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Customer retention in the Ghanaian hospitality industry: determinants and expectations

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Abstract

This study examined factors responsible for ensuring customer retention in the Ghanaian hospitality industry, using four hotels in the Kumasi Metropolis as a case study. The study also assessed expectations of the guests and major determinants for their retention with the hotels. A sample of 120 guests selected using convenience sampling, were used for the study, which applied a customer retention model to study important variables for customer retention in those hotels. The study applied quantitative methods in data collection and analysis, involving the use of inferential statistics. The results showed that guests of the hotels had various expectations with regard to services received that were at times not met. In addition, only a few of the respondents received information about the hotels from the Internet. Hence, it was recommended that management of the hotels should develop and operate good websites and encourage their potential customers to make online reservations to the hotels. An implication of the study was the need to provide benchmarking information about customer satisfaction levels for management and operational staff of the hotels to apply, in order to satisfy and retain their guests for a long time.

Keywords: Customer, Satisfaction, Retention, Hospitality Industry, Hotels, Ghana

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Introduction

All businesses aim at attracting and maintaining satisfied and loyal customers. Customers are attracted and retained by organisations that are able to meet their needs. Not only do such customers return to the same establishment i.e. hotel, restaurant or shop, but they also talk favourably to others about the organisation (Kotler, Bowen and Makens, 2010). According to Meyer (2006), the unification of the whole world into a single village is the contemporary aspiration of humanity. The world is at a stage where people have freedom of movement. The big question to ask is: how does one get well accommodated travelling to a new place? It is therefore the duty of the hospitality industry to see to the needs of the

noble stranger in his new environment. Jones (2002) argues that ever since people had the desire, need and capability to travel away from home, the demand for lodging as part of an overall experience in the hospitality industry has greatly increased.

Hospitality is the business of making people feel welcome, relaxed and to enjoy themselves in facilities, outside their home environment. Hospitality is made up of the provision of three distinct services: overnight accommodation for people away from home, refreshment for people eating away from home or not preparing their own meals and entertainment of the guests. These services meet the three very basic needs of men, which are what to eat, where to sleep and be entertained; hence people regard the hospitality industry as a straightforward and unsophisticated business. It is about customer service and providing the best experience for people (Kotler et al. (2010).

According to Jones (2002), the accommodation industry began small with inns, taverns, bed and breakfast at private hostels. Jones and Lockwood (2006) noted that the development of the hotel industry can be traced as far back as the Druids and Romans who left the earliest recorded examples of provision of hospitality. The history of the industry can be traced through the Middle Ages from the emergence of the inns, taverns and alehouses to the first appearance of the hotel in the early 1760's. It was not until the early 1800s however, that hotels as we know them today began to appear; and even then development was relatively slow until the 1860s, when customers became the focal point for hospitality. According to Barsky and Nash (2003), the customer is the focal commodity to be targeted at every service establishment. Atkinson (1999) proposed that the customer is a king, which implies that the customer needs special treatment. Innis and Bernard (1994) also placed all customers on the same ladder, and stated that they must be treated with loyalty. This may be the ideal if the service establishment wants high patronage and turnover.

In this study, the words customer and guest are used interchangeably, though hotels refer to their visitors as their guests. In order to be successful in the marketplace, businesses must concentrate on retaining existing customers by implementing effective customer satisfaction policies. Valdani (2009) points out that enterprises exist because they have customers to serve. The key to achieving sustainable advantage lies in delivering high quality service that results in satisfied customers (Shemwell, Yavas, and Bilgin, 1998). In the hotel industry, customer satisfaction is largely hooked upon quality service delivery. Unfortunately, most employees in the hospitality industry in developing countries such as Ghana, are unable to deliver quality service to satisfy and retain their guests. Kotler et al. (2010) noted that management approach focused on customer satisfaction can improve customer retention, since the cost of attracting new customers is known to be higher than that of retaining existing ones. To Choi and Chu (2001) there is a high positive correlation between the overall satisfaction levels of hotel guests and the probability of their return to the same hotel. Much studies abound on guests' satisfaction in the hospitality industry in developing countries including Ghana, without extending it to guests' retention.

The unique centrality of the location of Kumasi, the Ashanti Regional capital as a traversing point from all parts of Ghana, makes it a special place for commerce. Hence the need to provide accommodation services to cater for overnight travellers making transit through the Metropolis. Guests visiting some hotels in Ghana often complain of receiving sub-standard services that could compromise their loyalty and affect their retention with those hotels. Of late, some hotels in Kumasi, including those in this study, have intensified advertisements of their facilities and on-the-job retraining of their employees. Do these

hotels in the city have problems with satisfying their guests? Are they having problems in retaining their guests? Or, are the hotels trying to attract new customers? This study was undertaken to find answers to these nagging questions. The main purpose of the study therefore was to examine factors responsible for ensuring customer retention in the hospitality industry, using four hotels in the Kumasi Metropolis and also assess perceptions of the customers on major determinants for their retention with the hotels, which are expected to meet their expectations.

Literature Review

The term hospitality evolved from the French word ‘hospice’ meaning to provide care or shelter for the weary or to take care of travellers or pilgrims (Cracknell and Nobis, 1989). The hospitality industry, by definition, is thus a service industry. Its task is to create shareholder wealth by servicing and satisfying their guests (Jones and Lockwood, 2006). The various segments of the hospitality industry include: hotels, restaurants, private clubs, food service joints and tourism related businesses such as car rentals. The product purchased from the hospitality industry is intangible while its perceived quality is influenced by the service method in which it was received (Oliver, 2013). The concept of hospitality is extremely old as it is mentioned in writings dating back to Ancient Greece, Ancient Rome and Biblical Times (Chan and Mackenzie, 2009). The history of hospitality is closely connected to that of civilisations, or rather, it is a part of that history. According to O’Gorman (2010), in the Middle Ages, monasteries and abbeys were the first institutions to offer refuge to travellers on a regular basis. Such religious orders built inns, hospices and hostels to cater for and satisfy people away from home.

Some Theories of Customer Satisfaction

Kotler (1991) defines customer satisfaction as the post-purchase evaluation of a product and service quality in the view of pre-purchase expectations. Thus, customer satisfaction that leads to repeat visits to hospitality facilities, can be understood by applying the confirmation-disconfirmation theory. For this theory, customer satisfaction is defined as a post-purchase evaluative judgment concerning a specific buying decision (Homburg and Giering, 2001). According to the authors, customers assess their levels of satisfaction by comparing their actual experiences with their previous experiences, expectations, and perceptions of the products’ performance (Oliver, 2013). The theory postulates that three outcomes of this evaluation are possible: when the actual performance matches the standard set, confirmation occurs, leading to a neutral feeling; however, when the performance is better than the standard, positive disconfirmation occurs, which then leads to satisfaction; and negative disconfirmation occurs when the performance is worse than the standard which then leads to dissatisfaction.

The next to be discussed is the comparison-level theory, which proposes that consumers use comparison levels for the relationships under consideration. In addition, they use comparison levels for alternative relationship to determine satisfaction with and the propensity to remain in a relationship (Thibaut and Kelley, 2001). The comparison level is the standard against which a customer evaluates the attractiveness of the relationship (Skogland and Siguaw, 2004). These consumer standards reflect what the brand is to achieve, not just what it achieves (Cadote, Woodruff and Jenkins, 2007). If product performance exceeds expectations derived from past experience the consumer had with the product, then it leads to satisfaction, otherwise, it results in dissatisfaction.

Previous research has found a positive relationship between prior experiences and current levels of expectations in relation to the satisfaction provided by hospitality firms (Zeithaml et al. (1993). This also relates to being reliable and meeting the expectations of the consumers, according to Parasuraman et al. (1985). Following previous findings the confirmation-disconfirmation paradigm and comparison level theory both serve as underpinnings for examining customer satisfaction in this study (Oliver, 2013).

Several empirical studies have provided evidence to support the notion that customer satisfaction is the leading factor in determining customer loyalty (Bolton, 1994; Rust and Zahorik, 1993). Moreover, customer loyalty is known to result in customer retention, because such loyal customers may feel attached to products and services of a specific organisation. Other studies have linked customer satisfaction to repurchase intentions of such satisfied and loyal customers (Croning and Taylor, 1992). The literature shows that repurchase intentions are also known not only to link the customer's preferred choice of products or services to a specific organisation, but also to link the customer's friends and relatives through word-of-mouth presentation to such organisations that have satisfied them. However, as Anderson and Fornell (2014) pointed out, it is not well-understood how predictive repurchase intentions are known to result in actual purchase behaviour. Nevertheless, a satisfied customer is likely to repurchase the product or service as it reduces risks associated with trying unknown products.

Understanding Customer Retention

After discussing customer satisfaction at length, there is the need to focus on customer retention. It is well-noted that customer satisfaction can lead to customer retention, because a satisfied customer will definitely like to make repeat visits or continuous purchase from the same service provider. As Ndubisi (2007) puts it, customer retention is generally concerned with the maintenance of positive organisational relationships that have been established between service providers and their customers over a long period of time. According to Ndubisi (2007), the development of such a relationship can be achieved firstly by the customer making earlier and sustained purchases or by extending the contracts of customers with the service provider over a long period of time. Secondly, customer retention can be achieved by the customer intentionally making repeat visits or continuous purchases from the same provider, or refraining from terminating their contracts with the same service provider (Jain and Bagdare, 2009).

There is enough evidence to show that the literature is inundated with discussions of customer retention. Baran, Galka and Strunk (2008), Ramakrishnan (2006) and Tsai, Tsai and Chang (2010), have all indicated that the statistical evidence of benefits of customer retention, demonstrates that acquiring new customers can cost many times more than satisfying and retaining current customers. These researchers recognised the benefits of customer retention to the growth of hospitality businesses. Healy (1999) discovered that a customer who has dealt with a business entity tends to buy more of their products or services. Such long-term customers tend to provide positive influence through their word of mouth information about the company. Finally, the authors have variously concluded that most organisation lose ten per cent of their customers each year and that a five per cent decrease in the customer defection rate can increase profits by 25 to 85 per cent, depending on the type of industry under study (Kotler et al. 2010).

Some authors have also reiterated that it is more cost efficient to keep existing customers than to acquire the new ones (Hurley, 2004; Reichheld and Kenny, 1990). According to these authors, it costs five times more to acquire a new customer than to retain an existing one. This means that to replace the lost customer is even easier than

acquiring a new customer, which is undertaken at a greater cost to the business. The reason is that the action of acquiring a new customer is always associated with the starting stage of the commercial relationship, where almost all business organisations will have to pay more in advertisements and especially product promotions to get the attention and participation of new and potential customers. Moreover, it is known that it costs less to keep the long-term customer than to acquire new ones (Reichheld and Kenny, 1990). Customer retention is therefore known to be one of the most powerful tools to achieve business success and profitability.

The Conceptual Framework for Customer Retention

Kotler (1994) had noted that the key to customer retention is the degree of customer satisfaction received. Customer satisfaction is therefore known to hinge on such factors as prompt service delivery, swift customer complaints resolution as well as good relationship between customers and service providers. Hennig-Thurau and Klee (1997) provided a framework of customer retention, which perceived customer satisfaction as a major component of customer retention. To the authors, this component consists of quality of service delivered, commitment of service providers and the guests' trust in the firm (Figure 1).

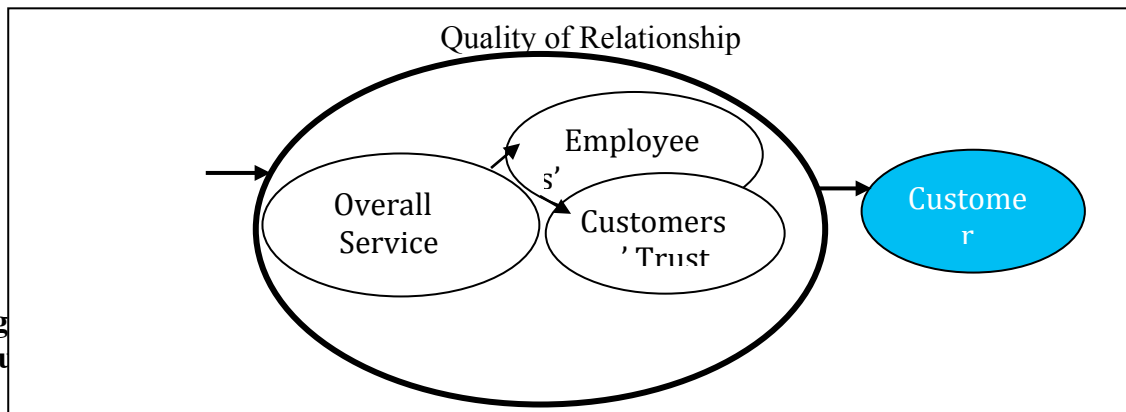


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Hennig-Thurau and Klee (1997) also found a strange situation that not only customer satisfaction promises customer retention. After their study of the variables resulting in customer retention as shown in Figure 1, the authors postulated that customer satisfaction plus quality of relationship, can result in customer retention. They showed that customer satisfaction is the initial construct of the model instead of the classic customer satisfaction being the central model. The central moderating variable of this model is the quality of the relationship, which to the authors consists of three components: overall service quality, employees' commitment and trust of customers in the organisation. Then customer satisfaction and relationship quality lead to the customer retention.

This model of customer retention is suitable for all hotels, irrespective of ownership type and size, or whether or not the hotels measure their customer retention rate. In his framework for customer retention and management, Petzer (2005) identified some activities that are considered vital for any hospitality firm, if customers are to be retained for maximum profitability. He asserts that the nature of business in the hotel industry involves many interactions between guests and employees—a situation which provides plenty opportunities for impressing or disappointing the customer. Wong, Dean and White (1999) also found that the quality of the relationship between service providers, determines the probability of continued interchange between those parties in the future. These and other studies seem to suggest that having positive interpersonal relationship with

employees in an organization such as a hotel, can lead customers to become more committed to that firm to ensure their retention.

If a business is serious about improving customer retention it should first define what customer retention means for them and then put the necessary measures in place to ensure this (Aspinall, Nancarrow and Stone, 2001). According to Taylor and Baker (2014), the first step in improving the profitability of a service business is measuring customer retention rates. Many business managers do not, however, understand the importance of improving customer retention rates; nor do they understand the impact of these rates on profitability (Clark, 1997). He was of the opinion that there is a lack of suitable measurement systems to gauge customer retention rates in service businesses-bearing in mind that the same measure is not appropriate for all such businesses. The measure that is appropriate for a particular business depends on the products and services offered as well as the level of development in the location of the business (Ahmad & Buttle, 2011).

Research Methodology

This study used the survey method which was cross-sectional in nature. Quantitative techniques were used for the collection and analysis of the data, which were undertaken with data obtained from administration of structured questionnaires initially to a sample of 135 guests of the hotels. The 24-item questionnaire was designed to collect data from in-house guests of the hotels. It had four sections based on the objectives and guided by the conceptual framework of the study. Section A collected data on the respondents' bio data, Section B was about the guests' knowledge and choice of the hotel, the length of their stay as well as how they heard about the hotel. The items and questions in Section C were about the views of the respondents regarding some independent variables for customer satisfaction, while Section D collected data on determinants of customer retention and customer expectations.

The questionnaires were administered using convenience sampling during the fieldwork, which occurred in the first two weeks of July, 2018. At the end of the fieldwork, 120 questionnaires were retrieved, recording a response rate of 89%, which was considered to be adequate (Richardson, 2005). The hospitality facilities used for this study were Golden Tulip Kumasi City, a multinational four star hotel located at Nhyiaeso, Crystal Rose Hotel, also three star and located at Ahodwo, Miklin Hotel, which is a two star hotel and a one star hotel, New Orleans both located at Danyame.

Results and Analysis

Descriptive statistical tools such as graphs, frequency tables and percentages as well as inferential statistics were used to illustrate the results and analysis of data from the questionnaires administered. The age distribution of the guests who visited the hotels during the period of the survey are presented on Table 1. The data show that the age group with the highest frequency was the 36 to 45, which was 40 or 33.3% of the respondents. This is followed by the 26-35 year group, who were 31 representing 25.8% of the respondents. The next highest age group was the 16 to 25 year group who were 20 or 16.7% of the respondents. The rest of the respondents were in the 46 to 55 year group and those who were 56 or more years who were 18 or 15% and 11 or 9.2%, respectively. The composition of majority of the respondents is an indication that they were matured enough to provide responses regarding their perception of quality service that can satisfy and retain them for a long time by the hospitality facilities they decide to visit.

Table 1: Demographic Characteristics of Respondents

The respondents were asked to state their general satisfaction levels of services rendered as well as facilities they enjoyed at the hotel. This request was necessary as it supports Kotler

Demographic data	Component	Frequency	Percent
Gender	Male	75	62.5
	Female	35	37.5
Age in years	16-25	20	16.7
	26-35	31	25.8
	36-45	40	33.3
	46-55	18	15.0
	56 or more	11	9.2
Education attainment	Basic	15	12.5
	Sec/Tech/Vocational	20	16.7
	Post Sec/Diploma	41	34.1
	Tertiary	44	36.7
Occupational distribution	Civil/Public Servant	48	40.0
	Self employed	22	18.3
	Students	14	11.7
	Housewife	24	20.0
	Retired	12	10.0
Marital status	Married	68	56.7
	Single	45	37.5
	Widowed/Divorced	7	5.8
Nationality	Ghanaians	98	81.7
	Non Ghanaians	22	18.3
Purpose of stay at hotel	Travelling	12	10.0
	On tour	34	28.3
	Business trip	60	50.0
	Attending funeral	14	11.7
Total		120	100

re-purchase intention or revisit to the hotels and their retention. Hence there was the need to understand the extent of satisfaction derived from services that the respondents had received from the hotels, the respondents were requested to show their satisfaction levels with services received at the hotels. The results obtained are shown in Figure 2. As can be noted in Figure 2, although a total of 69 out of the 120 respondents, representing 57.5% of them were either satisfied or were highly satisfied with services rendered by staffs of the four hotels, some of them were not fully satisfied. This must be a major concern to managements of the hotels.



Figure 2: Respondents' Satisfaction levels with Services rendered by the Hotels

From Figure 2, it could be noted that 23 or 19.2% of the respondents were slightly satisfied, 18 or 15% of them were moderately satisfied while 10 or 8.3% were least satisfied. These results indicate that most of the guests of the hotels were not totally satisfied, supporting Skogland and Siguaw's (2004) claim that managers of hospitality facilities must aim at providing total customer satisfaction in order to retain their guests for them to make repeat visits and re-purchase, for the facilities to stay in business.

Reliability of Services available at the Hotels

As had been mentioned earlier, reliability of services rendered by the hospitality industry is important for customer satisfaction that could result in their retention (Bansal and Taylor, 1999; Zeithaml, Berry, and Parasuraman, 1996). It was therefore decided to measure the views of the respondents regarding reliability of services rendered at the four hotels under study. The respondents were asked to provide their views on the reliability of services rendered to them by the hotels, using the 5 point Likert Scale from less reliable to highly reliable. The results obtained are presented in Figure 3, which shows that a total of 67 respondents, representing 55.8% stated that services rendered by the hotels were either reliable or very reliable.

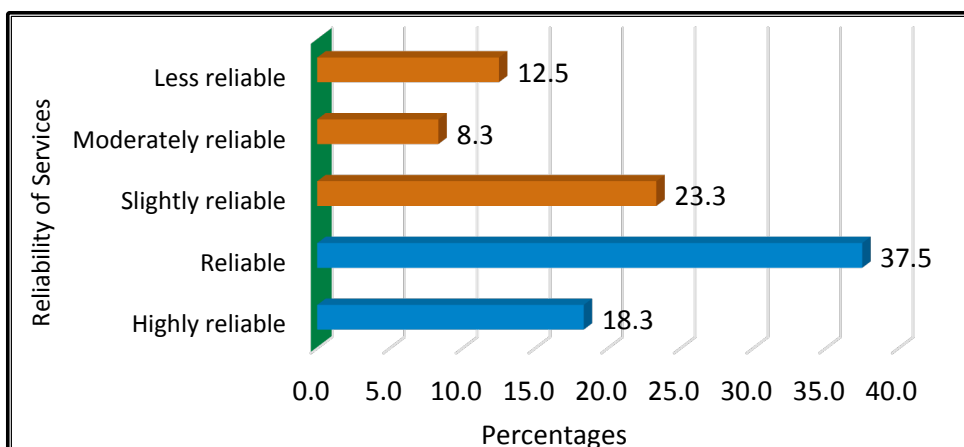


Figure 3: Respondents' views of Reliability of Services rendered by the Hotels

While a total of 38 or 31.6% of the respondents indicated that services they received at the hotels were either slightly reliable or moderately reliable, 15 or 12.5% of them on the other hand indicated that services they received at the hotels were less reliable. These results imply that for some of the respondents, services at the hotels for their guests could not be relied upon, hence some services of the hotels may not be available when expected. According to Parasuraman et al (1985), this cannot augur well for the satisfaction of the guests and can also affect their retention, negatively.

Major Determinants of Customer Retention by the Hotels

This study demanded assessment of the perceptions of the customers in the identification of the major determinants of their retention by the hotels. The respondents were requested to state their agreement with twelve statements regarding determinants of retention of the hotels' guests. The means and standard deviations of their responses resulting from the 5 point Likert Scale, were used to identify major retention variables. The results presented on Table 2 indicate that the minimum mean value recorded is 3.5 for 'Provision of reliable WI fi for customers can help ensure their retention' while the maximum mean value recorded is 4.3, which is for 'Moderate room prices can ensure customer retention'. On the other hand, the standard deviations recorded, which is the dispersion of the values around the mean statistic had the highest being 1.2 for the statement 'Hotel staffs are serious about retention of their guests' while the lowest is for 'Satisfying customers can ensure their retention' (.96).

Table 2: Major determinants of Customer Retention by the Hotels

	STATEMENT	Mean Statistic	Standard Deviation
i	Hotel staffs are serious about retention of their guests	3.9112	1.21181
ii	Hotel staffs' performance can lead to guest retention	3.8521	1.11187
iii	Moderate room prices can ensure customer retention	4.2873	1.09641
iv	Management of the hotel is very serious about customer retention	3.9008	1.2559
v	Polite and friendly staff ensure customer retention	4.0189	1.18465
vi	Prompt solution of customer complaints ensures their retention	3.6674	1.15568
vii	Customer profiling and database creation can ensure customer retention	3.9812	1.14009
viii	Sending well-wishing anniversary messages to customers can ensure their retention	4.2148	.98235
ix	Provision of reliable WI fi for customers can help ensure their retention	3.5341	1.19056
x	Calling repeat visitors by their names can ensure their retention	4.1186	1.11651
xi	Providing free laundry can lead to customer retention	3.8132	1.09451
xii	Satisfying customers can ensure their retention	3.7826	.96256

From Table 2 therefore, the major determinants of customer retention, according to the respondents, are all the variables that have very high means. The data on Table 2 again show that the major determinants of customer retention are ‘keeping moderate room prices that recorded a mean statistic value of 4.3, ‘sending well-wishing anniversary messages to customers with a mean statistic value of 4.2, followed by ‘calling repeat visitors by their names also with a mean value of 4.1 and ‘polite and friendly staff with a mean statistic value of 4.0. Some of these results support the findings of Martey (2014), who noted the importance of price as one of the determinants of loyalty and hence customer retention. Moreover, establishing positive relationship with guests, according to Hennig-Thurau and Klee (1997) and Wong et al. (1999), can boost customer retention. Some of the ways of developing this relationship could be by sending well-wishing anniversary messages to customers from a well-established customer database and calling repeat visitors by their names, to assure them of association with the organisation.

Facilities and Services needed to meet Customers’ Expectations

Next, the respondents were asked to state other facilities or activities that management of the hotels need to provide in their hotels to meet the expectations of their customers. The responses provided to this question were grouped into ten and ranged from extra facilities and services that management should provide for the comfort and security of their guests as provided. These are presented on Table 3.

Table 3: Facilities and Services to meet Customer Expectations

	FACILITY OR SERVICE	Frequency	Percent
i	Provision of intercom facilities to link rooms	38	31.7
ii	Weekend life musical bandstand for entertainment	45	37.5
iii	Provision of Free WI fi for guests	60	50.0
iv	Free room service for guests upon request	91	73.3
v	Provision of a mini bus for local tours	42	35.0
vi	Ensuring that room items are in good working	30	25.0
vii	conditions	36	30.0
viii	Provision of gymnasium facilities for guests	40	33.3
ix	Provision of wines and appetizers with meals	72	60.0
x	Provision of local cuisine on the menu	26	21.7
	Creation of a large secured car park		

Note: The results were from multiple responses (N=120)

The data on Table 3 show that the request of the respondents with highest frequency is ‘Provision of free room service for guests upon request’ (by 91 respondents) representing 73.3%, followed by ‘Provision of local cuisine on the menu’ (by 72 respondents) representing 60%, while the lowest request is ‘Creation of a large, secured car park which was made by 26 or 21.7% of the respondents. This last request was made by respondents from New Orleans and Miklin Hotels, as the two other hotels have large and secured car parks. The variety of responses provided on Table 3 was due to the fact that some of the expectations of the respondents in the low rated hotels were not made by the highly rated hotels. For example, while mostly guests of Miklin Hotel demanded the provision of a bus for local tours, to guests of Golden Tulip Kumasi City, this was not a problem as they had a luxurious bus for this purpose.

Findings

The study used the survey method to collect data that were quantitatively analysed using inferential statistics that considered the means and standard deviations of results obtained from the use of structured questionnaires. Results of the data analysis showed that majority of the respondents were males (62.5%), with most of them in the age class of 36-45 years (33.3%), while most of them (44%) had tertiary education background, who were mostly civil or public servants (40%) and were married (56.7%). In addition, 81.7% of them were Ghanaians, while majority (50%) of them were on business trips to the Garden City. Furthermore, the results showed that 90 or 75% of the respondents were repeat visitors to the hotels. Moreover, most of them were satisfied with either the services or facilities that they were provided or enjoyed at the hotels. Such respondents could be retained for a long time by the hotels if properly managed. In addition, the study revealed that only 13 or 10.8% of them were travelling alone. This means that most of the respondents (89.2%) were travelling with either their colleagues/friends or their spouses. This implies that management of the hotels need to provide facilities for people travelling with friends or colleagues for them to enjoy their stay at the hotels.

Another finding of the study regarding the respondents' sources of information about the hotels was that most of the respondents (33.3%) obtained information about the hotels from their family and friends. However, only a few of them (9.2%) had information about these hotels in the Kumasi Metropolis from the Internet. This was not an encouraging phenomenon, because according to Carroll and Siguaw (2003), in the US, several hotel executives encourage guests who make online reservations with special packages. This is an important motivation for online booking of reservation for hotels, which cannot be possible without hotels having good websites. Online booking for reservations must therefore be encouraged by management of the hotels. In identifying the types of services delivered by the hotels to ensure retention of their customers, the study reported that out of the list of twelve services delivered by the hotels, four emerged as very significant. The first of these services was 'Hotel staffs offer prompt attention to guests', recorded a mean value of 4.3. The next variable was 'The hotel provides delicious local meals' with a mean value of 4.2. This was followed by 'The hotel staff are polite and friendly' recording a mean of 4.1, with 'Prices of hotel products are less expensive' recording a mean of 4.0. These were among the most important attributes or type of services rendered to satisfy and in the long run, retain guests of the hotels.

Assessment of perceptions of the guests on major determinants for their retention with the hotels, revealed four major determinants. According to Table 2, these were 'keeping moderate room prices' with a mean of 4.3, and 'sending well-wishing anniversary messages to customers' also with a mean of 4.2. The rest of the variables and their means were: 'calling repeat visitors by their names' (4.1) and 'hotel staff being polite and friendly' (4.0). A further probe into expectations of the guests revealed that the following were also rated very high for retention of the guests; 'provision of free room service for guests upon request' (73.3%), 'provision of local cuisine on the menu' (60%) and 'provision of free WI fi for the use of the guests' (50%). These expectations by the respondents are indications that guests visiting these hotels are not only enlightened but are also quality conscious.

Conclusions and Recommendations

This study was undertaken primarily to examine factors that can ensure customer retention in the hospitality industry in Ghana, using four hotels in the Kumasi Metropolis: Golden Tulip Kumasi City, Crystal Rose Hotel, Miklin Hotel and New Orleans Hotel. Analysis of the data collected, showed that almost all the guests of the hotels were satisfied with services received and were motivated to make repeat visits to the hotels. Further, the guests indicated their willingness to recommend the hotels to their friends and relatives to also visit and stay at the hotels anytime they came to Kumasi for business or for any other activities that demanded an overnight stay.

In spite of this conclusion, the study also revealed the need for management of the hotels to know the guests' expectations, so that they satisfy and retain them. Besides, the limited number of guests who obtained information about the hotels from the internet may mean that management of the hotels do not have good websites and as such have insufficient adverts about their hotels on the internet. This has to be checked and improved to increase the numbers of their international guests. It can also be concluded that staffs of the hotels need to customize their service deliveries to meet the needs of individual guests reporting at the hotels, to enhance their satisfaction and retention. The hotel staffs must be trained enough to know that they are not doing their customers any favours because the latter always pays for services received.

Based on the findings of the study, the following recommendations are made for implementation by management and staffs of the hotels in the study. Employees of the hotels must be given enough training to be able to determine which service practices are enjoyed mostly by their guests and provide more of such services. They must therefore refrain from performance of activities that may result in their losing such customers, who may not report but leave quietly with their grievances and never come back. As the staff must know that it is easier to retain an old customer than to win a new one.

Though majority of the guests of the hotels were satisfied with services received, the number of guests who were not very much satisfied with the hotels' services must be a worry to the hotels' managements. There should be the provision of benchmarking information about customer satisfaction levels so that management and operational staff of the hotels will be able to perform better than their competitors in order to satisfy and retain their guests. The study further reported that majority of the guests of the hotels were prepared to come back to the hotels whenever they visited Kumasi. This is however not enough. Management of the hotels need to reach their guests who had visited the hotels before with messages that will bring them memories of their visits back to them. Finally, management of the hotels must find innovative ways of rewarding their repeat visitors, for them to be retained by the hotels for a very long time.

Limitations and Directions for Further Research

This research work focused primarily on the study of activities undertaken by staffs of four hotels in the Kumasi Metropolis, the second largest city in Ghana, in order to satisfy and retain their guests. The study applied a customer retention model by Hennig-Thurau and Klee (1997) to study factors for customer retention in those hotels. Further studies using this model could be undertaken to study customer retention in other service sectors such as Ghana's banking and insurance sectors. As the study was conducted in a metropolitan area in Ghana's hinterland, application of the model to study customer retention determinants in hotels located in coastal cities such as Accra, Takoradi, Cape Coast or Elmina, using a much larger sample size, may provide very insightful results.

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