, 2013). One of the most important activities in the process of globalization in the hospitality industry in Lokoja, is the use of ranges and micro-wave for mass food production for mega events. This is considered one of the visible manifestations of technological development which globalization process brought to hospitality industry in Kogi State which reduces stress in food preparation and cooking time for commercial activities (Holowiecka Greelak-kostuiska and Kwatkowski, 2011).

The use of computerized system in reservation of guest's accommodation in the hotel, has also improved standard of services at Lokoja. Anumdu, Agbgbanike and Eguwm (2016), observed that globalization made computer and internet to revolutionize the way businesses are conducted globally. Globalization processes have initiated changes in communications with new technologies and the internet exerting a strong impact on hospitality development in Kogi State. As a result of globalization in network services, CCTV had helped in checking criminal act and the cyber security in the hospitality industries in Kogi State. Globalization had changed the pattern of washing and ironing of guest's cloth, from manual to electronic washing and ironing machine. This saved time and energy of employees and increased job efficiency in the hospitality industry.

METHODOLOGY

The study was carried out at Lokoja metropolis Kogi State. Three hotels were randomly selected with the population of one hundred and seventy two respondents (172). Taro Yamen formula, was used to determine

the proposed 172 population sample size. Thus:

$$n = \frac{N}{1 + N(e)^2}$$

where:
 N = population
 n = sample size
 I = constant
 e = error margin (5%)

$$n = \frac{172}{1 + 172(0.05)^2}$$

$$= \frac{172}{1 + 172 + 0.0025}$$

$$= \frac{172}{172.0025}$$

$$= 1.43 = 120.28$$

$$= 120$$

The respondents from the 3 hotels were randomly selected with 20 customers and 20 staff given a total of 120 respondents. The study used both survey and descriptive research design. Structural questionnaires were designed using 4-point Likert scale and number were assigned. The structured questionnaire was randomly distributed to the customers and the staff in the 3 hotels (see table 1 for distribution) and the completed questionnaires were purposively collected. 98 questionnaires were returned and used for analysis. Table and percentages were used to analyze the data. Thus n=98 (refers to table 2)

Table 1: Distribution of questionnaires

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S/N	Hotel	Staff	Customer	Total
1	A. <u>Idrinana</u> hotel	20	20	40
2	B. <u>Riverton</u> hotel	20	20	40
3	C. <u>Saatoff</u> hotel	20	20	40

Source: Field survey (2019)

Result and discussion of the findings

Table 2. Impact of Globalization in the Hospitality Industry (n = 98).

Variables	SA	A	D	SD	V+ Resp.	V- Resp.
1 There is exchange of different food culture in the industry	60(61.22)	30(30.16)	4(4.08)	4(4.08)	96.33	8.08
2 There is competition and reduction of prices of hospitality products	62(63.27)	33(33.67)	1(1.02)	1(1.02)	96.94	2.04
3 People patronize hospitality industry more than before.	50(51.02)	44(44.8)	1(1.02)	3(3.06)	95.82	4.08
4 Hospitality industry can outsource different departments	42(42.86)	54(55.1)	1(1.02)	1(1.02)	97.96	2.04
5 It increases standard of living.	70(71.43)	26(26.53)	2(2.04)	-	97.96	2.04
6 Globalization brings technological development in hospitality industry.	80(81.63)	18(18.27)	-	-	100	-
7 There is increase in job opportunity.	92(93.88)	6(6.12)	-	-	100	-
8 There is environmental pollution in the hospitality environment.	81(82.65)	14(14.29)	2(2.04)	1(1.02)	96.94	3.06

SA= strongly agree, A= agree, D= disagree, SD=strongly disagree

Source: Field work (2019)

The result on the table 2 above, the findings shows that globalization has brought a lot of reformation into the hospitality industry. There are 100% technological developments and job creation in hospitality industry in Kogi State and 97.96% outsources services in different sectors of the hospitality industry in Kogi State. This also led to

97.96% increase in standard of living in Kogi State. 96.94% of the respondents stated that globalization had brought competition into the industry. This resulted to a reduction of hospitality products in Kogi State. The study observed that there was an increase in hospitality patronage with 95.82%. Also 96.33% agreed that there was exchange of different food cultures in the hospitality industry, and customers can have good experience when eating their local cuisine while in Kogi State. This study is in line with Sofronov (2018), who saw the emergence of globalization in the hospitality industry, as an opportunity to acquire business and skills. Thanks to globalization for newly realized entrepreneurial and other professional opportunities resulting in human capital in the hospitality industry. The finding is also in line with World Travel and

Tourism Council (WTTC, 2018), which observed that globalization in the hospitality industry is directly and indirectly responsible for generating millions of jobs across the global economy. It was noted that, globalization caused 96.94% environmental pollution in Kogi State due to waste products from the hospitality industry. Polythene bags, plastic containers, and empty cans were littered in Lokoja metropolis without proper incinerator.

CONCLUSION

Globalization had yielded significant economic and social benefits in the hospitality industry in Lokoja, Kogi State despite the fact that it can cause environment pollution. It possess the power to change the lives of the peoples for better by driving the economic growth and development in the hospitality industry in Kogi State, reducing poverty through provision of livelihood, fostering tolerance and peace through intercultural exchanges and understanding. This played a vital role in the national developments with technology being the principal driver of changes in the life style and services in the hospitality industry. As hospitality industry is digitalized in Lokoja, the structure of business had changed both the social lives of

employees and the organization in Kogi State. Thus, globalization demonstrates a strong force for continue growth and binding the peoples together in Kogi State.

RECOMMENDATION

The study recommends that: Hospitality operators should embark on training of their staff on the use of modern technology equipment for continued update on hospitality service in Kogi State. The standard of hygiene in the hospitality industry must be maintained for the growth of the industry, and the Government should provide conducive atmosphere for investors to invest in the hospitality business in Kogi State. More importantly, the safety and security of life and property of the travellers must be protected by the government. However, polluted waste should be evacuated from Lokoja metropolis to avoid outbreak of diseases in the state.

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