AN EVALUATION OF RELATIONSHIP MARKETING STRATEGIES FOR

CUSTOMER RETENTION IN THE HOSPITALITY INDUSTRY IN GHANA-

A CASE STUDY OF REXMAR HOTEL, KUMASI.

BY

ALHASSAN OTENG

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AUGUST, 2015

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A THESIS SUBMITTED TO THE KNUST SCHOOL OF BUSINESS, DEPARTMENT OF STRATEGIC MANAGEMENT AND CONSULTING, KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI, IN PARTIAL FULFILLMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT AND CONSULTING) DEGREE,

FACULTY OF SOCIAL SCIENCES

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CERTIFICATION PAGE

I hereby declare that this submission is my own work towards the Master of Business Administration (MBA) degree and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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HEAD OF DEPARTMENT   SIGNATURE   DATE

ABSTRACT

Customer Relationship Management (CRM) practices are a business strategy designed to reduce costs and increase profitability by solidifying customer loyalty. It brings together all data about a client in hotels via software to give a holistic view of a customer. With intense competition among hotels in Ghana, this study sought to find out if CRM was practised in the selected hotels. It was to solve the problem of inadequate service delivery quality in hotels which were not helping customers' expectations to be met. The study was conducted to identify critical factors necessary for customer retention in relationship marketing in the hotel businesses in Ghana and to develop effective relationship marketing strategies to manage customer retention for sustainability within hotel business with Rexmar Hotel as the case. Questionnaire was the method adopted for the investigation of the study. With a sample of 40 respondents was considered, these were made of customers to enable the researcher examine the hotel by the examination of the relationship marketing variables of the hospitality industry. Completed questionnaires were grouped into frequency tables and expressed in percentages, while interpretation is dependent on the samples of the variables with the use of SPSS. It is recommended that even though the hotels have heard of CRM, there should be some intense awareness program on the benefits of CRM. its understand from the study that most hotels in Kumasi, Ghana do not practice customer retention in relationship marketing with their customers. This lack of awareness of customer retention in relationship building, enhancement and maintenance has affected relationship marketing strategies of hotels. Critical factors necessary for customer

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retention such as service quality, customer satisfaction measurement and analysis, customer complaints handling and loyalty programme

initiative were identified.

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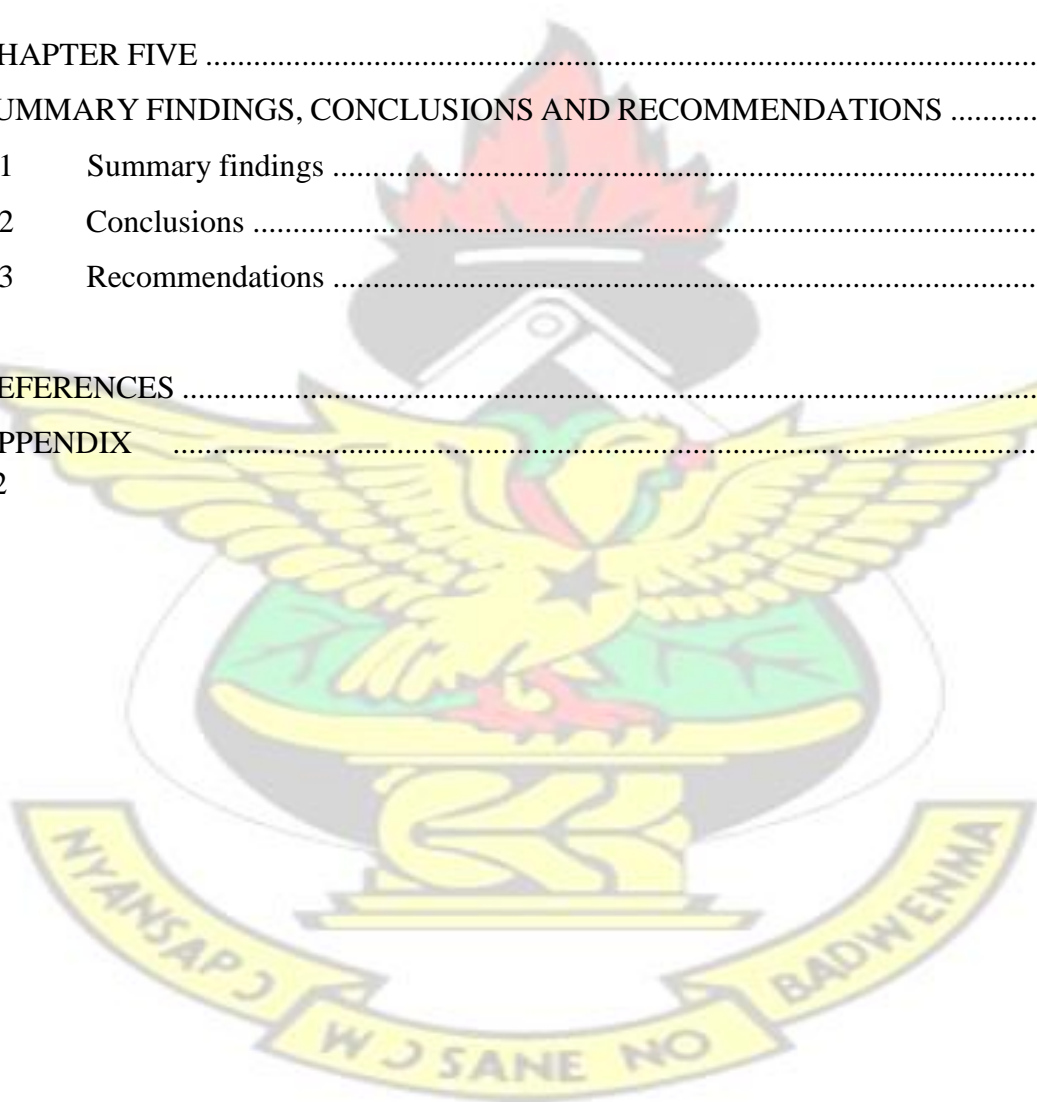# LIST OF TABLES

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DEDICATION

This work is dedicated to the Almighty God for His love, blessing and protection throughout my entire life and for bringing me this far.

This work is also dedicated to my family for their moral support especially my nephew for assisting me in the various type settings and other assistance during the distribution of my questionnaires. Also to the management and staff of the Rexmar Hotel for their support

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A study of this kind could not have been successful without the help of others. I therefore, wish to express my sincere gratitude to the most God Almighty without whom I would not have been that I am today.

Like any other field of endeavor, one's success depends immensely on contributions of well-meaning individuals towards the person's pursuit. My eternal and everlasting appreciation goes to all staff and lecturers KNUST School of Business. I would like to express my sincere gratitude to my supervisor, Dr. Bylon A. Bamfo, for the patience and guidance as well as the numerous suggestions he gave in the course of this research.

My thanks and appreciation also goes to all the respondents who attended to the questionnaires. They deserve commendation for assisting me with the analysis and other areas, God bless you.

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background to the Study

Marketing involves organizations and individual dealings that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, distribution, and pricing of goods, services and ideas (Dibb et al; 2001). These dynamics continually pose challenges for marketing practitioners and academics. The evolving of new marketing paradigms to meet the new challenges that show fort everyday is therefore not surprising. Relationship marketing is one typical example of such new techniques in marketing.

In the past, marketers had focused on creating customers, selling what they produced, without enhancing and maintaining relationship with their customers. A shift from transaction to relationship focused marketing is the order of the day. Selling is not most important; as it is only a vital aspect of marketing. In lots of service environments, there may be face-to-face interplay between service vendors and customers from which social bonds may boost. A relational point of view fits well within these contexts, the place there is possibility for companies to promote longer client tenure, and obtain the related financial advantages (Ang & Buttle, 2006). Relationship advertising is largely approved via advertising and marketing students and practitioners as a crucial a part of triumphant advertising today. Marketers at the moment are focusing on activities geared toward growing lifelong consumers.

Marketing hold the important thing to attaining organizational targets, being extra robust competitors in integrating marketing movements, in the direction of choosing and pleasurable the wishes and wishes of target patrons by making certain repeated

transactions. Purchasers grow to be partners through lengthy-term commitments to maintain those relationships with satisfactory product offerings, innovation and worth.

At the point when firms reliably fulfill the esteemed desires of the client, the client gets to be faithful to the association. Fulfilled clients in this way get to be resources, being joined to the organizations; results in devotion that forms into long haul relationship. The need of any business is to pull in and keep their clients. Accentuation ought to in this manner be set on clients by, not just distinguishing, reckoning and fulfilling their necessities gainfully, additionally establishing so as to hold the clients, upgrading and keeping up long haul associations with them.

Relationship marketing regards clients as accomplices. The part of relationship marketing is to build up, upgrade and keep up association with clients and different partners at a benefit, so that the targets of all involved included are met; and that is finished by a common trade and satisfaction of guarantees. Further aims of relationship marketing incorporate the conveyance of managed and expanding levels of fulfillment and maintenance of those clients by the upkeep and advancement of the relationship (Christopher, 1996, Ravald & Gronroos, 1996).

According to the World Tourism Organization (WTO) statistics (2006), Ghana ranks 9th as one of the top emerging destinations in Africa with an annual growth rate of 10% between 2000 and 2004. For example, it recorded 497,129 international tourist arrivals in 2006 as against 428,533 international tourist arrivals in 2005, an increase of 16% (Ghana Tourist Board, 2007).

Hospitality enterprises contribute a major proportion of earnings from the tourism industry in Ghana. The industry, plays a key role in ensuring the success of tourist destinations especially providing rooms accommodation for tourists, visitors and

business community; foods and drinks for residents and non-residents; and conference and meetings facilities for a wide range of businesses. The concept of hospitality involves providing the service which makes the customer feel welcome –that is, the ambience, the quality of staff, service, warmth, and the contribution of the 'comfort' factor. It is the amalgam of hotels, restaurant, and indoor/outdoor catering services; take away, clubs, casinos and leisure center's among others.

Hotel business is characterized as a service industry because of inherent variables, which differentiate it from other businesses. It involves a degree of professionalism and expertise from personnel. It is a high customer-contact industry because the customers and hotel personnel are directly involved in the production and consumption process except the tangibles such as food and drinks. There is a high level of interaction between the customer and the staff to ensure efficient customer quality service, satisfaction and value. Assessment by customers of hotel services takes place only after consumption of the service and this involves the various services and products rendered in addition to the physical environment of the hotel especially the external environment – how convenient, accessible, and spacious; and the internal environment of the hotel – how conducive and tastefully furnished in terms of interior decorations-the furniture, beddings toilets and the bathrooms.

Another assessment criteria is how the hotel staff are able to meet guest's expectations-how prompt and responsive they attend to guest's requests and needs – like room service, waiters and porters.

Hotel enterprises in Ghana are largely concentrated in the urban areas such as Accra, Tema, Tamale, Takoradi Ho, Sunyani, Cape-Coast and Kumasi.

1.2   Problem Statement

It has been observed that hotel businesses in Kumasi have been having problems of retaining their customers. The industry has experienced several challenges in the past which includes price instability, lack of innovativeness, competitive advertising and loss of customers. These have greatly affected the hotels in terms of their market share, profitability, market growth and competitive positions. It has therefore become important to build and maintain long-term base of committed customers who are profitable for these hotels through relationship marketing. Hotels in Ghana are making attempts to practice relationship marketing for customer retention and yet they are having problems in doing so. Such problems are the basis for building, enhancing and maintaining relationship with customers, causes of customer satisfaction, evaluating relationship building and enhancement process and critical factors necessary for customer retention in relationship marketing in hotels in Ghana. Rexmar. This clearly indicates the need to evaluate the strategies for customer retention in the hospitality industry in Ghana which is the focus of this study.

This study, therefore, evaluates customer retention strategies in relationship marketing practices in the hospitality industry in Kumasi, Ghana with Rexmar Hotel Kumasi Ghana as the case study.

1.3   Objectives of the Study

The main objective of the study is to evaluate the effectiveness of relationship marketing strategies for customer retention for mutual benefit of the organization, the stakeholders and in particular –the customers. The specific objectives include the following:

  i.   To identify the relationship marketing strategies that has been instituted by

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Rexmar Hotel, Kumasi.

ii.   To examine the impact of the relationship marketing strategies on customers retention at Rexmar Hotel, Kumasi. iii. To underscore the challenges Rexmar Hotel encounters in implementing the

Relationship marketing strategies.

1.4   Research Questions

Some research questions to be answered in the study include:

i.   What are the relationship marketing strategies that have been instituted by

Rexmar Hotel, Kumasi?

ii.   What is the impact of the relationship marketing strategies on customers' retention at Rexmar Hotel, Kumasi? iii. What are the challenges Rexmar Hotel encounters in implementing the

Relationship marketing strategies.

1.5   Significance of the Study

The researcher is motivated by the sustainable relevance of relationship marketing in almost all service industries especially in the high-involvement industry such as the hospitality industry. It is important in hotel enterprises as it enhances relationship with customers, which ultimately lead to long-term mutual benefit in profitability, customer loyalty and stability in business operations. A study of relationship marketing in the hotel industry is important because of the significant role hotel businesses play in the socio-economic development of Kumasi. Therefore, it is necessary for the stakeholders to be constantly aware of the development and changes in the hospitality industry. The

researcher is of the view that if the research objectives are achieved, it will useful for the following parties.

To begin with, Managers of hospitality enterprises, the study will be useful to all categories and levels of hospitality firms, as a framework for understanding, study and manage customer relationships in hotel enterprises.

Also Policy Makers, The study will serve as an input for policy formulation and implementation to regulate, monitor and supervise the hospitality and tourism industry.

In addition Entrepreneurs, Prospective investors who may wish to invest in, operate and manage a hotel business. It will help to stay ahead of the competition and maximize his investment potentials.

1.6   Scope of the Study

The scope of this study will focus on relationship marketing strategies for customer retention in the hospitality industry in Kumasi, Ghana. The study is expected to evaluate relationship marketing strategies for customer retention in the hospitability industry in Kumasi Ghana with Rexmar Hotel Kumasi as the case study.

1.7   Methodology

To achieve the purpose of the study, information will be collected using both primary and secondary data. The use of questionnaire on customers and interviews with management of the company will be used to collect primary data. Again Data will be collected from sales books, customer registration cards, customer data base, internet and other publication relevant to the study.

1.8   Limitation to Study

The study cannot cover all areas in relationship marketing because of time constraints. Also, most of the information required relates to business issues, ethical and legal regulations made it quite difficult to access some vital information concerning the company due to uncertainty of the use of the information being gathered.

1.9   Organization of the Study

The research has been organized into five chapters. The Chapter One of the study is the introduction chapter of the study which contains general introduction of the study, the statement of the problem, objective of the study, research questions, significance of the study, the scope of the study, limitations of the study and the organization of the study.

Chapter Two consists of a thorough discussion on the existing studies conducted by various researchers on relationship marketing. It looks at the concept of relationship marketing, customer retention and effects of relationship marketing on customer retention.

Chapter Three is concerned with the research methodology which comprises the research design, the population, sample and sampling techniques, data collection instrument, administration of instrument and finally data analysis.

The Fourth Chapter of this study consists of the data analysis which was collected for the study and also comprises of the results extracted for the study.

The Concluding Chapter of this study consists of summary results, conclusion of the study, recommendations for Rexmar Hotel and interested hospitality firms such as hotels, guest house, restaurants and other recreation centers.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

The chapter gives a general idea of literature relevant to the study. Specifically it outlines the definitions and concepts of relationship marketing and then attempt to link it to the current study. Among the areas reviewed were definitions of concepts, rational for relationship marketing, customer increase level of sophistication, customer retention, and process of relationship marketing, variables and factors involved in relationship marketing, managing relationship and a background study on

Rexmar Hotel.

2.2   Concept of Relationship Marketing

One of the issues of high value to a company is the relationship they have with their customers, employees, distributors, suppliers, dealers, and retailers. These relationships are often valued more than the tangible assets of a company. Relationships predict the future value of the company.

In the past, most marketing managers have placed much interest on transactional marketing, which is based on 'one-off' transactions with customers. Marketing done in the Traditional way tend to oversee relationships and relationship building. The organization was seen as an autonomous office continually attempting to secure the best terms. The organization was prepared to change starting with one supplier or merchant then onto the next if there was a prompt favorable position. The organization expected that it would typically keep its present clients, and it spent the greater part of its vitality to get new clients. The organization ignored the association among its fundamental partners and their parts in influencing the organization's prosperity (Kotler, 2009) .This

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transactions involves identifying customers' needs and filling it; without efforts to build and enhance their relationships. A transactional approach to marketing restricted the role of the end-users to acknowledgment or dismissal of the offer made and blocked firms from comprehension the reasons hidden their choices and also the procedure for the development of their inclinations (Wikstrom, 1996). Marketing generally is has to deal with understanding relationships between suppliers and customers.

Modern businesses are facing fierce and aggressive competition while operating in different markets (Zineldin, 2000). This situation and other factors led to a shift from customer acquisition to customer retention (Sheth, 2002)

Relationship marketing is a facet of customer relationship management (**CRM**) which specializes in customer loyalty and long-time period engagement with customer instead than shorter-term goals like client acquisition and individual income. The goal of relationship marketing which is often known as consumer relationship marketing is to create strong, even emotional, purchaser connections to a brand that may lead to ongoing industry, free word-of-mouth promotion and know-how from patrons that can generate leads (Rouse,2013).The relationship marketing perspective based on the notion that on top of the value of products and/or services that are exchanged, the existence of a relationship between two parties creates additional value for the customer and also for the supplier or service provider (Gronroos, 2000). A relationship building process offer mutual benefits to the firm, stakeholders and most especially the customers.

The emergence of relationship marketing as new paradigm marketing in the 1980s

(Veloutsou et al, 2002) carries with it a strategic drift in managerial thinking, from

extracting value from transactions to developing mutual value through relationship

(Ballantyne,2000) ; although ,according to Morgan and Hunt (1994) relationship building demand mutual trust as a corollary to ongoing commitment.

The paradigm shift has generated much attention in the last few years especially among the academia. Several studies on relationship marketing have been conducted industrial goods, services (Berry, 1983), banking industry (Ndubisi, 2007), consumer markets (Christy et al, 1996), and restaurant business (Bojanic, 2007). However, there have been limited studies conducted in hotel enterprises, more so, in a developing country with different cultures.

2.2   The Rationale for Relationship Marketing

Relationship marketing stands to fluctuate the extra traditional transactional advertising and marketing approach, which concentrates on increasing the quantity of person income. Within the transactional model, the return on customer acquisition cost may be inadequate. A client is also convinced to pick that company one time, however without a strong relationship advertising procedure; the client would possibly not come back to that company someday. Even as organizations combine factors of both relationship and transactional advertising, consumer relationship advertising is opening to play a more primary role for many organizations (Rouse, 2013).

The gradual shift from transaction-focus marketing towards relationships-focus marketing has been the subject of research and studies by academics and marketing practitioners. According to Eiriz and Wilson (2006) relationship marketing is concerned with dyadic and multilateral relationships as well as with networks of relationships as it embraces intra-and inter-organizational relationships as well as relationships between organizations and individuals.

Relationship marketing is a set or marketing activities oriented to establishing, developing'; and terminating relational exchanges (Eiriz & Wilson, 2006)

Many factors are responsible for the need to build, enhance and sustain relationship with customers. These factors include the need to increase profitability, information technology, attain competitive edge, increase market share, and avoid high employee turnover.

Hospitality enterprise which is basically a services marketing-based industry is recognized in the context of the existence of continuous interaction during the process of production, selling and consumption as a consequence of intangibility and inseparability. The customer understands this needs and expectations –this may germinate into mutual, cordial long-term relationship, otherwise the reverse may be the case –the customer switches. As the consumer is becoming more educated and enlightened on purchase decisions, their quest for quality services, value for money and reliability are expected.

The need for relationship marketing in firms, therefore , is premised on these factors and as a result of the need to adapt to changes in the global dynamic environment apart from those mentioned include customer's increasing level of sophistication, information and internet technology changes which reduces the world into a global village; increasing level of investments in the services sector for examples the hotels due to acquisitions and mergers as a result of alliances among international and multinational hotels, stiff- competition at global level due to increase in international tourism; and customers' changing tastes.

2.2.1. Increase in Profitability

The basic rationale for existence of firms is to make profits in order to meet the expectations of the management and shareholders (Liu et al, 2000). A firm will prefer to develop relationship with existing customer than to scout for new customers in view of the fact that it cost less to keep and maintain existing customers than to scout for new ones. Higher customer value increases customer satisfaction; build and enhance customer loyalty which, turn, creates higher profit due to increased volume resulting from repeat purchases and positive word of mouth (Liu et al, 2007).. Focus should therefore always be on the link between customer value and firm profit. Cost transparency may weaken customer loyalty and create perceptions of price unfairness by encouraging dispassionate comparisons of prices and features (Luck & Lancaster, 2003).

2.2.2. Increasing Investment in the Hospitality Sector.

The hospitality industry in recent years has witnessed tremendous growth in areas of alliances, mergers and acquisition within the international hotel businesses. At the global level, mergers among the multinational hotels are a common phenomenon while acquisition of hotels is as a result of over-capacity of available hotels due to upsurge in international tourism.

The increasing competition within the international tourism industry is as a result of up-surge in international tourist arrivals and departures; apart from increasing competition in international hospitality industry. This has resulted in a number of alliances among airlines, hotels and other tourism enterprises especially the multinationals. In focusing on the link between customer value and firm profit, the key is the notion of value, which

in general terms, is defined as the ratio of the overall benefit received to the overall cost incurred.(Liu et al, 2007).

2.2.3. Competitive Advantage and Market Share

The aim of any organization is to enhance its productivity to attain a competitive advantage in the market place by increasing its market share and a corresponding improvement in profit. By doing this, an organization builds relationships with its profitable existing customers. To achieve this, analysis of customer value and contribution margins associated with specific relationships is essential (Bolton et al, 2002). According to Porter (1980), there are two generic ways of establishing competitive advantage, the low-cost supplier or by differentiating the offer in a unique and valuable way. Every company has to consider how to enter a market and then build and protects its competitive position (Zineldin, 2006). Such companies are compelled to find new reasons for competition and improve the quality of its services. Customer loyalty forms a major factor in achieving and attaining competitive advantage.

2.2.4. Total Quality Management

An extra primary force, riding the adoption of relationship marketing is the complete best action that recently revolutionized enterprise's perspectives concerning first-class and price. Most companies noticed the worth of supplying great merchandise and services to buyers at the lowest viable prices (Sheth et al. 1988). Total Quality Management (TQM), when companies adopt to improve quality and reduce costs, it got to be important to include suppliers and clients in executing the project at all levels of the worth chain. This required close meeting expectations associations with clients, suppliers and different individuals from the showcasing base.

2.2.5. Technological Development

In step with Sheth and Parvatiyar (2000), the influence of technological revolution is changing the nature and activities of marketing associations. The present progress and introduction of refined electronic and computerized verbal exchange programs into our society is making it less complicated for buyers to engage immediately with the producers. Producers are additionally becoming more informed about their purchasers by way of maintaining and getting access to subtle databases that seize know-how related to every inter play with individual customers, at an awfully low cost. It offers them the way by which they can practice character advertising. Consequently, the services formerly carried out with the aid of the middlemen are actually being undertaken by means of either the customer or the producers. Producers are building such programs that enable them to undertake speedy responses with regard to manufacturing, delivery and client provider, taking out the need for stock management, financing and order processing by means of middlemen. Additionally, buyers have much less time and accordingly a decreased inclination to head to the shop for every buy. They're willing to undertake one of the most duties of direct ordering, personal merchandising, and product use associated offerings with little support from the producers.

2.3   Customers' increasing level of sophistication

Customers are increasingly becoming sophisticated in terms of quality service requirements, tastes, preferences, value and choice of service providers; this largely depends on their changing needs. Customers generally expect service companies to know their business and to keep their core service promises as services are

performances rather than objects. (Berry et al, 2006)   Their expectations are high in terms of service delivery, value and quality services. Relationship marketing, therefore, acknowledges that a stable customer-base is a core asset, since it is more expensive to capture new customers than to retain existing customers. (Rowley, 2004).An in-depth understanding of customers' needs is the foundation for building, enhancing and maintaining long-term relationships with customers.

2.4   Processes of Relationship Marketing

Within the services industry, especially in the hospitality industry; its core offerings of accommodation, food and beverages will not be sufficient enough to build, enhance and maintain relationship with its customers. With a service, it is performance that is sold, not a product that can be physically examined and this introduces an element of intangibility into the service encounter (Getty & Getty, 2003). Services are produced and consumed simultaneously. The level of service performance can, however, affect the relationship with the customers.

An understanding of the various processes of building relationship with customer is essential. Tull and Hawkins (1993) identified two stage processes:

1. Customer Satisfaction Survey

2. Customer Data Base

2.4.1 Customer Satisfaction Survey

The Customer Satisfaction survey could be conducted in two ways. The interview method and customer comment card. Any service provider could adopt either or both survey methods. Meeting customers' needs, and thus assuring customer satisfaction, are ultimately the responsibility of management. A crucial part of that responsibility is to

assure that quality measurements of customer satisfaction are obtained (Lin &Jones, 1997). Survey research is the systematic gathering of information from respondents for the purpose of understanding and/or predicting some aspect of the behaviour of the population of interest (Tull & Hawkins, 1993)

It is the administration of a questionnaire to an individual or group of individuals (Tull & Hawkins, 1993).

The interview method could take the form of structured or unstructured interviews involving open- or close-ended questions on the three (3) broad areas that distinguish services from products within the extended services marketing -mix viz: people (attitudes and attributes of staff in the organization), processes (the performance of services), and physical evidence (the internal and external environment of the organization). The interview could be conducted within the period the customer is staying in the hotel; or when he is about checking out of the hotel; to assess the customer's experiences and perceptions of the hotel services rendered such, as quality and value and whether the hotel has been able to meet the customer's expectations in terms of service performance. Customer satisfaction surveys can be rich source of information for generating continuous quality improvements, but only if they are examined carefully and used within a consistent framework (Lin & Jones, 1997). The advantage of this is that, depending on the mood of the customer, unbiased and valuable opinions and honest assessment of the hotel services are made by the customer; and which may help improve the service delivery and relationship building and retention processes with the customer.

The customer comment card is a convenient method of assessing opinion of customers and our same time appraise the extent of the service providers' services' impact on the

customer. It takes several formats from one page card to two or three page cards. The questions in these cards are normally closed-ended question because most customers may find it time consuming and sometimes some do not fill the cards. Nevertheless, it enables the organization assess the level of customer satisfaction of customers and point out areas they need improvement in services delivery. In some cases, customer comment cards contains open-ended questions, generally most customers do not find time to fill it and the few that does it express their candid opinions and assessment. The major advantage of this is that customers express their opinion freely without any restriction or hindrance unlike in the close-ended customer comment card. A common weakness of customer satisfaction surveys is that an increasing number of customers are tired of being surveyed (Reichheld, 1996).

2.4.2 Customer Database

This process sorts, analyse and segment customer information in the course of transactions with customer including addresses, telephone numbers, email numbers etc, and categorise them into preferences, tastes and market segments. Follow up with telephone calls or 'thank you for patronizing us' in appreciation and through their contact address telephone numbers. This many stimulate a sense of "patronizing the hotel again" as well as sense of value patronage. The service provider after sometime, may send a "We have not seen you for some time now card to the customer. This way the customer will appreciate the concern of the service provider – That he has not been forgotten; since last patronage in addition the customer will have a feel of sense of belonging and of being an important personality. If a customer satisfaction survey is to be relevant to the quality, it must be conducted with issues that have a substantial effect on business performance (Lin & Jones, 1997).

The customer in turn will exhibit certain values such as trust, commitment, communication and promise to maintain relationship with service providers.

2.5 Variables and factors involved in Relationship Marketing

Several variables of values have been identified as essential components of relationship building process.(Ravald & Gronroos, 1996), compared relationship values with safety, credibility, and security, which, in turn, build trust, commitment, communications, promise and conflict handling. A combination of those then increases loyalty and may influence in a collectively beneficial relationship for suppliers and shoppers. It represents part of built-in figuring out of relationship variables. Notably, trust entails a belief that a relationship companion will act within the quality pursuits of other partners.

2.5.1 Trust

Various definitions of trust have interested by its existence in trade relationships and have relied on its concept as a perception or expectation in such relationship and beliefs in interpersonal trustworthiness (reliability of promises, honesty, helpfulness, and mutual interests in trade relationships) serve as symptoms of trust in purchaservendor relationships. Believe and commitments, commonly defined as relationship values, are relevant accessories of relationships. In trade-to-consumer relationships, the place results rely on the conduct, price and service best, believe is chiefly central (Johnson & Cullen, 2002). It represents a element of integrated skills of relationship variables. Chiefly, trust involves a notion that a relationship partner will act in the best pursuits of alternative companions (Morgan & Hunt, 1994).

Within the area of relationship marketing, trust has been seen as an essential variable for the accomplishment of relationships in the business-to-consumer (B2C) relationship

building, enhancement and maintenance processes. Trust has been outlined as a willingness to depend on an exchange accomplice in whom one has self belief. For that reason, countless extraordinary conceptualizations of believe exist. However, long-established to most definitions of trust are a confidence between the parties that the other celebration is risk-free and that the events will act with a degree of integrity when dealing with every different. A betrayal of this believes via the provider or service provider could lead to defection or purchaser switching. It's within the belief that an accomplice's phrase or promise is secure and a celebration will fulfill his duties in such relationships.

2.5.2   Commitment

Commitment is an important determinant of the strength of a marketing relationship, and a useful construct for measuring the likelihood of customer loyalty and predicting future purchase frequency and it is one of the most common dependent variable used in buyer-seller relationships.

In buyer-vendor contexts principally in the trade-to- patron relationships, commitment is unique as an aspiration for sustained relationship and an effort to make sure its protection or as a pledge for relational balance between exchange partners. Commitment is based on affective explanations such as emotional attachment, belonging, and admire for the companion, manifested within the type of a liking to develop and toughen the connection with a further individual or crew (Sharma et al., 2001). Emotional commitment is explained in phrases of the similarity of values and targets among partners, implying that relationship members share beliefs about correct and valuable behaviors and objectives. Commitment is in most cases used to investigate both man or woman and behavior in firms and mark out types of action characteristic

of specific sorts of persons or organizations (Wong & Sohal, 2002). Within the marketing literature, it's believed that commitment is a permanent desire to keep a valued relationship. This implies a larger stage of responsibility to make a relationship be triumphant and to make it collectively pleasant and priceless (Morgan & Hunt, 1994)). On the grounds that, dedication is bigger amongst individuals who suppose that they obtain more price from a relationship, purchasers who particularly committed are always disposed to reciprocate efforts of a firm because of prior advantages bought and particularly committed corporations and patrons will continue to experience the benefits of such reciprocity.

2.5.3 Promise

Promise has additionally been stressed as a basic component of the relationship advertising methodology. It has been contended that the obligations of advertising don't just, or overwhelmingly, incorporate giving guarantees and in this way influencing clients as uninvolved partners in the commercial center to act in a given manner, additionally in keeping guarantees, which keeps up and upgrades developing relationship (Ndubisi ,2007). Satisfying promises that have been given is just as critical as a method for accomplishing consumer loyalty, holding the client bolster, and securing long haul gainfulness.

2.5.4 Communication

Communication refers to the capability to provide timely and trustworthy information. A new view of communications provides an interactive dialogue between the company and its customers, which takes place during the relationship building stages. Communication in relationship advertising and marketing method keeping in contact with valued customers, delivering well timed and reliable knowledge on carrier and

service changes, and speaking proactively in case of service delivery failure. It is the communicator's undertaking in the early phases to construct recognition, improve client alternative (by means of selling price, performance and other points), persuade interested shoppers, and inspire them to make the purchase determination (Ndubisi & Chan,2005). Communications also inform disillusioned buyers what the company is doing to rectify the reasons of dissatisfaction. When there's mighty conversation between an organization and its customers, a greater relationship will result and customers can be more loyal.

The key constructs –trust, value, commitment and interaction-are the main element that determines the nature and scope of relationship between the customer and the organization or service provider. How well these activities and processes are coordinated and managed determines the continuation and future of the relationship including the roles of the peripherals like stake holders, suppliers financial institutions employees government policies.

2.6.   Managing Relationships

As most organizations are charting ways to shift from transactional focus marketing towards relationship building, enhancing and maintenance marketing. The shift is necessary in view of several challenges facing the most businesses today especially the service industry. Most organizations strive to build and enhance relationships for their clients for long term benefits. But then, the problem of managing such relationships with their customers becomes a problem. How can organizations organize and manage their relationships and what forms of network structures are more or less useful for managing relationships?

A customer-focused service culture could be developed. The customer-focused service culture revolves around the needs and wants of the customer, having appreciated the importance of the rationale and processes of relationship marketing. The hotel enterprise needs to decide on this approach to organize and manage relationships with customers.

The basis is that ongoing, long- term relationships are essential for a business' viability and market performance. Marketing managers should devote their energy to develop and maintain relationships with customers .Long-term commitments entail treating customers differently at all times. However, damage can be done if staff does not understand what is expected of them. Hence, the need to exploit fully the potentials of internal market by establishing communication channels, develop customer responsive focus and a unified sense of purpose among employees. The purpose is to remove barriers to organizational efficiency and develop customer awareness.

The internal marketing is based on the notion that every employee is a customer to each other. Long-term relationship enhancement requires improved customer service and high levels of service and depends on ensuring that suppliers and customers are happy (Dibbs et al, 2001).

The concept requires that all staff work together in line with set goals of the organization. Internal marketing is a philosophy for marketing human resources with marketing perspective (Gummesson, 1987).

In order to achieve this internal cohesiveness, (Reynoso& Moore, 1996) suggests six steps:

1. Create internal awareness

2. Identify internal 'suppliers' and 'customers'.

3. Determine internal customer's expectations.

4. Communicate these expectations to internal suppliers.

5. Internal suppliers to modify their activities to reflect internal customers' views.

6. Measure internal service quality and receive feedback to ensure a satisfactory exchange between internal customers and suppliers.

2.7   Conceptual Framework

Most observers agree that relationship marketing will not be most effective founded on looking at person transactions (O'Malley and Tynan, 2000). Even as transactional marketing is now considered as integrated into relationship marketing (Tyler and Stanley, 1999), relational alternate is an extended-term and tricky relationship between service vendors and buyers, now not easily or simplest a series of transactions (Berry, 1983; Jackson, 1985; Dwyer et al., 1987). Relationships are prone to count less on contract legislation and more on issues similar to trust, equity, accountability, and commitment (Gundlach and Murphy, 1993).

Many factors together with product, nice, fee, trade rate, and demand can all have a major impact on income. Nonetheless, relationship marketing may also influence sales and manufacturer loyalty (Heffernan et al., 2008; Lee et al., 2001). This be trained concentrates on relationship marketing however accepts that many different explanations additionally ought to be managed optimally. More and more, marketing problems such as fast patron turnover and the consequences of discontinued consumer relationships have come to be critical for a lot of companies. Developing competition, coupled with enterprise maturity and recessionary pressures, mean that businesses can't fully rely upon new consumers to take the situation of misplaced customers (Zeithaml

et al., 2006). Client enchantment but now not purchaser retention and brand loyalty are at the heart of transaction marketing exchanges which enhance, promote and supply merchandise by the use of short-time period, discrete monetary transactions. Relationship marketing is viewed through some academic commentators to symbolize the starting of a paradigm shift in advertising (Gronroos, 2000; O'Malley and Tynan, 2000). The evolution of relationship marketing has been one of the vital enormous trends in advertising over the many years, exceptionally relating to industrial marketing (Dwyer et al., 1987; Palmatier et al., 2006; Sheth and Parvatiyar, 1995).

Yau et al. (2000) compared a relationship marketing orientation (RMO) with a traditional market orientation in terms of its relative impact on the business performance of firms in retail, wholesale and manufacturing industries from the perspective of Chinese managers in Hong Kong. The findings of their paper suggested that while relationship marketing is relevant to every industry, it has particular importance to the manufacturing industry and business-to-business operations.

The literature on market orientation has provided evidence of the positive relationship between RMO and the business performance and brands of firms (Heffernan et al., 2008; Palmatier et al., 2006). As the business environment changes and customers become more demanding, firms must practice relationship marketing to compete effectively (O'Malley and Tynan, 2000).

Changes in the business environment will not only affect wholesale and retail business, but also the manufacturing sector through the entire supply chain. Likewise, as competition intensifies, direct consumers as well as institutional buyers will become more demanding. Therefore, a market orientation is a necessary but no longer sufficient

condition for firms to remain successful. This applies to firms of all sizes in all industries (Yau et al., 2000).

Abramson and Ai (1997) studied the business-to-business sector in China and concluded that guanxi-style buyer-seller relationships (guanxi as a complex set of social relationships) were strongly related to reduce levels of perceived uncertainty about the business environment and a variety of improved performance outcomes. Wong (1998) undertook a study on guanxi and relationship performance on industrial buying in China and suggested that firms should adapt relationship marketing plans to compete in the changing environment of the Chinese market. The findings of these studies indicate that relationship marketing has a significant impact on the business performance of firms in both service and industrial marketing.

Several studies on the effects of relationship marketing on the business performance of firms across a range of industries have been reviewed (Palmatier et al., 2006). Given that relationship marketing is more important in the industrial business-tobusiness context than the consumer context, most studies are located in the industrial business-to-business context. Briefly, the findings of these studies indicate that relationship marketing has a significant impact on the business performance and brands of firms in both service and industrial industries (Lee et al., 2001; Sin et al.,

2006), with particular importance in the manufacturing industry (Liu and Wang, 1999; Wong and Chan, 1999).

Customer retention enables organizations command a pool of profitable loyal customers for mutual benefit. A conceptual model attempts to show the relationships that exist between salient variables (Ghobadian et al, 1994); as it is a simplified description of the actual situations (Seth et al, 2005).It is envisaged that a conceptual model in relationship

marketing enable management appreciate and understand the importance of customer retention in business transactions. This will enhance the overall profitability of the organization as well as assist to attain a competitive edge and increase in market in market share". (Figure 2.1)

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    ┌─────────────┐              ┌─────────────────────┐
    │             │              │ COMMITMENT          │
    │    TRUST    │─────────────▶│   ☐ SOCIAL BONDS    │
    │             │              │   ☐ PROMISE         │
    └─────────────┘              └─────────────────────┘
                                          │
                   ┌──────────────────────┤
                   ▼                       ▼
    ┌─────────────────────┐   ┌─────────────────┐   ┌──────────────────────┐
    │ COMMUNICATION       │   │ CUSTOMER        │   │                      │
    │   ☐ CUSTOMER        │──▶│ SATISFACTION    │──▶│ CUSTOMER RETENTION   │
    │     ORIENTATION     │   │                 │   │                      │
    └─────────────────────┘   └─────────────────┘   └──────────────────────┘
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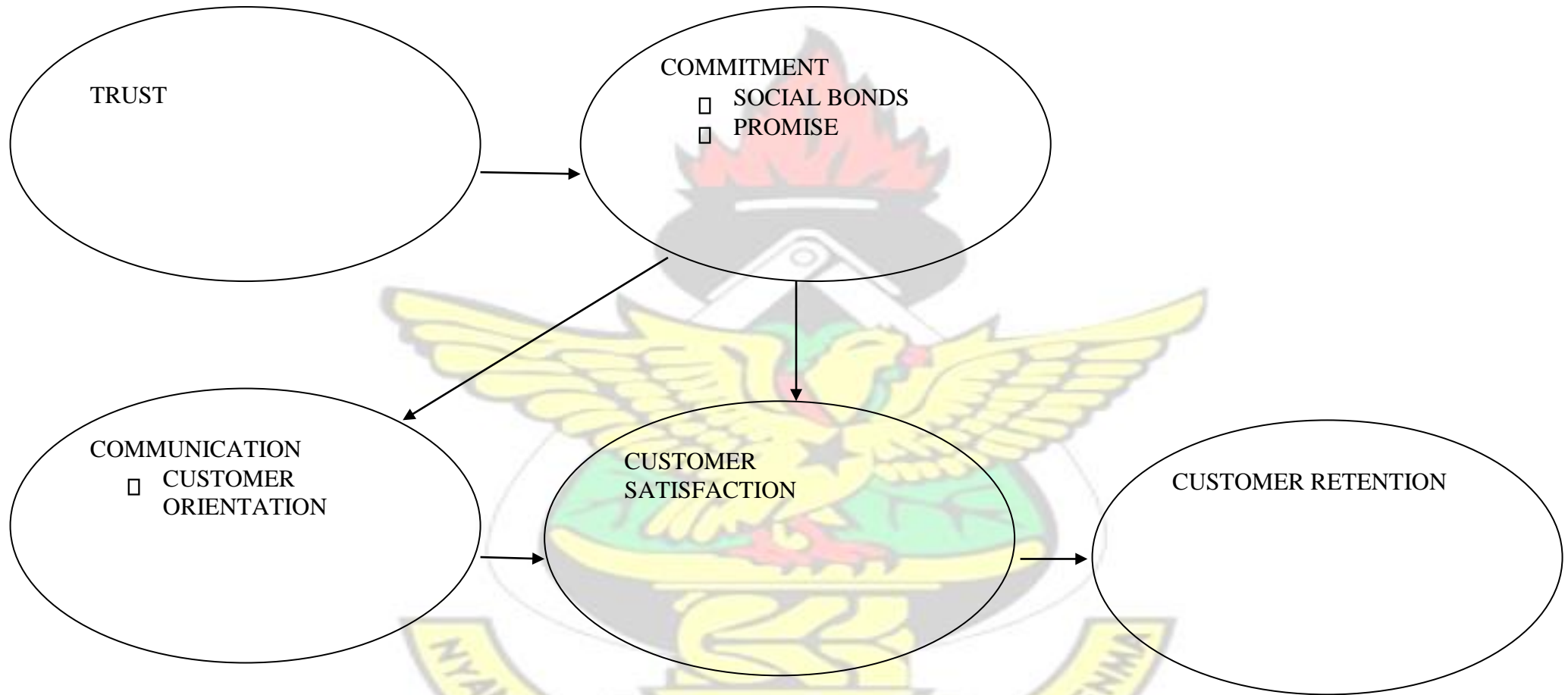
Figure 2.1: Process of Customer Relation Strategies in Relationship Marketing Practices in Hotels

2.8 Effects of Customer Relationship Management on Customer Retention

A corporation can scale back price significantly (via customer retention) by means of constructing a good relationship with purchasers. For example, it has been proven that it is cheaper to serve an existing customer than to draw and serve a brand new one (Ndubisi, 2006). Companies may additionally shrink uncertainty of demand through constructing relationship with consumers. Prior studies have urged that amazing relationship promoting (marketing) shall be extra significant when: the provider is tricky, custom-made, and delivered over a continuous circulation of transactions (Berry, 2003); many consumers are relatively unsophisticated concerning the carrier (Ghingold and Maier, 1996); and the atmosphere is dynamic and uncertain in ways that have an effect on future wishes (demand) and offerings (Crosby et al., 1990). According to Crosby et al. (1990), these traits apply to reliable offerings such as accounting and plenty of financial services equivalent to banking. The social penetration conception states that companions will continue to deepen a relationship so long as anticipated advantages exceed predicted bills (Altman and Taylor, 2003). Considering a excessive excellent organization-consumer relationship can shrink customers' uncertainty or perceived threat, and believe, dedication, verbal exchange, and conflict-handling capability can enhance relationship nice, it's logical to expect an association between these variables and total company-client relationship fine.

The progress of effective purchaser relationships is largely advocated as a key detail of advertising and marketing systems within the provider sector. The benefits associated with the development of such relationships are idea to be peculiarly important within the case of offerings for which credence qualities are high. Nonetheless, a key characteristic of most offerings is client participation within the construction and the delivery of the provider. The potential of an institution to advance and preserve a

relationship with its purchasers shall be stylish on their willingness to take part. For participation to be important, customers have to perceive that it yields benefits which might be higher than these which accrue from nonparticipation.

If the connection is to remain positive the consumer must be at the hub of it and so it is foremost to have the shoppers' pleasant curiosity at coronary heart. Regarding this difficulty is co-setting up products and repair augmentation. These will, in many situations, be employed with the aid of businesses adding extra carrier to distinguish from its opponents' offerings. In this context the "extras" have to be valued by way of the patron, and now not without difficulty on hand in different places (i.e. "adaptation", Wilson, 1995). A high emphasis on better carrier and repair great is extra noted as an main detail inside relationship marketing (Christopher et al., 2001).

The above causes represent an try to favorably lock-in or retain the purchaser and many lecturers espouse the value of consumer retention related to relationship marketing conception (Wright et al., 1998). Barnes (1994) observes that tactics corresponding to frequent-purchaser schemes, the place the purchaser has to return to the equal enterprise to accumulate "points", develops a barrier to exit. Irish grocery chain, Superquinn, differentiate their loyalty scheme by means of introducing "each frequency marketing and particular direct marketing, which so many so-called loyalty schemes forget to include" (Conneran, 1996). Loyalty is a tricky variable to quantify; nonetheless, Hawkes (1996) reemphasized the thought of the loyalty ladder, with the lowest rung being suspect and the best rung suggest. Schneider (2000) found: "what is shocking is that researchers and businessmen have concentrated some distance more on easy methods to appeal to buyers to merchandise and services than on hold them".

Promoting merchandise to current buyers is nearly extra rate-potent than the bills incurred

while shopping for brand spanking new ones (Hartley et al., 1995; Mitchell,

1995;Jackson, 2000).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1.   Introduction

This study evaluates 'An evaluation of Relationship Marketing Strategies for Customer Retention in the Hospitality Industry in Ghana- a case study of Rexmar

Hotel, Kumasi.' The processes and means of data collection for the study are discussed here.

3.2   Research Design

As indicated by Kvale (1996) and Mikkelsen (1995), the overall success of research is determined by the choice of research method. Also, A research design is considered as a "blueprint" for research which directs, which questions to study, which data are relevant, what data to collect, and how to analyze the results (Adèr, Mellenbergh, & Hand, 2008).

Research design is divided into constant and flexible research designs (Robson, 1993). Others have noted this difference as quantitative study designs and qualitative research designs, respectively. In constant designs, the design of the learn is constant earlier than the most important stage of information assortment takes situation. Fixed designs are probably conception driven; otherwise it's inconceivable to understand prematurely which variables need to be controlled and measured. Most of the time, these variables are measured quantitatively. Bendy designs allow for more freedom in the course of the info collection method. One motive for using a bendy research design may also be that the variable of curiosity isn't quantitatively measurable, similar to tradition. In different cases, idea might not be to be had earlier than one begins the research.

Examples of quantitative designs include experimental designs, non-experimental designs and quasi experimental designs. In an experimental design, the researcher actively tries to vary the drawback, circumstances, or expertise of contributors (manipulation), which may result in a transformation in habits or results for the members of the gain knowledge of. Non-experimental study designs nonetheless, do not involve a manipulation of the hindrance, situations or experience of the participants. Quasi research designs on the other hand are research design that follow the experimental procedure, however don't randomly assign men and women to (therapy and comparison) corporations.

The research procedure adopted by the researcher is the case be taught study procedure. The case gain knowledge of technique was once used because of time constraint and the truth that it is pleasant used in trendy issues. Yet another bases on which the case learn procedure was used is the fact that no longer all contributors can be interviewed, as a consequence a pattern used to be used and the findings generalized.

3.3 Population and Sampling Techniques

Population refers to the total number of people in a particular area, organization or department/section/unit of an organization from which the sample would be selected. The population of the study comprises of all customers and managers of Rexmar Hotel, Kumasi. This is estimated at about three hundred and fifty (350) customers.

From this, a sample size of forty (40) respondents was randomly selected. The choice of customers of the hotel is based on the demographics characteristics sex, age, marital status and educational qualification/s; apart from the objectives of the study.

The sampling technique used in selecting the sample size is the purposive sampling technique. Purposive sampling technique is a type of sampling technique which the sample size is selected for the main purpose of the objective of the researcher. The reason for the choice of technique is largely due to the interest of the researcher as well as time constraint as this research is time bound.

In determining the sampling frame, the research considered the proportion of all customers and managers of the hotel used as the case study.

3.4   Source of Data

There are two forms of data used in every research work; the primary and the secondary data.

Primary data are data collected from source by the researcher personally. Secondary data is also all other forms of data which has already been collected or gathered by other researchers and can be found on the internet, journals and other articles and books. For the purpose of this study, questionnaires were used as a source of gathering primary data from the customers while a structured interview was used to gather information from the management.

This basically means that, Primary data was collected through the use of questionnaires and structured interviews.

3.5 Test of Validity

The content validity of research would best be described in form of the validity and reliability of the questionnaire containing the right questions and phrasing. Copies of

the questionnaires were administered to selected respondents who are representative of the samples of the population of the hotel used as the case study. The result of the pre-test survey assisted the researcher to clarify and clear ambiguities about statements and determine difficulties respondents may have in answering the items in the questionnaire.

3.6 Data Collection

The researcher administered the questionnaires personally to the respondents. Items in the questionnaire were partly open-ended and partly close-ended. The open-ended items allow the respondents to answer the questions freely and fully in their own words and with their frame of reference. Generally, open-ended questions are flexible, encourage rapport and offers possibilities of depth. While the closed- ended items allow the respondents to answer the questions of specific nature.

Copies of the questionnaires were administered to the selected respondents in the sampling population of all customers of Rexmar Hotel in Kumasi. After the responses, the researcher retrieved the copies of the questionnaires.

3.7 Procedures for Data Analysis

Apart from content analysis, simple percentages mean scores; and standard deviation was employed in analyzing the data in this study. Percentages describe data in simple and clear analysis. The mean scores measures the central tendency of the standard deviation (S.D.) which showed the dispersion of opinions. The statistical tools mentioned were used because the application of statistics especially the appropriate statistical methods employed in a given situation is not always obvious but is best described by the researcher as keeping the objectives of the study in mind.

3.8 Limitation of the Methodology

In view of the enormous efforts put into this methodology, some imperfections and observations came into focus. These include time constraint , cost of transport to go back to the hotel to interview respondents, some of the managers were reluctant to give out information about their relationship with customers; probably for fear of the researcher leaking such information to their competitors while some customers refused to go into details about their relationship with the hotel . Sometimes, the opinions of some respondents are laced with complaints about other hotel enterprises in Kumasi metropolis.

3.9 Profile of Rexmar Hotel

The hotel is located in Santasi, near the Christian Service University Kumasi, Ghana off the Santasi round-about round. The hotel gives a spectrum of high quality guest and visitor services. Its rooms are well equipped with state-of-art facilities and latest technology including free cable TV, free internet access and first class interior décor among others. The rooms comprise of standard, superior, one-bedroom suites and two-bedroom suites.

As Kumasi's premier destination for business and pleasure, Rexmar Hotel offers a variety of other services apart from room's services like Secretarial and Computer

Services, Airline Reservations, Broadband Internet Access, Tour Packages to exotic destinations in Kumasi and its environs, Conferences and Meetings Facilities and Car

Rental Services among others.

3.9.1 Hotel Amenities

Facilities in the hotel include the following:

- State-of-the-Art Business Centre which offers a wide range of secretarial and computer services, internet access and browsing.

- Free airport shuttle for guests

- Conference centre which caters for international conferences and seminars, funerals and annual general meetings.

- Restaurant which offers Inter Continental, West African and Local Cuisines.

Other facilities in the hotel apart from room services included modern Olympic swimming pool, poolside bar, room services, and modern gym and exercise services.

3.9.2   Customers

The customers of Rexmar Hotel are individuals (Businessmen, visitors), Corporate and Intergovernmental Organizations.

3.9.3 Relationship with Customers

The hotel maintains cordial relationship with its customers; as most of its reservations are made via phone communication. However, the hotel does not engage in:

- Informal relationship with individual customers, hence they believe in positive word-of-mouth advertising by their customers.

- Any form of customer retention nor maintain relationship with customers.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the relevant data of the results obtained from the field work to address the objectives of the study. It also presents analysis and discussion of the results and findings in the light of existing literature on relationship marketing.

This study was made to evaluate the relationship marketing strategies for customer retention in the hospitality industry in the Ghanaian hospitality industry with Rexmar Hotel as a case study.

In this chapter, the data collected for the study were analyzed and interpreted. The data is presented in tables beginning with demographic variables and then research questions that are formulated to guide the research. The first part of the chapter considered the demographic background of the respondents, focusing on sex, level of education and numbers of years with the Hotel. The second part presented the findings from the study in relation to the research question.

4.2   Demographic Data

Demographic Data constitute the criteria of respondents that was used for the research. Demographic information taken for the purpose of this research includes gender, age group, educational level and tenure dealing with the hotel. Below explains the details of the demographic data in tabular.

4.2.1. Gender

A total of forty (40) questionnaires were distributed among the customers of the Rexmar Hotel; there were 20 males and 20 females representing 50% each. This means that, the services of the hotel are patronised by both males and females.

Table 4.1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	20	50.0	50.0	50.0
	FEMALE	20	50.0	50.0	100.0
	Total	40	100.0	100.0	

Source: Field work, 2015.

4.2.2 Age

The next demographic variable of the participants examined was their age. The results showed that, the majority of respondents were in the age bracket of 20 – 29 years. This was followed by the age bracket of 40-49 years. 30-39 years also followed and lastly was the ages of 50 years and above. This means that, those below the age of 20 years were do not patronise the services of the hotel. This is shown in **Table 4.2** below.

Table 4.2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29YRS	21	52.5	52.5	52.5
	30-39YRS	6	15.0	15.0	67.5
	40-49YRS	10	25.0	25.0	92.5
	50YRS AND ABOVE	3	7.5	7.5	100.0
	Total	40	100.0	100.0	

Source: Field work, 2015.

4.2.3 Educational level

Table 4.3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WASCE	9	22.5	22.5	22.5
	DIPLOMA	8	20.0	20.0	42.5
	DEGREE	15	37.5	37.5	80.0
	POST GRADUATE	8	20.0	20.0	100.0
	Total	40	100.0	100.0	

Source: Field work, 2015.

From the above table 4.3, it can be noted that customers holding degree constitute 37.5% of the respondents, those holding WASCE as their highest certificate also constitute 22.5% which is followed by the respondents/customers who hold a

DIPLOMA OR POST GRADUATE degree constituting 20% each of the respondents. Educational level of respondents from this perspective could be said to be balances since no section hold more extremely than the other. Meaning people at different levels of the educational ladder engage the services of the hotel.

4.2.4. Number of Years that one has patronized the services of the HOTEL
Respondents indicated their number of years of patronizing the Rexmar Hotel as required by the researcher. From their response, it was gathered that 27 of the respondents representing 67.5% had been visiting the hotel with the last 5 years, while 12 of the respondents representing 30% also indicated that they have been patronizing the services of Rexmar hotel between 5-9years and only one of the respondents indicated he has been patronizing the services of the hotel between 15-19years. This indicates that, the hotel the hotel has some loyal customers and is able to retain them. This could be as a result of the services they provide.

This is illustrated in the table 4.4

Table 4.4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<5YRS	27	67.5	67.5	67.5
	5-9YRS	12	30.0	30.0	97.5
	15-19YRS	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

Source: Field work, 2015.

The next part of the analysis deals with the direct questions to the respondents. For the analysis sake and due to the way the responds were arranged, the Likert scale applied here was, 1=Strongly agree, 2=agree, 3=Neutral, 4=disagree, and 5=Strongly disagree while the Uo was set at 2.5, with 95% as the significance level in accordance with the antecedent. Three things must occur at the same time for an item to be accepted as measuring a particular dimension. 1) It must have a mean score of less than 2.5; 2) it must have a t-value of equal or greater +-1.65; and 3) it must be statistically significant at 0.05 (p-value = or < 0.05). The absence of any would mean the rejection of that variable.

4.3 Trust

Trust as seen as one of the variables that is considered in relationship marketing was the first issue the questionnaires sort to inquire into. To vividly explain the table below and the responds that were given by the respondents the following has to be noted. From the area stated QUES in the table:

1 = Always trust Rexmar

2 = High Intergrity

3 = Ability to keep Promise

4 = I'm considered in making important decisions

5 = management doing their best to have a long term relationship with me

6 = Always been checked on by the Hotel

Table 4.5 Trust

QUES	TEST VALUE = 2.5			
	T	Mean	Sig. (2-tailed)	Mean Difference
1	-3.399	2.1000	.002	-.40000
2	-4.416	2.0000	.000	-.50000
3	-3.250	2.0500	.002	-.45000
4	-2.762	2.2000	.009	-.30000
5	-5.597	1.8000	.000	-.70000
6	-1.030	2.3500	.309	-.15000

Source: Field work, 2015.

As shown in table 4.5 above, all six (6) questions fell within a positive rating or scale indicating that customers trust Rexmar Hotel. However, all the questions proved to be a significant factor as far as Trust was concern except the 6th variable/question which fell out of range as its' sig value was above 0.05.

4.4 Commitment

The next integral factor that was discussed the level of commitment of the hotel to see to their clients/customers satisfaction. As explained in the literature review, commitment to customers satisfaction is one factor that relationship marketing takes into consideration to retain their customers. Under this section also, six different questions was asked and customers responds were analyzed ti indicate whether the hotel is committed and if their commitment level plays any role in their decision to always seek to patronize their services.

Table 4.6 Commitment

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2-tailed)	Mean Difference	Std. Deviation
7	-1.207	2.3250	.002	-.17500	.91672
8	-.495	2.4250	.000	-.07500	.95776
9	-3.569	2.1000	.002	-.40000	.70892
10	-.4953	2.5750	.009	.07500	.95776
11	-1.275	2.3000	.000	-.20000	.99228
12	-1.884	2.2500	.309	-.25000	.83972

Source: Field work, 2015.

The corresponding meanings of the various question numbers are:

7 = issues are seen from customers point of view

8 = customers intention to maintain and develop relation with Rexmar Hotel

9 = ready to put in all effort to make the relationship work

10 = Rexmar spends effort in maintaining the relationship

11 = Satisfied with relationship with Rexmar

12 = was right to seek the services of Rexmar

Four questions verifying customers' commitment to the Rexmar Hotel were statistically significant below 0.05. The question 7,8,9 and 11 are these which makes it clear that customers feel that the level of the Hotel commitment to customers are high. The other issue that whether the customers were certain of their choice to seek the service of Rexmar could be an issue to query but as it seems their choice might not have been the best but they ended up appreciating and getting satisfied with the services rendered by Rexmar.

Also since the mean of almost all the question is below 2.5, it could be realized that the question asked by the researcher proved necessary and therefore was those factors contributed to the commitment the hotel had to their customers.

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4.5   Social Bonds Table

4.7 social bonds

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2-tailed)	Mean Difference	Std. Deviation
13	.787	2.6250	.436	.12500	1.00480
14	-1.786	2.2250	.082	-.27500	.97369
15	-1.864	2.2000	.070	-.30000	1.01779
16	-3.009	2.1500	.005	-.35000	.73554

Source: Field work, 2015.

The above table 4.7 explains how customers are attached personally to the hotel. Customers upon feeling respected and appreciated in the organization aims on always visiting the organization and having felt the same way they felt upon their previous visit. The significance nature of these questions seemed lower and proved insignificance but the mean are above the limit i.e. 2.5 which makes it a appropriate question to determine the importance of the factors asked on determining their social bond.

4.6   Customer Orientation

This section seeks to know the limit to which customers are made aware of the situations and developments in the hotel.

Table 4.8 customer satisfaction

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2-tailed)	Mean Difference	Std. Deviation
17	-2.173	2.2250	.036	-.27500	.80024
18	-.458	2.4250	.649	-.07500	1.03497
19	.000	2.5000	1.000	.00000	1.03775
20	-3.612	2.0250	.001	-.47500	.83166
21	-5.759	1.8750	.000	-.62500	.68641
22	-4.760	1.9750	.000	-.52500	.69752
23	-2.687	2.1250	.011	-.37500	.88252

Source: Field work, 2015.

It can be deduced from the table above that the variables which are the questions that was asked by the researcher to respondents contributes to the objective of the researcher. Their significant on the average can be seen as 0.005 which out of seven questions, three was seen significant.

The average level of mean required to say for a fact that majority of the respondents agreed to the fact that the hotel always communicate to them the changes and other issues they have undergone for improvement of services is 2.5. Any mean below shows a high output which is seen is this instance. Almost all the variables responds below 2.5 as mean except question 19 which had exactly 2.5.

4.7   Customer Satisfaction

The researcher asked various questions to customers to determine their level of satisfaction of the services rendered to them by the Rexmar Hotel ltd. As indicated earlier, the test value was also set here at 2.5 indicating that any mean result from respondents to a question below 2.5 is accepted.

In addition to this the significant level of the questions to the area of discussion has to be below 0.05 to be deemed as significant.

It can be seen from the table 4.9 below that the mean distributions of the various responds from respondents were all below the 2.5 acceptable frame which makes them accepted but it was only one that produced a significant level above the 0.05. But in all it can be concluded that majority of them are satisfied with the services rendered by the Rexmar Hotel ltd.

Table 4.9

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2tailed)	Mean Difference	Std. Deviation
24	-2.683	2.0500	.011	-.45000	1.06096
25	-3.371	2.0250	.002	-.47500	.89120
26	-4.093	1.8750	.000	-.62500	.96576

Source: Field work, 2015.

4.8   Customer Retention

Customer retention here seeks to indicate the customer decision and readiness to maintain relationship with the Rexmar Hotel as a result of the research conducted. As indicated in the research objective, customer retention is one vital area for consideration as far as this research was taken in to consideration.

Customers by their responds to the various questions asked by the researcher indicate their readiness to continue patronizing the services of Rexmar Hotel.

The table 4.10 below represents the findings of the issues asked under the customer retention.

Table 4.10

QUES	TEST VALUE = 2.5				
	T	Mean	Sig. (2tailed)	Mean Difference	Std. Deviation
24	6.426	3.7000	.000	1.20000	1.18105
25	-1.464	2.2500	.151	-.25000	1.08012
26	-2.449	2.3000	.019	-.20000	.51640
27	-4.634	1.8750	.000	-.62500	.85297
28	-4.634	1.8750	.000	-.62500	.85297

Source: Field work, 2015.

4.9 Discussion of the findings

This research study, which is concerned with evaluation of relationship marketing strategies for customer retention in the hospitality industry in Kumasi, Ghana-a case study of Rexmar Hotel, Kumasi has been carried out.

Certain findings here have been made that attract a summary discussion here.

Firstly, it was discovered that service quality is an essential ingredient for customer retention in the hospitality industry. Customer retention is an indispensable tool for successful relationship marketing practice in the hospitality industry. Therefore management of such industries is to discover various strategies that will suite their target market and enable them to gain and retain them.

The peculiar characteristics of the hospitality industry being, essentially, a service industry make the analysis of these factors particularly beneficial in terms of a hotel's profitability, market-share, maintaining a pool of loyal customer and sustainability of hotels. From this follows the need to adopt a relationship marketing strategy, which will take into account all the factors which have a direct or indirect bearing in the implementation of this strategy. On the other hand, customer retention programme as an integral part of relationship marketing practices can only be executed within the context of these strategies given the need to build, enhance and maintain relationship with customers within the framework of such parameters as trust, commitments, cooperation, and communication and shared values. This calls for critical analysis of the various relationship marketing processes in the organization.

Rexmar Hotel has various strategies and practice of ensuring customers retention. It starts with the ensuring that customers have their trust in their services. This is done by the management and staff of the hotel always communicate to their customers their new

products and services available and the appropriate once for each client. Most clients depending on their nature and expectation on their stay at the hotel has their demands, therefore the management of the hotel put in place measure to ensure these demands of the clients fulfilled. It was noted in the study that particular clients will always choose the Rexmar Hotel for an out of home stay because of the trust they have been able to build with them.

Also the commitment of the Rexmar to its customers was not well explained since most customers indicated their commitment to the Rexmar Hotel but saw as a fact that in certain situations the management of the Rexmar Hotel overlook the customer's commitment and seek their interest instead of that of the customers in a normal day. This mostly had customers wondering whether to continue patronizing their services or try the services of another Hotel.

In conclusion, the hotel has only two management members who mostly keep track of their customers and perform most of and the Hotel marketing and operational duties. This affects the general practice of relationship building of the hotel and its customers on the part of the other staff/employees. Therefore management is required to train employees on relationship marketing and the strategies they can adopt to build such relationships with their clients and also delegate some of the marketing and operational duties to other qualified staff, if some exist, or employ additional staff to cater for such duties. This when done will reduce the responsibilities of managements and therefore have enough time to stay in their offices to ensure such relationship marketing practice are being practice by the employees and also have personal interactions with clients.

CHAPTER FIVE

SUMMARY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1   Summary findings

Based on the perspective that the researcher focused the research work, customers were given the priority to determine the modes management of the hotel can use to retain them. And the findings indicates that customers loyalty to the hotel depends on various factors such as the hotel level of trust the customers perceives, also the level of social bonds between the hotel and the customers, the extent to which the hotel is willing to commit to their relationship to the customers and also the level of due care the hotel owns to the customers.

it can be ascertain that the responds from the respondents in this research were not bias since not only did they indicate their different level of each variable considered by the researcher but also clearly distinguished their responds based on their individual desires and wants. Thus to say each variable to every respondents has its own grading system. But the fortunate things were that respondents' satisfaction means so much to them when they are considering revisiting the hotel to enjoy their services.

It was also found out in the research that for customer to determine whether or not to maintain his relationship with the hotel and continue to patronize their services had a little or nothing to do with the tenure of their patronization of their services but has a lot to do with their first point experience and the level of satisfaction they got from the hotel.

5.2   Conclusions

The study is purposely meant to impact the Hospitality management industry in the area of maintaining their existing customers and through them marketing themselves and making new customers. In this study, the researcher came across many findings and

from the findings made various conclusions which based on the researchers view can be accepted by the various Hospitality industries especially Rexmar as a guide for relationship marketing approach to retain its customers.

The basic standard deviation and mean used in the analysis proved the variables selected for this research are significant and therefore when the various selected variables are employed into the running of various hospitality industries, customer retention would be a great advantage to the management.

To enhance customers' satisfaction, the following critical issues can be adopted in the hotel industries:

i.   Efficient technology and internet facilities ii.   Regular update of customer database. iii.   Practicable loyalty programme to stimulate switching barriers.

iv.   Efficient internal marketing activities and

v.   Ensure provision of the services that continuously satisfy customers.

Also it was deduced that customer satisfaction is the most important factor to consider when you aim at maintaining the existing customers and through them advertising the hotel and getting more customers. This is basically through the word of mouth recommendation. Their continue visit and using of the facilities of the Hotel automatically draws others to find out the special experience that is pulling him/her to the place.

This as explained doesn't mean that the other variables examined above such as trust, social bonds, orientation etc doesn't contribute in the retention of customers but the concluding fact from the findings states that customers satisfaction means in lot in terms of aiming to retain them.

5.3   Recommendations

In view of the findings from this research study carried out which is concerned with evaluation of relationship marketing strategies for customer retention in the hospitality industry in Ghana with Rexmar Hotel, Kumasi as a case study. The following recommendations have been put forward which will go a long way to assist hotels to develop strategies for customer retention for sustainability of their business by enhancing their profitability and increase in market share.

Hotels need to establish the rationale for building, enhancing and maintaining relationships in hospitality enterprises so as to tap from the numerous potentials and benefits accrued from it.

Sources of customer satisfaction should be identified to enable the hotel improve on the current level of services performance and examine areas where product or service innovations could be made. This would assist the hotel evaluate the processes of relationship building and enhancement such as trust, commitment and communication.

In addition, the hotel should understudy the peculiarity of Ghanaian environment such as security and crisis management.

To command an adequate number of loyal customers, hotels should maintain and improve on its level of quality of services and consider the five service quality constructs of reliability, assurance, tangibility, empathy, and responsiveness.

Finally, the hotel should introduce and implement customer switching barriers and introduce other customer oriented incentives to ensure continued customer loyalty and customer retention.

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APPENDIX

QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

KUMASI

Questionnaire to customer of Rexmar Hotel, Kumasi

This questionnaire seeks to collect data on 'an evaluation of relationship marketing strategies for customer retention in the hospitality industry in Ghana- A case study of Rexmar Hotel, Kumasi". The data gathered will be used for academic purpose only.

Please answer the questions that follow. Thank you.

Section A

1 Sex: Male   Female

2. Age group (in Years): 20-29   30-39   40-49   50-59

3. Education: WASCE   Diploma   Degree   Post Graduate Degree

Others, please, specify……………………………………………….

4. Experience (in Years):5-9

  10-14   15-19   20 and above

5. How often does u patronize the services of this Hotel?

a) always   b) very often c)often   d)rarely   e)first time

Please indicate the extent to which you agree with the following statements by ticking the appropriate answer using the scale below:
Strongly agree = 1, Agree = 2, Neither agree nor disagree = 3, Disagree = 4, Strongly disagree = 5 Relationship between the company and its equipment supplier

Trust

1. I can always trust the services of Rexmar

   1   2   3   4   5

2. Rexmar Hotel is of high integrity

   1   2   3   4   5

3. Rexmar Hotel keeps his promises

   1 2   3   4   5

4. When Rexmar Hotel makes important decisions, he also considers our interests

   1-2 3   4   5

5. The management tries very hard to establish long term relationship with customers

   I   2   3   4   5

6. The Hotel constantly keeps in touch with customers

   1   2   3   4   5

Commitment

7. Rexmar always sees things from the point of view of customers

   1   2 3   4   5

8. I have the intention to maintain and develop our relationship with Rexmar Hotel

   1   2 3   4   5

9. This relationship requires a lot of effort and involvement

   1   2 3   4   5

10. Rexmar spends enough effort on this relationship

   1   2   3   4   5

11. We always feel satisfied in the relationship with Rexnar

   1   2   3   4   5

12. Deciding to seek the services of Rexmar was the right decision I made
   1   2   3   4   5

Social Bonds

13. If I were to switch hotels, I would lose a very good one

   1   2   3   4   5

14. I have no doubt; Rexmar always fulfils its promises

   1   2   3   4   5

15. Rexmar knows me personally

   1   2   3   4   5

16. Rexmar always returns my phone calls promptly

   1   2   3   4   5

Customer Orientation

17. Rexmar obtains ideas from us in order to improve their offers to us

   1   2   3   4   5

18. Rexmar always carries out frequent studies on us to find out what services we will need

   1   2   3   4   5

19. Rexmar is able to detect changes in our needs preferences immediately

   1   2   3   4   5

20. Rexmar encourages us to make complaints and comments about their products and services

   1   2   3   4   5

21. Rexmar attends to our complaints immediately they are received

   1   2   3   4   5

22. Rexmar has our best interests at heart.

   1   2   3   4   5

23. Rexmar takes a problem solving approach in delivery their services to us

   1   2   3   4   5

Customer satisfaction

24. Overall I am currently satisfied with the services provided by Rexmar Hotel

   1   2   3   4   5

25. If we had to do it all over again we would choose Rexmar

   1   2   3   4   5

26. We are very pleased with what Rexmar does for us

   1   2   3   4   5

Customer retention

27. It is very likely that I will quit going to Rexmar for relaxation and business

   1   2   3   4   5

28. I will find it very difficult to switch to other places because of what I get from here.

   1   2   **3**   4   5

29. I intend using other products and services of the hotel

   1   2   3   4   5

30. If asked, I would definitely recommend Rexmar to any of my friends and family

1   2   3   4   5

31. I usually say positive things to other people about Rexmar

1   2   3   4   5

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