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FACULTY OF COMMERCE

An evaluation of customer retention strategies used in the hotel industry with a specific focus on Flamboyant hotel (2010-2016)

BY

R137069V

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DEDICATION

This dissertation is dedicated to my parents. Your amazing support has taken me this far.

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My gratitude goes to my project supervisor who has assisted me so much in carrying out this dissertation. In addition to that, many thanks goes to the Management and the rest of the staff at Flamboyant Hotel for granting me an opportunity to carry out my research at their company. Finally, I would like to extend my heartfelt gratitude to my parents for their support in my academic endeavours.

ABSTRACT

This research sought to evaluate the customer retention strategies used in the hotel industry from (2010-2016). The study was motivated by the persistent loss of customers at Flamboyant Hotel despite its implementation of customer retention strategies. The research aimed at determining the importance of customer retention management practises of Flamboyant Hotel. The study also focused on deriving the factors which influence the choice of customer retention strategies. Furthermore the research tried to determine the challenges faced in implanting customer retention strategies. The research focused on the major theories of customer retention which are the relationship commitment model, holistic approach and the conversion model. The concept of customer attrition was also discussed in the study. Descriptive research method was used in order to gain a better understanding of the problem at hand which is customer loss at the hotel. Questionnaires and Interviews were used as data collection instruments. A sample size of 150 customers, 5 managers and 20 employees was used. The researcher used tables in data presentation and inductive technique was used as a data analysis tool. The findings indicated that if a company effectively implements customer retention strategies, its customer loyalty will be enhanced. However failure to effectively implement customer retention strategies leads to customer loss. The study findings also illustrated that the company was failing to effectively implement retention strategies because of the cost that is brought about by implementing retention strategies. Furthermore customers were dissatisfied the hotel's service, ambiance and service recovery systems.

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Abbreviations

CR- Customer Retentions

Definitions of key terms

Customer Retention - The ability of a company to maintain long term profitable relationships with customers.

Customer Attrition - The persistent decline in market share.

CHAPTER I

GENERAL INTRODUCTION

1.0 Introduction

It is very crucial to implement effective customer retention strategies to avoid customer loss to competitors. Brick and Berndt (2004) postulated that most companies exert excess effort in trying to lure new customers but only a few companies take the necessary measures to retain existing customers. Nowadays, customer retention not only involves meeting customer expectations but rather exceeding them so that customers become loyal to the company's brand. Chokera & Dube (2011) insinuated that it is cheaper to market products to existing customers than to a new market. This implies that it is less costly to hold on to a customer than to acquire a new one, hence effective customer retention has become a key objective for many companies. This chapter will present a background of the study, problem statement; research objectives, research questions, justification of the study, research assumptions, delimitations and limitations.

1.1 Background to the study

Flamboyant Hotel is under the Regency Hotels and Leisure Group which is owned by Zvobgo Holdings Limited. The two star hotel is located eight kilometers away from the Masvingo Central Business District. The Hotel's core business is tourism, hospitality management and conferences. Flamboyant is the biggest hotel in Masvingo with a carrying capacity of 106 rooms which comprises of 50 singles, 29 doubles, 21 twins and 6 executive suits.

Apart from small lodges, the hotel has a number of major competitors which are Great Zimbabwe Hotel, Amazing Village and Chevron Hotel. When the company commenced its operation in 1972, it had the greatest market share in Masvingo. However over the past decades, the hotel's market share has been persistently declining. The major reason being that consumers were gradually rejecting the hotel's products for its competitor's facilities. Table 1.1 depicts the annual market share statistics for Flamboyant and its competitors. This information was derived from the Zimbabwe Tourism Authority's annual statistics.

Table 1.1: Annual market share statistics as at Dec 2016

YEAR	%MARKET SHARE				
	GREAT ZIMBABWE	AMAZING VILLAGE	FLAMBOYANT	CHEVRON	Other Lodges
2010	38		21	15	26
2011	39		19	13	29
2012	37		18	12	33
2013	31	15	15	12	27
2014	30	18	13	10	29
2015	32	17	10	11	30
2016	34	18	10	9	29

Source: (Zimbabwe Tourism Authority statistics 2016)

The table clearly illustrates that the Hotel's customer base had been decreasing and this had been an unfavourable condition for the company. To try and curb this decline in market share, the company implemented various customer retention strategies. Flamboyant focused on customer loyalty programs. Loyalty schemes involved granting various rewards to the hotel's clients for their loyalty. Any customer who brought a minimum of 1000 dollars or more per month received a 15% discount. T-shirts were also offered to guests before their departure. Flamboyant also granted one night free accommodation to those guests who stayed at the hotel for more than five nights. However, due to the hotel being fully booked on most occasions, it was usually a challenge for clients to obtain free accommodation from the hotel.

In addition to that, the hotel also focused on enhancing customer satisfaction through the delivery of quality goods and services. Buttle (2008) insinuates that it is only a delighted customer who can be retained. The reception looked appealing everyday with well decorated flowers thus giving the first wonderful impression of the overall hotel. Guests rooms, public areas, restaurants and the bars were always kept clean and well ventilated. The hotel had excellent internet connection for the guests. Receptionists, waiters and barmen who directly interacted with the guests were always presentable and polite to create a friendly atmosphere for the guests. Promptness in serving guests was practiced to avoid wasting the client's time. Porters were responsible for welcoming guests and carrying their bags to their allocated

rooms. The hotel offered a wide range of dishes which included traditional meals like okra and mushroom. The hotel also offered special dishes for diabetic people. Both alcoholic and non-alcoholic beverages were available at the hotel. Room service was also offered to those guests who preferred to have their meals in their rooms instead of going to the restaurant. The hotel also engaged in out catering services which involved serving food outside the work environment for example at weddings. Upon check out, porters escorted guests to their cars whilst carrying their bags. However, sometimes service quality varied depending on the individual who served the client. Some employees were impolite to the clients especially in the absence of supervisors.

Moreover, the hotel also encouraged and welcomed customer complaints. According to Jobber (2010), welcoming customer grievances improves on service recovery system. The sales team placed guest questioners in every room. These gave room for all guests to point out their views regarding the hotel's service quality. Moreover post sales follow ups were also conducted through sales calls and visits, toll free numbers and emails. Flamboyant also organised outings for its clients to provide them with a relaxed platform in which they would freely air out their views about the services they previously received. However, despite receiving various complains especially on service quality, the organisation took time to address the complains and sometimes failed to take any action in addressing the complaints.

The sales team also kept a customer data base which contained all information pertaining every customer. These data bases included name of clients, their companies and positions in the company, the type of guest rooms they usually prefer and their date of births. Customer information was converted into customer knowledge. Due to the use of a customer data base, receptionists could identify clients upon arrival without having to ask their names first. This allowed guests to feel recognized and respected. The collection and analysis of customers information was also used for developing highly personalized offerings. Upon arrival, regular special guests like politicians and well established business people were offered special rooms and meals that suited their status. The sales team also used the same data base to send birthday messages and customer appreciation messages to clients. This enabled existing clients to develop a sense of belonging with the organisation. This information assisted the sales team in maintaining persistent contact with the clients through phone calls and emails to convince existing clients to continue using the hotel's facilities.

Despite the use of these strategies, the company has been persistently losing its customers to competitors. It is against this background that the researcher intends to evaluate the customer retention strategies that are currently being used by Flamboyant Hotel.

1.2 Statement of the problem

There is an observable trend of customer loss at Flamboyant hotel. The hotel has been spending huge sums of money on the implementation of various customer retention strategies that include loyalty programs, provision of quality services and service failure recovery systems to try and retain its customers. Despite those efforts the hotel has been failing to retain its customers.

1.3 Research Objectives

- To determine the importance of customer retention management practices of Flamboyant Hotel.
- To determine the factors which influence the choice of customer retention strategies.
- To determine the challenges faced in implementing customer retention strategies.
- To determine the factors behind persistent customer loss at Flamboyant Hotel.

1.4 Research Questions

- What are the current customer retention strategies being used by Flamboyant?
- How effective are the customer retention strategies used by Flamboyant?
- What are the factors influencing the choice of customer retention strategies?
- What are the reasons for persistent customer loss at Flamboyant?

1.5 Significance of the study

1.5.1 To the researcher

The process of carrying out this research project equipped the researcher with skills on how to carry out a detailed research. This experience will allow the researcher to effectively carry out any other researches that may be assigned to her in the future. In addition to that, the study also enhanced the researcher's academic development by providing a better understanding of customer retention as a concept.

1.5.2 To Flamboyant

The research will provide the management of this hotel with a better understanding as to why the market share is repetitively declining despite their attempts to keep existing customers. Moreover, the study will suggest other effective retention strategies for the company.

1.5.3 To the university

The research adds to the existing body of knowledge used for academic researches. As a result, this study will provide secondary data that may be used as a reference by future researchers. Moreover, the study has the ability to market the university especially if the project outcome benefits Flamboyant hotel.

1.6 Research Assumptions

In carrying out this research, it was assumed that participants are easily accessible and will be willing to give factual and adequate responses to the research questions. The sample size used was a true representation of the population under study. All information derived from the data collection process was kept confidential since it was meant for academic purposes only. The results of the study were accurate and relevant to the study. The instruments used in this document were reliable and valid.

1.7 Delimitations

The research focused on the evaluation of customer retention strategies used in the hotel industry with a specific focus on Flamboyant Hotel which is located in Masvingo. The research was based on the hotel's performance from January 2010 to December 2016. Information was collected from the hotel's managerial employees and as well as the hotel's clients. The researcher chose this company because she was an attaché student at the hotel and she had exposure to the company operations.

1.8 Limitations

- It was a great challenge for the researcher to come up with expedient time schedules for the hotel's managerial interviews. Not all planned interviews were conducted, however efforts were made to ensure that an acceptable percentage of the intended interviews were conducted.

- During the data collection process, the hotel's clients showed great resentment and unwillingness to co-operate with the research. The respondents felt that their routine work was being obstructed by the researcher. However, the researcher had to persistently persuade the respondents to attain their cooperation.

1.9 Chapter Summary

This chapter was a general introduction to the research project. It illustrated the company's problem which is persistent loss of clients. The various retention strategies that the company has been implementing to try and reduce customer loss were also discussed in this chapter. Objectives of the study were also shown in this chapter. The benefits of the study to the researcher, university and company were also pointed out. The end of the chapter then presented the various challenges that the researcher encountered in carrying out the project and how she overcame these obstacles.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

The intense competition that is being faced by companies in the hotel industry has activated the need to implement effective customer retention strategies for companies to withstand competition thus remaining profitably viable. Customer retention has emerged to be a yardstick to many companies. Also to be borne in mind is the issue of customer attrition which is a result of failure to retain customers. The concept of customer attrition was examined in this part of the study. Moreover, the chapter will point out various customer retention theories which illustrate different factors that influence customer retention. In addition to that, different customer retention strategies will be discussed as well as the challenges faced in implementing these strategies. Factors that influence the choice of customer retention strategies will also be postulated in this chapter.

2.1 Customer Retention Defined

Mostert, Meyer & Rensburg (2009) defined customer retention as an effort done by a company to persistently do business with its existing customers Groonroos (2008) postulated that customer retention is the ability to fight competition by keeping clients for repeated business over a prolonged time. Sharma (2009) further reiterated that any activity that is used by a company to delight and capture a customer in a way which enhances loyalty is customer retention. Conventionally customer retention is also defined as the number of customers conducting business with a firm at the end of a financial year, expressed as a percentage of those who were active customers at the commencement of the year (Gummesson2008).

Buttle and Ang (2004) also insinuated that a company cannot afford to keep an unprofitable customer hence customer retention also involves customer contribution versus the company's investment in the customer. It can therefore be concluded that customer retention refers to any activity done by a company to ensure that it sustains long term profitable relationships with its customers.

2.2 Theories on factors influencing Customer Retention

There are four major customer retention theories. The theories pointed out various factors which influence customer retention. These theories are Relationship Commitment Model by Sharma and Patterson (1999), Holistic Approach by Ranaweera and Prabhu (2003), Conversion Model by Reichheld (1996) and Holistic Approach by Ranaweera and Neely (2003)

2.2.1 Relationship Commitment Model

According to Sharma and Patterson (1999) the establishment of a strong relationship between a company and its customers results to enhanced customer retention. The model stated three factors which affect the establishment of a prolonged relationship with customers and these factors are communication effectiveness, trust and service quality.

2.2.1.1 Trust

Trust is the hope that the service provider will be able to successfully deliver the service in a manner which satisfies customers. Trust also refers to the dependence or assurance in a company's service provision. Gummerson (2008) pointed out that the greater the trust between an organization and its customers, the stronger the relationship commitment. This entails that organizations can enhance customer relationship by building trust with its customers. Kurtz (2002) insinuated that a customers' past experience with a company is the greatest factor which affects a customer's level of trust in the company. If a customer previously received a good service from the company, his trust in the company will be high, however if a customer previously had a terrible experience then his trust in the company will be low. Moreover, Kurts (2002) also postulated that word of mouth influences customers' trust in the company. Nilson (2008) pointed out that customers usually seek opinions of others before making purchases. If a negative word of mouth is spread about a company, clients tend to lose confidence in the firm. Contrary to that, if a positive word of mouth circulates, customer trust in the company is increased leading to an enhanced relationship commitment.

2.2.1.2 Communication Effectiveness

It is generally agreed by all societies that the strengthening of any relationship requires effective communication (Gummerson 2008). Partners in a relationship need to decide on the way of communication and the quantity of information to be disseminated. The frequency of communicating must also be decided. Communication must be a two way process in which

the organization can disseminate information to inform customers of new products, promotions, advice on product usage or service recovery messages. On the other hand, the customers must be reciprocal by forwarding their complaints and requests to the company. Kurtz (2002) agreed with Jobber (2004) who proposed that marketing communication channels such as public relations, advertising, sales promotion and personal selling strengthen customer trust in the company. The organization must also gather and analyze customer information for the improvement of their marketing effort decisions. Consumer's desired level of service and zone of tolerance can be modified by advertising (Zeithaml & Parasuraman 2003). The greater the communication, the greater the trust and the relationship commitment (Gummerson 2008).

2.2.1.3 Service Quality

Gronroos (2004) divided service quality into two components which are functional quality and technical quality. Technical quality refers to the benefits derived from the service provider for example clean rooms at a hotel, tasty food and good internet connection. On the other hand, functional quality is concerned with the way in which a service is delivered for instance the way in which receptionists and waiters interact with guests at a hotel whilst serving them. It is argued that the greater the perceived technical and functional quality, the higher the level of trust and the stronger the relationship commitment (Groons 2004)

2.2.2 A holistic approach to Satisfaction, Trust and Switching barriers

Ranaweera and Prabhu (2003) proposed one of the theories that looked at the effects that satisfaction, trust and switching barriers have on customer retention. It evaluated both the independent and integrated effects that these factors have on customer retention.

2.2.2.1 Customer Satisfaction

In this theory, Ranaweera and Prabhu (2003) reiterated that any long lasting customer relationship results from customer delight. Lovelock et al (2007) postulated that when customers are satisfied with a service or product, they become loyal to the company. As a result, the organization should effectively meet the needs of customers to enhance prolonged purchases (Kotler 2010). Moreover, companies should provide value for money to increase customer satisfaction (Gronroos 2008 and Gummesson 2008).

2.2.2.2 Perceived switching barriers

Ranaweera & Prabhu (2003) stated that switching barriers can be referred to as a consumer's assessment of the opportunities available to shift from one service provider to the other and also the constraints that hinder the act of shifting. The higher the cost of shifting, the higher the chances of retaining a customer. Contrary to that, if the bargaining power of customers is high, they can easily move from one service provider to the other with very limited or no switching costs. Thus firms acquire new customers who would soon be attracted to other firms due to less or no switching costs (Levy and Weitz 2009).

2.2.3 Conversion Model

The model was formulated by Reichheld (1996) who stipulated that customer satisfaction on its own is not adequate to retain customers because in some cases satisfied customers may switch to competitors. Reichheld pointed out that customer loyalty is the most important aspect in minimizing customer loss. The conversion model focused on three factors which influence customer loyalty and these are the level of customer involvement in the search process, attraction of alternatives that is how customers compare a firm's offers with those of competitors and finally ambivalence.

2.2.3.1 Level of involvement

The level of customer involvement in the provision of goods and services offered enables customers to develop a sense of belonging to the organization. Reichheld insinuated that companies must seek customer opinions when making major decisions pertaining to the services offered. The more the customers are involved in the company's marketing operations, the more they become attached to the company. Even if the customer is dissatisfied but involved, his primary strategy will be to try and fix the relationship with a company rather than shifting to competitors. However if customers are uninvolved, they will simply switch to other firms without any hesitation. Involvement creates a willingness to tolerate dissatisfaction thus minimizing customer loss.

2.2.3.2 Attraction of alternatives

Under attraction of alternatives Richheld (1996) argued that if customers perceive competitor's services to be more valuable , they will shift to competitors. Sharma & Patterson (2000) stipulated that when customers are not aware of the available competing substitutes, they remain in a service relationship despite their dissatisfaction. In addition to that, Patterson and Smith (2000) also concluded that customers tend to be less committed to one supplier

when they start perceiving competitor services as differentiated and better in terms of price and quality.

2.2.3.3 The extent of ambivalence

Reichheld identified ambivalence as a state in which the customer is not completely committed to the firm's products due to dissatisfaction with a certain component of the product. Customers will not be certain of what to do thus they will either leave or stay. However this condition increases customer loss because customers can easily shift to rival firms if they find better services.

2.2.4 A holistic approach to Quality, Price, Indifference and Inertia

The holistic approach to customer retention was drafted by Ranaweera and Neely (2003). The approach focused on four factors which are service quality perceptions, price perceptions, customer indifference and inertia.

2.2.4.1 Service quality

A number of studies have shown that there is a positive link between perceived service quality and customer repurchasing intentions Ranaweera & Neely (2003). Service quality is when a company can provide goods and services that satisfy customers. Girish (2010) pointed out that a slightest problem in service standards will lead to customer loss since customers are always faced with a wide range of choices from competitors.

2.2.4.2 Price

According to Ranaweera and Neely (2003) there is a direct relationship between price perceptions and customer behavioral intentions thus the better the perceived price, the greater the level of repurchase intentions. Price satisfaction enhances customer value perception and there is a direct relationship between price and value (Ralston 2003). Price is a key factor in inducing rebuying behavior depending on how price sensitive the customer is (Hidalgo et al.2008).

2.2.4.3 Inertia

The higher the level of inertia the larger the level of repurchase intentions, this is according to Ranaweera and Neely (2003). Inertia described those customers who are simply unwilling to take action. Ranaweera and Neely (2003) based their description of inertia in their study as a

non-conscious form of retention. Customers who have a higher inertia will continue repurchasing a firm's product even if they are dissatisfied because they are unwilling to switch to competitors (Ranaweera and Neely 2003)

2.2.4.4 Customer indifference

The higher the level of customer indifference, the higher the level of repurchase intentions. Indifferent customers are not concerned about finding better offers from competitors. Customers who have negative perceptions about the service but who also show a certain level of indifference are less likely to shift because they do not see any benefit attained from switching (Ranaweera and Neely 2003).

2.3 Customer Retention Strategies.

These are the activities conducted by a business to ensure that it maintains long lasting relationships with its existing clients Sharma (2004). A customer retention strategy is also defined as any technique done by the company to minimize customer attrition Chokera et al (2009). A customer retention strategy is any effort exerted by the company to ensure that existing customers remain loyal to a company's products and services. Customer retention strategies include loyalty programs, service quality, total quality management, customer complains handling, service failure recovery systems and customer data collection.

2.3.1 Loyalty Programs

Schmidt and Carneiro (2009) pointed out that loyalty programs seek to reward customers for their loyalty to a company's products whilst enhancing the need to continuously purchase a company's product despite marketing efforts from rival firms. Loyalty programs include discounts, rewards and sometimes free services from a company. Research has it that loyalty programs are being used in creating long term profitable customer relationships (Uncles et al 2003) cited by (Reinekoski 2009). Mahajar & Yunus (2010) agreed with Uncles et al (2003) that loyalty programs are an incentive granted by marketers to lure customers into becoming loyal to a company product. Research indicated that the major motive of implementing loyalty programs is to minimise the switching of customers to rival firms (Bishop 2013 and Crofts 2011). However, Dowling and Uncles cited in Crofts (2011) argued that implementing loyalty programs is expensive as it requires funding and there is no guarantee that customers will remain loyal even after receiving loyalty programs. In addition to that, Lambin (2012) further argued that loyalty programs can be easily duplicated by competitors and as a result, it becomes difficult to derive a competitive advantage from these programs. Companies must

ensure that loyalty reward programs are properly executed in order to attain a satisfactory level of customer retention. However, a firm also has to be certain that the financial outcomes of the reward programs surpass the investments made in implementing those programs (Crofts 2011).

2.3.2 Provision of quality services.

Customer service should be considered by organizations as a device that facilitates the derivation of competitive advantage amongst rival firms (Kotler et al 2009). Quality services can be defined as an excellent standard of service delivery which meets customer expectations (Palmer 2001). Customer service involves various activities in which a business directs knowledge and respect to its customers (Mostert et al 2009), high level of quality in product and service offerings (Lovelock & Wirtz 2007) and service procedures that enhance customer involvement (Chokera et al 2011). It has been noted that customers in the hospitality industry usually want to conduct business with organizations that exceed quality services and also proceed to provide core benefits (Skaalsvik 2013, Chokera et al 2011 and Kandampully 2007). Park and Roberson (2005) identified customer service principles that organizations in the hospitality industry should observe when providing services to the customers and these include polite gestures of employees, neat appearance of employees, on time performance, personal attention, knowledgeable employees and willingness to assist customers. In addition to the basic principles mentioned above, several authors advocated for the organization to implement the golden rule in which the organisation has to avoid arguing with the customer (Nilsson & Sandberg 2010 and Payne 2006). Moreover, research shows that customer service should be accompanied by employee empowerment which enables them to flexibly act in any manner that maximises provision of quality customer services (Heathfield 2012). However, Lovelock et al (2007) postulated that customer services that are directed to meet customer requirements and to exceed expectations of the customers do not only satisfy the customers but simply leave a love mark that will enable customers to develop repurchase intentions.

2.3.3 Total Quality Management

Doing it right the first time is the first rule of providing quality services according to (Zeithaml 2003). If this occurs, chances of experiencing customer dissatisfaction will be low since customer expectations are met. Furthermore costs associated with refunding clients and redoing the service are mitigated. Total Quality Management (TQM) practices are aimed at

obtaining zero defects. In the hotel industry these include conducting food tests after food preparation to ensure that the food served to clients is not toxic. TQM practises assist service providers in detecting mistakes and avoiding them through quality control mechanisms (Shahin & Ghasemaghaei 2010). TQM practises help service organizations to redesign service operations so that mistakes are promptly detected and prevented (Shahin et al 2010). These practises act a mistake proof for service providers, to ensure that essential service procedures are followed effectively and efficiently. If TQM practises are effectively implemented, service defections will be minimised leading enhanced customer loyalty and retention (Zeithaml 2003).

2.3.4 Customer Complaints Handling

Despite an organisation's intention to derive 100% service quality or zero defeats, it is inevitable for a company to encounter service failures. Based on that, it is crucial to welcome and encourage customer complaints (Zeithaml 2003). Encouraging customers to point out service failures and problems will allow the company to have an insight as to where they are failing to meet customer needs (Jobber 2012). Zeithaml (2003) further reiterated that a customer who is open enough to share his complains with the service provider should be viewed as a friend to the company not an enemy. Complaints can be tracked and encouraged through the use of questionnaires, toll free numbers, emails, sales visits and sales calls. Jobber (2010) pointed out that to minimise customer loss to competitors, organizations need to encourage complaints so as to improve on service delivery and customer satisfaction which results in customer retention.

2.3.5 Service failure recovery systems

Zeithaml & Mary (2003) defined service recovery as a response to a service failure through actions taken by an organization. Actions taken by a company to get rid of a service failure is service recovery as postulated by (Buttle 2009). There is need to encourage service recovery on the spot through empowered and knowledgeable workers who can quickly identify dissatisfaction signs when customers are experiencing a challenge. Thus an organization that encourages complaints should be quick to respond and act on them (Zeithaml 2003) as cited by (Mascareigne 2009). Efforts of service recovery should be flexible and workers should be able to come up with solutions that satisfy customers through the use of their communication skills and judgment (Lovelock 2007). Jobber (2012) pointed out that well skilled and empowered employees respond to service grievances quickly. This is crucial because the

successful resolution of a complaint as showed by most researchers allow customers to view the company's good image that was initially there before the service failure. Zeithaml (2003) points out that the first response from an organization to a complainant is to make an apology. This will reduce the tension and result to a spirit of working together rather than accusation. The next step is to try and quickly solve the problem. However, a company can also build systems that enable customers to solve some of their service needs through the use of technology for example giving clients hand outs on how to repair sophisticated goods if they develop faults after purchase (Pal 2011).

2.3.5.1 Mechanisms of service failure feedbacks

There are two feedback mechanisms available for customers and such are exit and voice according to (Zeithaml 2006). He also pointed out that customers have a choice of doing either nothing or expressing their displeasure after a service failure. Customers who select the voice mechanism are ideal for a company because they can make their complaints known to the organization. However some customers do not complain to a company but they simply proceed to report to a third party like the association of consumer rights whenever their rights are infringed (Buttle 2009) and they also complain to their networks such as family and friends. Buttle (2009) insinuated that the spreading of a negative word of mouth is disastrous for a company because it results in a bad reputation. An exit mechanism is when a customer simply switches to rival firms and stops buying from the company after experiencing a service failure. A company has to practise total quality management when its customers usually practice an exit mechanism to reduce defects hence enhancing customer retention (Zeithaml et al 2003). However, a company whose customers express displeasure in services offered can be retained by prompt service recovery. Research indicated that service recovery if effectively implemented enhances customer loyalty to the customers who would have encountered service failures (Ziethaml et al 2009, Nilsson et al 2010)**.** Service recovery does not only mitigate problems faced by customers but also tries to curb the recurrence of such problems (Ziethaml et al 2009). After receiving complains, prompt service recovery enhances a relationship between customers and a firm because customers will feel that their concerns and grievances are addressed and considered by a company (Worsfold J and Bradley G 2010). Customers whose complains are addressed after service failure usually engage in positive behaviour including spreading of positive word of mouth, repeated purchase and loyalty to the company's service or products (Nilson at al 2010).

2.3.6 Customer Data Collection

A customer data base includes information about the firm's customers such as their names, addresses, phone numbers, purchasing behavior and also their preferences. A firm can derive important information about clients through having conversations with them or from different touch points within the organization itself for example in a hotel, information can be obtained at the reception where customers leave their details before checking in (Brohman et al 2003). The importance of data collection is to change customer information into customer knowledge (Plessis and Boon 2004.) Managing knowledge properly can greatly assist an organization to successfully construct better customer relationships, resulting in enhanced customer retention (Akroush et al 2011, Yim et al 2005). An organisation has to know that the success of relationship management greatly relies on collecting and analysing customer information which enhances provision of highly personalized services which suit each and every customer. An example in the hotel industry is that customer information enables receptionists to recall the guest name without having to ask him first which makes him feel recognized and respected (Sigala, 2005). It is necessary for companies to remain competitive, and this aim cannot be achieved unless they make use of their existing knowledge about their customers. However nowadays hotels disseminate their customer information to different departments so that they are in a better position to cohesively implement successful activities that enhance customer satisfaction Akroush et al (2011). Customer data base also enhances better communication with clients through making telephone calls, sales calls and visits and emails thus strengthening customer relations Fan and Ku (2010).

2.4 The importance of customer retention strategies

Firms incur a lot of benefits from implementing customer retention strategies. These benefits include brand loyalty, direct referrals, increased number of purchases, increased profit, less marketing costs and survival under stiff competition.

2.4.1 Brand loyalty

Brand loyalty occurs when customers love a company's brand to the extent of continuously purchasing a company's product. Lovelock et al (2007) pointed out that when satisfied with a product, customers become loyal to that product. leads to repeat buying. Despite stiff competition from rival firms, firms which implement customer retention strategies increase chances for the customers to continue doing business with the same service provider

(McCarthy et al 2009). Loyal customers tend to be insensitive to marketing efforts of rival firms and as a result they cannot afford to abandon their usual brand for that of competitors.

2.4.2 Direct Referrals

Direct referrals refer to new customers who would have been encouraged by existing customers to purchase a company's product. Research shows that customers who persistently buy from the service provider use positive word of mouth to lure others to the organization and the referred customers are usually easy to retain (Kotler et al 2009). **Direct** referrals are a cheaper way of increasing market share because the customer base will increase without any marketing efforts from the company. Mc Cathy et al 2009 pointed out that if referrals are similar to the individuals who recommended a company's product, then there are higher chances that they become loyal as well.

2.4.3 Increased revenue.

It is worth mentioning that customer retention is based on the belief that building a sustainable relationship with customers is the cornerstone for attaining loyal customers who are much more profitable (Dowling, 2002). In this regard, the successful implementation of customer retention strategies will advantageous to the organizations adopting it, as such organizations can reap the benefit of increased revenue generation from continuous purchases of their products(Stockdale 2007). Moreover loyal customers often recommend the product to their friends and relatives who also increase profit by purchasing a firm's product.

2.4.4 Enhances survival under stiff competition

With the ever-increasing competition that is prevailing in the business environment, firms ensure that that they create switching barriers through the implementation of customer retention strategies (Daukševičiūtė et al 2011). Customers are always faced with a wide range of choices from other firms which provide similar services. Once customers are retained by a company, they become less sensitive to competitors' marketing efforts such that they will not see any significance of switching to competitors. It can therefore be concluded that the ability to retain customers enable firms to remain profitable despite the stringent environment in which they will be operating under (Levy and Weitz 2009).

2.4.5 Reduction in marketing costs.

The ability to retain customers entails that a company will encounter an increase in sales with less or minimum marketing efforts (Kotler et al 2009). Moreover direct referrals who are invited by a positive word of mouth from existing customers are lured without any promotional activities. As a result customer acquisition and retention costs are significantly reduced (Jang and Mattila 2005). Firms will end up incurring less advertising and promotional costs.

2.5. Challenges faced in implementing customer retention strategies.

There are various negative factors which companies encounter when implementing customer retention strategies. These factors are exorbitant costs, poor support from other functional managers, customer ignorance and subordinates incompetence.

2.5.1 High cost

The implementation of customer retention strategies is expensive. Loyalty programs require the spending of huge amounts of money in rewarding customers. In addition to that sales people who make sales visits to customers require additional allowances like fuel. Moreover most companies now use computers to keep their customer information leading to exorbitant costs of maintaining effective customer data bases. Software and hardware maintenance costs are exorbitant. Moreover the need to hire highly skilled staff with effective data base management skills is expensive (Trinton 2009).

2.5.2 Poor support from other functional managers

Major organizational functions are the accounts department, marketing, human resources, finance and operations. It is usually difficult for the marketing team to receive help from other departments in the implementation of customer retention strategies because these various functions have different views and goals. Differences in goal orientation and views result in poor cooperation from other departments because they do not realize the importance of implementing customer retention strategies. Chuck Schaeffer (2012) insinuated that the derivation of funding from the accounts and finance department to implement customer retention strategies is usually a challenge for most marketers because the finance team prefers to save money for investments other than spending money to try and retain customers.

However if the funds are finally granted to the marketing team, marketing managers who fail to account to the organisation on the benefits of the various customer retention strategies that

they implemented risk abandonment of future funding from the finance department. The finance department is responsible for allocating funds that are directed towards customer retention strategies hence failure to produce tangible results leads to withdrawal of funds. The finance department expects customer retention programs to demonstrate clear financial rewards to the business.

2.5.3 Customer Ignorance

Most customers do not see the significance of being involved in a company's customer retention strategies like loyalty programs or giving feedback on the services they received. Some customers are not aware of the benefits that are brought about by customer retention strategies to both the company and the customer. As a result some companies have been receiving less customer cooperation in the implementation of customer retention strategies Alshawi et al (2011). A loyalty survey done by Chuck Schaffer (2012) reported that the majority of consumers withdrew from loyalty programs because they lose patience in waiting for the points to accumulate so that they can derive their loyalty rewards. In the survey, consumers generally argued that it takes six to nine months of spending on average to derive enough points for rewards. However, the study also postulated that if a company manages to obtain cooperation from some individuals, such people who will be willing to earn high amounts of money from a company will drop an existing reward program for a new and better program if it arises from competitors.

2.5.4. Incompetent subordinates

Despite the management's willingness to try and keep customers, the management is not responsible for directly delivering

the goods and services to customers. Subordinates are responsible for the delivery of services and as a result service provision tends to differ depending on the employee who serves a customer (Kandampully 2007). In the hotel industry, examples of service deliverers are waiters, barmen and receptionists who directly interact with the guests. If subordinates have

a positive attitude towards retaining their customers for example being polite with clients then retention strategies will be well implemented. However, if the subordinates have a negative attitude towards exerting effort to keep their clients for example being rude to clients then the implementation of retention strategies will be negatively affected (Payne 2005).

2.5.5 Variations in customer expectations

Customers are different and because of that they prefer different goods and services (Sigala 2005). In the hotel industry for example, some customers prefer traditional dishes like sadza and mushroom whilst others prefer modern dishes like savoury macaroni. Other customers also prefer tiled rooms whilst others prefer carpeted rooms. In the process of trying to satisfy certain customers, a company might actually dissatisfy another segment of customers (Lin and Su 2003). It therefore becomes a challenge to try and satisfy all customers at the same time due to their various differences.

2.5.6 Poor vision and strategy.

Sigala (2005) postulated that before implementing customer retention strategies, a company has to conduct a thorough research to identify reasons which are leading to customer attrition. After that the company then diagonises its weaknesses by implementing customer retention strategies which mitigate the problem. However, some companies fail to conduct a research on the customer retention strategies that are most applicable and effective to that particular company's market. As a result the strategies will end up failing to deliver the expected results.

2.6 Factors that influence the choice of customer retention strategies

According to Ko et al (2008) there are many factors that influence choice of a customer retention strategies and these are the size and profitability rate of an organisation, organisational culture, maturity of information systems, the product or service features and customers.

2.6.1 Size and Profitability.

It has been proven that organizational size influences the choice of customer retention strategies (Ko et al 2008). Furthermore, Ko et al (2008) continues arguing that there variations between small and large firms in adoption of retention strategies. Large firms adopt effective retention strategies like total quality management and loyalty programs due to their

good risk management, their possession of a strong financial base, huge profits and competent workers. An example in the hospitality sector is the Victoria Falls Hotel which effectively implements the zero defect norm to retain its clients. However, smaller firms experience higher competition, financial difficulties, less profits and lack of expertise thus they select retention strategies that are affordable to them like deriving customer data manually hence these methods are less effective in maintaining customers.

2.6.2 Organisational Culture

This basically focuses on the company's way of conducting business. Some managers and subordinates believe that the customer is the king hence their organisations are more customer oriented (Daghfous and Barkhi 2009). Such firms tend to spend a lot of money by implementing strategies to lure and retain customers. Generally it will be an organisation's norm to treat customers well. Contrary to that there are some firms which do not give much attention to existing clients. Such firms mainly focus on attracting customers whilst giving less attention to existing clients (Chokera et al 2009). Such firms do not choose to engage in service failure recovery systems because they do not see the significance of satisfying existing customers and as a result such a culture leads to customer loss (Wolnic et al 2012).

2.6.3 Technological Advancement

Technological Advancement is another organizational factor that affects the choice of customer retention systems (Ko et al 2008). Firms that benefit more from technology tend to engage in customer retention strategies that include customer data bases, quality service provision through the use of sophisticated machines, total quality management and swift customer complains handling (Ko et al 2008). Furthermore, technological advancement is said to be a crucial factor in enhancing the marketing activities of a firm especially in the hotel industry (Bajgoric and Moon 2009). However, a company which is not technologically advanced tends to use less advanced retention strategies like loyalty programs such as discounts and rewards which do not require any technological advancement.

2.6.4 Nature of customers

When choosing a customer retention strategy, a company often analyzes its market. After experiencing a service failure, there are customers who practise either an exit or voice mechanism of responding to the service failure (Zeithaml 2006). Customers who select the voice mechanism simply make their complaints known to the organization and are usually willing to fix their existing relationship with the company. Such companies often choose to

implement derivation of customer complaints and prompt service recovery systems. However, some customers practise the exit mechanism whereby they do not complain to a company but they simply switch to rival firms after experiencing a service failure. Companies with such customers choose to practise total quality management to minimise any customer defects thus minimising customer loss (Zeithaml at ol 2003) .

2.7 Customer Attrition Defined.

Ahmad & Buttle (2002) defined customer attrition as losing a business to rival firms when a dissatisfied customer decides to reduce or stop purchasing a company's services and products and finds other competing products to satisfy his or her needs that an organization failed to deliver. Heavy users of a service usually communicate their dissatisfaction by reducing their purchases and moving their business to competition. Therefore, customer attrition as claimed by Reicheld et al (2003) is a major threat to a company whilst retaining customers is an opportunity. Reicheld et al (2003) pointed out that if customer needs are not met in service delivery, customers simply attrite and shift their business to rival firms. Karam (2009) argued that customer attrition has severe effects on profitability because it leads to a reduced market share. It can therefore be concluded that customer attrition is the reduction in a company's market share as customers shift to competitors.

2.7.1 Factors which lead to customer attrition.

There are various reasons which lead to customer loss. Such factors include poor pricing, substandard products, poor quality services, poor ambiance and poor service recovery.

2.7.1.1 Poor Pricing

Girish (2010) insinuated that any upward shift in price can result to the termination of a relationship between the company and the customer. Considering the economic hardships that are prevailing in Zimbabwe, customers have become more price sensitive. Customers always want to obtain a higher value for money, thus customers tend to bargain for cheaper prices but of course without compromising on quality (Murad 2011). Firms which charge unreasonably exorbitant prices for their goods may encounter customer loss. If competitors are offering the same products and services at relatively lower prices, then customers can switch to competitors (Berry 2001).

2.7.1.2 Substandard products.

These are products which fail to meet the expected customer needs and wants. Gronroos (2008) defined a substandard product as a product which fails to function properly thus yielding a negative outcome to the customer after consumption. In the hotel industry, substandard products include poorly prepared food and dirty rooms Kandampully (2000). Girish (2010) pointed out that if customers purchase substandard goods from a company, they will simply abandon the company's product and shift to rival firms which offer quality goods.

2.7.1.3 Poor quality services

Service quality refers to the manner in which a product is delivered to customers Gronroos (2008). Poor quality services result from incompetent staff members who fail to maintain satisfactory relationships with customers Varki & Brodie (2003). Poor services include rude and impolite employees, unpresentable employees, as well as unknowledgeable employees Zeithaml et al (2010).   Customers expect to receive good service quality from companies thus failure to receive such leads to customer attrition Wolnik (2012).

2.7.1.4 Poor ambiance

Ambiance refers to the atmosphere that is surrounding a business Daghfous and Barki (2009). An atmosphere that surrounds the business must be attractive and conducive for customers to purchase a company's products. In the hotel industry, poor ambiance is a very crucial factor which leads to customer attrition. Poor ambiance in the hotel industry includes dried lawn and flowers, poor maintenance of buildings as well as untidiness on both the external and internal environment of the business. Ko et al (2010) postulated that a hotel must be surrounded by an attractive environment which continues to reattract clients thus a poor ambiance leads to customer loss.

2.7.1.5 Poor service recovery

Service recovery refers to the action taken by a company to correct a service failure (Zeithmal and Mary 2013). After providing a poor service or product to the customer, certain companies fail to take corrective measures to mitigate the recurrence of such service failures (Buttle 2009). If customers point out the various problems they encountered with the firm, they expect the firm to be quick in correcting the service failure. Delays in service recovery leads to customer loss because customers cannot continue to spend their money on products or services that fail to satisfy them (Zeithmal and Mary 2003).

2.7.2 Customer Attrition Determinants

Customer attrition determinants refer to the various factors which have an effect in managing customer attrition as posited by (Athanasopoulou 2009 & Jobber 2004). These factors are widening gaps, role of management and value creation.

2.7.2.1 Role of management

Wolnik et al (2012) pointed out that the best way to reduce customer loss is by enhancing management's concentration and awareness in curbing customer attrition. Karam (2009) stated that competent managers do not always delegate the task of enhancing customer loyalty to subordinates but rather are also effectively involved in the process. Managers must connect themselves with both their existing and lost clients so that they closely examine their past failures. Wolnik (2012) further postulates that defected customers can be of greater use in providing insights towards service improvements and the ways of winning back lost customers. Wolnik et al (2012) adds that collective efforts between managers and subordinates in implementing the zero defect norm implementation assists in keeping customers. Moreover, the establishment of common initiatives of a more cohesive approach to the attrition problem and educating employees is effective in managing customer loss. It can be noted that the management's role is to come up with customer oriented decisions through empowering employees so that they are in a better position to control customer attrition.

2.7.2.2 Widening gaps

Wolnik et al (2012) defines a widening gap as the difference between perceived service and expected service. Day (2011) alludes that it is crucial to identify the gap between expected service and the actual service received by customers. The reasons behind the widening of the gap should be well understood and mitigated. Day (2011) further reiterated that market competitiveness will be at risk if the organization's gap is increasing. Gronroos (2008) argued that perceived quality is an analysis done by the customer to compare the service received with his or her expectations. The expected service quality is influenced by the information derived from adverts and prices charged for the service. Gronroos (2008) adds that technical and functional quality should be honestly reflected in the marketing activities of the organization example adverts to avoid high expectations that a firm might fail to deliver. Generally what enhances customer attrition is the gap between what customers expect from organizations and what they receive. Organizations should come up with ways of narrowing this gap to manage customer attrition.

2.7.2.3 Creation of Value

Wolnik et al (2012) states that value creation takes place when a firm is able to come up with something that is new and more preferred by customers. Reicheld (1996) cited in Wolnik et al (2012) stresses that when looking at the loyalty aspect in a relationship between an organization and a customer, the value that a customer perceives is the most crucial factor. Reicheld in the same paper further reiterated that losing focus on the value is the reason why many organizations fail and start losing customers. Errget & Ulaga (2002) as cited in Wolnik et al (2012) added that value creation can assist in fighting competition because if an organization offers services or products with more merits than those of competitors it obtains a sustainable competitive advantage and offers a greater value in the market. Errget et al (2002) as cited in Wolnik et al (2012) notes that an organization that emphasizes on creating real value through product and service innovation will incur long-term profitability. Sustainable competitive advantage is derived from creating value through meeting and exceeding customer expectations but contrary to that, failure to create customer value will result in customer attrition.

2.8 Summary

The chapter looked at the various customer retention strategies , their importance as well as the challenges encountered in implementing them. In addition to that, this part of the study also pointed out the various customer retention theories which incorporated various factors which influence customer retention. Factors which influence the choice of customer retention strategies were also discussed. The chapter also looked at customer attrition as well the factors which lead to customer attrition. Determinants of customer attrition were also postulated.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents a clear description on the various research methods that were used for data collection and analysis. Reasons on why the researcher chose those research methods were also clarified. This chapter will focus on the research design, population figures of respondents, sample size, sampling procedures, sources of data, research techniques, data presentation and analysis and ethical considerations.

3.1 Research Design

Zikmund (2000) defined a research design as basic plan that guides data collection and analysis phases of the research project. It is a broad framework which specifies the type of data to be collected, the source of data and data collection procedure. For the purpose of this research, the researcher used a descriptive research design.

3.1.1 Descriptive Research

The researcher used descriptive research to better understanding of the problem at hand which is customer loss at Flamboyant Hotel. This research method helps to provide answers as to the who, what, when, how and where part associated with the research problem. The gathered data described events. Descriptive statistical methods that include average percentages and tables were used to describe and summarize responses to research questions. The researcher used a descriptive research method because it collects a large amount of data for detailed analysis that leads to important recommendations in practice. Moreover, this method is easy to use in gathering and comprehending data.

3.2 Population

Yin (2008) defined population as the number of objects which a researcher is interested in when conducting a research project. Thus population is the aggregate number of items or

elements in a research project. A population contains all the variables of interest to the researcher. It is sometimes referred to as target population. In this research, the target population comprised of customers who visited Flamboyant hotel, workers and the management. The target population comprised of 900 customers, 15 managers and 55 workers. Table 3.1 illustrates the target population.

Table 3.1 Target Population

Group Title	Population Size
Management	15
Employees	55
Customers	900
Total	**970**

3.3 Sample Size.

Sapsford (2007) defined a sample as a subset of a population which usually represents the total population under study. It is impossible for the researcher to collect data from every member of the target population hence there is necessary to come up with a sample size. Wright (2000) postulated that for a small population of around 1000, the percentage sample size can range from 10-30% of the total population. Based on Wright's view of sample size, the researcher used a 20% sample size of the total population. Table 3.2 shows the sample size.

Table 3.2 Sample Size

Group Title	Population Size	% of sample	Sample Size
Managers	15	1.2	5
Employees	55	0.1	20
Customers	900	18,7	169
Total	**970**	**20**	**194**

3.4 Sampling Techniques

According to Bryman and Bell (2007) sampling is a process of segmenting a group of people from a mass population for the purpose of research investigations. There are two types of sampling techniques which are probability and non-probability sampling. For the purpose of this study the researcher used both probability and non probability sampling.

3.4.1 Convenience Sampling

Convenience sampling describes a sample in which elements are selected from the target population based on their accessibility. It includes participants who are readily available and willing to participate (Saunders et al 2009). The researcher used this method to obtain data from customers. The researcher chose those customers who were present at the hotel on that day. The researcher used this sampling technique because of its easiness to obtain information. Furthermore convenience sampling was a faster method of collecting data.

3.4.2 Purposive Sampling

Purposive sampling involves the selection of suitable units who have knowledge concerning the research topic. The researcher chose this method to select the managers and employees who were supposed to participate in the research. The researcher chose the sample based on the expertise and knowledge that the managers and employees had on the topic of customer retention. As a result the researcher chose only five managers and twenty employees who had knowledge on the topic of customer retention. The researcher chose this method because it enhances the derivation of useful data.

3.5 Sources of Data

There are basically two types of data sources which are secondary and primary sources. The researcher derived her data from both secondary and primary sources.

3.5.1 Primary Sources

Primary data refers to the information that is gathered by the researcher for the specific reason of carrying out the research. The researcher used Flamboyant's management team, employees and customers to derive primary data. The researcher chose this method because it exposes the truth that is causing the research problem. Moreover, this method also gathers high quality data because data is collected for the specific reason of carrying out the research.

3.5.2 Secondary Sources

Secondary data refers to that information that was gathered by someone else for some other purpose. The researcher used text books, journal articles, Flamboyant's marketing reports, Zimbabwe Tourism Authority's annual statistics and other publications which were relevant to the study. The researcher used this source because the information was already there hence there were no hassles of collecting data. Moreover the method is cheaper and more convenient because information is already available for use.

3.6 Research Techniques

Research instruments are tools used for collecting data in order to obtain a better understanding of the research problem. For this study, the researcher used questionnaires and interviews.

3.6.1 Questionnaires

A questionnaire is a document containing questions designed by the researcher in order to derive the required information from participants (Yin 2008). A questionnaire can however be defined as a technique of collecting data in which each element is asked to respond to the same set of questions in a predetermined order.

The researcher used a semi structured questionnaire which comprises of both unstructured and structured questions to collect data from customers and employees. Unstructured (open-ended) questions were used to help respondents express their feelings freely in the sense that the respondents answered adequately with detailed information. Structured (closed) questions were meant to save respondents time in filling the questionnaires because the respondents would tick in the appropriate boxes among the provided alternatives. The researcher personally administered the questionnaires to the selected guests when they were checking out just before their departure from the hotel. Selected employees were asked to fill the questionnaires at lunch hour. The researcher chose self-administered questionnaires to enhance closer contact with respondents thus providing clarification of questions to those respondents who needed clarity.

Standardized questions and response format of the questionnaires ensured that every participant responded in an identical stimuli and this facilitated easy results presentation, data analysis and discussion of findings. The questionnaire comprised of three sections which are the administrative, demographic and main section. The administrative section comprised of

the researcher's identity and research objectives. The demographic section allowed the respondent to fill in a number of demographic characteristics such as age as well as gender. Such characteristics are useful in the interpretation and analysis of results as these have an effect on how subjects respond. Lastly, the main segment was the major portion of the questionnaire. This section included closed questions and open ended questions. In the close ended questions the respondent was required to tick yes or no for an answer. Open ended questions gave the respondents freedom to decide the form and detail of the answer.

The researcher preferred to use questionnaires because they eliminated interviewers' bias since questionnaires were filled in the absence of the researcher. Moreover questionnaires gave participants freedom of expression due to customer anonymity. The questionnaires were also a cheap way of data derivation and they also facilitated easy data processing.

3.6.2 Interviews

Interviews involve gathering relevant data through direct verbal interaction between the interviewer and interviewee as specified by research objectives. The researcher conducted face to face interviews with the management with the help of an interview guide. An interview guide provided the questions that were supposed to be asked as well as the order in which they were to be asked. The researcher chose face to face interviews to allow for clarification of questions whenever the respondents required clarity on questions. Furthermore, the researcher also wanted to take note of the respondents' nonverbal clues like body language when answering questions because these are equally important in data collection.

The researcher used unstructured questions to obtain data from the management. An unstructured question is one which has predetermined questions without any answers hence answers are constructed by the respondents. Unstructured questions are less formal hence they provided the management with a relaxed platform of freely airing out their views. Moreover, this type of an interview was also very explanatory and detailed because respondents gave an in depth response.

3.7 Data Presentation and Analysis

The process included gathering of data, highlighting useful information and suggesting conclusions.

3.7 1. Data Presentation Methods

The researcher used tables which comprised of frequencies and percentages to present the information that was derived from respondents. A table is a visual representation of a classification of a similar unit. The researcher used tables because they were easy to construct. Furthermore tables are quite easy to interpret.

3.7.2 Data Analysis

Data Analysis refers to the breaking up of data into manageable patterns and trends. The researcher used inductive research method to analyse data. The researcher moved from the specific information obtained to broader generalisations and theories. The content analysis procedure was used to analyse data. Data was categorised into similar responses. After categorising similar data, the researcher then compiled all responds that were derived from respondents.

3.8 Reliability and Validity of Data

Reliability refers to the derivation of similar results if questions are repeatedly asked after a certain period of time under similar conditions. Validity aims to measure the truthfulness of results. Validity refers to the ability of a question to measure what it is intended to measure. To ensure validity and reliability of the research questions, the researcher did a pre-testing process with colleagues and the supervisor and adjustments were made to avoid unnecessary mistakes thus making some adjustments where necessary.

Moreover a pilot study was also conducted. This involved the distribution of ten questionnaires to five Flamboyant Hotel's clients and five employees. Moreover, the interview guide was also studied by three low level managers of Flamboyant hotel. The pilot study allowed the researcher to establish the correct sequence of questions as well as the time needed to respond to all questions. This enabled the identification and correction of the weakness of the instruments before distribution to the actual respondents.

3.9 Ethical Considerations

Research ethics relates to questions on how to formulate and clarify the research topic and design the research findings in a moral and responsible way. As a way of avoiding plagiarism, the researcher acknowledged and recognized properly the authors of secondary

data that was used by the researcher. In addition to that, the collection of primary data must not subject participants to harm or victimization. As a way of avoiding victimization, the researcher provided anonymity of participants. Furthermore the data collected was used for academic purposes only. Moreover, only voluntary participation was used by the researcher. The researcher respected the respondents' willingness or unwillingness to participate in the research hence those participants who were unwilling to participate were excused.

3.10 Chapter Summary

This chapter looked at the methodology which was used by the researcher in conducting the research. The target population was identified as well as the sampling techniques and the sampling methods which were used. The researcher went on to explain the research instruments used and why they were chosen. Moreover the researcher's efforts to ensure reliability and validity of data was postulated. Data collection procedure was well described and the researcher ended up by giving an insight on the data analysis and presentation tools which were used in carrying out this study.

CHAPTER IV
DATA PRESENTATION AND ANALYSIS

4.0 Introduction

The purpose of this chapter is to present and analyze the findings that were derived from the data collection process. The research was conducted by means of questionnaires and interviews as data collection instruments. Opinions derived from various stakeholders who are the management, general staff and customers were presented and analyzed in this chapter.

4.1 Response Rate

The rate of response seeks to find the actual number of participants who successfully contributed to the research in relation to the initially targeted sample size. The researcher used questionnaires and interviews to collect data.

4.1.1 Questionnaire Response Rate.

The questionnaire response rate seeks to find the actual number of participants who gave their responses to the researcher. Table 4.1 shows the number of issued questionnaires against returned questionnaires which led to the derivation of the response rate.

Table 4.1 Questionnaire response rate.

Respondents	Questionnaires Issued	Questionnaires Returned	% Response Rate
Customers	169	150	89
Employees	20	20	100
Total	189	170	90

Source : Primary Data

The table depicts that out of the 169 questionnaires which were issued to customers, only 150 were returned which led to an 89% respond rate. 11% of the customers who failed to give their responses were very busy to the extent that they failed to complete the questionnaires

within the stipulated time. However, all the 20 questionnaires which were issued to employees were returned leading to a 100% response rate. The overall questionnaire response rate was 90%. According to Yim (2009), a questionnaire response rate should range from 20-94% to produce reliable results. This implies that the 90% questionnaire response rate for this study will be able to produce reliable results.

4.1.2 Interview Response Rate.

This seeks to find the total number of interviews which were successfully conducted in relation to the total number of interviews which were scheduled. Five interviews were scheduled with 5 managerial employees and all of them were successfully conducted. This led to a 100% interview response rate. Zagorsky and Rhoton (2008) postulated that an interview response rate must be 50% and above to produce reliable results. Based on that, the study's interview response rate of 100% will be able to produce reliable results.

4.2 Demographic Data

Demographic data refers to the various characteristics which were used to classify people and such are gender, age, level of education and work experience.

4.2.1 Gender

The respondents included both males and females. Table 4.2 and 4.3 show the proportion of male and female respondents for both employees and customers.

Table 4.2 Gender of the customers

Gender	Frequency	Percentage
Male	81	54
Female	69	46
Total	150	100

Source: Primary Data

Table 4.2 depicts that 54 % of its customers are males and 46% are females. The company receives more male visitors than females. This is because females do not usually travel because of family responsibilities like parental care for the young ones and other household duties.

Table 4.3 Gender of the employees

Gender	Frequency	Percentage
Male	6	30
Female	14	70
Total	20	100

Source: Primary Data

Table 4.3 illustrates that the hotel's employees comprises of 70% females against 30% males. This indicates that the hotel has more female workers than male workers because women have good interpersonal skills which lure customers than man. Furthermore women are also said to be more presentable than males hence most hotels prefer to employ a huge proportion of women.

4.2.2. Age

The respondents belonged to various age groups. Table 4.4 shows the various age groups of the respondents.

Table 4.4 Age bracket of respondents.

Customers			Employees		
Age group	Frequency	Percentage	Age group	Frequency	Percentage
Below 25	7	5	Below 25	10	50
25-34	30	20	25-34	6	30
35-44	53	35	35-44	3	15
45-54	45	30	45-54	1	5
55 and above	15	10	55 and above	0	0
Total	150	100	Total	20	100

Source: Primary Data

Table 4.4 depicts that 5% of the hotel's customers are below the age of 25. Furthermore, 20% are 25-34 years old. However, a proportion of 65 % ranges between 35 and 54 years. The

remaining percentage of 10 is 55 years and above. The data illustrates that the majority of customers are aged between the age of 35 and 54 because they are economically active hence they can afford to visit the hotel for both business and leisure purposes.

The table also shows that 50% of the company's employees are below the age of 25. 30% range from 25-34 years. 15% of the employees range from 35-44 years. Lastly a proportion of 5% is 45 years and above. This implies that most of the hotel's employees range from below 25 - 34 years because they still young hence more energetic and prompt when it comes to serving customers.

4.2.3 Work Experience

This refers to the quantity of time that a worker had exposure to his area of responsibility. Table 4.4 shows the employees work experience.

Table 4.5 Work Experience of employees

Work Experience (years)	Frequency	Percentage
0-3	2	10
3-7	10	50
7-11	6	30
11 and above	2	10
Total	20	100

Source : Primary Data

Table 4.5 depicts that 10% of the employees have below 3 years of experience. However 50% of the employees range from 3-7 years of experience. 30% of the employees also range from 7-11 years. A smaller proportion of 10% are 11 years and above. The data shows that the majority of employees range from 3-7 years of experience. This implies that the company employs workers who have reasonable years of experience to enhance delivery of quality services.

4.2.4 Level of education

The researcher also looked at the level of education for employees and customers. Table 4.5 shows the various levels of education.

Table 4.6 Level of education for employees and customers

Employees			Customers		
Level of education	Frequency	Percentage	Level of Education	Frequency	Percentage
O level	10	50	O Level	7	5
A level	6	30	A Level	15	10
Diploma/ Certificate	4	20	Diploma / Certificate	45	30
Degree and above	0	0	Degree and above	83	55
Total	20	100	Total	150	100

Source: Primary Data

Table 4.6 depicts that half of the employees have O level only, whilst 30 % have A level. The remaining employee proportion of 20 % possesses a diploma and none of the workers has a degree. The majority of workers are not highly learned because their job of service delivery does not require a high intellectual ability but requires basic knowledge on how to handle customers well.

Furthemore, the table shows that 15% of the customers have O and A level only. 30% have a diploma and 55% have a degree and above. This implies that the hotel's majority of customers are highly learned since most of them are professionals who usually visit the hotel for business purposes.

4.3 Importance of Customer Retention Strategies.

4.3.1 Customer Retention strategies implemented by Flamboyant Hotel.

The researcher managed to conduct interviews with 5 managers of Flamboyant hotel. All of the respondents postulated that they used customer retention strategies which are loyalty programs through discounts, service quality, customer complaints handling, service failure recovery and keeping a customer data base.

Customers also indicated that they had been involved in a number of customer retention strategies. Table 4.7 indicates the respondents who acknowledged the implementation of these strategies.

Table 4.7 Strategies implemented

Loyalty Programs			Customer Complaints		
Variable	Frequency	Percentage	Variable	Frequency	Percentage
Yes	105	70	Yes	120	80
No	45	30	No	30	20
Total	150	100	Total	150	100

Source: Primary Data

Table 4.7 illustrates that the customers had been involved in loyalty programs and customer complaints. 70% of the customers indicated that they were granted discounts by the company. However, the other 30% indicated that they had not been granted any discounts by the hotel. These customers visited the hotel infrequently hence could not qualify to be given discounts. A greater percentage of the population were receiving discounts from the company because of their loyalty.

In addition to that, 80% of the respondents indicated that they were giving their complaints to the company. However the remaining 20% was not involved in indicating their complaints to the company. This illustrates that customers had been engaged in loyalty programs and customers complains.

4.3.2 The significance of customer retention strategies on customers.

Flamboyant has been benefiting a lot from the loyalty programs that it implements. Table 4.8 shows the percentage level of the customers who were willing to have a long term relationship with the company in order to continue deriving discounts.

Table 4.8 Customers willing to remain loyal

Variable	Frequency	Percentage
Yes	120	80
No	30	20
Total	150	100

Source: Primary Data

Table 4.8 depicts that 80% of the customers were willing to continue using the hotel's facilities because of the discounts that they derive. Respondents insinuated that the company granted a 15% discount to its loyal customers who brought a total revenue of 1000 dollars or more per month hence this was the major reason for being loyal to the company. However, the remaining 20% indicated that they were not loyal to the company because of discounts. Mahajar and Yunus (2010) postulated that loyalty programs assist companies to lure customers into becoming loyal. The primary data obtained in table 4.8 indicates that the majority of the customers are willing to be loyal to the company so that they can derive discounts. This implies that loyalty programs assist in ensuring customer retention.

4.4 Choice of customer retention strategies.

The respondents who are the managers gave the various factors which affected the choice of customer retention strategies. 60% of the respondents pointed out that the profitability of the hotel contributed to the choice of customer retention strategies. These respondents insinuated that the company was becoming less profitable hence they selected those customer retention strategies which were less costly and affordable to the company. (Ko et al 2008) postulated that a company which is more profitable implements costly retention strategies but less profitable companies select cheaper strategies. Due to the prevailing economic hardship in Zimbabwe, most hotels consider the cost of the retention strategy before selecting it.

The remaining 40% of the respondents postulated that the nature of customers also contributed to the choice of customer retention strategies. The respondents pointed out that the hotel's major customer base required quality services, discounts and prompt service recovery hence the hotel chose these strategies to meet customer demands. (Zeithaml 2006) insinuated that a company has to access its customers first to obtain their needs. After that, the company then selects the necessary and applicable retention strategies which suit its customers. The nature of customers therefore play a crucial part in influencing the choice of retention strategies

4.5 Challenges faced in implementing customer retention customers.
4.5.1 Management challenges in implementing customer retention strategies.

The management postulated that they had been encountering a number of factors that hindered them from successfully implementing customer retention strategies. 60% of the interviewees postulated that the cost of implementing customer retention strategies was the major factor that affected the successful implementation of customer retention. The respondents pointed out that the company was experiencing great financial difficulties due to the unfavorable economic hardships prevailing in the country hence the company sometimes failed to fund these retention strategies. Trinton (2009) pointed out that most companies fail to successfully implement customer retention strategies because of the exorbitant costs that are incurred in the implementation processes. This illustrates that costs of implementing customer retention is a major challenge for most Zimbabwean Hotels.

Furthermore, 40% of the management also said that subordinates contributed to the failure of these customer retention strategies. The management insinuated that some employees had a negative attitude towards work and as a result, they were sometimes rude to customers. Kandampully (2007) postulated that employees are the ones who directly contribute to the successful implementation of customer retention strategies because they are the ones who directly interact with customers. The negative attitude of employees towards customers can be said to be a major challenge in implementing retention strategies.

4.5.2 Employees challenges in implementing customer retention strategies.

The researcher also interviewed employees who directly interacted with customers to obtain the challenges that they faced in implementing customer retention strategies. The interviewees pointed out that they could not make any decisions in their areas of responsibility without their superiors and this was a major challenge to them. Table 4.9 shows the responses that were obtained from customers.

Table 4.9. Ability of employees to make customer oriented decisions

Variable	Frequency	Percentage
Yes	15	10
No	135	90
Total	150	100

Source: Primary Data

The table depicts that 90% of the respondents indicated that they could not make any customer oriented decisions in the absence of their superiors. The participants made it clear that this inflexibility led to greater customer dissatisfaction because addressing customer complaints was always delayed. Respondents postulated that they could not address even minor customer complaints in the absence of the management. However only 10% of the respondents indicated that they could make decisions in their areas of responsibility. Ghosh (2013) and Heathfeld (2012) pointed out that provision of quality services is enhanced by employee empowerment in their area of responsibility. Lack of employee empowerment at Flamboyant Hotel has negatively impacted the successful implementation of retention strategies.

Furthermore, 70% of the respondents also pointed out that their excess work load contributed to service failure. The respondents pointed out that some employees had been laid redundant hence the ones who remained were left with too much work. Employees argued that the excess work load affected their promptness in serving customers and sometimes they would be exhausted leading to poor interaction with clients. Participants postulated that they worked for 14 hours every day and they obtained only 2 off days in a month. Kotler et al (2009) indicated that a company must treat its employees well so that employees reciprocate the good treatment to customers. The employees at Flamboyant provide poor service quality to customers due to an excess workload and exhaustion.

4.6 Factors which lead to the persistent loss of customers at Flamboyant hotel?
The respondents clearly expressed their dissatisfaction in some of the hotel's operations. Table 4.10 shows the various factors which were pointed out by customers.

Table 4.10 Factors which lead to customer dissatisfaction.

Item	Excellent		Good		Fair		Poor		Very Poor	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Reservation	15	10	15	10	15	10	75	50	30	20
Reception	8	5	15	10	22	15	60	40	45	30
Restaurant	12	8	33	22	30	20	53	35	22	15
Bar	75	50	45	30	15	10	15	10	0	0
Food Quality	90	60	45	30	15	10	0	0	0	0
Guest Room Quality	8	5	15	10	22	15	75	50	30	20
Friendliness and Courtesy of staff	5	3	10	7	30	20	60	40	45	30
Ambiance	0	0	15	10	45	30	53	35	37	25
Security	75	50	45	30	22	15	8	5	0	0

Source: Primary Data

Table 4.10 clearly depicts that a customer percentage of 50 indicated that the reservations at the hotel poor. The other 20% indicated that the reservations was very poor. Respondents indicated that the sales team took a long time to make bookings. Furthermore calls were often placed on hold for a prolonged time. In addition to that, 70% of the respondents also indicated that the reception was also very poor in conducting its duties. Respondents indicated that the check in and check out process took a very long time. The table also depicts that half of the customers indicated the restaurant as poor. The respondents indicated that after ordering food, waiters took a long time to serve food thus keeping the customers

waiting. The statistics clearly indicate that the employees are very slow in serving customers. Gummerson (2008) indicated that slow service delivery is a major factor which leads to customer attrition. Slow delivery of services is a major factor contributing to customer loss at Flamboyant Hotel.

Furthermore 70% of the respondents also indicted that staff friendliness and courtesy was poor. Participants indicated that most of the staff members were rude to customers . Vark and Brodie (2003) postulated that unfriendly employees drive away customers. Unfriendly staff members at Flamboyant are also contributing to customer attrition.

Table 4.10 also illustrates that 70% of the respondents regarded the guest rooms as very poor. Participants postulated that they did not like the guest rooms at Flamboyant because they were outdated. Customers pointed out that the rooms comprised of worn out carpets, uncomfortable beds and outdated television sets. Palmer (2001) indicated that the provision of poor quality products leads to customer attrition. This implies that the hotel has been losing its market share because of the poor quality rooms that it offers.

Finally, 60% of the respondents indicated that the hotel's ambiance was very poor. Participants indicated that the buildings were old and worn out. Furthermore, the lawn and flowers were poorly maintained hence failing to provide the luxuriant beauty of nature that must be found at a hotel. Ko et al (2010) postulated that it is a must for every hotel to have a beautiful ambiance which lures customers. Daghfous and Barki (2009) postulated that a poor ambiance leads to customer attrition. Based on that, the researcher discovered that Flamboyant's poor ambiance is contributing to its customer loss.

4.6.1 Service Failure Recovery Systems
Respondents also gave their various views pertaining to the implementation of service failure recovery systems by the company. The respondents were asked whether the hotel had addressed their problems or not and Table 4.11 illustrates the various responses that were obtained from customers.

Table 4.11 Service failure recovery systems.

Variable	Frequency	Percentage
Yes	15	10
No	135	90
Total	150	100

Source: Primary Data

The table depicts that 90% of the respondents indicated that their problems were not addressed by the hotel. Participants indicated that the hotel did nothing to mitigate the various problems that customers were encountering. However, only 10% of the respondents indicated that the hotel addressed their complaints. Buttle (2009) pointed out that failure to correct a service failure leads to customer loss because customers cannot continue to spend their money on services that do not satisfy them. This indicates that poor service failure recovery systems are leading to customer attrition at Flamboyant.

4.7 Chapter Summary

The chapter presented the information obtained as well data analysis which was done using different data collection instruments. The data was presented in the form of tables. Numerical terms and percentages were also used on the presentation and interpretation of data.

CHAPTER V

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

In this chapter the researcher will conclude the study, summarizing the four objectives of the research. It will discuss key conclusions and recommendations on the importance of customer retention strategies in the hotel industry.

5.1 Summary of findings

The research was focusing on an evaluation of customer retention strategies used in the hotel industry with Flamboyant as the case. The study assessed the effects of loyalty programs, customer services, handling of customer complaints and service failure recovery systems on retaining customers. Many secondary and primary sources of data supported the importance of customer retention strategies in minimising customer attrition. It was generally summarised that the use of customer retention strategies are effective in mitigating customer loss.

5.1.1 Response Rate

The study had a 90% questionnaire response rate and a 100% interview response rate.

5.1.2 Importance of customer retention strategies.

The study aimed at looking at the significance of customer retention strategies. 90% of the respondents pointed out that they were willing to remain loyal to the hotel so that they could derive discounts from the company.

5.1.2.1 Summary on the importance of customer retention strategies.

Loyalty programs enhance customer loyalty. Customers will hesitate to switch to competitors due to the fear that they will no longer benefit the discounts that they benefited before.

5.1.3 Factors which influence the choice of customer retention strategies.

The study aimed at looking at the factors which affect choice of customer retention strategies. The management indicated that cost was a major factor that influenced customer retention strategies. In addition to that, the nature of customers also affected the choice of customer retention strategies.

5.1.3.1 Summary on the factors which affect choice of customer retention strategies.

Cost is major factor which affects choice of retention strategies in Zimbabwe. Companies prefer strategies that are affordable to the company. The nature of customers also influences the choice of retention strategies. Companies implement customer retention strategies which suit their customers.

5.1.4 Challenges faced in implementing customer retention strategies

The study also looked at the various challenges that are faced in implementing customer retention strategies. Most respondents postulated that cost was a major factor that affected customer retention strategies. Furthermore subordinates incompetence also affected implementation of retention strategies. The employees indicated that inflexibility in decision making and excess work load was a major challenge in implementing customer retention strategies.

5.1.4.1 Summary on the challenges faced in implementing customer retention strategies.

Exorbitant costs of implementing retention strategies are a major challenge for companies. Furthermore, subordinates incompetence also affects customer retention. Inflexibility of workers in decision making and excess work load is also a major challenge.

5.1.5 Factors which lead to customer loss

The customers revealed that customers were receiving poor services from employees. In addition to that, there was poor service failure recovery. The ambiance of the hotel was also said to be very poor.

5.1.5.1 Summary on factors which lead to customer loss

Poor service quality and poor service recovery leads to customer loss. Furthermore poor ambiance leads to customer loss especially for a hotel.

5.2 Conclusion

The research findings obtained in this study indicated that customer retention strategies assist in maintaining customers. The hotel industry is facing stiff competition from rival firms hence customer retention strategies are essential in maintaining customers. The literature review and study findings also indicated that if companies implement customer retention strategies effectively, it assists in maintaining customers. However, the research also indicated that if a company fails to effectively implement customer retention strategies, then it suffers customer attrition.

5.2.1 Importance of customer retention strategies

Flamboyant Hotel has been implementing loyalty programs, service quality, customer complains handling and service failure recovery systems. However amongst all retention strategies, the research findings indicated that the hotel effectively implemented loyalty programs only through granting discounts. As a result the hotel gained customer loyalty from the discounts as indicated by an 80% percentage of customers who willing to be loyal to the company so that they continue deriving discounts. However, the hotel has been failing to effectively implement the other retention strategies hence no benefits were obtained from any other retention strategy other than loyalty programs.

5.2.2. Factors which affect choice of customer retention strategies.

60% of the respondents pointed out that they considered the cost of the retention strategies before selection. The respondents postulated that they opted for cheaper retention strategies. The researcher then concluded that considering the harsh economic environment prevailing in Zimbabwe, most hotels have been choosing customer retention strategies that are affordable to the company.

5.2.3. Challenges faced in implementing customer retention strategies.

The study indicated that both managers and employees face various challenges in implementing customer retention strategies. 70% of the managers indicated that the cost of implementing CR strategies was exorbitant hence the company sometimes failed to implement them. 90% of the employees pointed out that they were not allowed to make

decisions in the absence of superiors. 70% of the customers also postulated that the work load was too much. Based on the above the researcher concluded that cost is the major challenge faced in implementing customer retention strategies at Flamboyant. Rigidity of the management also affects the flexibility of subordinates in handling customer complaints.

5.2.4 Reasons behind persistent loss of customers.

The study indicated that despite its efforts to try and maintain its customers, Flamboyant has been failing to satisfy its customers by implementing CR strategies. Majority of the customers postulated that the hotel offered poor guest rooms. Furthermore, the service derived from workers was also said to be very poor. Respondents also indicated that the ambiance of the hotel bad. Based on that information, the researcher concluded that the customers have been leaving Flamboyant Hotel for competitors because of a poor ambiance, poor services from employees and poor guest rooms.

5.3 Recommendations

- There is need for Flamboyant to provide the greatest customer service since most of the customers are educated and knowledgeable and know exactly their expectations from service providers

- The hotel must try to act quickly in responding to customer queries through empowering their employees to make decisions with regards to customer service issues.

- The hotel must recruit more workers to reduce workers' work load and to reduce working hours of employees from 14 to 8 hours a day. This will enhance the provision of quality services. Flamboyant can hire more students to carry out their work related learning at the hotel. This will reduce workload.

- The hotel must renovate its rooms. The old worn out carpets must be replaced by tiles. Furthermore the hotel must buy new beds which are more comfortable for the guests. New television sets must also be installed in rooms.

- Part time workers must be employed to improve the ambiance of the hotel. These part time workers will assist in watering the lawns and flowers. Furthermore, the buildings of the hotel must be painted to improve their appearances.

- The hotel must conduct training workshops to educate its employees on how to handle customers well.

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Appendix 1

Research Cover Letter

Midlands State University

The Department of Business Management

P bag 9055

Gweru

15 April 2017

The Human Resources Manager

Flamboyant Hotel

P Bag 855

Masvingo

Dear Sir/ Madam

RE : Permission to carry out a study research on Flamboyant Hotel

I am a female student at Midlands State University currently studying Bcom Degree in Business Management. As requested for the completion of my course , I am carrying out a project concerning'' An evaluation of customer retention strategies used in hotels'' I do hereby kindly kundly request your permission and assistance to carry out the study using Flamboyant Hotel as the case study. All information is guaranteed to remain confidential and will be used for academic purposes only.

Your cooperation will be greatly appreciated

Regards

R137069V

Appendix 2

Questionnaire for customers

Dear Participant

I am student R137069V from Midlands State University and I am conducting a research study as part of my Bachelor Honours Degree in Business Management. The research topic is an evaluation of customer retention strategies used in the hotel industry with Flamboyant Hotel as a case study. Therefore I am appealing for your assistance in providing information through this questionnaire. Your responses will not be used for purposes other than those intended in this research and will be treated as confidential.

Required

a) Use a tick(s) on closed ended questions in the chosen box or boxes to mark your responses.

b) Use phrases or short answers on open ended questions to express your opinions.

Section A

Demographic Information

1. What is your gender?

Male ☐   Female ☐

2. Which age bracket do you belong?

Below 25 ☐   25-34 ☐   35-44 ☐

45-54 ☐   55 and above ☐

3. Which is your highest level of education?

O level ☐   A Level ☐

Diploma/Higher Certificate ☐   Degree and Above ☐

Section B

1. Why do you visit Flamboyant Hotel?
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………

2. How long have you been using the facilities at Flamboyant?

Less than one year ☐   1-5 years ☐

6-10 year ☐   above 10 years ☐

3. (a) Would you make Flamboyant your first choice hotel?

Yes ☐   No ☐

(b) If not why
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………

4. Indicate your satisfaction level of the following services offered by the hotel.

Item	Excellent	Good	Fair	Poor	Very poor
Reservation					
Reception					
Bar					
Restaurant					
Food quality					
Beverage Quality					
Guest room					

quality					
Friendliness and courtesy of staff					
Ambiance					
Personalised Service					
Security					

5. If you face any challenges at the hotel, do you communicate them?

   Yes ☐   No ☐

6. Does the hotel address your problems?

   Yes ☐   No ☐

7. Do you think you would recommend anyone to stay at this hotel?

   Yes ☐   No ☐

8. (a) The hotel engages in a number of loyalty programs like discounts and rewards for its customers. Have you ever benefited from these loyalty programs?

   Yes ☐   No ☐

   (b) If yes, would you prefer to continue using the hotel's facilities so that you can benefit more from the hotel in the future?

   Yes ☐   No ☐

9. How do you perceive the price charged at Flamboyant in relation to the quality of facilities that it offers?

………

………

………

10. Generally , which areas do you think must be improved by hotel?

………

…………………………………………………………………………………………………….

11. In your view what must be done by the company to improve its operations?

…………………………………………………………………………………

Appendix 3

Questionarre for employees.

I am student R137069V from Midlands State University and I am conducting a research study as part of my Bachelor Honors Degree in Business Management. The research topic is an evaluation of customer retention strategies used in the hotel industry with Flamboyant Hotel as a case study. Therefore I am appealing for your assistance in providing information through this questionnaire. Your responses will not be used for purposes other than those intended in this research and will be treated as confidential.

Required

a) Use a tick(s) on closed ended questions in the chosen box or boxes to mark your responses.

b) Use phrases or short answers on open ended questions to express your opinions.

Section A

Demographic Information

1. What is your gender?

Male ☐   Female ☐

2. Which age bracket do you belong?

Below 25 ☐   25-34 ☐   35-44 ☐

45-54 ☐   55 and above ☐

3. Which is your highest level of education?

O level ☐   A Level ☐

Diploma/Higher Certificate ☐   Degree and Above ☐

4. Work Experience

0…..3 years ☐   3……7 years ☐

7…….11 years ☐   11 and above ☐

Section B

1. Which is your area of specialisation?

Reception ☐   Restaurant ☐

Bar ☐   Rooms ☐

2. How long have you been working in that area?

Less than one year ☐   1-5 years ☐

6-10 years ☐   above ten years ☐

3. Do you make any customer service decisions in your area of responsibility?

Yes ☐   No ☐

4. As an individual, how do you deliver quality services to the customers?

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

5. (a) Do you face any challenges that hinder you from delivering quality services
to customers?

Yes ☐   No ☐

(b) If yes please specify

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

6. Do you receive any complaints from customers?

Yes ☐   No ☐

7. What are the complaints that you usually receive from customers?

………
………
………

8. How long does the company take to solve those problems?

Within 24 hours ☐   Within a week ☐

Within 3 months ☐   More than three months ☐

9. Generally, which areas do you think must be improved by the hotel?

………
………
………
………....

10. In your view what must be done by the company to improve its operations?

………
………
………
……….

Appendix 4

Interview guide for the management

Dear Participant

I am student R137069V from Midlands State University and I am conducting a research study as part of my Bachelor Honors Degree in Business Management. The research topic is an evaluation of customer retention strategies used in the hotel industry with Flamboyant Hotel as a case study. Therefore I am appealing for your assistance in providing information through this questionnaire. Your responses will not be used for purposes other than those intended in this research and will be treated as confidential.

Use phrases or short answers to express your opinions

Section B

1. What are the customer retention strategies that you are using?
2. Why did you select those customer retention strategies?
3. What are the challenges that you face in implementing these retention strategies?
4. Are these customer retention strategies assisting in maintaining your clients ?
5. Why do you think the company is still facing customer loss despite implementing these customer retention strategies?
6. In your opinion, what can be done by the company to reduce its customer loss?