

# Internet Marketing and the Development of Hospitality and Tourism in Nigeria

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## Abstract

*The paper examined the impact of internet marketing on the growth of hospitality and tourism development in Nigeria in relation to products marketing and awareness creation. The study used primary and secondary data while a simple random sampling technique was employ to select the sample size. A total of 200 respondents (sample size) located in Benin city were interviewed and questionnaires were administered thereof. The data were analysed using percentage, mean, standard deviation and analysis of variance (ANOVA) while F-distribution statistics via the application of SPSS was used to test for the relevance of the hypotheses at 0.05 level of significance. Some of research findings and recommendations were; internet marketing creates more awareness on tourism and hospitality products in Nigeria; internet marketing advertising strategies have a wider reach and quick response(s) mode than the traditional advertising method(s) and so, a centralized website for tourist's sites, destinations and hospitality products should be created for easy awareness promotion, products sale and sales points.*

**Keywords:** Internet Marketing, Investment Opportunities, E-Commerce, Mobile app and Travel Booking

## Introduction

Internet marketing provides environment for efficient interactive marketing communication with large groups of potential customers. The use of internet services spread across all spheres of human endeavor especially in business, perhaps, in marketing tourism and hospitality product. The growth of internet marketing has transformed the marketing of hospitality and tourism goods and services by providing the tourists preferred destinations and attractions. According to Ugbuoshi (2013), many countries in the developed world are using their internet sites to market their products to customers, take customers' orders and handle order taking. Internet marketing provides valuable information and services as part of effort to sell goods and services. It also affords potential consumers or tourists the opportunity to interact with various customers' information to ask questions, to leave message and even to place order for products directly (Schiffman and Kanuk, 2007).

Internet marketing play vital role in the advertising and promotion of hospitality and tourism products and act as a strategy used to support tourists in gaming knowledge, developing internet marketing offers an inept information about tourists destinations and attraction center's at a cheap cost with universal reach. Nigeria is observing a greater adoption of technology in hospitality and tourism sector, because of more people using

the internet, that the internet plays an integral role in the operation of the e-commerce business (Ekpeke, 2015). Mark Essien, the co-founder of Hostelling cited in Ekpeke (2015) said was inspired to create the Hotels.ng app when discovered the number of hotels available online before we started were only 200 hotel In Nigeria. Now, we have over 7000 for booking in Nigeria.

The growth of the sector can hinged on the mobile platform (internet), playing an important role in the business strategies of hospitality, travel and tourism business throughout the country. Using technology saves you time, boost your chances of getting the best prices and provides you with security and better payment options. Hospitality and tourism today, is a very big economic and social activity, generating a large amount of income, employment, foreign ardency and investment opportunities. Travel booking is arrantly being dominated by the online segment in Nigeria, hotels owners and players in the industry are being inspired to create new ways to reach customers at a faster and more convenient ways (Ekpeke, 2015).

### **Statement of the Research Problem**

Internet marketing serves the need of products marketing promotion, effective interaction and communication between buyers and sellers, and gaining market share in a competitive market. The internet is a medium through which product(s) can be easily and cheaply introduced and sold boost producer's competitive edge and create a niche for his/her product(S)

However, the internet market, also called online or ICT market, in Nigeria has not experience the expected usage to promote the hospitality and tourism products both within and outside Nigeria. This could be traceable to many hospitality and tourism companies and workers who do not have adequate or little knowledge of the internet-marketing, couple with near zero existence of infrastructures development in the country, Ugbuoshi (2013). And so, tourist's destination and/or attraction

site both natural and artificial sites are still unknown to Nigeria and foreigners; a product that is not promoted in the market cannot be known and purchased for consumption. Ultimately, the paper seeks to examine the extent of internet marketing knowledge in the application of promotion hospitality and tourism products.

### **Objectives of the Study**

The main objective of the study is to examine the extent at which internet marketing is used to promote hospitality and tourism products in Nigeria. The specific objectives are:

1. To examine the extent to which hospitality and tourism products are marketed and awareness created through the internet, and
2. To compare internet marketing strategies and the traditional marketing strategies in selling tourism/hospitality products and planning.

### **Hypotheses**

H<sub>0</sub>1: There is no relationship between internet marketing in awareness creation in hotel and tourism products sales than the conventional advertisement.

H<sub>0</sub>2: The use of e-marketing does not promotes the sales of hospitality and tourism products faster and convenience than the traditional marketing tactics.

### **Review of Related Literature**

#### **Internet Marketing**

Connecting millions of people worldwide, the internet provides global interactive environment devoid of geographical, physical or spatial constraints and barriers to networking. Internet is the computer network providing a variety of information and communication, facilities, consisting of interconnected network using standardised communication protocols. (Mehta, 2015).

The organizations that provide the internet services to the end-users are known as an internet services provider (ISP). Internet can be used for sending email, chord, social

networking, online banking, e-commerce, m-commerce, mobile wallet, entertainment, etc. Internet is the superhighway of information.

### ***Internet Marketing in Hospitality and Tourism***

The merging of information technology and communication is having a significant impact on society; hospitality and tourism industries, the way we live our lives and certainly how we conduct our business. A global network of network is the internet. This worldwide network of computer allows anyone connected to it access to a virtually limitless database of information and almost instantaneous communication with anyone else connected Foskell and Ceserani (2007).

Websites have become an important marketing and promotional tool for hospitality industry. Many hotels and tourism organisation now act as an electronic brochure for selling and reservation of hotel accommodation, food and beverage, and tickets for freights. Restaurants and other catering operations also used websites as a valuable means of services promotion. This is already having an impact on global distribution companies and travel agent, tour operators and food vendors, and the way they do business. The impact of internet on travel, tourism and hospitality in Nigeria and other Africa countries can be attributed more to the adoption of mobile device, tablets and computer that are frequently being used in every aspect of travel (Mehta, 2015).

From browsing to booking of hotel accommodation and flight and even past travel reviews, the availability of these gadgets is playing a key role as tourists and hotels manager and customers utilize them to engage themselves in business connection (Ekpeke, 2015). The e-marketing and services has a great influence to satisfying customers of the tourism and hospitality industry and improve the socio-economic importance of the economy. In Nigeria, the downstream impacts from the export revenues of international tourists spending are estimated to generate additional annual gross revenue of \$224m

(about #29billion) and the international tourists arrival are expected to grow by 3.3% in the next 15 year, {UNWTO and WTO (2017) [www.our.africa.org](http://www.our.africa.org)

Studies had shown that about 85% of business traveler and users of hospitality facilities used mobile apps, 62% used them on every business trip and about 90% claimed that the mobile apps improved their travel experience (Talabi, 2015). Today, Nigeria is observing a greater adoption of technology in tourism and hospitality sector, as a result of more people using the internet; technology save you time ,boost your chances of getting best prices and provides you with security with payment options.

### ***Hospitality and Tourism Development***

Travel, tourism and hospitality together make up the world's largest industry Foskell and Ceserani (2007). Hospitality is a service oriented sector that offers food, drink, sleeping accommodation and other facilities to guests and travelers while tourism is activity of persons travelling to and staying in places outside their usual environment for not me consecutive year for leisure, business or any other purpose (llupeju, 2015). More than on

Tourism and hospitality activities generate substantial amount in personal spending, business receipts, employment, and income and government revenue. However, in Nigeria, domestic tourism accounts for up 70-80 percent of stay in hotels, leisure, business and other types of collective accommodation. The hospitality and tourism sector contribute 4.8% to Nigeria Gross Domestic Product (GDP) in 2016 and Nigeria receive nearly 1.5 million visitors each year. UNWTO and WTO (2017) [www.our.africa.org](http://www.our.africa.org)

The impact of tourism economics in areas of income generation, job and wealth creation and sustainability of the environment has contributed to the increased export diversification and economic development of the country. The sector has acts as an engine of economic advancement and social force,

impacting a wide range of industries for the sustainability of productive venture.

Hotels in Nigeria are now increasing for both local and foreign investors, at a growing rate of 70%, with respect to expanding the middle class, increasing urban development and the influx of foreigners (King 2017). The hospitality and tourism market is growing in Nigeria and with this growth; it gives birth to diversification in a range of quality class and standardisation.

### ***Benefits of Internet Marketing***

These include among others followings:

1. Provides business with access to mass markets at an affordable price and allows them to undertake personalized marketing approach.
2. The cost-effective nature of internet marketing (e-marketing) makes it particularly suitable for business to reach their target customers at a must lower cost compared to traditional marketing methods.
3. The e-marketing allows you to find new markets and potentially compete worldwide with only a small investment with wider reach prospect; the internet has become part of everyone's life.
4. Though automation and the use of electronic media, the internet marketing presents a strong business case in the areas of transactional cost customer service, digital media channels, print and distribution.
5. 24/7 marketing, with a website your customer can find out about your products and services and make purchases, even if your physical (brick or mortar) premises are closed or you don't have physical premises at all .
6. The internet marketing allows you to create interactive campaign using music, graphics and videos. Through interactive games or quizzes, you can engage your audience and give them greater movement and control over their web experience.

7. The e-marketing make it easier to measure how effective your campaigns are. It allows you to obtain detailed information about customer's responses to your advertisement, through the use of methods such as pay per click or pay per action.
8. By giving customers extra benefits online or inform them of product development through online dialogue and feedback (King, 2017, Onyeocha, 2016 & Chaffey, Ellis-Chadwick, Mayer, & Johnson, 2009),

### **Methodology**

The study used primary and secondary sources of data to gather the information. The population is 400 respondents make up of workers of selected hotels and tourism organizations, officials of culture and tourism ministry of Edo state and visiting tourists all in Edo state. Using the simple random sampling technique, the sample size obtained is 200 and they were selected from the three categories of respondents in Benin City thus; 93 respondents were from the hotels and tourism organization workers, 41 respondents are the officials of ministry of culture and tourism and 66 respondents are the visiting tourists. Questionnaires were administered on all the respondents and are collected. The data generated were analyzed using percentage, mean, standard deviation and analysis of variance (ANOVA) and the hypotheses was tested using F-distribution statistics through the application of SPSS at 0.05 levels of significance in order to determine the validity and reliability of the impact of internet marketing in the advancement of hospitality and tourism development in the economy.

### **Data Analysis**

Questionnaires were distributed to the three categories of respondents, who are workers and tourists visiting the hotels and tourism organizations and the staff of ministry of culture and tourism, Edo state. The data collected are presented in tables. The research study analyzed the data using both descriptive and inferential statistics.

**Table 1: Response of respondents on tourist regular visits**

(Question: How often do tourists visits your destination)

Variables (Responses)	Hotel & Tourism organization Workers (%)	Culture & Tourism Staff (%)	Tourists (%)	Mean
Very often	50 (53.8)	21 (51.2)	38 (57.6)	36.6
Often	25 (26.9)	15 (36.6)	16 (24.2)	18.7
Not often	18 (19.3)	6 (12.2)	12 (18.2)	12.0
Total	93 100	41 100	66 100	

**Source:** Research Data and Authors’ Computation, 2018.

The Table 1 above shows that in the workers category, out of 93 respondents, 50(53.8%) of the respondents agreed that tourists visit very often, 25 (26.9%) of the respondents said that tourist regular visit is often and 18(19.3%) answered that tourist visit is not often. In the culture and tourism class, out of 41 respondents, 21(51.2%) of the respondent said that tourist visit is of very often, 15(36.6%) of

the respondents responded that tourist visit is not often and 6(12.2%) respondents said that tourism visit is not often. While in the tourist category, out of 66 respondents, 38(57.6%) respondents reported that their visit is very often, 16(24.2%) and 12(18.2%) agreed that tourist visit are often and not often respectively.

**Table 2: Respondents response on customer accommodation**

(Do customers patronize the hotel accommodation/food service?).

Variable (Responses)	Hotel & Tourism Worker (%)	Culture & Tourism Staff (%)	Tourist (%)	Mean
Yes	70 (75.3)	31 (75.6)	46 (69.7)	49
No	23 (24.7)	10 (24.4)	40 (30.3)	17.7
Total	93 100	41 100	66 100	

**Source:** Research Data and Authors’ Computation, 2018.

In Table 2, out of 200 respondents, 70(75.3%), respondents of hotel and tourism workers, 31(75.6%) respondents of culture and tourism staff and 46(69.7%) respondents of tourist respectively agreed that the hotels accommodation and food services are

patronized. Then, 23(24.7%) respondents of the hotel and tourism workers, 10(24.4%) respondents of the culture and tourism staff and 20(30.3%) respondents of the tourist disagreed that customers patronized the hotel accommodation and food services respectively.

**Table 3: Respondents response on the use of internet facilities**

(Does the use of internet facilities in creating awareness in the marketing of hotel and tourism products have a wide reach than the conventional advertisement and promotional coverage?)

Variable (Responses)	Hotel & tourism Org. Worker (%)	Culture & Tourism Staff (%)	Tourist (%)	Mean
Strongly Agreed	20 (21.51)	12 (29.27)	14 (21.21)	15.33
Agreed	22 (23.66)	16 (39.02)	19 (28.78)	19.00
Indifferent	18 (19.35)	5 (12.20)	13 (19.70)	12.00
Disagreed	17 (18.28)	5 (12.20)	12 (18.18)	11.33

Strongly Disagreed	16 (17.20)	3 (7.32)	8 (12.13)	9.00
Total	93 100	41 100	66 100	

Source: Research Data and Authors' Computation, 2018.

The Table 3 shows that, out of respondents of 93 respondents of the hotel and tourism organization workers, 20(21.51%) and 22(23.66%) respondents strongly agreed and agreed respectively that internet marketing create more awareness in products sales than the conventional methods of advertisement. Then, 18(19.35%) respondents were indifferent while 17(18.28%) and 16(17.20%) respondents disagreed and strongly disagreed respectively. The Culture and Tourism Staff responded the statistics of 12(29.27%) and 16(39.02) responses favour of strongly agreed and agreed respectively, while 5(12.20%) and 3(7.32%) respondents disagreed and strongly disagreed

and 5(12.20%) respondents were indifferent respectively. Out of 66 respondents in the category of tourists, 14(21.21%) and 19(28.78%) respondents strongly agreed and agreed to the question asked while 12(18.18%) and 8(12.13%) respondents disagreed and strongly disagreed and 13(19.70%) were in different respectively.

**Hypothesis Testing 1**

Ho1: There is no relationship between internet marketing in awareness creation in hotel and tourism products sales than the conventional advertisement

**Table 4a & 4b: The SPSS data analysis**

Description								
TOURISM	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Hotel & Tourism Org.	5	18.6000	2.40832	1.07703	15.6097	21.5903	16.00	22.00
Culture & Tourism	5	8.2000	5.54076	2.47790	1.3202	15.0798	3.00	16.00
Tourists	5	13.2000	3.96232	1.77200	8.2801	18.1199	8.00	19.00
Total	15	13.3333	5.85133	1.51081	10.0930	16.5737	3.00	22.00

Source: Authors' Computation, 2018.

**Table 4b**

ANOVA					
TOURISM	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	270.533	2	135.267	7.774	.007
Within Groups	208.800	12	17.400		
Total	479.333	14			

Source: Authors' Computation, 2018.

$$F_{c/2, 12, 0.05} = 7.774$$

$$F_{\alpha/2, 12, 0.05} = 3.885$$

**Decision Rule:**

We accept the alternative hypothesis (Ha1) and reject the null hypothesis (Ho1). Since the calculated ( $F_{c/2, 12, 0.05} = 7.774$ ) is greater than ( $F_{\alpha/2, 12, 0.05} = 3.885$ ), as tabulated at 0.05 level of significance.

**Table 5: Respondents response on the sale of products**

(Question: Does the sales of the hospitality and tourism product are faster through the use of internet marketing technique?)

Variable (Responses)	Hotel & Tourism Org. Worker (%)		Culture & Tourism Staff		Tourist	Total	Mean
Strongly agreed	21	(22.58)	11	(26.83)	14 (21.21)	46	15.33
Agreed	23	(24.73)	17	(41.46)	18 (27.27)	58	19.33
Indifferent	18	(19.35)	9	(21.95)	13 (19.70)	40	13.33
Disagreed	16	(17.20)	3	(7.32)	12 (18.18)	31	10.33
Strongly Disagreed	15	(16.14)	1	(2.44)	9 (13.64)	25	8.33
Total	93	100	41	100	66 100	200	

**Source:** Research Data and Authors' Computation, 2018.

Table 5 indicates that, out of 93 respondents of hotel and tourism workers, 21(22.58%) and 23(24.75%) respondents strongly agreed and agreed while 16(17.20%) and 15(16.14%) respondents disagreed and strongly disagreed then 18(19.35%) of the respondents were indifferent in their decision respectively. Out of the 41 respondents of the culture and tourism staff, 11(26.83%) and 17(41.46%) respondents strongly agreed and agreed while 3(7.32%) and 1(2.44%) respondent disagreed and strongly disagreed and 9(21.95%) of the respondents were indifferent respectively. Then, out of the

66 respondents of the tourist category, 14(21.21%) and 18(27.27%) respondents were strongly agreed and agreed in their responses. 12(18.18%) and 9(13.64%) of the respondents disagreed and strongly disagreed while 13(19.70%) of the respondents were indifferent.

**Hypothesis Testing 2**

Ho2: The use of e-marketing does not promotes the sales of hospitality and tourism products faster and convenience them the traditional marketing tactics.

Table 6a & 6b: The SPSS Data Analysis

Description								
TOURISM	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					Hotel & Tourism	5		

Culture & Tourism	5	6.6000	3.57771	1.60000	2.1577	11.0423	3.00	11.00
Tourists	5	13.2000	3.27109	1.46287	9.1384	17.2616	9.00	18.00
Total	15	12.1333	6.15127	1.58825	8.7269	15.5398	3.00	23.00

Source: Authors' Computation, 2018

ANOVA					
Tourism					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	258.533	2	129.267	5.720	.018
Within Groups	271.200	12	22.600		
Total	529.733	14			

Source: Authors' Computation, 2018.

$$F_{c/2, 12, 0.05} = 5.720$$

$$F_{t\alpha/2, 12, 0.05} = 3.885$$

**Decision Rule:**

We reject the null hypothesis (H02) and accept the alternative hypothesis (Ha2), since the ( $F_{c/2, 12, 0.05} = 6.400$  is greater than  $F_{t\alpha/2, 12, 0.05} = 3.8853$ ), as tabulated at 0.05 level of significance. Conclusively, it shows that both hypotheses affirm the positive impact of internet marketing in promoting awareness and sales (growth) of hospitality and tourism products.

**Research Findings**

1. Internet marketing creates more awareness on tourism and hospitality products in Nigeria.
2. The internet marketing advertising strategies have a wider reach and quick responses mode when compare to the traditional advertisement strategies.
3. The internet marketing saves cost, faster and sales and payment secure; for the hotels and tourism product.

**Research Recommendations**

The paper puts forward the following recommendations.

1. A centralized website for tourist sites, destinations and hospitality products should

be created for easy awareness promotion, products sale and sale points.

2. The use of internet marketing and facilities should be encouraged by the stakeholders of hospitality and tourism industry.
3. The government at all levels should assist and support the industry by providing some of the internet facilities and the infrastructures to promote economic growth.

**Conclusion**

The industry acts both as an engine of economic development and social force; affecting a wide range of industry. The economic impact of tourism and hospitality in areas of income generation, job creation, diversification, wealth creation, economic growth, and sustainability of the environment cannot be compared to any other sectors of the economy (Ilupeju, 2015, and Ehikwe, 2009). To exert the impact of the economic dominant of the hospitality and tourism sector on the economic development in the nation to is the aggressive internet marketing of the tourism and the hospitality products to a wide range of customers and potential buyers. This can be promoted through the usage of internet marketing facilities which provide access to

transparency, near no cost on production and easy to compare information on destinations holiday packages, travels, lodgings and leisure services, as well as the real time prices Ekpeke, (2015).

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