THE IMPACT OF INSECURITY ON THE HOSPITALITY INDUSTRY IN GUSAU METROPOLIS: A CASE STUDY OF HOTELS

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KEYWORDS
Banditry, Hostel, Hospitality, Industry, Insecurity

ABSTRACT
The hospitality industry plays a vital role in the global economy, contributing significantly to GDP and employment, particularly in Nigeria. Despite its growth potential, insecurity in Zamfara State poses substantial threats to this sector. This study investigates the effects of insecurity on hotels in Gusau Metropolis, focusing on financial performance, customer preferences, and management strategies. Data collected through a questionnaire from hotel managers, staff, and guests were analysed using descriptive and inferential statistical tools. The findings indicate that insecurity has resulted in decreased occupancy rates and revenue for hotels, with 54.3% and 57.5% of respondents reporting adverse impacts, respectively. Additionally, safety concerns shape customer choices, as 70% indicated that insecurity influences their hotel selections, and 80% avoid high-crime areas. Hotel managers have implemented various strategies to mitigate these challenges, including enhanced security personnel, surveillance systems, and regular staff training. Findings suggest that transparent communication about safety measures is crucial for building guest confidence. Overall, the study highlights the need for hotel operators to prioritize safety through comprehensive strategies that address the challenges posed by insecurity, ensuring the sustainability and growth of the hospitality industry in Zamfara State. Recommendations include enhancing physical security measures, implementing ongoing staff training, and fostering collaboration with local authorities to create a safer environment for guests.

Introduction

The hospitality industry has witnessed a burgeoning body of literature in recent years, driven by its rapid growth and substantial contributions to the global economy (Langvinienė & Daunoravičienė, 2015). Notably, tourism accounts for 10 percent of global GDP, with one in ten people employed in the sector (Mulubwa & Ali, 2018). Moreover, it represents 7 percent of global exports and 30 percent of service exports, totaling an export value of US$ 1.6 trillion. Additionally, international tourist arrivals have surged by 7 percent, reaching 1.323 billion, while total international tourism receipts

increased by 5 percent to US$ 1.34 trillion (UNWTO, 2018). It can be inferred based on the above that the hospitality industry is experiencing remarkable growth.

In Nigeria, the hospitality industry significantly contributes to the Gross Domestic Product (GDP) by offering vital services like accommodation, food, and drinks (Nwankwo & Ibegbulem, 2018, Usoro & David, 2020, Ike & Agbede, 2021). The World Travel & Tourism Council (WTTC, 2022) projects that Nigeria's Travel & Tourism sector will generate 2.6 million new jobs over the next decade, effectively doubling employment in the sector by 2032. The WTTC's (2022) Economic Impact Report forecasts an average of nearly 260,000 new jobs created annually, bringing total employment in the sector to over 5.1 million. Additionally, the sector's contribution to GDP is expected to grow at an average rate of 5.4% from 2022 to 2032, surpassing the overall economy's growth rate of 3% (WTTC, 2022). By 2032, this will increase the sector's GDP contribution to nearly ₦12.3 trillion, accounting for 4.9% of Nigeria's total economy (WTTC, 2022).

The hospitality industry encompasses a wide range of sectors within the service industry, including hotels (Narteh, 2013, Walker, 2016). According to international standards, a hotel is defined as a property that features at least one licensed bar and restaurant, offers on-site management, serves breakfast, and may provide conference or banqueting facilities (Brotherton, 2003, Ampofo, 2018). This distinguishes hotels from other types of accommodations, such as self-catering lodgings, caravan parks, and vacation homes (Automobile Association, 2002; Tuhin, 2011).

Inspite of the importance of the hospitality industry to the development of the society, insecurity in Zamfara State remains a major threat to the industry. According to Ojo et al. (2023), kidnappings, banditry, cattle rustling, and conflicts between farmers and herders have caused an unparalleled increase in security challenges in Zamfara State, thereby disrupting the hospitality industry and other socioeconomic activities of the state. For example, in Zamfara State, bandit-related violence claimed 9,490 lives between 2015 and 2022 (Zamfara State Ministry of Humanitarian Affairs, 2022; Saminu et al., 2023). Comparably, the state saw 16,016 kidnappings during this period, and the families of the victims allegedly had to pay a ransom of N970 million (Zamfara State Ministry of Humanitarian Affairs, 2022; Punch Newspaper, 2022). Within the same time frame, 1,385,625 people were forced to flee their homes due to banditry (Zamfara State Ministry of Humanitarian Affairs, 2022; Saminu et al., 2023). The rising incidences of insecurity in Zamfara state have dislocated socio-economic activities in the state.

While numerous studies have explored the impact of insecurity on the socio-economic development of Zamfara State, there are notable gaps in the literature. For instance, Olojo (2021) highlights how banditry leads to reduced crop yields and increased food insecurity, while Mohammed and Ibrahim (2020) reveal that kidnapping results in significant financial losses for local businesses, hindering economic growth. Additionally, Nwankwo (2022) discusses how displacement disrupts access to education and healthcare, further impeding community progress. Adeyemi (2022) points out that youth unemployment exacerbates insecurity by pushing young individuals towards criminal activities. Bello (2021) emphasizes the role of community resilience strategies in fostering economic recovery amidst these challenges. However, none of these studies have specifically examined the impact of insecurity on the hospitality industry, particularly the hotel sector in Zamfara State. This study aims to fill that knowledge gap by investigating the effects of insecurity on hotels in Gusau Metropolis.

Research Objectives

The following research objectives were designed to guide the study:

i. Evaluate how insecurity affects the financial performance of hotels in Gusau Metropolis, including changes in occupancy rates, revenue, and operational costs.

ii. Investigate how concerns about insecurity influence customer preferences and behaviors when selecting accommodations in Gusau Metropolis.

iii. Explore the strategies that hotel managers implement to mitigate the effects of insecurity

Methodology

Gusau is the capital of Zamfara State in North-West Nigeria, established in 1996 from the former Sokoto State. The city has a population exceeding 5,833,494, primarily composed of Hausa and Fulani people (Zamfara State Government, 2022). The state is rich in mineral resources, including gold, limestone, granite, iron ore, and clay. It shares borders with Katsina State to the east, the Republic of Niger to the north, Kaduna State to the south, and Sokoto, Kebbi, and Niger States to the west. In addition to the Hausa and Fulani, Zamfara State is home to several other ethnic groups, including the Gwari, Kamuku, Kambari, Dukawa, Bussawa, and Zabarma, as well as the Igbo, Yoruba, Kanuri, Nupe, and Tiv (Zamfara State Government, 2022).

The population for this study includes hotel managers and owners, hotel staff, and guests in various hotels in Gusau Metropolis. Given that the total population is unknown, the infinite population formula proposed by Bill (2004) was utilized to determine the sample size. Based on these calculations, a sample size of 400 was established for the study. Simple random and accidental samplings were used to select respondents from the study. According to the Zamfara State Ministry Tourism and Hotels Management (2022), there are 43 hotels within Gusau Metropolis.

However, using simple random sampling technique, a total of 13 hotels were selected for study. The hotels were Karma Guest Inn, Fulbe Villa Restaurant & Fast Food, Jaiz Hotel, City King Hotel and Towers, Taula Hotel, D Travellers Guest Inn, Top Town Hotel Limited, Mirra Villa Hotel, Zamzam Hotel, Crystal Merit Suite & Apartments, De Ludo Hotel Limited, Darma Hotel and Green Scenery Hotel. Lastly, accidental sampling was used to select respondents for the study. Data was collected using a structured questionnaire. The collected data were analyzed using descriptive and inferential statistical tools.

Table 1: Socio-Demographic Attributes of Respondents

Attributes	Frequency (N=390)	Percentage (%)
Sex		
Male	350	89.7
Female	40	10.3
Age (in years)		
18-28	231	59.3
29-39	101	25.9
40 and above	58	14.9
Marital Status		
Single	296	76.0
Married	72	18.5
Divorced	22	5.6
Occupation		
Business	50	12.8
Civil Servant	30	7.7
Farming	10	2.6
Educational Level		
Primary	0	0.0
Secondary	120	30.8
Tertiary	270	69.2

***Source**: Field Survey, 2024*

Table 1 summarizes the socio-demographic attributes of the respondents. The data shows that 350 (89.7%) of the respondents were male, while 40 (10.3%) were female. The age distribution indicates that a majority (231 or 59.3%) were between 18 and 28 years, with 101 (25.9%) aged between 29 and 39, and 58 (14.9%) aged 40 and above. In terms of marital status, the majority were single (296 or 76.0%), followed by married individuals (72 or 18.5%), and a smaller proportion were divorced (22 or 5.6%). Regarding occupation, the respondents were primarily engaged in business (50 or 12.8%), civil service (30 or 7.7%), and farming (10 or 2.6%). The educational level indicates that no respondents completed primary education, while 120 (30.8%) had completed secondary education and 270 (69.2%) had attained tertiary education. This demographic profile suggests that the participants are predominantly male, young, well-educated, and mostly single, making them well-suited for collaborative learning initiatives.

Table 2: Rating of responses on the impact of insecurity on the financial performance of hotels in Gusau Metropolis

S/N	Variable	Yes	No	I don't know	$\bar{x}$	Std. Dev.
1.	Insecurity has led to a decrease in occupancy rates	215(54.3%)	120(51.6%)	55(13.8%)	1.76	0.837
2.	Revenue from hotel services has declined due to insecurity	230(57.5%)	100 (25.0%)	60(15.0)	1.72	0.819
3.	Operational costs have increased as a result of security measures	180(45.0%)	150(37.5%)	60(15.0%)	1.62	0.812
4.	Insecurity impacts guest satisfaction negatively	270(67.5%)	90(22.5%)	30(7.5%)	1.54	0.749
5.	Increased security measures have led to higher prices for services	200(50.0%)	120(30.0%)	70(17.5%)	1.63	0.823
6.	The overall reputation of hotels has suffered due to safety concerns	290(72.5%)	60(12.5%)	50(12.5%)	1.42	0.675

***Source**: Fieldwork, 2024*

The data in table 2 illustrates a significant impact of insecurity on the financial performance of hotels in Gusau Metropolis, supported by the mean and standard deviation values. A majority of respondents (54.3%) indicated that insecurity has decreased occupancy rates, with a mean score of 1.76 and a standard deviation of 0.837, suggesting a moderate consensus on this issue. Similarly, 57.5% reported a decline in revenue linked to insecurity, with a mean of 1.72 and a standard deviation of 0.819, indicating strong agreement among respondents. Regarding operational costs, 45.0% acknowledged increases due to security measures, with a mean of 1.62 and a standard deviation of 0.812. This shows some division in opinion, as 37.5% disagreed. A substantial 67.5% felt that insecurity negatively impacts guest satisfaction, resulting in a mean of 1.54 and a standard deviation of 0.749, reflecting a strong sentiment about declining customer experience. Half of the respondents (50.0%) noted that increased security measures have led to higher service prices, with a mean of 1.63 and a standard deviation of 0.823, indicating a balanced view on the financial implications of security. The majority (72.5%) believe that hotels' reputations have suffered due to safety concerns, supported by a mean of 1.42 and a standard deviation of 0.675, highlighting widespread agreement on the reputational impact. Overall, the findings emphasize the critical challenges posed by insecurity to the financial health and reputation of hotels in the region, with consistent mean scores indicating agreement among respondents on these issues.

Table 3: Rating of Responses on the Impact of Insecurity on Customer Preferences for Accommodations in Gusau Metropolis

S/N	Variable	Yes	No	I don't know	$\bar{x}$	Std. Dev.
1.	Insecurity influences my choice of hotels	280 (70.0%)	70 (17.5%)	50 (12.5%)	1.42	0.754
2.	I prefer hotels with enhanced security measures	300 (75.0%)	50 (12.5%)	50 (12.5%)	1.38	0.691
3.	Safety features affect my booking decisions	310 (77.5%)	40 (10.0%)	50 (12.5%)	1.35	0.612
4.	I am willing to pay more for secure accommodations	240 (60.0%)	100 (25.0%)	60 (15.0%)	1.53	0.825
5.	Negative news about hotel security affects my choices	290 (72.5%)	55 (13.8%)	55 (13.8%)	1.45	0.749
6.	I avoid hotels in high-crime areas	320 (80.0%)	40 (10.0%)	40 (10.0%)	1.20	0.418
7.	Recommendations about hotel safety influence my decisions	250 (62.5%)	70 (17.5%)	60 (15.0%)	1.48	0.788

Source: *Fieldwork, 2024*

Table 3 examines the impact of insecurity on customer preferences and behaviors regarding hotel accommodations in Gusau Metropolis. A significant 70.0% of respondents indicated that insecurity influences their choice of hotels, with a mean of 1.42 and a standard deviation of 0.754, suggesting strong agreement on this issue. A substantial 75.0% prefer hotels that offer enhanced security measures. The mean score of 1.38, with a standard deviation of 0.691, indicates a consensus on the importance of security features. A high 77.5% stated that safety features significantly affect their booking decisions, reflected by a mean of 1.35 and a standard deviation of 0.612, emphasizing the critical role of safety in customer choices. About 60.0% expressed a willingness to pay higher rates for secure accommodations, with a mean of 1.53 and a standard deviation of 0.825, indicating that many customers prioritize safety over cost. A notable 72.5% reported that negative news regarding hotel security affects their choices. The mean of 1.45 and a standard deviation of 0.749 suggest widespread concern about safety perceptions. An overwhelming 80.0% stated they avoid hotels located in high-crime areas, with a mean of 1.20 and a low standard deviation of 0.418, indicating a strong preference for safety in location choice. Finally, 62.5% noted that recommendations about hotel safety influence their decisions, with a mean of 1.48 and a standard deviation of 0.788, highlighting the importance of social proof in choosing accommodations. The findings underscore that insecurity significantly shapes customer preferences and behaviors, with a strong emphasis on safety and security when selecting hotels in Gusau Metropolis.

Table 4: Rating of Responses on Strategies Implemented by Hotel Managers to Mitigate Insecurity in Gusau Metropolis

S/N	Variable	Yes	No	I don't know	$\bar{x}$	Std. Dev.
1.	Enhanced security personnel are employed	310 (77.5%)	45 (11.2%)	45 (11.2%)	1.32	0.602
2.	Installation of surveillance cameras	290 (72.5%)	50 (12.5%)	60 (15.0%)	1.40	0.688
3.	Regular security training for staff	280 (70.0%)	60 (15.0%)	60 (15.0%)	1.42	0.754
4.	Collaboration with local law enforcement	250 (62.5%)	80 (20.0%)	70 (17.5%)	1.48	0.811
5.	Implementation of guest identification procedures	240 (60.0%)	100 (25.0%)	60 (15.0%)	1.53	0.825
6.	Regular security audits and risk assessments	220 (55.0%)	90 (22.5%)	90 (22.5%)	1.61	0.812
7.	Increased communication with guests about safety measures	300 (75.0%)	40 (10.0%)	60 (15.0%)	1.39	0.703

***Source**: Fieldwork, 2024*

Table 4 explores the strategies hotel managers in Gusau Metropolis implement to mitigate the effects of insecurity. A significant 77.5% of respondents indicated that hotels employ enhanced security personnel, with a mean of 1.32 and a standard deviation of 0.602, showing strong consensus on this strategy. The installation of surveillance cameras is reported by 72.5%, supported by a mean of 1.40 and a standard deviation of 0.688, highlighting its importance in enhancing security. A substantial 70.0% noted that regular security training for staff is implemented, with a mean of 1.42 and a standard deviation of 0.754, indicating recognition of staff preparedness in handling security issues. About 62.5% mentioned collaboration with local law enforcement, reflected by a mean of 1.48 and a standard deviation of 0.811, suggesting a proactive approach to safety.

Furthermore, sixty percent reported the implementation of guest identification procedures, with a mean of 1.53 and a standard deviation of 0.825, indicating a focus on monitoring guest safety. Regular security audits and risk assessments were acknowledged by 55.0% of respondents, with a mean of 1.61 and a standard deviation of 0.812, suggesting that not all hotels engage in this practice. Lastly, 75.0% emphasized increased communication with guests regarding safety measures, reflected by a mean of 1.39 and a standard deviation of 0.703, underlining the importance of transparency in building guest confidence. The findings highlight that hotel managers employ a variety of strategies to mitigate the effects of insecurity, with a strong emphasis on physical security measures, staff training, and communication to enhance guest safety.

Discussion of Findings

The findings from the tables highlight the multifaceted impact of insecurity on the financial performance of hotels, customer preferences, and the strategies implemented by hotel managers in Gusau Metropolis.

Impact of Insecurity on Financial Performance

The data indicates a significant detrimental effect of insecurity on the financial performance of hotels. A majority of respondents noted that insecurity has led to decreased occupancy rates (54.3%) and revenue declines (57.5%), with mean scores of 1.76 and 1.72, respectively. These results align with existing literature, which emphasizes that heightened security concerns can deter potential guests, leading to lower occupancy rates and, consequently, reduced revenues (Chechi, 2020; Kwortnik & Thompson,

2009). Furthermore, 67.5% of respondents reported that insecurity negatively impacts guest satisfaction, reflecting a broader trend observed in the hospitality sector where safety concerns can diminish the overall guest experience (Baker & McCleary, 2016).

Customer Preferences and Behaviors

The findings also illustrate that insecurity significantly shapes customer preferences when selecting accommodations. A notable 70.0% of respondents indicated that insecurity influences their hotel choices, and 75.0% prefer hotels with enhanced security measures. These results underscore the critical importance of safety in consumer decision-making within the hospitality industry. The willingness of 60.0% of respondents to pay more for secure accommodations highlights a shift in customer priorities toward safety over cost, supporting the notion that perceived safety can enhance customer loyalty and willingness to spend (Kwortnik & Thompson, 2009; Hsu & Powers, 2002).

Moreover, an overwhelming 80.0% of respondents reported avoiding hotels in high-crime areas, reflecting a strong preference for secure locations. This aligns with studies indicating that location safety is a key factor influencing accommodation choices (Kwortnik & Thompson, 2009).

Strategies to Mitigate Insecurity

In response to these challenges, hotel managers in Gusau Metropolis have implemented various strategies to mitigate the effects of insecurity. The data shows that 77.5% of hotels employ enhanced security personnel, and 72.5% have installed surveillance cameras. These findings are consistent with literature that advocates for physical security measures as fundamental components of a comprehensive security strategy in the hospitality sector (Baker & McCleary, 2016).

Additionally, regular security training for staff (70.0%) and collaboration with local law enforcement (62.5%) reflect proactive measures aimed at enhancing security preparedness. The importance of staff training is particularly noteworthy, as trained personnel can effectively manage security incidents and reassure guests (Chechi, 2020).

Furthermore, the emphasis on communication about safety measures (75.0%) indicates a recognition of the role of transparency in building guest confidence. This aligns with findings that effective communication of safety protocols can significantly improve customer perceptions and satisfaction (Hsu & Powers, 2002).

Conclusion

Overall, the findings suggest that insecurity poses substantial challenges to the financial health and operational strategies of hotels in Gusau Metropolis. Hotel managers must prioritize safety through a combination of physical security measures, staff training, and transparent communication to enhance guest confidence and maintain competitiveness in a challenging environment. These strategies are crucial for addressing the adverse impacts of insecurity, which significantly influence customer preferences and financial performance in the hospitality industry.

Recommendations

The following recommendations have been made for hotels in Gusau Metropolis to mitigate the impact of insecurity and enhance their operational effectiveness:

i. **Enhance Physical Security Measures**: Hotel owners should invest in comprehensive physical security solutions, including the installation of advanced surveillance systems, access control mechanisms, and the employment of trained security personnel. Regular assessments of security protocols should be conducted to adapt to evolving threats and ensure guest safety.

ii. **Implement Staff Training Programs**: Owners of hotels should establish ongoing security training programs for all staff members to enhance their ability to handle security incidents effectively. Training should cover emergency response protocols, customer service in crisis situations, and conflict resolution techniques, fostering a culture of safety and preparedness within the hotel.

iii. **Strengthen Communication with Guests**: Hotel managers should develop a robust communication strategy that informs guests about safety measures in place, including visible signage about security

protocols and regular updates on any changes. Utilizing social media and direct communication channels can help build trust and reassure potential guests about their safety.

iv. **Collaborate with Local Authorities and Community**: Hotel owners should forge partnerships with local law enforcement and community organizations to create a united front against insecurity. Collaborative efforts can include joint security initiatives, community awareness programs, and participation in local safety committees, which can enhance both the safety of hotel guests and the overall perception of security in the area.

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