Innovations as Drivers of Performance in the Hospitality Industry: A Study of Selected Hotels in Awka, Anambra State

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ABSTRACT

This study examined innovations as drivers of performance in the hospitality industry: A study of selected in Awka, Anambra State. Specifically, the study modelled the effect of product innovation, process innovation, marketing innovation and organizational innovation on the performance of hotels in Awaka, Anambra State using descriptive statistics and econometric regression model of the ordinary least square. Findings revealed that product innovation, process innovation, marketing innovation and organizational innovation are significant determinants of performance in the selected hotels in Awka. They also show a positive relationship with the performance of the hotels; the joint effect of the explanatory variable in the model account for 85% of the variations in the performance of the hotels. Based on the analysis and findings of this study, the researcher therefore recommends that: Management of hotels should strive to hire managers who are innovative and proactive in improving service delivery processes on a continuing and consistent basis. This will enable the hotels to remain competitive. Staff with the cognate academic background and experience should be employed to manage hotels. This is because they are the people that are in a better position to initiate innovative ideas. Hotels in Awka should engage the services of management consultants for their strategic plans and the attendant implementation strategy on the various key drivers of innovation, in order to enhance their performance and become competitive in the market.

KEYWORDS: *Product Innovation, Process Innovation, Marketing Innovation and Organizational Innovation, Hospitality Industry, Hotels*

1. INTRODUCTION

In today's dynamic and competitive business environment, innovation perceptibly stands as a strategic tool for organizations and firms survival. Innovation has been viewed from various stand points and varying literary perspectives. Olughor (2015) viewed innovation as a driving force for competitive scuffle in the present chaotic environment. Innovation is also viewed as "introduction of something new" or a new idea, method or device (Nwosu, Awurum & Okoli, 2015). According to Zwingina & Opusunju (2017) innovation is the acceptance of any idea or conduct related to a product, service, system, device, policy or program that is new to the adopting organization. Ndesaulwa and Kikula (2016) described innovation as "the introduction of new or improved processes, products or services based on new scientific or technology knowledge and/or organizational know-how" (OECD, 2015; Rebound, 2008). From the foregoing innovation is therefore a strategic way businesses respond to the phenomenal changes that is dramatically taking place in the global market place as a result of world integration of trade (globalization). This study on innovation focuses on the hospitality industry particularly the hotels. Presently, hotels in Nigeria are highly competitive and they are also one of the biggest employers of labour. Their role is important not only because they create employment but also because they employ unskilled workers, who are overly abundant in the country and for them to maintain their socioeconomic role in Nigeria and at the same remain competitive, they have to be innovative. Innovation has been classified differently by scholars. Dewar and Dutton (1986) classified innovation into radical and incremental innovations. As cited by Olughor (2015), innovation is also classified into three types of innovation, product, process and strategy or business model innovation (Robert & Tucker, 2008). Schumpeter (1934) explains innovation to include five types: new products, new methods of production, new sources of supply, the exploitation of new markets, and new ways to organize business. Subramanian and Nilakanta (1996) categorized organisational innovation into two (a) technological innovation which include product, service and process; and (b) administrative innovation that includes organisational arrangement, administrative process and program. However, to better describe innovation in the hospitality industry, this study noted the classification of four types of innovation described in the Oslo Manual (OECD,

2005) that classified innovation as product innovation, process innovation, marketing innovation and organizational innovation.

Arguably, Anambra State has one of the fastest growing hospitality industries in Nigeria. This could be partly because of its leading position as one of the largest markets in West Africa, hence the influx of people in and out of the state on daily basis. With the proliferation of hotels in virtually every nocks and cranny of the state, available literature suggest that innovation now becomes a critical element for hotels to reach and keep higher competitiveness standards (Nicolau and Santa-María, 2013). Innovation appears to be the only means for an organization to convert change into opportunities and thus succeed (Nicolau and Santa-María, 2013; Chen, 2011). The highly competitive environment of the hospitality industry drives the search for new ways and elements of efficient performance. One of the core trends in this sphere is the development and application of a variety of innovations and new elements that can serve as a powerful impetus for the development of the hospitality industry.

Innovations of all kinds are essential for both the viability and competitiveness of hotel enterprises. The systematic and ubiquitous use of innovations to ensure the growth of enterprise performance is now recognized by a wide range of researchers and practicing managers (Dzhandzhugazova et al., 2015). Arguably, many factors affect the application and development of innovation, i.e. consistent industry problems, specific mentality of consumers, cultural and national quirks of the customers enjoying hotel services, etc. (Pine & Gilmore,1999). Innovative trend in the hospitality industry is manifested through the ability to generate diverse innovations, which will ensure the successful development of a hotel (Zaitseva, 2013). The large-scale application of new knowledge, as well as its combinations, generates new services, products and technologies. If a hotel is not involved in any innovation process, its performance will sooner or later diminish and its competitiveness will be lost (Ilyenkova & Kuznetsov, 2009). All kinds, types of innovation and the levels of their manifestation create the innovation space.

1.1. Statement of the Problem
World integration of trade (globalization) has brought about phenomenal changes in the survival of organizations. Organisations today are faced with the dilemma of either responding to change or preparing for outright irrelevance. This study was therefore informed by the perceived growing competition in the Nigeria emerging hospitality industry. According to Uchegbulam, Akinyele and lbidunni (2015), Nigeria's business environment is situated in the midst of a challenging economic landscape and intense competition. Therefore, managers are increasingly seeking for strategic approaches to accomplish, improve and sustain organizational performance and competitive advantage. Literature on innovation and firm performance are rife and several of them show that there is a positive relationship between innovation and firm performance (Griliches & Mairesse, 1990; Crépon et al., 1998; Lööf and Heshmati, 2002; Mairesse & Mohnen, 2003; Kafouros et al.,2008). However, there seems to be paucity of such study in the Nigeria hospitality industry, an industry that is greatly driven by innovation and stiff competition. It is therefore imperative to empirically investigate innovation and hotel performance in the Nigeria hospitality industry particularly in Anambra State.

1.2. Objectives of the Study
The main objective of this study is to examine innovation as drivers of performance in the hospitality industry: A study of selected hotels in Awka, Anambra State. Specifically, the study intends to ascertain the effect of product innovation, process innovation, marketing innovation and organizational innovation on the performance of hotels in Awka, Anambra State.

2. REVIEW OF RELATED LITERATURE
2.1. Innovation
In the global market place, innovation is a strategic tool for firms to survive and gain competitive advantages. The early concept of innovation in economic development and entrepreneurship was popularized by Joseph Schumpeter, a German economist (Rosli & Sidek, 2013). In the view of Joseph Schumpeter, innovation, comprises the elements of creativity, research and development (R&D), new processes, new products or services and advance in technologies (Rosli & Sidek, 2013; Lumpkin & Dess, 2001). Innovation is also described as the creation of new wealth or the alteration and enhancement of existing resources to create new wealth. It is further seen as a process of idea creation, a development of an invention and ultimately the introduction of a new product, process or service to the market (Kuratko & Hodgetts, 2004; Thornhill, 2006; Rosli & Sidek, 2013). According to Oslo Manual (OECD, 2005), an innovation is "the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organisation or external relations. Innovation is derived from the Latin word novus, meaning new. It is defined as "introduction of something new" or a new idea, method or device (Tornatzky & Fleischer, 1990). Beaver (2002) believes that innovation is an essential element for economic progress of a country and competitiveness of an industry. Innovation plays an important role not only for large firms, but also for SMEs (Rosli & Sidek, 2013; Jong & Vermeulen, 2006; Anderson, 2009). Sandvik (2003) argues that innovation is one of the most important competitive weapons and generally seen as a firm's core value capability. Innovation is also considered as an effective way to improve firm's productivity due to the resource constraint issue facing a firm (Rosli & Sidek, 2013; Lumpkin & Dess, 1996). Despite the importance and role innovation in the performance of businesses, little is known about innovation in developing countries, partly because of the lack of comparable and reliable data. Collecting data on firm-level innovation is challenging because of the subjective definition of what determines an innovation, a problem that is exacerbated in developing countries where innovation is likely to be more incremental and less radical (Cirera & Muzi, 2016).

2.2. Types of Innovation
Onwumere & Eleodinmuo (2015) discussed the four types of innovation modelled in this study. The study modelled the effect of product innovation, process innovation, marketing innovation and organizational innovation on the performance hotels. The innovation types modelled here are adopted from OECD (2015); Rebound (2008); Onwumere and Eleodinmuo (2015); and Conway, (2005). These are product innovation, process innovation, marketing innovation and organizational innovation. Product and process innovations are closely related to the concept of technological developments. Product innovations can utilize

new knowledge or technologies, or can be based on new use or combinations of existing knowledge or technologies. The term product covers both goods and services. Product innovation is a difficult process driven by advancing technologies, changing customer needs, shortening product life cycles, and increasing global competition. For success, it must involve strong interaction within the firm and further between the firm and its customers and suppliers (Blind, et al 2009). A process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Process innovations can be intended to decrease unit costs of production or delivery, to increase quality, or to produce or deliver new or significantly improved products (OECD Oslo Manual, 2005). Fagerberg et al. (2004) stressed that while the introduction of new products is commonly assumed to have a clear, positive effect on the growth of income and employment, process innovation, due to its cost-cutting nature, can have a more hazy effect. A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. Marketing innovations target at addressing customer needs better, opening up new markets, or newly positioning a firm's product on the market with the intention of increasing firm's sales. Marketing innovations are strongly related to pricing innovation strategies, product package design properties, product placement and promotion activities along the lines of four P's of marketing (Crone, 2000). Finally, an organizational innovation is the implementation of a new organizational method in the firm's business practices, workplace organization or external relations. Organizational innovations have a tendency to increase firm performance by reducing administrative and transaction costs, improving workplace satisfaction (and thus labour productivity), gaining access to non-tradable assets (such as non-codified external knowledge) or reducing costs of supplies (Cooke, 2007). Thus, organizational innovations are strongly related with all the administrative efforts of renewing the organizational routines, procedures, mechanisms, systems etc. to promote teamwork, information sharing, coordination, collaboration, learning, and innovativeness.

The study modelled the effect of product innovation, process innovation, marketing innovation and organizational innovation on the performance of hotels. The four innovation construct operationalized in this work is elicited from previous theoretical literature on innovation perspective. The model examined innovation as drivers of performance in the hospitality industry, particularly banks. Hotel Performance is the dependent variable in this research. The dependent variable is analyzed in this research in order to find out the answer or solution to the problem i.e. how innovation affects the performance of the hotels? In this situation, the study has tested four independent variables i.e. product innovation, process innovation, marketing innovation and organizational innovation that are believed to have some influences towards the dependent variable(performance of hotels) either in positive or negative way.

2.3 Related Empirical Literature
Twaliwi and Isaac (2017) examined the impact of innovation (marketing innovation, process innovation and product innovation) on the performance of small and medium scale enterprise in Gwagwalada, Abuja using Ordinary least

Square method of multiple regressions. The study found that there is significant relationship between innovation and performance of SMEs in Gwagalada- Abuja. Other findings show that there is a significant relationship between product innovation, process innovation, marketing innovation and performance (sales volume) of SMEs in Gwagwalada, Abuja. Tuan, Nhan, Giang and Ngoc (2016) examined the effects of innovation on firm performance of supporting industries in Hanoi. *They specifically investigated the* impacts of innovation on the different aspect of innovation performance, and then their effects to firm performance (production, market, and financial performance) using reliability, factor analysis and regression. The result demonstrated there are positive effects of process, marketing, and organizational innovations on firm performance in supporting firms. More specifically, the higher the level of innovation activities is, the greater the innovative performance is, which means the larger level of Process, organization and marketing innovation activities are, the higher level of innovative performance are likely to be. Secondly, the higher level of Process, organization and marketing innovative performance, the better level of firm performances is likely to be. Mensah and Acquah (2015) examined the effect of innovation types on the performance of small and medium sized enterprises in the Sekondi-Takoradi metropolis using Partial least squares (PLS) and structural equation modelling (SEM). The study revealed that all four different types of innovation significantly influence organisational performance positively, except the product innovation/organisational performance relationship which were positive but not significant. The results also suggest that innovation accounted for more than fifty one percent of the variation in organisational performance. Karabulut (2015) investigated the effects of innovation types on performance of manufacturing firms in Turkey using factor analyses and multiple regression analyses. The study found that The product innovation, process innovation and organizational innovation have positive impacts on financial performance, customer performance, internal business processes performance and learning and growth performance. The marketing innovation has positive impacts on financial performance, customer performance, and internal business processes performance. However, the marketing innovation has a negative impact on learning and growth performance. The innovation type explains customer performance more than other dimensions of firm performance. Using regression model, Olughor (2015) investigated how innovation affects business performance in small and medium-sized enterprises (SMEs) in an up-and-coming market. The study demonstrated that there is a high correlation among factors used to measure innovation. Technological innovation and market innovation are important factors on financial firm's performance, while administrative innovation is a significant factor for production performance. Nwosu, Awurum and Okoli (2015) carried out an evaluation of the effect of technological innovations on corporate performance: A study of selected manufacturing firms in Nigeria using t-test statistics. The result of the study revealed that Process innovation; Product Innovation; Organizational structure and employee development significantly affect firm's performance positively. Hassan, Shaukat, Nawaz and Naz (2013) used factor, reliability, correlation, and regression analysis to Effects of Innovation Types on Firm Performance: An Empirical Study on Pakistan's Manufacturing Sector. The results reveal the positive effects of innovation types on firm

performance. Kuswantoro, Rosli, Abdul and Ghorbani (2012) examined the impact of innovation in distribution channel functions on firm performance, particularly among export-oriented, agro-based manufacturing small and medium enterprises (SMEs) SMEs in Yogyakarta and the surrounding areas, Java using a regression analysis. The study found that innovation in assortment; information sharing and transportation coordination had positive and significant relationships with firm performance. The study also found that distribution channel effectiveness mediated the relationship between innovation in assortment and transportation coordination and firm performance.

A litany of studies on influence of innovation on the performance of businesses has been reviewed from various stand points. Their findings are robust and insightful. However, there seems to be a paucity of studies in this subject in Anambra state which happens to be one of the largest economic hubs in Nigeria after Lagos and also has one of the fastest growing hospitality industries in Nigeria. Most of the studies reviewed were carried out in Asia. None of the studies conduct in Nigeria was in Anambra state. This study therefore fills a literature gap by investigating innovation as drivers of performance in the hospitality industry: a study of selected hotels in Awka, Anambra State.

3. METHODOLOGY
3.1. Area of Study
The study was executed in Awka, Anambra State, Nigeria. The city is significant to this study because it is the capital of Anambra State and one of the economic hubs of the state where economic and business activities take place. The state has hotels of different classes scattered all over the city as a result of the growing number of consumers and rising population of people that engage in one business activity or the other. The inhabitants are predominantly civil servants and traders who are into various kinds of economic activities etc. However, there use be influx of people into the state for businesses and functions on a daily bases.

3.5. Method of Data Analysis
Data collected for this study were analyzed using linear regression model and descriptive statistics such as frequencies and percentages. The demographic profiles were processed using descriptive statistics, while the objectives of the study were processed using t-test statistic and the regression model. All the analysis were done using SPSS version 23. Linear regression model of the ordinary least square (OLS) approach was used to analyse the objectives in order to ascertain the influence of the independent variables on the dependent variable. The use of (OLS) is informed by the fact that under normality assumption for ei, the OLS estimator is normally distributed and are said to be best, unbiased linear estimator (Gujarati & Porter, 2008).

The model is implicitly specified as follows;
$$FPH = f(PRDI_1, PRCI_2, MKTI_3 \ ORGI_4) \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (1)$$

The model is explicitly specified as follows;
$$FPH = \alpha + \beta_1 PRDI_1 + \beta_2 PRCI_2 + \beta_3 MKTI_3 + B_4 ORGI_4 + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots (2)$$

Where:
α = intercept
FPH = Frequency of patronising the hotels (FPH) proxied by average number of rooms sold.
$$FPH = \alpha + \beta_1 PRDI_1 + \beta_2 PRCI_2 + \beta_3 MKTI_3 + B_4 ORGI_4 + \varepsilon \dots\dots\dots\dots\dots\dots\dots (4)$$
PRDI = Product Innovation
PRCI = Process Innovation
MKTI = Marketing Innovation
ORGI = Organizational Innovation
$\beta_1 - \beta_4$ are the slope coefficients of the regressors,

α represents the vertical intercept and ε the stochastic residual term designed to capture the effects of unspecified variables in the model, which is normally distributed with a mean value of zero.

3.2. Population, Sample Size and Sampling Procedure of the Study
The population of the study is made up of the owners of Hotels in Anambra State. Judgemental/ purposive sampling was used to select manager, supervisor and accountant from eight functional Hotels in Awka, Anambra State. Thus, the selected sample for study is two hundred and forty (240) respondents i.e. 3 respondents from 80 functional hotel in Awka. The aim of using purposive sample was to enable the researcher reduce bias in sample selection from the population of the study.

3.3. Source of Data Collection
The researchers explored mainly the primary data. The primary data were obtained from managers, supervisors and accountants from eighty functional Hotels in Awka Anambra State, Nigeria, using a structured questionnaire.

3.4. Data Collection Instrument
The instrument used for the data collection is the questionnaire which was designed and administered to managers, supervisors and accountants from eight functional Hotels in Awka Anambra State, Nigeria. The questionnaire has two sections. Section A and Section B. Section A sought information on demographic profile of the respondents. Section B was made up of items designed to elicit information relating to objectives of the study, using a close ended questions and a four (4) point summative likert scale question of Strongly Agree (SA) 4 points; Agree (A) 3 points; Disagree (D) 2 points; Strongly Disagree and (SD) 1 point. Owners/Managers, supervisors and accountants of the hotels were the respondents of this study. Since judgemental sampling was adopted, 240 respondents were interviewed using questionnaire instrument. Thus, 240 copies of the questionnaire were produced and administered but only 211 were dully completed and returned.

4. DATA PRESENTATION AND ANALYSIS
4.1. Demographic Profile of Respondents

Table 1: Distribution according to demographic profile of respondents

Items	Frequency	Percentage (%)	Cumulative (%)
Gender			
Male	181	85.8	85.8
Female	30	14.2	100.0
Total	211	100.0	
Age			
18-30	11	5.2	5.2
31-40	44	20.9	26.1
41-50	102	48.3	74.4
51-60	31	14.7	89.1
61-70	11	5.2	94.3
71 and above	12	5.7	100.0
Total	211	100.0	
Marital status			
Married	148	70.1	70.1
Single	52	24.6	94.7
Divorced	8	3.8	98.5
Widow/Widower	3	1.5	100.0
Total	211	100.0	
Educational Qualification			
Primary	-	-	-
Secondary	14	6.6	6.6
Tertiary	197	93.0	100.0
Total	211	100.0	
Respondents Position			
Owner, CEO	62	29.4	29.4
Manager	110	52.1	81.5
Supervisor	27	12.8	94.3
Accountant	12	5.7	100
Total	211	100	

Source: Field survey, 2018.

Table 1 presents the demographic profiles of the respondents. The table revealed the percentage of male to female gender that is involved in the management of hotels in Awka, Anambra State. 85.8% of the respondents are males while 14.2% of the respondents are female gender. The implication is that there are more males that manage hotels than female gender. The age of the respondents revealed that majority of the people that manage hotels fall within the age bracket of 41-50years. This constitutes 48.3% 0f the respondents. 70.1% of them are married. With respect to educational exposure, all the respondents had formal education. With respect to respondents' position, managers of hotels account for the greater number of respondents, this account for 52.1% of the respondents.

Table 2: Distribution according to how often the hotel rooms are fully booked

Items	Frequency	Percentage (%)	Cumulative (%)
Every day	17	8.1	8.1
Once a week	57	27.0	35.1
Every two weeks	81	38.4	73.5
Occasionally	56	26.5	100.0
Total	211	100.0	

Source: Field survey, 2018.

With respect to how often the hotel rooms are fully booked which serves as a proxy for performance in the hospitality industry, table 2, revealed that most of the hotel rooms are fully booked every fortnight, this account for 38.4% of the respondents. 27.0% of the respondents indicated that their hotel rooms are fully booked once a week. 26.5% of the respondents indicated that their hotel rooms are fully booked occasionally while 8.1% of the respondents indicated that their hotel rooms are fully booked every day.

4.2 Regression Analysis Result

Table 3: Innovation as drivers of performance in the hospitality industry

Model	B	Std. error	t	P-Value.
(Constant)	0.036	0.009	4.000	0.000
Product innovation	0.162	0.051	3.167	0.001
Process innovation	0.249	0.052	4.773	0.000
Marketing innovation	0.302	0.101	3.000	0.011
Organizational innovation	0.196	0.063	3.112	0.017
R	0.870			
R^2	0.854			
Adj. R^2	0.844			
F-statistic	71.666			0.000

Source: Field survey 2018.

Dependent variable: Average Number of hotel rooms sold per month

To analyze the regression results as presented in table 3, we employ economic a prior criteria, statistical criteria and econometric criteria. Using the a priori (i.e., theoretical) expectations, the sign and magnitude of each variable coefficient is evaluated against theoretical expectations. From table 3, it is observed that the regression line have a positive intercept as presented by the constant (c) = 0.036. This means that if all the variables are held constant (zero), the performance of hotels will increase by 3.6%, thus, the a-priori expectation is that the intercept could be positive or negative, so it conforms to the theoretical expectation. From table 3, it is observed that product innovation, process innovation, marketing innovation and organizational innovation have a positive relationship with the performance of hotels. This means that when product innovation, process innovation, marketing innovation and organizational innovation are increasing, the increases will bring about more growth in the performance of hotels. From the regression analysis, it is observed that all the variables conform to the a priori expectation of the study. Thus, table 4 summarises the a priori test of this study.

Table 4: Summary of economic a priori test

Parameter	Variables		Expected Relationship	Observed Relationship	Conclusion
	Regressand	Regressor			
β_0	FPH	Intercept	+/-	+	Conform
β_1	FPH	PRDI	+	+	Conform
β_2	FPH	PRCI	+	+	Conform
β_3	FPH	MKTI	+	+	Conform
β_4	FPH	ORGI	+	+	Conform

Source: Researchers compilation

Evaluating the regression result using the statistical criteria involve the interpretation of the application of the R^2, adjusted R^2, the S.E, the t–test and the f–test to determine the statistical reliability of the estimated parameters. These tests are performed as follows: From our regression result, the coefficient of determination (R^2) is given as 0.854, which shows that the explanatory power of the variables is very high and/or strong. This implies that 85% of the variations in the growth of the PRDI, PRCI, MKTI and ORGI are being accounted for or explained by the variations in performance of hotels. While other drivers of performance in the industry not captured in the model explain just 15% of the variation in performance of hotels.

The adjusted R^2 supports the claim of the R^2 with a value of 0.854 indicating that 15% of the total variation in the dependent variable (performance of hotels is explained by the independent variables (the regressors)). Thus, this supports the statement that the explanatory power of the variables is very high and strong. The standard errors as presented in table 3 show that all the explanatory variables were all low. The low values of the standard errors in the result show that some level of confidence can be placed on the estimates (*see* table 3). The F-statistic: The F-test is applied to check the overall significance of the model. The F-statistic is instrumental in verifying the overall significance of an estimated model. The F-statistic of our estimated model is 71.666 and the probability of the F-statistic is 0.000 (*see* table 3). Since the probability of the F-statistic is less than 0.05, we conclude that the explanatory variables have significant impacts on performance of hotels.

5. CONCLUSION AND RECOMMENDATIONS

The analysis of the study revealed that product innovation, process innovation, marketing innovation and organizational innovation significant drivers of performance in the hospitality industry and they also show a positive relationship with the performance of the hotels. Findings also revealed that the joint effect of the explanatory variables in the model account for 85% o of the variations in the performance of the hotels in Awka.

In the final analysis, the findings of this study have shown consistency with the finding of the previous work reviewed in this study. According to Tuan, Nhan, Giang & Ngoc (2016), innovative performance is the combination of overall organizational achievements as a result of renewal and improvement efforts done considering various aspects of firm innovativeness, for instance, processes, products, marketing, organizational structure, etc. Therefore, innovative performance is a composite construct, based on various performance indicators pertaining, such as, to the new patents, new product announcements, new projects, new processes, and new organizational arrangement (Hagedoorn & Cloodt, 2003; Tuan, Nhan, Giang & Ngoc,

2016). We can conclude that these variables have strong ramifications for the success of hotel business in Nigeria.

Based on the analysis and findings of this study, the researcher therefore recommends that:

1. Management of hotels should strive to hire managers that are innovative and proactive in developing something new on a continuing and consistent basis. This will enable the hotels to remain competitive.
2. People with the needed intellectuality and academic background should be hired to manage hotels. This is because they are the people that are in a better position to initiate innovative ideas.
3. Hotels should consult for a strategic plan and implementation strategy on product innovation, process innovation, marketing innovation and organizational innovation to enhance their performance and remain competitive in the market.

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