



## **FACTORS INFLUENCING CUSTOMER CARE AND PERFORMANCE OF THE SELECTED UPMARKET HOTELS IN RWANDA**

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### **ABSTRACT**

Worldwide, Customer care is a crucial and exclusive topic of many debates in today's world of business and finance, reason being that customer care service is both an outcome and profit strategy. Globally, meeting guest needs and expectations is a continuous struggle due to changes in guests' perceptions towards poor service delivery. The purpose of this study is to assess the influence of customer care and performance of upmarket hotels in Kigali, Rwanda.

The study was guided by three specific objectives including; determine the importance of customer service and the effectiveness of particular upscale hotels, assess the quality of customer service provided in upscale hotels and establish strategies to boost market performance by providing acceptable customer care in a few high-end Rwandan hotels. The study was based on three theories: Customer loyalty and satisfaction theory, social exchange theory and Customer service theory. A descriptive research design was used in the study. The study employed a mixed method of qualitative and quantitative data collection. The study's target population consisted of 9,395 customers and 605 employees. To obtain a sample size of 385 respondents, the study used Convenience sampling method. Questionnaires and interview guides were used to collect primary data. The quantitative data were analyzed with SPSS version 21 to create frequency tables and charts and descriptive statistics were employed by the researcher to analyze qualitative data. According to the study findings  $p=0.05$  with a Pearson correlation coefficient of 0.796. The findings revealed that there is a strong positive linear correlation between customer care and hotel performance, which means that the strong increase in customer care increases the hotel performance strongly. The study also concluded that hotels that include a wide range of offerings and top-notch customer service into their operations will unavoidably see exceptional growth in their numerous performance measures. The recommendation of the study is that four-and five-star hotel marketing managers must plan and formulate marketing programs that will meet consumers' needs due to the competitive nature of the industry. Establishing proper plans may bring about strong positive relationship between customer care and performance of the upmarket hotels.

**Key words:** Customer care, Performance, Upmarket Hotels, Hospitality, Rwanda

## 1.0 Background of the Study

Worldwide, Customer care is a crucial and exclusive topic of many debates in today's world of business and finance, reason being that customer care service is both an outcome and profit strategy. Every hospitality institution's performance depends on how it keeps customers satisfied with the services it offers, yet most executives tend to view the customer service function of their businesses as little more than a necessary nuisance. When the customers are satisfied; then the institution will increase and boost sales and achieve the core objective of making high returns on Investment. Hospitality institutions have to make it easier to create possible ways to reach the customer (Mike, 2012).

According to the World Travel and Tourism Council (WTTC), (2019) report focusing on travel & tourism economic impact in 2019. Tourism and Hotel industry has become the world's fastest-growing sectors up to 3.9 percent, above global GDP growth of 3.2 percent and contributing a record \$8.8 trillion and 319 million jobs to the world economy.

The rapid growth of the hotel industry has made it become highly competitive and is considered to be in the mature stage of its lifecycle (Anwar and Qadir, 2017). The increase of many hotels' establishments lead to high market competition in Kigali Rwanda, (Rwanda Commission for Tourism, 2015). Many hotels are facing a great challenge of losing their customers due to several factors. Provision of poor customer care services that dissatisfy customers is the most intriguing factor. Customers tend to switch companies as an option when they experience poor customer care services in the hotels. Provision of high-quality customer care service is one of the reliable strategies in maintaining a competitive advantage for the hotels to influence customer satisfaction. The tourism and hotel business are not exempted from customer service quality concerns

(Abdullah and Othman 2019). It is very important to differentiate one hotel's services from those of its competitors. To achieve this, managers should understand and satisfy customers' needs and wants by offering high quality customer services (Faraj et al 2021).

These efforts would improve customer satisfaction; attract new customers, loyalty, retention, market share and overall profitability (Anwar & Shakur, 2015). The provision of high-quality customer services to hotel guests influencing high customers satisfaction, which, in turn, enhances the profitability of the service provider (Andavar et al 2020).

Although numerous amount of research have been conducted in the field of customer service quality (Mohammad & Alhamadani, 2011; Chavan & Ahmad, 2013) very few has been done in the hotel industry (Khan & Fash, 2014) and even fewer in the context of developing countries regarding customer care and how they are influencing customer satisfaction in hotels (Khan and Abdullah, 2019). This study therefore will attempt to fill the gap by investigating the customer care and performance influencing customer satisfaction in selected upmarket hotels in Kigali, Rwanda focusing on Marriott hotel and Four points by Sheraton Kigali.

## **1.1 Statement of the Problem**

Globally, meeting guest needs and expectations is a continuous struggle due to changes in guests' perceptions towards poor service delivery. Even if the customer care and service improve in the upmarket hotels, it is still being affected by changes in technology, competition and inflation, as well as, change in demography (Osotimehin, Hassan & Abass, 2015).

The Government of Rwanda identified tourism and hospitality sectors as one of the priority sectors in achieving Vision 2030 and contributor to the eradication of poverty in the country (Republic of Rwanda 2012). Despite the good performance of the tourism sector in Rwanda, available studies,

documents and experiences indicate that the tourism and hospitality sector in Rwanda faces some challenges that need to be addressed. Among them is the quality of customer service which lacks consistency and generally poor compared with neighboring countries like Kenya (Lwakabamba, 2010). On average, 25% of tourists had bad customer experience during their stay in Rwanda. The most cited problems include poor attitude, unhelpfulness/inattentiveness, slowness and rudeness of service providers.

Rwandan cultural norm against complaining and the organizational cultures do not seem to encourage a focus on hard work. The situation is not very different to date with similar observations being echoed in the daily newspapers, service magazines and public forums in Kigali (Rwanda Focus, December 2012; Skills Sector Survey 2012; New Times Rwanda, February 2014). Customer care and service quality are the key element of attaining competitive advantage in hospitality industry which will attract customers and maintain them and as a result, there is great demand for customer care so as to achieve repeat purchase and attract new customers (Forozia et. al., 2013). That is why the researcher preferred to conduct this research aiming at determining factors influencing customer care and performance of the upmarket hotels in Rwanda with a case study of Four- and Five-Star Hotels in Kigali Rwanda.

## **1.2 Objectives of the study**

- (a) To determine the importance of customer service and the effectiveness of particular upscale hotels in Rwanda.
- (b) To assess the quality of customer service provided in upscale hotels in Kigali, Rwanda.
- (c) To establish strategies to boost market performance by providing acceptable customer care in a few high-end Rwandan hotels.

### **1.3 Research questions**

The research questions that guided this study were the following:

- a) What part, if any, should customer service play in the success of upscale hotels in Rwanda?
- b) What is the current norm for customer service performance in a few upscale Rwandan hotels?
- c) How might the performance of a few upscale hotels in Rwanda be improved by establishing adequate customer care?

## **2.1 Theoretical framework**

### **2.2 Customer service theory**

The theory of customer service is based on identifying and satisfying your customers' needs and exceeding their expectations. A company must be totally committed to delivering consistently high standards of service to gain and retain customer loyalty. Everyone from top management on down must be tuned into what the customer wants. Creating a customer service culture within a company can help build success. Customer satisfaction and loyalty are inextricably linked to the quality of customer service and, ultimately, to the company's profitability (smallbusiness.chron.com, Customer service-theory, 2015).

#### **2.2.1 Customer loyalty and satisfaction theory**

According to Zeithaml, Berry and Parasuraman (1996); customer Loyalty can be difficult to define given the different views that are presented within the literature. Determine that loyalty includes a customer's intention to stay with an organization and that loyalty includes four elements:

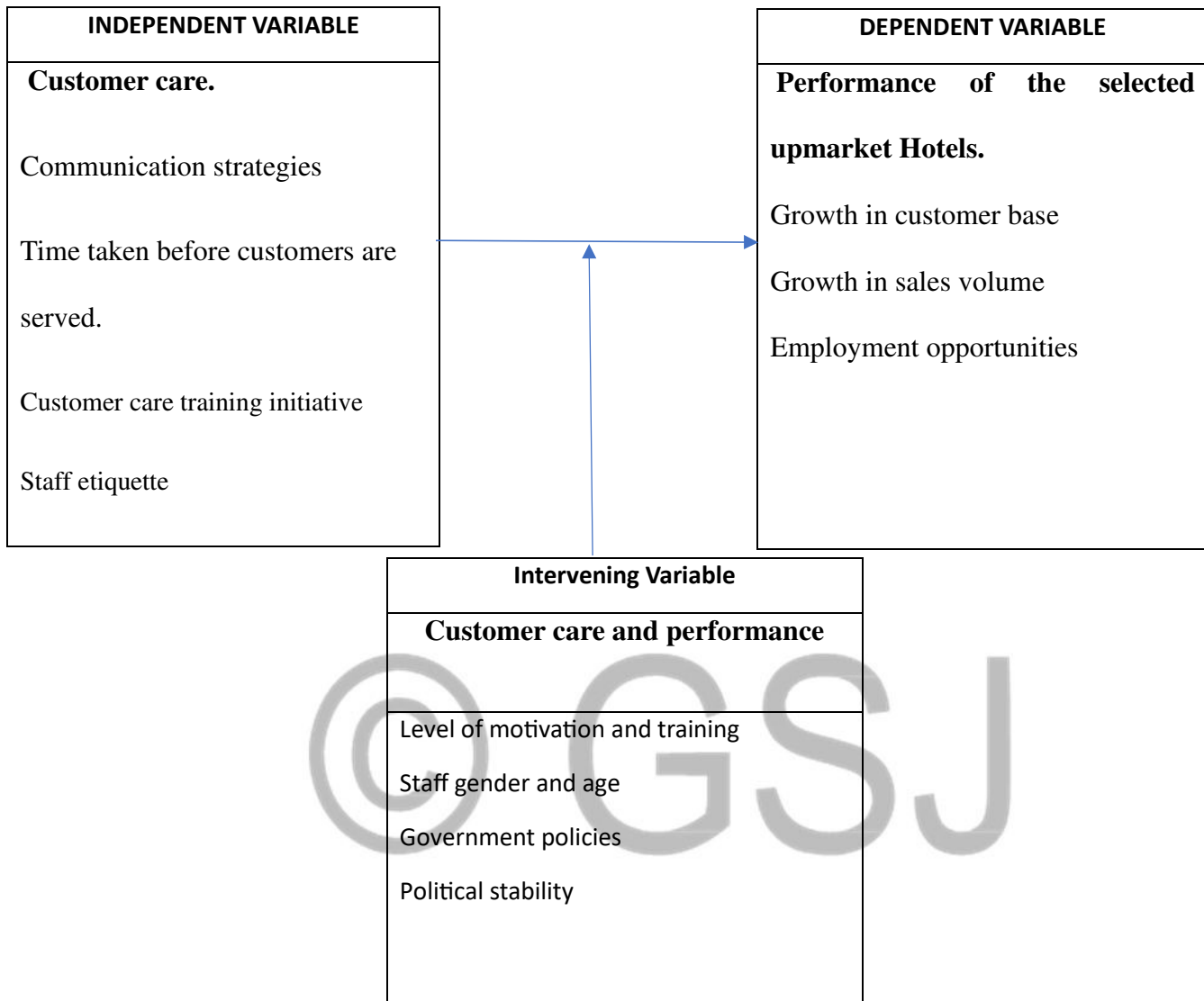
repurchase intentions, recommending the service provider to other customers, less complaints and tolerance of price increases.

### **2.2.2 Social exchange theory**

This theory was developed by (Blau, 1964) individual would adopt exact behaviors based on the norm of reciprocity to express appreciation to the group or business. Within this situation, individual perform in an assured way and they understand the sense of the activities and they form their behavior to achieve goal and bring benefits for them to adopt a specific behavior to express the gratitude to the services. By applying social exchange theory, the relationship on influence between service quality and customer satisfaction has been explained. As hotel customers always tend to follow the norms, recommendation, comments of their fellows who experienced the service quality of a particular hotel at Marriott hotel and Four points by Sheraton Kigali, which become a motive for them desire the experience.

### **2.3 Conceptual framework**

According to Professor Roger Vaughan (2012); conceptual framework is a written or visual presentation that explains either graphically, or in narrative form, the main things to be studied, the key factors, concepts or variables and the presumed relationship among them. Researchers generally have some idea of what will feature in the study, a tentative rudimentary conceptual framework, and it is better to have some idea of what you are looking for/at even if that idea change over time. This is particularly true for inexperienced and/or time constrained researcher.



**Source: Researcher, 2023**

**Figure 1: Conceptual Framework**

### **3.0 RESEARCH METHODOLOGY**

The study utilized a survey design. A survey is an attempt to gather data from members of a population in order to determine the current status of that population with respect to one or more variables (Keele 2010). The survey design utilized both questionnaire and interview method. This design will allow the researcher to use descriptive research. This design was chosen because it's



easier to collect data from a sample rather than from every member of the population. This makes the research to consume less time and cost. It also utilizes self-administered questionnaires and face-to-face interviews which will consist both open ended and closed ended questions.

Target population is the entire set of units for which the study data are to be used to make inferences; the target population thus defines those units for which the findings of the study are meant to generalize (Sarason, 2013). A population includes all elements that meet certain criteria for inclusion in a research study. It is the entire set of individuals or objects sharing some common characteristics as defined by the sampling criteria established for the study (Burns & Grove, 2013). McLeod (2014) note that a research population is generally a large collection of individuals or objects that is the focus of a scientific query. It is for the benefit of the population that research are done. The unit of observation was the Four star and Five-star hotels while the unit of analysis was the customers and employees of Four-star hotel Four points by Sheraton Kigali and Five-star Marriott hotel Kigali. The 4-star hotel and 5-star hotel were estimated to have 9,395 customers and 605 employees a sample of these was selected.

The formula given by Yamane (1996) was utilized in this investigation to determine the sample size.

$$n = \frac{N}{1 + N(e)^2}$$

n: is the sample size

N: Number of Population. Being 10,000 customers and employees

e: Sampling error=5%

$$n = \frac{N}{1+N*e^2} = \frac{10,000}{1+10,000*0.05^2} = 384.6 \cong 385 \text{ respondents}$$

**Table 1: Sample size design**

No Branch	Total population per hotel	Sample size per hotel
Marriott customers	4,788	184
Four points customers	4,607	178
Marriott employees	405	16
Four points employees	200	7
<b>Total</b>	<b>10,000</b>	<b>385</b>

Source: researcher, (2023)

#### 4.0 Findings

The demographic features of respondents and the study objectives are used to convey the statistical and thematic findings of this study. The study's goals were to ascertain the significance of customer service and the efficiency of specific upscale hotels in Rwanda, to evaluate the standard of customer service offered in upscale hotels in Kigali, Rwanda, and to develop strategies to improve market performance by offering respectable customer service in a select number of high-end Data were provided in tables and figures, and the style of analysis done was descriptive and qualitative, employing frequencies and percentages. A total of 385 respondents from guests and staff at the 5-star hotel and Four-star hotel who visited and participated in this study. Using a questionnaire, interviews, and a review of the literature, data were gathered. Data analysis was done using Statistical package for social sciences software (SPSS). The results of this study showed that hotels'

ability to provide high levels of customer service has a significant impact on how well those hotels perform. Furthermore, demonstrate how a lack of good customer care service results in an increase in unhappy consumers and the failure of the business in Rwandan hotels.

#### **4.1 Importance of customer service and the effectiveness of particular upscale hotels in Rwanda.**

The first objective was to determine the importance of customer service and the effectiveness of particular upscale hotels in Rwanda. In Likert scale respondent were asked the importance of customer service and the effectiveness of particular upscale hotels in Rwanda. In Table below summarized the information from respondents.

**Table 1: Responses on importance of customer service and the effectiveness of particular upscale hotels in Rwanda.**

<b>Statement</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Not sure</b>	<b>Disagree</b>	<b>Strongly disagree</b>
<b>Customers get help when needed.</b>	265 (73.20%)	94 (25.9%)	3 (0.82%)	0 (0.0%)	0 (0.0%)
<b>Important information is shared to the guest.</b>	158 (43.7%)	204 (56.4%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
<b>Employees assist guests and provide prompt services.</b>	158 (43.7%)	195 (53.9%)	0 (0.0%)	9 (2.48%)	0 (0.0%)
<b>Customers information is kept confidential.</b>	16 (4.5%)	6 (1.65%)	1 (0.27%)	0 (0.0%)	0 (0.0%)

The results in Table1, shows that almost all the respondents agreed with statement about importance of customer service and the effectiveness of particular upscale hotels in Rwanda, whereby 73.20% of all respondents strongly agreed and 25.9% of all respondents also agreed. Furthermore, the majority of the respondents therefore 43.7% of all respondents strongly agreed and 56.4% also agreed. through which 43.7% of all respondents responded with strongly agreed and 53.9% responded with agree and 4.5% responded with strongly agreed and 1.65% agreed that customer information is kept confidential.

**4.2 Responses on quality of customer service provided in upscale hotels in Kigali, Rwanda.**

The second objective was to investigate the quality of customer service provided in upscale hotels in Kigali, Rwanda. In Likert scale respondent were asked the importance of customer service. Table below summarized the information research respondents regarding indicators of the quality of customer service provided in upscale hotels in Kigali, Rwanda.

**Table 2: Responses on quality of customer service provided in upscale hotels in Kigali, Rwanda.**

Statement	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
Customers complaints and requests are handled fast.	285 (78.7%)	74 (20.4%)	3 (0.9%)	0 (0.0%)	0 (0.0%)
Employees are well trained on customer services.	15 (4.14%)	7 (1.93%)	1 (0.27%)	0 (0.0%)	0 (0.0%)
Customers order are delivered on time.	235 (64.9%)	121 (33.4%)	9 (2.48%)	0 (0.0%)	0 (0.0%)
Customers security is paramount.	208 (57.4%)	154 (42.6%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

The results in Table 2, shows that almost the respondents agreed with the statement quality of customer service provided in upscale hotels in Kigali, Rwanda, whereby 78.7% of all respondents strongly agreed and 20.4% of all respondents also agreed that customer service competencies and skills influence operation of hotels. Furthermore, the majority of the respondents confirmed that the customer service; therefore, 64.8% of all respondents strongly agreed and 33.4% also agreed. The majority of respondents strongly agree or strongly agree with the statements about the quality of customer service provided in upscale hotels in Kigali, Rwanda. This implies that service quality influence customer satisfaction in hotel industry.

### 3.3 Strategies to boost market performance by providing acceptable customer care in a few high-end Rwandan hotels.

The last objective of this study was to investigate strategies to boost market performance by providing acceptable customer care in high end Rwandan hotels.

**Table 3: Strategies to boost market performance by providing acceptable customer care in a few high-end Rwandan hotels.**

Statement	Strongly Agree	Agree	Not sure	Disagree	Strongly disagree
I am highly satisfied with the service offered by the hotel.	208 (57.4%)	154 (42.6%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
I intend to remain the client of the hotel.	228 (63.0%)	57 (15.7%)	77 (21.3%)	0 (0.0%)	0 (0.0%)

Source: Field data (2023).

The results in Table 3, shows that almost all the respondents agreed with the statement about boost market performance by providing acceptable customer care in a few high-end Rwandan hotels, whereby 42.6% of all respondents strongly agreed and 15.7% of all respondents agreed that they

will remain clients of the hotel ,57.4% strongly agreed that the level of satisfied with the services offered by the hotel and 63.0% of all respondents strongly agreed that they will remain clients of the hotel.

## **5.0 Conclusions**

Customer service is at the core of how well hotels perform, according to a study of consumer perceptions of the sector. Hotels that include a wide range of offerings and top-notch customer service into their operations will unavoidably see exceptional growth in their numerous performance measures. Although promotion has a part to play and may be considered as essential for their growth, the quality of customer service is what really sets the hotel industry apart. Most businesses find it challenging to run advertisements because the most successful media are frequently quite expensive and may not reach their target demographic. Ferguson (2018) asserts that advertising raises entry barriers and lessens competition, as seen by an increase in Monopoly profit.

Also, according to Nickels et al. (2020), advertising enables consumers unrestricted access to television and radio programming in addition to maintaining a strong position in the market and maximizing profits. According to Giles (2014), advertising is non-personal communication that is conveyed through a variety of media to a target audience in order to offer and promote goods, services, and ideas. The sponsor or sponsors pay for the production of the advertising as well as the cost of media time and space. Advertising provides a clear picture of any good or service offered by a business, which is a huge benefit. One of those tactics to maintain a unique market position might be well-planned, ongoing advertising. Identifying potent competitors on the market may also be helpful.

## 6.0 Recommendations

Upon analysis, discussion, and interpretation of the data gathered for this study, the researcher suggests the following: The marketing managers of these upscale hotels must plan and formulate marketing programs that will meet consumers' needs due to the competitive nature of the industry. Given that other service providers employ similar marketing strategies, it is advised to use alternative types of promotion, such as event sponsorship and mobile phone advertising, to stand out from the competition and elicit a stronger reaction from the customer. This will raise public knowledge of the range of goods produced by the sector. The business sector needs to select the best media for advertising-marketing should be used to target the majority of internet users who don't have time to watch television or listen to the radio. In order to assist promote their goods, the sector should also leverage local celebrities, as this can draw sizable audiences from which new clients can be found. The advertising agency should receive regular, consistent, and up-to-date training on product information so they will have the expertise and abilities to handle the advertisements and to make sure that product details are highlighted in order to inform clients.

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