

# CO-CREATION OF VALUE MARKETING: A STRATEGY FOR BUILDING CUSTOMER LOYALTY IN THE NIGERIAN HOTEL INDUSTRY

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## **Abstract**

The study investigated the relationship between value co-creation marketing and customer loyalty in Nigeria's hotel industry. The DART theory, which outlined how the co-creation of value will foster consumer loyalty, was used as a theoretical framework. Twenty (20) hotels registered with the Nigerian Corporate Affairs Commission, including 3-star, 4-star, and 5-star hotels, were chosen and the study employed a sample size of 400 customers. Each randomly chosen hotel guests received twenty copies (20) of the questionnaire, for a total distribution to respondents of 400 copies of the questionnaire, of which 382 were deemed relevant for data analysis. Multiple regression statistics were used to analyze the data. The study found a strong correlation between co-creating value marketing (Dialogue, Access, Risk assessment, and Transparency) and customer loyalty in the hotel industry in Nigeria. Considering this, the study recommended that management should place greater attention on enhancing customer involvement and participation in services rendered to them using the DART model

**Keywords:** Dialogue, Access, Risk Assessment, Transparency, Customer Loyalty

**JEL Classification:** C12, M1, M39, O14

## **1. INTRODUCTION**

Marketing had evolved over the years from the production era where the marketer is interested in mass production at a low cost to the marketing era, where the marketer is concerned about what the customer wants and harnessing the firm's resources to satisfy the customers' needs and wants (Kotler & Armstrong, 2018).

Marketers of recent are actively engaged with the consumer in value co-creation through innovation and how the product will serve them better as a result of

dynamic changes in the marketing environment, a rise in consumer awareness, and globalization owing to enhanced technology (Moise et al., 2020; Worlu & Aloy, 2021;Tunde-Ajayi, 2021).

Co-creation of value marketing is a method of conducting business that encourages and promotes active consumer involvement in the creation of manufactured items that are produced on demand. Consumers receive exactly what they want and play a role in creating it because of co-creation in value marketing. According to Ramirez and Garcia-Penalvo (2018), co-creation of value is an open innovation that encourages multi-agent collaboration while integrating knowledge, information, and relevant skills across diverse institutional environments. This is a crucial foundation for businesses to achieve long-term competitive advantages. Studies have identified the benefits of co-creation of value marketing to include; customers satisfaction (Chiu et al., 2019; Prastiwi et al., 2019; Moise et al., 2020; Tunde-Ajayi, 2021; Worlu & Aloy, 2021;) competitive advantage (Saputra et al., 2018) and customer loyalty (Solakis, et al, 2017).

Despite the avalanche of studies on the co-creation of value marketing and its effect on businesses ( Chiu et al., 2019; Prastiwi et al., 2019; Maduka et al., 2020; Moise et al., 2020; Tunde-Ajayi, 2021; González-Mansilla et al., 2019), little or no study have been identified on the impact of co-creation of marketing and its impact of customer loyalty in Hotels in Nigeria. Hence, this study will bridge this identified gap in knowledge. The study examined the value of co-creation marketing and its impact on customer loyalty using the DART (Dialogue, Access, Risk-assessment, and Transparency) model as propagated by Prahalad & Ramaswamy (2004). The following research objectives were generated to guide the study;

1. To examine the impact of dialogue on customer loyalty to hotel services in Nigeria.
2. To determine the impact of risk assessment on customer loyalty to hotel services in Nigeria.
3. To investigate the impact of access on customer loyalty to hotel services in Nigeria.
4. To find the extent to which transparency impact customer loyalty to hotel services in Nigeria.

## **2. LITERATURE REVIEW**

### **2.1. DART MODEL (DIALOGUE, ACCESS, RISK-ASSESSMENT, AND TRANSPARENCY)**

For organizations to successfully establish shared value creation, they must build upon the clear foundations or fundamental concepts described by the DART model (Solakis et al, 2017). The role of consumers in current corporate systems has altered as a result of consumers' access to information and ability to interact with one another in online communities. Prahalad and Ramaswamy (2004) assert that the new

value-creation strategy, based on shared value creation between customers and businesses and oriented toward humans, will be critical to future competition. Therefore, businesses must concentrate on a new set of building blocks known as the DART to succeed in co-creating value. Prahalad and Ramaswamy (2004) stated that interactions between customers and businesses as a form of value creation are necessary to increase knowledge about organizational knowledge. This also explains the requirement for co-creation using the fundamental building blocks of communication, accessibility, risk assessment, and transparency (Solakis et al, 2017).

### **2.1.1. CO-CREATION OF VALUE**

Value co-creation is viewed as a process that involves customers and business determining the worth of products and services prior to development that will be of shared interest and benefit to both sides (Prahalad & Ramaswamy, 2004; Galvagno & Dalli, 2014). According to Prahalad and Ramaswamy (2004), value co-creation is the process of a firm and a customer working together to create value which involves resource integration and interaction. Value co-creation places an emphasis on collaborative efforts between the business and the client to create value, develop experiences, and address issues (Vargo & Lusch, 2008). Consequently, co-creation of value marketing can be described as a business strategy that encourages and supports consumers to actively participate in the development of products and services for the mutual benefit of the producer and the consumer (Worlu & Aloy, 2021). Consumers receive exactly what they desire through co-creation and participate in its creation. According to recent studies, co-creation of value increases customer loyalty and customer satisfaction (Chiu et al., 2019; Prastiwi et al., 2019 ; Maduka et al., 2020; Moise et al., 2020; Tunde-Ajayi, 2021).

### **2.1.2. DIALOGUES**

The interests of both consumers and businesses must be the main topic of conversation. As a result, businesses need to act beyond simply listening to their customers. In addition, good behavior and constructive dialogue are expected (Solakis et al, 2017). Interaction, commitment, and a propensity to act on behalf of both sides are all characteristics of dialogue. Building experiences around what customers experience, recognizing emotional context, and recognizing social and cultural experiences all require awareness of empathy. A devoted community is built and kept through dialogue. Dialogue is the only means of communication and way to interact and exchange information (Prahalad & Ramaswamy, 2004). In order to co-create an experience, dialogue necessitates intense, dynamic participation and interaction (Prebensen, Vitters, & Dahl, 2013). The value of the jointly created experience increases with the dialogue's quality (Binkhorst & Dekker, 2009). It implies that in order to give their customers a distinctive experience, hotels must offer a range of channels and possibilities for conversation.

### **2.1.3. ACCESS**

Access begins with knowledge and tools, like the internet. Consumers may be given access to information on procedures and layouts by a business. The conventional emphasis of businesses and the value chain is on producing and giving ownership of the product to customers. Consumers' main goal today is access to desired experiences, not necessarily product ownership. Additionally, access improves customer satisfaction by enabling more effective interchange (Albinsson et al., 2016). Companies provide customers access to resources so they can co-create valuable experiences (Prahalad & Ramaswamy, 2004). By allowing access to lifestyles and ignoring the need to possess them, access also contrasts with ownership (Prahalad & Ramaswamy, 2004). This is a crucial component in the context of hospitality because many businesses provide access to rich or exotic experiences. Access to their tools and data, including reservation systems, social media profiles, and lifestyles, must be made available by hotels. These encourage more fruitful conversations, which enhances the consumer experience (Binkhorst & Dekker, 2009).

### **2.1.4. RISK ASSESSMENT**

Risk assessment is the ability to freely communicate and predict information, including hazards. The demand for information about risk potential will rise as consumers and businesses collaborate to create value. Future threats can also be predicted by consumers. The likelihood of putting consumers in danger is referred to as risk. Managers have historically believed that businesses are better able to evaluate and control risks. As a result, when dealing with consumers, marketers exclusively emphasize benefits while mostly ignoring hazards. All parties involved in the value co-creation process must examine the risks associated with the co-creation outcome (Albinsson et al., 2016; Prahalad & Ramaswamy, 2004). Businesses should explain both the advantages and the hazards of their offerings to enable their customers to make educated choices and foster a sense of trust between them (Prahalad & Ramaswamy, 2004)

### **2.1.5. TRANSPARENCY**

The fourth pillar of interaction is transparency, which emphasizes the symmetry of information across encounters and encourages the growth of strategic information and trust capital for both partners (Spena et al., 2012). Transparency is developed to help people and businesses overcome potential stumbling blocks in their interactions and to foster trust between them. The ease with which consumers may now get information about goods and corporate practices has increased transparency to the point where it has increased consumer desire (Prastiwi et al., 2019). True active communication between equal partners requires transparency. The better the customer experience, the more open a company is able to foster trust, equality, and dialogue.

## **2.2. CUSTOMER LOYALTY**

Customers that make recurring purchases of goods or services and freely refer those goods or services to others are said to be loyal customers. According to Kim et al. (2015), loyalty is a steadfast commitment to continue using or paying for a preferred commodity or service in the future despite other influences and marketing campaigns that may encourage switching behavior. According to Lovelock & Wirtz (2011), a customer's desire to keep buying from a company over time and promoting its products to friends and acquaintances is referred to as loyalty in a business setting. Customer behavior is only one aspect of customer loyalty. Preference, connecting, and future intentions are also included. In a corporate setting, loyalty is defined as the desire of customers to consistently buy the products of the company over the long term and suggest the items to their friends and family. Future preferences, aspirations, and intentions are also included. While loyalty is defined as a promise to make a repeat purchase of a good or service later.

Prastiwi et al (2019) opined that decision-makers can always reveal their loyalty by considering one or more alternative brands from among a variety of similar brands. Loyalty is a psychological process function. Customer loyalty is demonstrated when they consistently choose a particular good or service over others that are similar. Customers can only make additional purchases of the same good or service once they have used it once and found it satisfactory. Repurchasing the same goods or services by customers demonstrates their interest in the goods or services (Raza, Umer, Qureshi, & Darhi, 2020). Based on the above literature, the study will consider customer loyalty in terms of preference, repeated purchases, future intentions and recommendation of products to others.

## **2.3. CO-CREATION OF VALUE AND HOTEL SERVICES**

González-Mansilla et al. (2019), opined that co-creating value with customers has become a hot topic in academia and business, notably in the tourist and hospitality industries. The hotel market is so competitive that providing consumers with as much value as possible is essential to remaining competitive, retaining customers, and obtaining referrals. Value co-creation implies engaged consumer involvement (Chiu, Won & Bae, 2019). Obviously, hotel management oversee planning this process and allowing or even encouraging guests to participate actively, implementing any necessary organizational changes (Solakis et al, 2017).

Ma et al. (2017), stated that when hotels have the capacity to provide exceptional service, customer involvement positively improves perceived relationship quality. They added that in order to provide the high-quality services that their customers expect from them, hotel managers must also fully comprehend the complexity of their customers. Moise et al. (2020) asserted that hotels may encourage and enhance their guests' participation by raising their level of trust, contentment, and loyalty by frequent interaction with them. In other words, visitors who actively participate in the value co-creation process can interact with other

customers, share their experiences, or advise other customers on decisions, all of which contribute to create value.

Despite several studies on co-creation of value and customer loyalty (Cossío-Silva et al., 2016; Solakis et al, 2017; Prastiwi et al., 2019), little or no study have been found in respect of co-creation of value and customer loyalty in Nigeria. This study will bridge this gap in knowledge.

In view of the above extant literature, we hypothesized that:

HO<sub>1</sub>: Dialogue has no impact on customer loyalty of hotel services in Nigeria.

HO<sub>2</sub> Risk Assessment has no impact on customer loyalty of hotel services in Nigeria.

HO<sub>3</sub>: Access has no impact on customer loyalty of hotel services in Nigeria.

HO<sub>4</sub>: Transparency has no impact on customer loyalty of hotel services in Nigeria.

### 3. RESEARCH METHOD

#### 3.1. POPULATION AND SAMPLE OF THE STUDY

Data from respondents were gathered using a survey study design using a questionnaire developed from Sadiku-Dushi et al., (2019). Twenty hotels made up of 3star, 4star and 5star hotels registered with Nigerian Corporate Affair Commission were selected. A sample size of 400 customers was used for the study.

#### 3.2. DATA COLLECTION

Data were collected through questionnaire. Twenty copy (20) of the questionnaire was giving to the customer of each of the selected hotel, making a total of 400 copies of questionnaires were distributed to the respondents out of which 382 or 95.5% of them which were deemed appropriate for the analysis, were successfully retrieved. In order to get statistical assessments of the problems at stake, the researchers created a 5-item variable that was evaluated on a 5-point Likert-type scale ranging from Strongly Agree (SA), Agree (A), Undecided (U), Disagree (DA), and Strongly Disagree (SD).

#### 3.3. VALIDITY AND RELIABILITY OF RESEARCH INSTRUMENT

The opinions of Professors and specialists in the fields of marketing were used to confirm the content validity of the instrument. A pre-test was carried out using 30 respondents to determine the reliability of the instrument. Cronbach's alpha coefficient was used to establish its reliability as presented below:

*Table 1. Reliability Statistics*

Variables	Cronbach's Alpha	N of Items
Dialogue	.804	4
Access	.710	4
Risk	.769	4
Transparency	.703	4

Customer loyalty	.764	4
Average	.750	

**3.4. MEASUREMENT**

The results were gathered and examined using frequency, percentages, and averages while the Statistical Package for Social Science was used to perform a multiple regression analysis to test the study hypotheses (SPSS version 23).

**3.5. MODEL SPECIFICATION**

The link between the dependent variable Customer loyalty and the independent variable Co-creation of Value (Dialogue, Access, Risk Assessment, and Transparency) was measured using a multiple regression model. The following are the precise models that served as the study's direction:

$$CUL = \beta_0 + \beta_1DIA + \beta_2ACC + \beta_3CLR + \beta_4RKA + \beta_5TRP + \varepsilon_i$$

Where:

CUL = Customer Loyalty

DIA = Dialogue

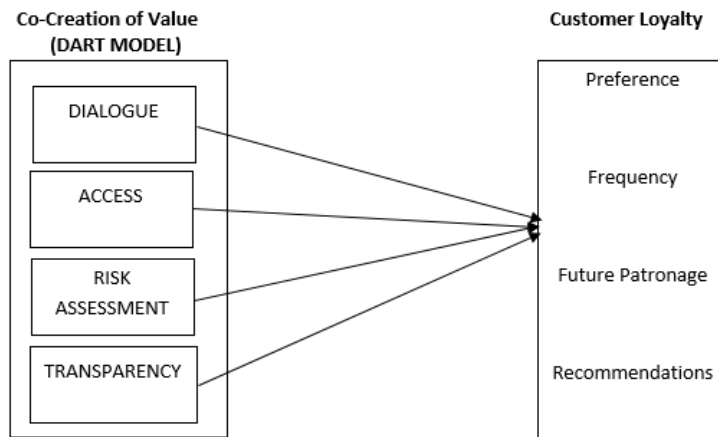
ACC = Access

RKA = Risk Assessment

TRP = Transparency

$\varepsilon_i$  = Error Term

*The research framework for the study is shown below:*



**Fig 1: DART Model of Co-creation of Value and Customer Loyalty**

Figure 1 assumes two main constructs relationships and defines the dependent variables (customer loyalty) and the independent variable (co-creation of value). The main relationships in the model posits customer loyalty as the focal point

of the model, with determinants of co-creation of value using the DART model (Dialogue, Access, Risk Assessment and Transparency)

**4. DATA AND RESULTS**

**4.1. DATA PRESENTATION AND RESULTS**

**Key:** SA (Strongly Agree), A (Agree), U (Undecided), SD (Strongly Disagree), D(Disagree)

*Table 2: Respondents opinions on dialogue with hotel and customer loyalty*

S/N		SA 5	A 4	U 3	D 2	SD 1	MEAN
	<b>DIALOGUE WITH HOTEL</b>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	
1	I actively discussed ways to improve the hotel's services with the workers there.	152 (39.8)	153 (40.1)	41 (10.7)	21 (5.5)	15 (3.9)	4.06
2	I was encouraged to voice my opinions and requests for better services by the hotel employees.	144 (37.7)	159 (41.6)	41 (10.7)	28 (7.3)	10 (2.6)	4.04
3	I had the opportunity to offer the hotel my ideas for enhancing its offerings.	162 (42.4)	144 (37.7)	45 (11.8)	23 (6.0)	8 (2.1)	4.12
4	I had conversations with hotel workers through a variety of methods.	151 (39.5)	162 (42.4)	39 (10.2)	18 (4.7)	12 (3.1)	4.10
	<b>Grand mean</b>	152(39.8)	155(40.5)	42(10.9)	22(5.9)	11(2.9)	4.08

*Source: Field Survey (2022)*

The grand mean in Table 2 above is 4.08 out of 5, which is a clear evidence that consumer loyalty to hotel services is impacted by hotel interactions. It also makes it abundantly evident that a sizeable percentage of respondents' 80.3 percent, of which, 39.8 percent expressed strong agreement and 40.5 percent expressed agreement that customer loyalty to hotel services is impacted by hotel discourse. Alternatively, 8.8% voiced their disapproval while 10.98% offered a neutral viewpoint.

*Table 3: Respondents opinions on access to hotel and customer loyalty*

	<b>ACCESS TO HOTEL</b>	SA 5	A 4	U 3	D 2	SD 1	MEAN
		<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	
5	I could select how I wanted to receive the services.	177 (46.3)	137 (35.9)	26 (6.8)	23 (6.0)	19 (5.0)	4.13



6	I could choose from a variety of ways to enjoy the service or product being offered.	143 (37.4)	178 (46.6)	30 (7.9)	18 (4.7)	13 (3.4)	4.10
7	I could get the service or product when, when, and how I desire.	136 (35.8)	160 (41.9)	37 (9.7)	30 (7.9)	19 (5.0)	3.95
8	I got to take part in the service/design product's process.	144 (37.7)	137 (35.9)	50 (13.1)	36 (9.4)	15 (3.9)	3.94
	<b>Grand mean</b>	150(39.3)	153(40.0)	36(9.4)	27(7.0)	17(4.3)	4.03

Source: Field Survey (2022)

The grand mean in Table 3 above is 4.03 out of a possible maximum of 5, which is a clear indication that consumer loyalty to hotel services is influenced by access to hotels. Additionally, it is abundantly obvious that a sizable portion of respondents made up of 79.3 percent agreed from which 39.3 percent agreed strongly agreed, and another substantial portion 40.0 percent agreed that accessibility to hotels affects patron loyalty to their services. Conversely, 11.3 percent voiced their disapproval and 9.4 percent stated an unaligned viewpoint.

**Table 4:** Respondents opinions on trust with hotel and customer loyalty

		<b>SA 5</b>	<b>A 4</b>	<b>U 3</b>	<b>D 2</b>	<b>SD 1</b>	<b>MEAN</b>
	<b>TRUST WITH HOTEL</b>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	
9	I was given sufficient information to assess the advantages and hazards of using the hotel's services.	130 (34.0)	132 (34.6)	72 (18.8)	34 (8.9)	14 (3.7)	3.86
10	I was given full disclosure regarding the benefits and drawbacks of using the hotel's services.	171 (44.8)	117 (30.6)	48 (12.6)	30 (7.9)	16 (4.2)	4.04
11	The hotel was quite forward and factual about both the good and bad aspects of the services it offered.	112 (29.3)	200 (52.4)	21 (5.5)	36 (9.4)	13 (3.4)	3.95
12	The hotel staff advised me on how to use its facilities to minimize hazards of various kinds.	133 (34.8)	173 (45.3)	34 (8.9)	30 (7.9)	12 (3.1)	
	<b>Grand mean</b>	137(35.7)	155(40.7)	44(11.5)	33(8.5)	14(3.6)	3.96

Source: Field Survey (2022)

The grand mean in Table 4 above is 3.96 out of 5, which is a clear evidence that hotel trust affects patron loyalty to hotel services. A considerable majority of respondents (76.4%), of which 35.7% expressed strong agreement and 40.7% expressed agreement, also indicated that trust in hotels has an effect on patron loyalty to their services. 12.1 percent disagreed, while 11.5 percent voiced a neutral viewpoint.

**Table 5:** Respondents opinions on transparency of this hotel and customer loyalty

		<b>SA 5</b>	<b>A 4</b>	<b>U 3</b>	<b>D 2</b>	<b>SD 1</b>	<b>MEAN</b>
	<b>TRANPERENCY OF THIS HOTEL</b>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	
13	The hotel gave me all the information that could be useful for enhancing the results of the service experience.	148 (38.7)	167 (43.7)	11 (2.9)	42 (11.0)	14 (3.7)	4.03
14	The hotel gives me free access to data that could be beneficial in improving the overall design and delivery of the service experience	169 (44.2)	132 (34.6)	17 (4.5)	45 (11.8)	19 (5.0)	4.01
15	When it came to exchanging information necessary for a great hotel service experience, I was regarded as an equal partner.	165 (43.2)	132 (34.6)	21 (5.5)	38 (9.9)	26 (6.8)	3.97
16	The hotel supplied accurate information (costs and pricing), which encourages the greatest experience in respect to the services they provide.	124 (32.5)	196 (51.3)	34 (8.9)	17 (4.5)	11 (2.9)	4.06
	<b>Grand mean</b>	151 (39.6)	157 (41.0)	21 (5.5)	35 (9.3)	18 (4.6)	4.02

Source: Field Survey (2022)

Table 5 above displays a grand mean of 4.02 out of 5, which is a clear indication that the hotel's transparency affects patron loyalty to its services. It also makes it evident that a sizeable majority of respondents—80.6% of whom expressed agreement—strongly agreed—or agreed—or somewhat agreed—that the hotel's transparency affects guests' loyalty to its services. On the other hand, 13.9 percent voiced their disapproval while 5.5 percent stated an impartial viewpoint.

**Table 6:** Respondents opinions on customer loyalty

		<b>SA 5</b>	<b>A 4</b>	<b>U 3</b>	<b>D 2</b>	<b>SD 1</b>	<b>MEAN</b>
	<b>CUSTOMER LOYALTY</b>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	<i>f/(%)</i>	
17	I always prefer the hotel to other hotels whenever I want to lodge	137 (35.9)	157 (41.1)	45 (11.8)	29 (7.6)	14 (3.7)	3.98
18	I always patronize the hotel anytime I want to lodge	152 (39.8)	160 (41.9)	37 (9.7)	24 (6.3)	9 (2.4)	4.10
19	I will continue to patronize the hotel in the future because they are meeting my needs	154 (40.3)	165 (43.2)	34 (8.9)	18 (4.7)	11 (2.9)	4.13

20	I will be recommending the hotel to my friends and relatives	159 (41.6)	134 (35.1)	51 (13.4)	23 (6.0)	15 (3.9)	4.04
	<b>Grand mean</b>	151 (39.4)	154 (40.3)	42 (10.9)	23 (6.2)	12 (3.2)	4.06

Source: Field Survey (2022)

The grand mean in Table 6 above is 4.06 out of a possible 5, which is a clear sign that guests are devoted to hotel services. It also makes it very evident that a sizable portion of respondents which is 79.7% percent—articulated that customers are loyal to hotel services, with 39.4% expressing strong agreement and 40.3 percent articulating agreement. Contrarily, 9.4% voiced their disapproval and 10.9% stated an unaligned viewpoint.

#### 4.2. DIAGNOSTIC TESTS

Prior to doing regression analyses on the data, diagnostic tests were performed. The multi-collinearity test was the first diagnostic procedure used to determine whether the DART dimensions of value co-creation (dialogue, access, risk assessment, and transparency) are interconnected as shown below:

**Table 7a: Coefficient Correlations<sup>a</sup>**

Model		Transparency	Risk	Access	Dialogue
Correlations	Transparency	1.000	.035	.027	.191
	Risk	.035	1.000	.101	.264
	Access	.027	.101	1.000	.611
	Dialogue	.191	.264	.611	1.000

Correlation is significant at the 0.05 level (2-tailed).

c. Listwise N=242

The correlation matrix for the four predictor variables is displayed in Table 7a. Multi-collinearity, according to Yong and Pearce (2013), develops when two or more independent variables have a high correlation with one another. Cooper and Schindler (2008) advocated a correlation value of 0.8 or above to identify multi-collinearity between two or more variables, notwithstanding the lack of agreement on acceptable correlation values. The correlation matrix above shows that the highest value is .611. Therefore, it may be said that the correlation between the model's predictor variables was insufficient to justify removing any of them. As seen below, a further multi-collinearity test was carried out utilizing tolerance and variance inflation factor (VIF) analysis:

**Table 7b. Tolerance and Variance Inflation Factor (VIF) Analysis Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Dialogue	.485	2.060
	Access	.539	1.854

	Risk	.805	1.242
	Transparency	.933	1.072

a. Dependent Variable: customer loyalty

Table 7b above shows the analysis of tolerance and VIF. According to Field (2009), collinearity between the variables occurs when the VIF value is greater than 10 and the tolerance value is less than 0.10. Table 5 illustrates that there is no collinearity among the four predictors because all of the VIF values are less than 10 and all of the tolerance values for each of the four variables are larger than 0.1. As a result, the regression used all four (4) variables that were present in the study model.

**Test of Hypotheses**

*Table 8a: Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.808 <sup>a</sup>	.653	.650	.45545

- a. Predictors: (Constant), DIA, ACC, RKA, TRP  
 R = 0.808; R<sup>2</sup> = 0.653; Adj R<sup>2</sup> = 0.650; F-Statistic = 304.622; F-Statistic (Prob) = 0.000;  
 Number of Observation = 242  
 Dependent Variable: MPF

*Table 8b.*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	146.993	4	36.748	177.155	.000 <sup>b</sup>
	Residual	77.996	376	.207		
	Total	224.989	380			

- a. Dependent Variable: CUL, F = 117.115, P = .000 <.05

Table 8a showed that the independent factors collectively accounted for 65.3% of the variation in the dependent variable (CUL). Table 8b demonstrates that the F-statistic of 177.155. is significant at 0.05, indicating that there is a statistically significant association between the dependent variable and all of the independent factors. 65.3 percent, or 0.653, is the study's R-Squared coefficient of determination. This shows that 65.3% of the model's variability can be accounted for by its explanatory variables, whereas 34.70% is attributable to variation that cannot be explained and is captured by the error term. The value of R<sup>2</sup> which is .653 indicates that the independent variable (dialogue, access, risk and transparency) explain 65.3% of the systematic variation in the dependent variable (customer loyalty). The F statistics is significant at 5% level of significance. This indicates that the independent variable (dialogue, access, risk and transparency) and the dependent variable (customer loyalty) have a substantial relationship. Table 7b further revealed that the independent variables (dialogue, access, risk and transparency) jointly explained 65.3% of variation in the dependent variable (CUL). The F-statistic of 177.155 is

significant at  $p < 0.05$  which implies that a statistically significant relationship exists between the dependent variable and the independent variables as a group. Hence, there is a positive and significant relationship between co-creation of value marketing and customer patronage of hotel services in Benin City, Edo State, Nigeria.

**Table 9: Coefficient of Determination**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.084	.176		.477	.633
	DIA	.409	.042	.419	9.752	.000
	ACC	.389	.040	.392	9.604	.000
	RKA	.084	.032	.088	2.645	.009
	TRP	.103	.032	.099	3.195	.002

a. Dependent Variable: MPF

Table 9 reveals that CUL is positively and significantly related to DIA ( $\beta = 0.419$ ;  $t = 9.752$ ;  $P = .000 < 0.05$ ), ACC ( $\beta = 0.392$ ;  $t = 9.604$ ;  $P = .000 < 0.05$ ), RKA ( $\beta = 0.088$ ;  $t = 2.645$ ;  $P = .009 < 0.05$ ), TRP ( $\beta = 0.099$ ;  $t = 3.195$ ;  $P = .002 < 0.05$ ). The above result shows that all the co-creation of value dimensions (dialogue, access, risk and transparency) p-values were all less than 5% level of significance. Based on the result, all the null hypotheses were rejected, thus DART dimension of co-creation of value marketing have impact on customer patronage of hotel services in Benin City, Edo State, Nigeria.

### 4.3 TEST OF HYPOTHESES

The regression result in Table 11 were used to test the four hypotheses. The decision rule for accepting the hypotheses formulated is that if the t-value is less than 2 or the calculated p-value are greater than 0.5(5%) level of significance, we accept the null hypotheses ( $H_0$ ) But if the t value is greater than 2 or the p-value is less than 0.5(5%) level of significance we reject the null hypotheses

#### Hypothesis 1

**$H_{01}$ : Dialogue with hotel has no impact on customer loyalty of hotel services in Nigeria.**

The regression results indicate that dialogue on customer loyalty had t-statistics of 9.752 and p-value(sig) of 0.000, which is less than 5% level of significance. Based on the results, we reject the null hypothesis and accept the alternate hypothesis. We, therefore, conclude that there is a significant relationship between dialogue and customer loyalty to hotel services

#### Hypothesis 2

**$H_{02}$ : Access to hotel has no impact on customer loyalty of hotel services in Nigeria.**

The regression results indicate that dialogue on customer loyalty had t-statistics of 9.604 and p-value(sig) of 0.000, which is less than 5% level of significance. Based on the results, we reject the null hypothesis and accept the alternate hypothesis. We, therefore, conclude that there is a significant relationship between access and customer loyalty to hotel services

### **Hypothesis 3**

**H<sub>03</sub>: Risk Assessment with the hotel has no impact on customer loyalty of hotel services in Nigeria.**

The regression results indicate that dialogue on customer loyalty had t-statistics of 2.645 and p-value(sig) of 0.000, which is less than 5% level of significance. Based on the results, we reject the null hypothesis and accept the alternate hypothesis. We, therefore, conclude that there is a significant relationship between risk assessment and customer loyalty to hotel services

### **Hypothesis 4**

**H<sub>04</sub>: Transparency of the hotel has no impact on customer loyalty of hotel services in Nigeria.**

The regression results indicate that dialogue on customer loyalty had t-statistics of 3.195 and p-value(sig) of 0.000, which is less than 5% level of significance. Based on the results, we reject the null hypothesis and accept the alternate hypothesis. We, therefore, conclude that there is a significant relationship between transparency and customer loyalty to hotel services

## **4.4 DISCUSSION OF FINDINGS**

Four research question were empirically tested in other to examine the relationship between co-creation of value marketing and customer loyalty to hotel services. The regression results clearly indicated that, the tested hypotheses indicated that there is a significant and positive relationship between co-creation of value marketing (Dialogue, Access, Risk Assessment, and Transparency) and customer loyalty to hotel services. Our study is in tandem with Cossío-Silva et al (2016) whose research examines value co-creation and its effect on loyalty toward the organization from both the attitudinal and behavioral viewpoint. Their results show the existence of a significant relationship between value co-creation and attitudinal loyalty.

Our study also collaborates an earlier study by Moise et al, (2020), whose study links in the context of green hotels between value co-creation and customer loyalty, contentment, and trust. According to the findings of their study, guests' loyalty, trust, and contentment are all influenced favorably by their involvement in the hotel's value co-creation process. Additionally, there is a good correlation between customer satisfaction and trust. Our study also has the same viewpoint as an earlier study by Solakis et al. (2017), whose investigation analyzed the DART model from a customer's perspective in relation to the development of good experiences concerning room service, reception, hotel employees, and simple entry

to the hotel. The study found a relationship between the DART model and customer experience, satisfaction, and loyalty.

## 5. CONCLUSION

This study was set out to empirically examine the co-creation of value marketing as a strategy for building customer loyalty in the Nigerian hotel industry. The study was anchored on DART theory which specified four dimensions of co-creation value of marketing (Dialogue, Access, Risk assessment, and Transparency). A descriptive and inferential analysis were used for the analysis of the data collected for the study. The hypotheses formulated for the study were tested using regression analysis. The study found a strong correlation between co-creating value marketing (Dialogue, Access, Risk assessment, and Transparency) and customer loyalty in the hotel industry in Nigeria. In view of the findings, the study recommended that management should place greater attention on enhancing customer involvement and participation in services rendered to them using the DART model.

### 5.1 MANAGERIAL IMPLICATION

Managers could adopt the DART model for active involvement with their customers because it is customer-focused, and the study found a substantial association between co-creation of value marketing and customer loyalty in the hotel industry. The (DART) model can assist managers in redesigning and improving their hotel offerings and operations since it will increase customer's loyalty. In addition, frantic effort should be made to make sure the business interacts with customers to develop and deliver high-quality services, listens to their feedback to improve service, and actively engages them in conversation to enhance the way services are provided.

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