

ISRG Journal of Economics, Business & Management (ISRGJEBM)



ISRG PUBLISHERS

Abbreviated Key Title: Isrg J Econ Bus Manag

ISSN: 2584-0916 (Online)

Journal homepage: <https://isrgpublishers.com/isrgjebm/>

Volume – IV Issue -I (January - February) 2026

Frequency: Bimonthly



CHALLENGES FACING SMALL AND MEDIUM SCALE HOTEL IN LOKOJA A CASE STUDY OF SAATOF LOKOJA, KOGI STATE, NIGERIA.

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| **Received:** 13.02.2026 | **Accepted:** 19.02.2026 | **Published:** 26.02.2026

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Abstract

The study examined the challenges facing small/medium scale hotel in Lokoja with emphasis on Saatof Hotel in Lokoja, Kogi State, Nigeria. The objectives of the study examined the challenges facing small and medium scale hotel in Nigeria. The target population of this study was Staff of Saatof Hotel Lokoja, Kogi State. A total of 20 respondents were selected. The research design adopted for this study was survey descriptive design. The data collected was analyzed using simple percentage. The study revealed that there are challenges hindering the growth of small and medium scale hotels in Nigeria. The study also revealed that there are factors that can enhance the growth of small and medium scale hotels in Nigeria. The study therefore recommend that customer service should be friendly, helpful, and efficient as this will enhance effective marketing of tourism products and customer service should be available at all times and it should be consistent across all touch points, like hotels, restaurants, and attractions.

Keywords: Challenges, Small/Medium scale, Hospitality and Enterprises.

INTRODUCTION

Small and Medium Enterprises (SMEs) as described by the National Council of Industries refer to business enterprises whose total costs excluding land is not more than two hundred million naira (N200, 000,000.00) only. The small and medium enterprises have long been recognized as an instrument of economic growth and development in Nigeria. This growing recognition has led to the commitment of World Bank group on small and medium scale

hotels sectors, as core element in the strategy, to faster economic growth, employment and poverty alleviation. The World Bank group in 2004 approved roughly \$2.4 billion in support of Micro, small and medium enterprise (World Bank, 2001). Small and medium-scale enterprises (SMEs) are very often the backbone of the tourism and hospitality industry globally (John, 2020). The small and medium scale hotels have been given due recognitions

especially in the developed nations of playing very important roles towards fostering accelerated economic growth, development and stability within several economies. Small and medium scale hotels have long been believed to be important in supporting economic development within a country.

The establishment of hotels and recreational centers in Nigeria both small and medium scale has ultimately helped in the socio-economic development of the country. For this, development that has been a result of the building and establishment of these hotels to be lasting, the challenges confronting the small and medium scale hotels in Nigeria has to be limited as negligence of these challenges may lead to the shutting down of the already existing one thereby discouraging entrepreneurs from investing this profitable niche of business known as the hospitality sector of Nigeria.

According to Chowdhury et al. (2013), there are both banks and non-bank financial institutions that offer SME financing with less requirements, lower interest rates, customizable loan amounts, and less collateral security for the growth of the hotel and restaurant industries. According to Carvalho and Costa (2014), in the highly competitive corporate climate, access to financing is a crucial factor that promotes firm growth and expansion into new markets, making it crucial for the process of economic development. Access to financing is a critical component that makes it easier for businesses to expand and enter new markets in a competitive business environment. It is also crucial for the process of economic development. SME play a significant role in creating jobs, however they may not be able to adequately contribute to economic growth because they have more financial difficulties than larger businesses

A host of others have observed various factors or challenges that impedes the performance of Small and medium scale hotels ranging from inadequate finance, poor infrastructural facilities, inadequate managerial skill, weak and instability of government policies and other presumed factors and challenges causing premature death of Small and medium scale hotels as Beckman (1983) classified the problems as internal and external. Many studies have looked at the respective factors that are germane to the success of Small and medium scale hotels. Teoh and Chong (2008), stated that lack of access to credit and managerial skills are the major obstacles to Small and medium scale Enterprise development and that in a knowledge-based economy, intellectual capital is gradually replacing the physical assets in modern enterprises. The provision of public infrastructure is a significant determinant of the aggregate productivity of small and medium scale hotels.

This approach requires a shift from traditional small and medium scale businesses to active participation in a real-life entrepreneurial environment. The approach enables the tourist to engage in some activity, reflect upon the activity, derive insight from the analysis, and incorporate the result through a change in understanding of what calls experiential learning, which is gained through experience. Small and medium scale business remains a practical experience that empowers the youths for greater challenges of the future, as it will enable the individual to understand how the economic decision he makes will influence his present and future standard of living will understand how the labor market functions. Thus, Small and medium scale Enterprise in business at grass root is supposed to be dynamic, practice-oriented, and activity-based through the application of different teaching strategies.

The challenges of small and medium scale hotels in Nigeria would help highlight the challenges confronting small and medium scale hotels in Lokoja to tackle such challenges so that investors can be confident enough to invest in the Nigerian economy which would in the long run help in the socio-economic development of Nigeria. Studies have shown that people have neglected small and medium scale business and the business environment have not been friendly for people who do not have the required capital to sustain their business especially the establishment of hotels and recreational centers which requires huge capital and finance.

Objectives of the study

The main objective of this study is to examine the challenges facing small/medium scale hotel enterprises in Nigeria.

Statement of the Problem

Assessing the challenges of small and medium scale hotels in Nigeria would help highlights the challenges confronting small and medium scale hotels in Lokoja with a view to tackling such challenges so that investors can be confident enough to invest in the Nigeria economy which would at long run help in the socioeconomic development of Nigeria.

The major problem associated with small and medium scale businesses is the sustainability of the business. The majority of the hotels in Nigeria lack the required hotel facilities needed to make tourists and others comfortable. The establishment of hotels requires huge capital and adequate funding. Most hotel managers in Nigeria lack the required managerial skills to run the business and the knowledge to make the hotel a tourist attraction site. Most travelers often find it difficult to patronize hotels and recreational centers due to a lack of facilities. Another major problem facing the development of hotels in Nigeria is the negligence of hotel owners who see the hotel business as profit-making rather than Hospitality Industry. Hospitality Industry is best effective if hotels are developed and provided with the facilities needed to make tourists comfortable who wish to lodge after the sightseeing such as the case of Obudu Cattle Ranch and Tinapa, Calabar, Cross River State.

It has been observed that small and medium scale businesses have not yielded much profit as expected. This often discourages businessmen/women who wish to venture into the hotel business since they see it as a seasonal business. Resources are therefore diverted to other sectors thereby causing serious setbacks in Hotel Industry These problems have hindered the development of hotels in Nigeria.

Review of Related Literature

In Nigeria, the federal government industrial policy of 1989 defined a small scale industry as one in which the total capital outlay does not exceed 2 million naira excluding cost of land. the size of a business in USA is measured using several criteria including the number of employees, total sales volume and total assets. Any business that employs less than (100) one hundred people or a turn over less than \$1 million is considered small. The financing of small and medium-sized hotel businesses has attracted a lot of attention recently and has been crucial for economists and policymakers working on financial and economic growth. (Sarker, & Chowdhury, 2023).

Before establishing SMEs it is essential to conduct a feasibility study on the proposed project. Feasibility study is a detailed report that examines the profitability and variability of a proposed investment opportunity or an existing business. Feasibility report

defined project idea current condition within the industries, anticipated future trends within the economy and the likely effect on the proposed project. It discusses the major constraints, incentives and the major procedure for entry and exit. The failure rate of SMEs in Nigeria is very high and it has been established that none of the enterprises that fail to prepare any feasibility study before commencing the operation. If feasibility study indicates that the project is viable, then it is time to complete registration formalities. Registration exercises can be done with Corporate Affairs Commission (CAC).

Challenges affecting the Hotel Industry Small and medium scale Enterprise

All business has its good, bad and ugly side including Hotel Industry. Hospitality Industry has its fair share of being volatile industry. A great deal of industry is dependent on the leisure travelers. However, Hotel Industry does not compose only on leisure travelers, but also other groups such as business travelers, and those non-leisure travelers often act and spend in the same way as leisure travelers. Hotel Industry and travel professionals know that their industry is exposed to political, health, and economic undulation. There ups and downs are outside of Hotel Industry and travel professionals control. As these forces outside their control occurs, leaders in the industry find a way of managing the unforeseen contingencies. It has also been proved that as Hotel Industry bring better income and opportunities; it also has its drawback. Some drawbacks that affect the destinations, it can be environmental issue, climate change and social issues. Hotel Industry problems faced by the environment most times have negative impact on the host country, most havoc on the environment is cause by mass travel which deals with thousands of tourist who travel together and have same purpose. Environment suffers a lot from mass tourist because these visitors do not care about the environment they end up polluting it, throwing all kinds of waste to the beach and places in the destination. The environment in most cases are affected by tourists who come with different types or shape of plastic waste and bottles in which at the long run could be disruptive to the habitants of both the fauna and flora life circle.

Some tourists with questionable life system both in dress code and bad manner could be transferred easily to young ones who take pleasure in emulation of foreign culture in an attempt to think same and act alike. The adverse effects of unfriendly environment acts affect the host community of which the consequent cannot be compensated in monetary terms.

- **Social Area Issue:** - This issue faced in Hotel Industry is the social area, when tourist visit a destination it also boost or pave way for prostitutions by the local residents. Tourists destinations are plagued with prostitution, this no doubt have dire consequences for the culture of the people, teenage girls whose income are poor and of poor parent, take the opportunity of easy money of tourists and fall prey to easily pregnancy and its consequences.
- **Climate Change Issue:** - This issue of Hotel Industry is climate change, in the past previous decade there has been increase in correlation between climate and hotel industry change.
- **Political instability:** - This is another major issues face in Hotel Industry, when a nation is under distress of climate change, terrorism, violence and negative alliance,

all these affect tourist wiliness from visiting that destination. The tourists themselves suffer and also face several difficulties in their quest for journey and stay in these foreign lands. Some of these include search for visas and duration of stay permitted by host country.

- **Insecurity:** - Another and very important drawback is in the area of security. Nigeria in particular has kidnapping problem of tourist. Tourist becomes easy target to kidnapers due to huge amount they intend to get as ransom.

Despite the catalytic role of SMEs in the economic emancipation of countries, some of their major operational challenges in Nigeria Include:

Financial Problems: About 80% of Small and medium enterprises are stifled because of poor financing and other associated problems. The problem of financing SMEs is not so much the sources of funds but its accessibility. Factors identified inhibiting funds accessibility are the stringent conditions set by financial institutions, lack of adequate collateral and credit information and cost of accessing funds. Holden and Hofstede (2005) attested that the capital shortage problem in the small firm sector is partly one, which stems for the uneconomic deployment of available resources by the owner-managers. This view was shared by Ihyembe (2014) who claimed to have seen businessmen take loan for expansion projects only to turnaround to marry new wives, acquire chieftaincy titles or buy houses abroad.

Management Problems: Lack of trained manpower and management skills also constitute a major challenge to the survival of SMEs in Nigeria. 90% of all these business failures result from lack of experience and competence.” Rogers (2015), also added that inefficiency in overall business management and poor record keeping is also a major feature of most SMEs; technical problems/competence and lack of essential and required expertise in production, procurement, maintenance, marketing and finances have always led to funds misapplication, wrong and costly decision making.

Inadequate Basic Infrastructure: Government has not done enough to create the best conducive environment for the striving of SMEs, the problem of infrastructures ranges from shortage of water supply, inadequate transport systems, lack of electricity to improper solid waste management. Nigeria’s underdeveloped physical and social infrastructures create a binding constraint to SMEs growth, since; they heavily rely on the inefficiently provided state infrastructures and cannot afford the cost of developing alternatives.

Socio-Cultural Problems: Most Nigerian Entrepreneurs do not have the investment culture of ploughing back profits. Bala (2010) stressed that the attitude of a typical Nigerian entrepreneur is to invest today and reap tomorrow. Also, the socio-political ambitions of some entrepreneurs may lead to the diversion of valuable funds and energy from business to social waste. The problem of bias against made in Nigeria goods is significant. Most Nigerians have developed a high propensity for the consumption of foreign goods as against their locally made substitutes.

Strategic Planning Problems: SMEs often do not carry out proper strategic planning in their operations. Ojiako (2016) stated that one problem of SMEs is lack of strategic planning. Sound planning is a necessary input to a sound decision-making.

Location/Economic Problems: Market stores are dominated by absentee landlords who charge exorbitant rates. The ownership of market stores by politicians is crowding real small-scale operators out of the market. The high rents charged by store owners on good locations have forced real small-scale operators into the streets or at best into accessible places. Also, domestic economic problems of deregulation and removal of protection as well as the global financial crisis have been detrimental to SMEs.

Poor Accounting System: The accounting system of most SMEs lack standards hence, no proper assessment of their performances. This creates opportunity for mismanagement and eventually leads to the downfall of the establishment.

Multiple taxation: This has become a major problem especially given the role of tax consultants and agents hired by local governments. They are often crude in their operation, excessive in their assessment and destructive in their relationship with the production process. They tax everything in their bid to generate revenue without considering the net effect to household incomes and employment.

Unstable policy environment: Instability in government policies have caused some SMEs to collapse. One of such policies is that of the 1980s when government specified that cocoa should not be exported in raw or unprocessed form after a specified deadline. Many SMEs had to import machineries only for government to reverse this policy. This negatively affected so many SMEs in the cocoa industry.

The present high mortality rate of SMEs in Nigeria is awful to contemplate and constitute danger to the entire economic system. It represents serious financial pressure on the nation's economy as well as a waste of valuable resources. The business owner should always consider challenging situations and be prepared to meet them with pre-planned strategies. The survival of SMEs is only possible through a systematic analysis of the problems they are facing and mapping out appropriate strategies of overcoming them, through a proper understanding of the business environment.

For a business to survive in unfriendly environmental conditions it should adopt a strategy that utilizes its strengths to exploit opportunities while avoiding its weaknesses

Strategic changes might take place in a firm without initial formulations, such decision could be informed by expansion strategy, preference to cash sales policy, innovation strategy, change in production techniques, local sourcing or use of alternative materials, backward integration and merger. Thus, any entrepreneur who wants to succeed must identify business opportunities, be creative, visionary, daring, risk taking, courageous and sensitive to changes in the business environment.

Methodology

The study adopted descriptive design, study population from Saatof Hotel Lokoja a total of 20 respondents were selected and participated in the survey as the actual sample sized. Descriptive statistics: frequency and percentages were used in analyzing the data.

Presentation and Analysis of Data

Table 1: Questionnaire Administered

Administered Questionnaire	Frequency	Percentage (%)
Field and Returned	20	100

Not returned	0	0
Total	20	100

Source: Researcher Field Survey, 2024.

CHALLENGES OF SMALL AND MEDIUM SCALE HOTEL

The table below shows the challenges facing small and medium scale hotel enterprise in Nigeria, out of the total population, 4 of the respondents representing 20% strongly agree, 8 of the respondents representing 40% agreed, 2 of the respondents were neutral while 6 of the respondents representing 30% strongly disagreed. 11 of the respondents representing 55% strongly agreed that a great deal of industry is dependent on the leisure travelers, 4 of the respondents representing 20% agreed, 2 of the respondents representing 10% were neutral while 3 of the respondents representing 15% strongly disagreed with this opinion. Also, 9 of the respondents representing 45% strongly agree that hotel industry does not compose only on leisure travelers, 4 of the respondents representing 20% agreed, 2 of the respondents representing 10% were neutral while 5 of the respondents representing 25% strongly disagreed that hotel industry composed only on leisure travelers. 4 of the respondents representing 20% strongly agree that issues faced in hotel industry is the social area, 4 of the respondents representing 20% agreed, 2 of the respondents representing 10% neither agree nor disagreed while 10 of the respondents representing 50% strongly disagreed. 9 of the respondents representing 45% strongly agree that there has been increase in correlation between climate and hotel industry change, 5 of the respondents agreed while 6 of the respondents were neutral on this issue. Again 9 of the respondents representing 45% strongly agree that political instability is one of the challenges facing hotel industry, 7 of the respondents representing 35% agreed, 3 of the respondents representing 15% were neutral while 5% of the respondents disagreed that political instability serve as a challenges for hotel industry in Nigeria. 6 of the respondents representing 30% strongly agree that insecurity is another major issue, 2 of the respondents representing 10% agreed, 9 of the respondents representing 45% were neutral while 3 of the respondents representing 15% strongly disagreed with this view. 3 of the respondents representing 15% strongly agree that SMEs often do not carry out proper strategic planning their operations, 8 of the respondents agreed, 7 of the respondents were neutral while 2 of the respondents strongly disagreed with this view. It is also clearly shown from the table below that 50% of the respondents strongly agree that multiple taxation serve as a challenges to the hotel industry, 15% of the respondents agreed while 35% of the respondents neither agree nor disagreed.

Possible solutions

Table below shows the views of the respondents on the possible solutions to challenges of hotel industry in Nigeria. 45% of the respondents strongly agree that embracing technology solutions will streamlines the operations and enhance customer experience and also improve efficiency, 4 of the respondents agreed, 4 of the respondents representing 20% neither agree nor disagreed while 3 of the respondents representing 15% strongly disagreed with this opinion. Also, 5 of the respondents representing 25% strongly agree that train staff to provide personalized service and create memorable experiences for guest is one of the best solutions, 6 of the respondents representing 30% agreed, 4 of the respondents

representing 25% strongly disagreed with this view. As shown also from the table below, 4 of the respondents representing 20% indicate that offers diverse dining options, incorporate sustainable practices, and provide unique experience to attract and retain customers, 6 of the respondents representing 30% agreed, 20% neither agree nor disagreed while 30% strongly disagreed with this view. 9 of the respondents representing 45% strongly agree that implementing cost savings measures such as energy efficient equipment serve as a major possible solutions to this challenges, 6 of the respondents representing 30% agreed, 25% neither agree nor disagreed. 4 of the respondents representing 20% strongly agree that providing ongoing training programs to enhance the skills and knowledge of employees are major possible solutions to the challenges facing hotel industry in Nigeria, 12 of the respondents

representing 60% agreed while 20% of the respondents neither agree nor disagreed. To empower staff to deliver exceptional services and handle challenging situations effectively are the possible measures to curb the challenges of hotel industry as 7 of the respondents strongly agree, 2 of the respondents agreed, 7 of the respondents neither agree nor disagreed, 3 of the respondents strongly disagreed while 1 of the respondents disagreed with this fact. 3 of the respondents representing 15% strongly agree that developing a strong brand identity and implement targeted marketing strategies to reach potential customers serve as possible solutions, 6 of the respondents representing 30% agreed, 8 of the respondents representing 40% neither agree nor disagreed while 3 of the respondents representing 15% strongly disagreed with this view.

Table 2: Challenges of small and medium scale hotel

S/N	ITEMS	VARIABLES	FREQUENCY	PERCENTAGE
1.	Hotel Industry has its fair share of being volatile industry	Strongly agree	4	20
		Agree	8	40
		Natural	2	10
		Strongly disagree	6	30
		Disagree	---	---
2.	A great deal of industry is dependent on the leisure travelers.	Strongly agree	11	55
		Agree	4	20
		Natural	2	10
		Strongly disagree	3	15
		Disagree	---	---
3.	Hotel Industry does not compose only on leisure travelers	Strongly agree	9	45
		Agree	4	20
		Natural	2	10
		Strongly disagree	5	25
		Disagree	---	---
4.	Issue faced in Hotel Industry is the social area	Strongly agree	4	20
		Agree	4	20
		Natural	2	10
		Strongly disagree	10	50
		Disagree	---	---
5.	There has been increase in correlation between climate and Hotel Industry change	Strongly agree	9	45
		Agree	5	25
		Natural	6	30
		Strongly disagree	---	---
		Disagree	---	---
6.	Political instability	Strongly agree	9	45
		Agree	7	35
		Natural	3	15
		Strongly disagree	1	5
		Disagree	---	---
7.	Insecurity is another major issue	Strongly agree	6	30
		Agree	2	10
		Natural	9	45
		Strongly disagree	3	15

		Disagree	---	---
8.	SMEs often do not carry out proper strategic planning in their operations	Strongly agree	3	15
		Agree	8	40
		Natural	7	35
		Strongly disagree	2	10
		Disagree	---	---
9.	Multiple taxation	Strongly agree	10	50
		Agree	3	15
		Natural	7	35
		Strongly disagree	---	---
		Disagree	---	---

POSSIBLE SOLUTIONS

10.	Embrace technology solutions to streamline operations, enhance customer experience, and improve efficiency.	Strongly agree	9	45
		Agree	4	20
		Natural	4	20
		Strongly disagree	3	15
		Disagree	---	---
11.	Train staff to provide personalized service and create memorable experiences for guests.	Strongly agree	5	25
		Agree	6	30
		Natural	4	20
		Strongly disagree	5	25
		Disagree	---	---
12.	Offer diverse dining options, incorporate sustainable practices, and provide unique experiences to attract and retain customers	Strongly agree	4	20
		Agree	6	30
		Natural	4	20
		Strongly disagree	6	30
		Disagree	---	---
13.	Implement cost-saving measures such as energy-efficient equipment	Strongly agree	9	45
		Agree	6	30
		Natural	5	25
		Strongly disagree	---	---
		Disagree	---	---
14.	Provide ongoing training programs to enhance the skills and knowledge of employees.	Strongly agree	4	20
		Agree	12	60
		Natural	4	20
		Strongly disagree	---	---
		Disagree	---	---
15.	Empower staff to deliver exceptional service and handle challenging situations effectively.	Strongly agree	7	35
		Agree	2	10
		Natural	7	35
		Strongly disagree	3	15
		Disagree	1	5
16.	Develop a strong brand identity and implement targeted marketing strategies to reach potential customers	Strongly agree	3	15
		Agree	6	30
		Natural	8	40
		Strongly disagree	3	15
		Disagree	---	---

Source: Researcher's Field Survey, 2024.

Discussion of Findings

Findings of this study are therefore summarized below:

- The findings revealed that there are challenges hindering the growth of small and medium scale hotels in Nigeria,
- The study found out that there are factors that can enhance the growth of small and medium scale hotels in Nigeria,
- It was also discovered from the study that investors are confident of investing in the hotel sector of Nigeria,
- The study also revealed that they are magnitude of challenges confronting small and medium scale hotels in Nigeria.

Impact of Small and medium scale Enterprise in Hotel Industry

Hotel Industry has become one of the global industries which are now a paramount sector in most national economies. Since six decades ago, Hotel Industry has mastered continual growth, with that, is one of the fastest and the largest industries in the world at large Hospitality Industry has been a great impact to the world at large and many countries who indulge in trading, recreational activities, shopping, cruise ship and many more.

1. **Economic Impact:** One of the impacts of Hotel Industry, is economic development for developing and developed nations, it create job opportunity in the host country, when a destination has Hospitality Industry products like good infrastructure, museums, hotels, natural park, manmade aquarium, beaches and so forth, all these began to create wealth for that country, beside the economic benefits, another good impact of Hospitality Industry industry is that it has good positive effect to the host society, it affect the physical environment and the culture, Hotel Industry plays an important role to developing countries whose source of revenue and economy growth is solely on Hospitality Industry receipts. Bosri (2016) examined the SME financing practices in Bangladesh: Scenario and Challenges and discovered that if financial institutions and non-bank organizations offer credit facilities with low interest rates, economic growth, poverty reduction, and quick industrialization can be attained.
2. **Social Impact:** As most countries realize the impact of Hotel Industry to the economy, they also reckoned to improve the local residents quality of life with the

benefits of socioeconomics, in which the host community brings, Hotel Industry brings quality of life, which means the wellbeing of the society, the quality of life are tax revenues, job opportunities, good health, education, family, wealth creation, finance and good environment. Akterujjaman (2010) examined the issues and future prospects of managing SME loans and came to the conclusion that banks should implement more generous credit policies and broader capital funds to mobilize capital financing to the country's foundations for bolstering the production and distribution system that drives economic growth.

3. **Environmental impacts:** plays a vital role in Hotel Industry, whereby the quality of the environment both the manmade and natural is essential to Hotel Industry, furthermore, the relationship between environment and Hotel Industry is complex, because it has various activities that can have adverse environmental effects. The impacts of environmental are related to infrastructure such as airport and roads, Hospitality Industry facilities, which are hotels, resorts, restaurants, marina and golf course. However, Hospitality Industry has good potentials on the environment, whereby it contributes to the environmental conservation and protection, which also create awareness of the environmental values which serves as a tool to finance the protection of the natural resources and it also increase the destination economic significance. Also apart from the positive impact the environment have, it also have negative impact, this negative impact can destroy the environmental resources.

Study Area

Kogi state is located between Latitudes $6^{\circ} 49'' - 8^{\circ} 30''$ north of the Equator and Longitudes $5^{\circ} 35'' - 7^{\circ} 45''$ East of the Green Wich Meridian. It is located in the North- central zone of Nigeria with a total landmass of about 30,345.74 Km/Sq and it is the 15th largest State in terms of landmass. It is popularly known as the _Confluence State due to the fact that the confluence of Rivers Niger and Benue is at Lokoja, the State Capital. It is the most centrally located of all the states of the federation (Figure 1). It shares boundary with Niger State and the Federal Capital Territory, Nasarawa to the north, Benue State to the east, while Edo, Ondo, Ekiti and Kwara States are on the western side (Kogi State, 1992).

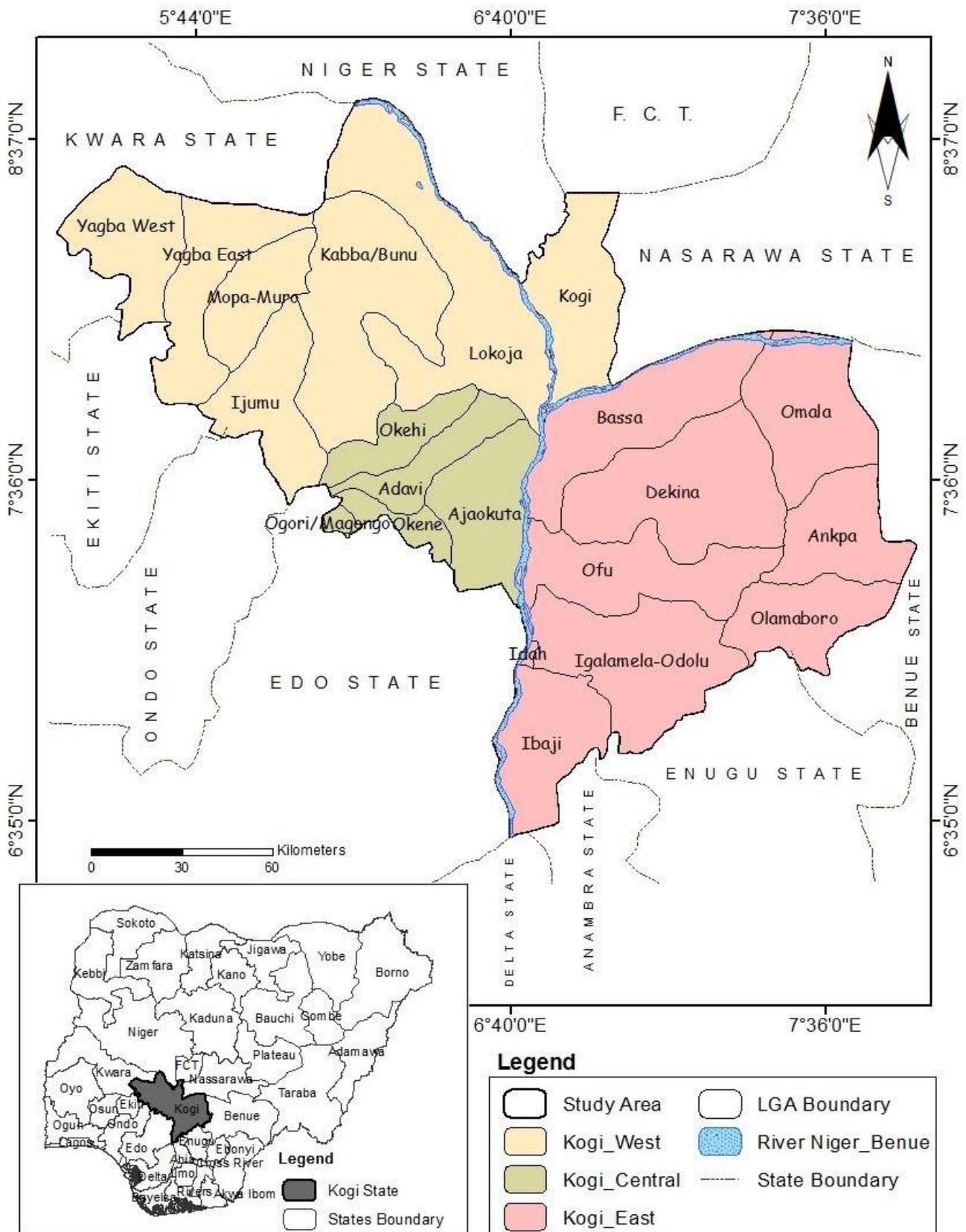


Figure 1: Map of Kogi State showing the study Areas

Source: Ministry of Lands and Surveys (2015)

Conclusion

Assessing the challenges of small and medium scale hotels in Nigeria would help highlights the challenges confronting small and medium scale hotels in Nigeria with a view to tackling such challenges so that investors can be confident enough to invest in _____

the Nigeria economy which would at long run help in the socioeconomic development of Nigeria.

The major problem associated with small and medium scale hotel businesses is the sustainability of the business. The majority of the hotels in Nigeria lack the required hotel facilities needed to make

tourists and others comfortable. The establishment of hotels requires huge capital and adequate funding. Most hotel managers in Nigeria lack the required managerial skills to run the business and the knowledge to make the hotel a tourist attraction site. Another major problem facing the hotels in Nigeria is the negligence of hotel owners who see the hotel business as profit-making rather than a Hospitality Industry venture.

It has been observed that small and medium scale businesses have not yielded much profit as expected. This often discourages businessmen/women who wish to venture into the hotel business since they see it as a seasonal business. Resources are therefore diverted to other sectors thereby causing serious setbacks in the development of Hotel Industry, since hotels when developed to world standard are major sources of tourist attraction in developed and developing world. Most hotels that are located in flooded areas and difficult terrain usually have low patronage since most tourists prefer accessible areas to inaccessible routes. These problems have hindered the development of hotels in Nigeria.

Recommendations

From the findings the following recommendations were made:

- Government policy should support hotel enterprises in Lokoja as this will boost activities and also will attract economic development within the state and local government in particular.
- Customer service should be friendly, helpful, and efficient as this will enhance effective marketing of tourism products.
- Customer service should be available at all times and it should be consistent across all touch points, like hotels, restaurants, and attractions.
- The hotel proprietor must look at market segments and determine which one offer the promising potential for his /her services
- The hotel proprietor should provide adequate security as this will enhance performance and ensure the safety of the visitors within the hotel and it's environ.

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