



**SERVICE QUALITY FACTORS INFLUENCING CUSTOMER  
SATISFACTION, LOYALTY, AND RETENTION IN THE HOSPITALITY  
INDUSTRY IN GHANA: A CASE STUDY IN THE VOLTA REGION**

By

**OTILIA ABLA ADZINYO**

**Doctor of Philosophy in Management Sciences  
(HOSPITALITY BUSINESS MANAGEMENT)**

in the

**Faculty of Management Sciences**

**CENTRAL UNIVERSITY OF TECHNOLOGY (CUT), FREE STATE**

**Promoter:** Professor Albertus J Strydom

**Co-promoter:** Emeritus Professor Dennis Y Dzansi

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## **DECLARATION**

I, Otilia Abla Adzinyo, student number ##### declare that this research report submitted to the Central University of Technology, Free State, for the degree PHD: Management Sciences (Business Management), is my independent work and has not previously been submitted by me to another university/faculty. I further cede the copyright of the thesis in favour of the Central University of Technology (CUT), Free State.

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## ABSTRACT

Issues pertaining to service quality, customer satisfaction, customer loyalty and customer retention are major concerns in the Ghanaian hotel industry that requires attention because of their impact on strengthening the Ghanaian hospitality industry to contribute meaningfully to Gross Domestic Product continually. That notwithstanding, a knowledge gap was identified in the literature on the direct and indirect (mediating) effects of service quality on customer satisfaction, loyalty and retention in the Ghanaian hotel industry. To contribute to the literature and fill the existing knowledge gap, this study was conducted to determine the direct and indirect (mediation) impact of service quality factors (responsiveness, reliability, tangibility, assurance, empathy) on customer satisfaction, customer loyalty and customer retention among hotels in the Volta Region of Ghana. A quantitative survey methodology was adopted. A total of three hundred and eighty-nine (389) customers were sampled from twenty-two (22) hotels in the Volta Region of Ghana. Standardized questionnaires were used in the collection of data. Ethical issues such as confidentiality, informed consent and anonymity were ensured during the data collection process. Statistical Package for Social Sciences (SPSS) version 26 and Smart PLS 4 were used to analyse the data gathered. Standard multiple regression analysis and Partial Least Squares (PLS) Structural Equation Modelling were used to test the hypotheses. The result of the study showed that significant positive relationships exist between service quality factors (empathy, assurance) and customer retention. At the same time, tangibility, responsiveness and reliability had non-significant relationships with customer retention. The study also found that service quality factors (responsiveness, tangibility and empathy) had significant positive relationships with customer satisfaction, while reliability and assurance had non-significant relationships. The result also showed that a significant positive relationship was found to exist between service quality factors (responsiveness, empathy, assurance) and customer loyalty. The study also found a significant positive

relationship between customer satisfaction and loyalty. However, a non-significant relationship was found to exist between customer satisfaction and customer retention. Rather, customer loyalty and customer retention were found to be positively related. For mediation effects, it was found that customer loyalty mediates the relationship between customer satisfaction and customer retention. It was also found that customer satisfaction mediates the relationship between service quality and customer loyalty. Customer loyalty also mediated the relationship between service quality and customer retention. Customer satisfaction did not mediate the relationship between service quality and customer retention. Based on the study's results, the study recommended the need for hotels in the Volta Region to develop a customer-focus organisational culture centred on training and development of skills such as empathy and assurance. It is important for hotels to conduct training needs assessment to identify the specific service quality skills that their employees are lacking and develop training programs to equip them with strong interpersonal skills such as active listening, empathy and emotional intelligence, among others, to improve customer outcomes in terms of customer satisfaction, customer retention and customer loyalty. Secondly, hotels in the Volta Region need to develop an improved operation-centric strategy focused on making them more responsive to the needs and expectations of their customers. To achieve this, hotels in the Volta Region of Ghana must improve the responsiveness of their communication channels such as online chats, emails, phone calls, and social media handles, by being available 24/7 to ensure that customer needs are addressed promptly. Employees of hotels must also be equipped through training programs on how to respond appropriately to customer requests in real-time. It is also important for hotels in the Volta Region to use technology that enhances responsiveness, such as online booking systems, mobile apps and artificial intelligence, such as chatbots, to improve their responsiveness to their customers. The study also recommends that hotels in the Volta Region adopt and implement loyalty programs for their customers by offering rewards and incentives to customers who frequently patronise their services. Loyalty programs of hotels can be based on points,



and by the accumulation of certain points, customers could receive rewards, such as free meals during their stay or reduced hotel cost by a certain percentage.

**Keywords:** service quality, customer satisfaction, customer loyalty, customer retention, hotels, Volta Region



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## ABBREVIATIONS AND ACRONYMS

AI	Artificial Intelligence
B2B	Business to Business
CEES	Centre for Enterprise and Entrepreneurship Studies
CLEI	Customer Loyalty Engagement Index
CRM	Customer Relation Management
CSI	Customer Satisfaction Index
CSOs	Civil Society Organizations
GDP	Gross Domestic Product
IBM	International Business Machines
NGOs	Non-Governmental Organizations
PLS	Partial Least Squares
RAISA	Robotic, Artificial Intelligence and Service Automation
SPSS	Statistical Package for Social Sciences
USA	United States of America
WoM	Word of Mouth



## CHAPTER ONE

### INTRODUCTION TO THE STUDY

#### 1.1 Introduction

Al-Ababneh (2017) defines service quality as the variance between customers' expectations about a particular product or service and the actual product or service received by the customer. In this regard, customers can assess service quality by comparing their expectations about a product or service with the actual product or service received at the end (William et al., 2016). It is, therefore, foreseeable in the hospitality industry that customers will assess the quality of service offered by comparing their actual experiences with their expectations.

In the dynamic landscape of the global hospitality industry, service quality stands as a cornerstone, wielding profound influence over customer satisfaction, loyalty, and overall business success (Minh et al., 2015). Across the world, the consistent delivery of exemplary service is paramount for creating positive guest experiences, fostering repeat patronage, and cultivating a resilient brand reputation (Nguyen et al., 2018). In the fiercely competitive global market, the ability to consistently provide exceptional service confers a strategic advantage, serving as a magnet for an expanding customer base and laying the foundation for enduring success (Manhas & Tukamushaba, 2015). The global importance of service quality is further accentuated by its pivotal role in shaping brand perception (Nguyen et al., 2018).

Africa's diverse cultural landscape necessitates a sophisticated approach to service quality, with hospitality businesses called upon to be attuned to and respectful of the multifaceted cultural preferences of their visitors (Novelli, 2015). Notably, Africa's economic reliance on tourism accentuates the pivotal role that service quality assumes

in attracting and retaining tourists, thereby contributing substantively to the economic prosperity of the region (Tichaawa & Kimbu, 2020). Within the African framework, the concept of service quality extends beyond customer interactions to encompass a broader spectrum of community impact (Aksoy et al., 2019). Hospitality firms in Africa wield considerable potential to effect positive change by engaging with local communities, implementing responsible tourism practices, and fostering support for local economies (Aqaba, 2017).

Studies have established a direct connection between service quality and customer retention in the hospitality industry (Ahmed et al., 2010; Bujisic et al., 2014; Sukaisih & Hamid, 2015; Syaquirah & Faizurrahman, 2014; Tefera et al., 2017). For instance, Ahmed et al. (2010) found a significant positive relationship between service quality and customer retention. On the other hand, Bujisic et al. (2014) found that service quality enhanced customer retention in the hospitality industry. Other studies have found that service quality indirectly affects customer retention in the hospitality industry via customer satisfaction and loyalty (AbuKhalifeh & Som, 2012; Ladhari, 2009; Ramanathan & Ramanathan, 2011; Zeithaml & Bitner, 2003). Not surprisingly, studies argue that service quality and customer satisfaction have become key factors for achieving competitive advantage in the hospitality industry because of their positive implications on customer loyalty and retention (Hersh, 2010; Ladhari, 2009; Su, 2004; Yang, 2004). It is also established that the success of hospitality businesses is less dependent on attracting new customers and more on retaining existing customers through the implementation of service quality and customer satisfaction-related policies (Dominici & Guzzo, 2010; Li & Krit, 2012; Maghzi et al., 2011). Furthermore, studies have also shown that in the service quality, customer satisfaction, customer loyalty, and customer retention relationship, customer satisfaction acts as a mediator between service quality customer retention and customer loyalty (Bou-Llusar et al., 2001; Lee et al., 2000; Li & Krit, 2012; Olorunniwo et al., 2006; Ramanathan & Ramanathan, 2011).

The literature search revealed that although studies have been conducted on the impact of service quality factors and their effect on customer satisfaction, loyalty, and retention in different industrial contexts, including the hospitality industry, such studies have largely been conducted outside Ghana. For instance, the literature search revealed service quality versus customer retention studies in the telecommunication industry (Iddrisu et al., 2015) and another in the banking industry (Adjei, 2016). There is, therefore, a research and knowledge gap as far as the topic is concerned in the hospitality industry. The current study, therefore, seeks to enrich the existing literature on hospitality by investigating service quality factors and their impact on customer satisfaction, loyalty, and retention in the Ghanaian hospitality industry, with a specific focus on hotels in the Volta region. This is a multi-disciplinary study in hospitality management, specifically focusing on hospitality marketing. By doing that, the study intends to make a meaningful contribution towards optimising the impact of service quality factors on customer retention, with a consequent positive impact on the sustainability of tourism and hospitality businesses, not only in the Volta region of Ghana but also beyond.

The study relates well to the following sustainable development goals, namely Goal 8 (decent work and economic growth): customer satisfaction will contribute to the growth of the hospitality industry with a consequent positive impact on economic growth, as well as Goal 11 (sustainable cities and communities) for the same reason as mentioned above. The study is also in line with the strategic objectives of the Centre for Enterprise and Entrepreneurship Studies (CEES) since it is directly focused on small business development through improved customer retention.

## 1.2 Problem background

The hospitality industry has been the bedrock of economies in developing and developed countries due to its immense contributions to the Gross Domestic Product (GDP) (Zaitseva et al., 2016). Studies have posited that the hospitality industry, dominated by hotel and tourism businesses, contributes 10% to the world's gross domestic product (Zaitseva et al., 2016). With the intensity of competition among businesses in the 21st century due to technological advancement, globalization, and the changing demands of customers for quality products and services, hotels in the hospitality industry are also compelled to pay attention to service quality (Kabuitu & Ngige, 2016). The need to ensure service quality is supported by the reported relationship between service quality factors and customer retention (Ahmed et al., 2010; Bujisic et al., 2014; Sukaisih, Suharyono & Hamid, 2015; Syaquirah & Faizurrahman, 2014; Tefera et al., 2017).

In Ghana, the hospitality industry plays an immense role in economic development, contributing 6.2% to GDP in 2017 (Gyamfi et al., 2020). It also serves as a source of employment for a wide range of people, such as cooks, receptionists, cleaners, and security guards, amongst others (Lovelock & Wirtz, 2011). According to the Ghana Standards Board (2005), there are five classes of hotels, resorts, and motels: one star (4th class), two stars (3rd class), three stars (2nd class), four stars (1st class), and five stars (luxury). The Ghana Standards Board (2005) further elaborates that the distinguishing elements of the hotel categories are based on tangibles such as flooring and furnishing, electrical gadgets such as telephones, televisions, radios, and lights, as well as the nature of the bathrooms and water closets. The quality of beds, meals, staff, and safety equipment are also relevant elements for distinguishing one hotel category from the other (Ghana Standards Board, 2005).

Despite the connections between service quality and customer satisfaction, customer loyalty, and customer retention in the hospitality industry, managers and owners of hospitality-related organizations are still confronted with the problem of maintaining technical and functional quality (Awara & Anyadighibe, 2014; Kinderis et al., 2011). According to Kinderis et al. (2011), technical quality has to do with the tangibles that the customer can associate with, such as ambience in the environment, accommodation, and food served, amongst others. Kinderis et al. (2011) further explain that since technical quality is associated with physical attributes that the customer has contact with, it is easier for the customer to form perceptions about what he or she expects and receives. On the other hand, functional quality has to do with the behavior of employees who provide the service, such as their attention to customers, respect for customers, confidentiality, communication skills, and ability to meet the needs of customers in real-time, among others (Awara & Anyadighibe, 2014). Building on previous research that has established technical and functional quality as key service quality factors, this study seeks to explore other service quality factors comprising reliability, responsiveness, empathy, tangibility and assurance and their impact on customer satisfaction, loyalty, and retention in the Ghanaian hospitality industry.

### **1.3 Problem statement**

The literature search revealed previous studies done in Ghana on the service quality versus customer retention relationship (Adjei, 2016; Iddrisu et al., 2015). A number of studies have been conducted in Ghana that focused their attention on the direct relationships between service quality and customer satisfaction, customer retention and customer loyalty (Anabila et al., 2022; Ofosu-Boateng & Acquaye, 2020; Allan, 2016). For instance, the study conducted by Annabila et al. (2022) found that a significant positive relationship exist between service quality, customer satisfaction and customer delight. In the study that was conducted by Ofosu-Boateng and Acquaye

(2020), it was found that a significant positive relationship exist between service quality and customer loyalty in the hospitality industry in Cape Coast, Ghana. A significant positive relationship was also found to exist between customer satisfaction and customer loyalty in the hospitality industry in Cape Coast (Ofosu-Boateng & Acquaye, 2020). The study that was conducted by Allan (2016) found that a significant positive relationship exist between service quality, customer satisfaction and customer retention among luxury hotels in Ghana.

While various studies have explored the direct connections between service quality and customer satisfaction, as well as customer retention and loyalty in the Ghanaian context (Anabila et al., 2022; Ofosu-Boateng & Acquaye, 2020; Allan, 2016), none have specifically examined the interplay and mediating relationships among service quality, customer satisfaction, customer loyalty, and customer retention within hospitality firms in the Volta Region. The study conducted by Annabila et al. (2022) and that of Ofosu-Boateng and Acquaye (2020) contribute valuable insights by establishing positive relationships between service quality, customer satisfaction, and customer loyalty. However, a distinct knowledge gap emerges when considering the Volta Region, where the direct and mediating relationships between these variables remain unexplored. This knowledge gap forms the basis for the current study.

Understanding these relationships in the context of the Volta Region is critical for the following reasons. Firstly, the region's increasing prominence as a tourist destination necessitates a comprehensive understanding of the factors influencing customer retention in hospitality firms. Secondly, the burgeoning nature of the hospitality industry in the Volta Region underscores the practical relevance of the study, providing valuable insights for local businesses seeking to enhance their competitive edge. Thirdly, by addressing the research gap in this specific geographical context, the study contributes not only to the academic literature but also offers practical implications for

policymakers, industry stakeholders, and hospitality firms operating in the Volta Region.

#### **1.4 Aim of the study**

The study aims to assist hospitality firms in Ghana to deliver service that meets or exceeds quality standards and maximises customer satisfaction, customer loyalty and customer retention.

#### **1.5 Research objectives**

This section presents the main objective and subsidiary objectives of the study.

##### **1.5.1 Main objective**

The main objective of this study is to determine the impact of service quality factors on customer satisfaction, loyalty and retention in the hospitality industry in Ghana in order to suggest possible elements of a service quality strategy to optimise customer retention in the hospitality industry of the Volta Region in Ghana.

##### **1.5.2 Subsidiary objectives**

To achieve the above main objective, the following specific objectives arise:

1. To determine the extent to which service quality factors influence customer retention in the hospitality industry in Ghana.
2. To determine the extent to which service quality factors influence customer satisfaction in the hospitality industry in Ghana.

3. To determine the extent to which service quality factors influence customer loyalty in the hospitality industry in Ghana.
4. To determine the relationship between customer satisfaction and customer loyalty among hotels in the Volta Region of Ghana.
5. To determine the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.
6. To determine the relationship between customer loyalty and customer retention among hotels in the Volta Region of Ghana.
7. To determine the extent to which customer satisfaction will mediate the relationship between service quality and customer loyalty among hotels in the Volta Region of Ghana.
8. To determine the extent to which customer loyalty will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.
9. To determine the extent to which customer satisfaction will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.
10. To determine the extent to which customer loyalty will mediate the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.
11. To suggest possible elements of a service quality strategy to optimise customer retention in the hospitality industry of the Volta Region in Ghana.

## 1.6 Hypotheses

This section presents the main and subsidiary hypotheses that guided the study.

### 1.6.1 Main hypothesis

Service quality factors, directly and indirectly, affect customer satisfaction, customer loyalty and customer retention among hotels in the Volta Region of Ghana.

### 1.6.2 Subsidiary hypotheses

- H1: There will be a significant positive relationship between service quality factors and customer retention among hotels in the Volta Region of Ghana.
- H2: There will be a significant positive relationship between service quality factors and customer satisfaction among hotels in the Volta Region of Ghana.
- H3: There will be a significant positive relationship between service quality factors and customer loyalty among hotels in the Volta Region of Ghana.
- H4: There will be a significant positive relationship between customer satisfaction and customer loyalty among hotels in the Volta Region of Ghana.
- H5: There will be a significant positive relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.
- H6: There will be a significant positive relationship between customer loyalty and customer retention among hotels in the Volta Region of Ghana.
- H7: Customer satisfaction will mediate the relationship between service quality and customer loyalty among hotels in the Volta Region of Ghana.
- H8: Customer loyalty will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.

H9: Customer satisfaction will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.

H10: Customer loyalty will mediate the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.

## 1.7 Overview of methodology

The study adopted a quantitative survey research design. A total of three hundred and eighty-nine (389) customers sampled from one hundred and two (102) hotels in the Volta Region of Ghana participated in the study. Questionnaires served as the data collection instruments. The SERVQUAL instrument was used to measure service quality on five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. Customer satisfaction was measured using the Customer Satisfaction Index (CSI), developed by the American Customer Satisfaction Index (Fornell et al., 1996). Customer retention was measured by adopting the Customer Loyalty Engagement Index (CLEI) developed by Brand Keys (2023) while customer loyalty was measured by adopting the Loyalty Scale developed by Wirtz and Bateson (1995). The questionnaires were measured on a seven-point Likert scale where 1= strongly disagree, 2= disagree, 3= slightly disagree, 4= neutral, 5= slightly agree, 6= agree, and 7= strongly agree. Data from questionnaires were coded by assigning numerical values and then entered into the Statistical Package for Social Sciences (SPSS) version 26. Descriptive statistics regarding minimum and maximum values and mean scores were analysed using the SPSS software. Standard multiple regression and Partial Least Squares (PLS) Structural Equation Modelling were used to test the ten (10) subsidiary hypotheses. Ethical considerations such as confidentiality, informed consent, and anonymity were ensured during the data collection process.

## **1.8 Significance/ contributions of the study**

This section provides the significance or contributions of the study in terms of practice, policy and practice.

### **1.8.1 Contribution to practice**

The findings of this study have practical implications for the Ghanaian hotel industry, specifically in improving service quality factors. The study highlights the importance of responsiveness, tangibility, reliability, assurance, and empathy in enhancing customer satisfaction, loyalty, and retention. To implement these improvements, hotel owners, managers, and employees need to be equipped with the knowledge and resources to adopt and implement effective service quality policies and programs. By focusing on these factors, hotels in Ghana can enhance the overall customer experience and increase their chances of customer satisfaction, loyalty, and retention.

### **1.8.2 Contribution to policy**

This study has significant relevance for policymaking in the Ghanaian hotel industry. The positive implications of service quality on customer outcomes, as evidenced by the study findings, suggest that service quality should be incorporated as a key benchmark for hotel operations in Ghana. This incorporation can be facilitated with the support of the Ghana Tourism Authority and other stakeholders in the industry, such as hotel owners, managers, staff, customers, local communities, as well as non-governmental organizations (NGOs) and civil society organizations (CSOs) associated with the Ghanaian hotel industry. By emphasizing service quality in policies and regulations, the industry can strive to improve customer satisfaction, loyalty, and retention.

### **1.8.3 Contribution to theory**

The study's findings demonstrate that the expectancy disconfirmation theory holds in the context of the Ghanaian hotel industry. The importance of service quality factors in meeting customer expectations and their mediating role in shaping customer satisfaction, loyalty, and retention highlight the significance of delivering exceptional service experiences to enhance customer outcomes. These insights contribute to a deeper understanding of the theoretical underpinnings of the expectancy disconfirmation theory and provide practical guidance for hotels to improve customer satisfaction through service quality enhancements.

### **1.9 Limitations of the study**

The study was confronted with certain limitations. First, access to customers or guests of hotels in the Volta Region was a key limitation that confronted the study and delayed the data collection process. This is because most of the guests or customers who patronised hotels in the Volta Region were not ready for an exercise like responding to a questionnaire. However, with the support of the management and staff of the hotels, it became possible to get some customers who were willing to fill out the questionnaires eventually. There were issues with questionnaires that were not properly filled out since some questions were left out. In some cases, respondents ticked more than one response on the seven-point Likert scale. This problem also caused delays during the data entry process because a lot of time was spent sorting out questionnaires that were not eligible for data analysis.

## **1.10 Structure of the research report**

This thesis is comprised of seven chapters. Chapter 1 constituted the introduction, problem background, problem statement, research aim, research objectives, research hypotheses, an overview of the research methodology, significance of the study, limitations and structure. The second chapter presented a theoretical perspective on service quality and customer retention in the hospitality industry. Chapter 3 presents literature on practical lessons learnt on best practices of service quality strategies across the globe. The fourth chapter presents literature leading to the development of hypotheses and conceptual framework. The fifth chapter presents the research methodology. Chapter 6 presents the results and discussions with the literature. Chapter 7 presents the conclusions and recommendations.

## **1.11 Chapter summary**

This chapter identified a knowledge gap in service quality and its effect on customer outcomes such as customer satisfaction, customer loyalty and customer retention in Ghana's hotel industry. Identifying the knowledge gap necessitated this current study which sought to assess the direct and indirect (mediating) effects on the relationships between service quality factors and customer satisfaction, customer loyalty and customer retention in Ghana's hotel industry. A total of eleven (11) hypotheses were developed, which were tested using PLS Structural Equation Modelling.



## CHAPTER TWO

# SERVICE QUALITY, CUSTOMER SATISFACTION, LOYALTY AND RETENTION IN THE HOSPITALITY CONTEXT

### 2.1 Introduction

This chapter provides a theoretical perspective on service quality and customer retention in the hospitality industry. It defines important variables of the study, such as quality, service, service quality, and competitive advantage. It then compares service quality, customer satisfaction, and perceived and expected service quality. Furthermore, two service quality models, namely the Grönroos' and SERVQUAL models, are also discussed. The chapter provides literature on the strategic importance of service quality and its five dimensions (reliability, responsiveness, empathy, assurance, tangibility) in achieving competitive advantage among firms. Finally, it is linked to the hospitality industry. The chapter also discusses customer loyalty/retention issues and its strategic importance in achieving business growth among firms. The chapter also elaborates on some of the consequences of customer loyalty/retention for achieving business growth.

Furthermore, the chapter narrows down to the strategic importance of customer retention/loyalty in achieving business growth in the hospitality industry. This chapter also emphasises the strategic importance of customer satisfaction and retention in achieving business growth among firms and the hospitality industry. In tackling these themes in the literature, the chapter ensures linkages to the Ghanaian hospitality industry.

This chapter aims to understand and evaluate the impact of service quality and its strategic importance to firm competitiveness. The chapter's goal is also to define key variables used for the study, such as quality, service, and service quality. Additionally, the chapter compares key variables such as perceived and expected service quality. Furthermore, the chapter seeks to understand the strategic importance of customer loyalty, customer retention and customer satisfaction in business growth from a general to a specific domain by linking it to the Ghanaian hospitality industry.

## **2.2 Service quality in the hospitality context**

Service quality is a crucial success element for modern service businesses that provide services to customers intending to retain them (Naik et al., 2010). Since the majority of service providers opt not to engage in price wars, there are underlying processes that generally explain the contribution of service quality to customer satisfaction (Colgate & Norris, 2011). According to Colgate and Varki (2012), companies may stand out from the competition and compete favourably by bringing in new clients, expanding their market share, and providing high-caliber customer service to satisfy clients.

Therefore, maintaining a long-lasting relationship with the customer through developing a superior value relationship tends to increase customer satisfaction (Oyeniya & Abiodun, 2008). Better service quality translates into positive behavioural intentions, resulting in customer satisfaction (Namin, 2017). Once clients are pleased, it is anticipated that they will be loyal to the company (Namin, 2017). Specific dimensions that can be measured can be linked to the value customers receive from service quality, and the outcomes are related to their goals. Customers may build opinions about the things they use and determine whether they match their expectations based on the value they seek (Oyeniya & Abiodun, 2008). Customers' perceptions of service quality and customer satisfaction are both shown to be crucial

factors in determining customer attitudinal retention signals. However, satisfaction had the strongest correlation with the customer retention construct. Additionally, it can be stated that staff members of service organisations develop excellent relationships with clients because this type of relationship, known as a simultaneous relationship, occurs frequently while both parties receive services.

### **2.2.1 Defining quality**

Since the term 'quality' changes in different situations, its definition continues to vary. In support of this, Bharwana et al. (2013) indicated no universally accepted definition of quality exists. The definition of quality from the perspective of Parasuraman et al. (1985) refers to the absence of defects in products or services. Other scholars, such as Berry et al. (1985), defined quality as the extent to which products or services conform to customers' requirements or specifications. Thus, the opinion of customers becomes the yardstick for measuring the quality of a product or service.

Through this, firms become well-positioned to enhance their level of conformance to specification, which is critical to gaining a competitive advantage in the market (Shariff, 2012). According to Ghylin (2006), quality has been viewed from different perspectives, including as an organisational trait, a mark or degree of excellence, and a form of social status. A simpler definition proposed by Kumasey (2014) referred to quality as product performance that is good enough to achieve customer satisfaction and devoid of defects.

From the definitions, the study observes that quality in an organization has to do with the ability of the organization to ensure that its business processes are devoid of any defect and, as such, transcends into product offerings that can meet customers' needs and expectations. In this regard, in the Ghanaian hospitality industry, quality is

conceptualized as the defect-free operational processes of hospitality firms, which lead to providing products and services that meet and exceed customers' needs.

### **2.2.3 Defining service**

A unique feature of service is that it is intangible. As such, it is immediately consumed and not stored like a product. Additionally, services are distinctive and generally specific to the service provider, so the definition of the service remains a major challenge. However, several authors believe that the difference between service and physical goods is clear enough to encourage the notion that goods and services are dichotomous. Other authors have argued, on the contrary, that a distinction or difference is not always clear, although their interdependence, that is, between goods and services, is very vital (Harmse, 2012; Hoffman & Bateson, 2011).

It is useful to think of services and goods as being arranged on a continuum of intangibility so that no tangible element represents a "pure" service at one extreme of the continuum and no intangible element represents a "pure" good at the other extreme. Some scholars argue that services can be tangible and intangible and are placed between the two extremes of tangibility (Harmse, 2012:60; Hoffman & Bateson, 2011:4-5). An example of a tangible element is the furniture and other equipment found in hospitals, while the tracking of patient folders by software is an example of an intangible dimension.

### **2.2.4 Defining service quality**

The concept of service quality is multidimensional, so there is no single definition for the concept (Hoffman & Bateson, 2011; Parasuraman et al., 1985). Due to the multidimensionality of the concept, more studies on service quality and its

measurement continue to emerge. The American and Nordic (European) views present the two main schools of thought on service quality. While the American school of thought describes service quality by using the SERVQUAL five dimensions, also referred to as the RATER model (reliability, assurance, tangibles, empathy, and responsiveness) (Hoffman & Bateson, 2011; Parasuraman et al., 1985), the Nordic school of thought describes service quality by using both aspects of the technical and functional quality proposed by the Grönroos model of Service Quality (1984). Although both schools of thought emphasize vital aspects of service quality, their definitions fail to capture the real essence of the concept (Harmse, 2012). The degree to which the needs of customers are met, together with the extent to which a service meets the needs and expectations of customers, provide the common grounds for the definition of service quality (Berry et al., 1995; Grönroos, 1984; Hoffman & Bateson, 2011). According to Harmse (2012), such a definition is in line with the "user-based" approach, where quality is defined as the degree to which a service serves the purposes of the customer during usage (fitness of use). Thus, by implication, service quality is subjective and based on the user's perceptions of the service's superiority, which is a global judgment (Harmse, 2012).

The study conceptualizes service quality in the Ghanaian hospitality industry as the ability of hospitality firms to provide services that can meet customer expectations of their service offerings. Thus, customers' perceptions about hospitality firms have a critical role to play in assessing service quality, and service quality will be met if what customers perceive about what they expect to get from these hospitality firms is met. On the other hand, service quality will not be achieved if customers' perceptions about what they expect to receive from hospitality firms are not met.

## **2.2.5 Service quality models and dimensions**

In this section, three service quality models are discussed: Grönroos' model of service quality, the service quality gap model and the SERVQUAL model.

### ***2.2.5.1 The Grönroos' model of service quality***

One of the leading works in the Nordic school of thought regarding service quality is that of Grönroos (1984). Grönroos (1984) contributed immensely to the understanding of service quality. He believed that service quality must be seen from the customer's perspective (Grönroos, 1984). From the author's perspective, this is based on using qualitative methods and measures of perceived (or interpreted) service quality (Grönroos, 1984). The service quality model proposed by Grönroos comprises three main dimensions: image, function, and technical quality. The interaction between the customer and the service organization is called technical quality. In this setting, service users such as tourists from local communities and international travelers use these hospitality facilities (Nyandoro, 2012; Yarimoglu, 2014). The way and manner in which the service is provided describes the functional quality dimensions. In assessing the quality of the service in the hospitality industry, customers tend to focus on functional issues such as staff appearance regarding uniforms and the general physical conditions of the hospitality facilities (Nyandoro, 2012; Yarimoglu, 2014). The image of the service provider, which is often spread through word-of-mouth communication, together with other dimensions such as technical and functional, play a critical role in service quality (Nyandoro, 2012; Yarimoglu, 2014).

The Grönroos Model of service quality applies to this study because service quality will be measured based on perceptions from customers that visit hospitality firms in Ghana. It must be emphasized that the interactions between the customers and hospitality firms (technical quality), how the services are provided to the customers (functional quality), and the image of the service provider form unique experiences

that will have a role to play as customers decide whether their expectations about services received from hospitality firms in Ghana meet their expectations or not. In this regard, the Grönroos Model of service quality provides a good basis for understanding customer perceptions about the service quality of hospitality firms in Ghana.

#### **2.2.5.2 Service quality GAP model**

According to Buttle (1996), the GAP service quality model was developed by Parasuraman et al. (1985) in the 1980s through the use of in-depth focus group interviews in an exploratory study. According to Luke (2007), the model provides the framework that enables firms to enhance the perception and expectation of service quality among customers. In the model, relationships between activities are illustrated through connection vectors. These vectors are portrayed as potential gaps between the main activities of the service organisation. A gap illustrates obstacles to achieving good service quality (Nyandoro, 2012).

#### **Gap 1: Customer expectation and management perception (knowledge gap).**

An illustration of this gap can be that management fails to have a comprehensive and complete view of what customers seek from a service, and such a misunderstanding could negatively affect management's ability to provide quality service to the customers (Parasuraman et al., 1985; Shariff, 2012). According to Hoffman and Bateson (2011), this gap is affected by three main factors, which include: 1) marketing research in which customers are not included in the design of service quality or failure on the part of managers to carry out this important research in the first place; 2) upward communication in which there is generally a lack of information flow from the ground up; and 3) too many bureaucratic structures in organisations creating unnecessary red tape and processes (Hoffman & Bateson, 2011).

### **Gap 2: Service quality specification and management perception (policy gap)**

This gap describes a situation where there is a lack of appropriate designs or standards, resulting in unacceptable service quality standards (Yarimoglu, 2014). For example, in a particular study, participants reported that staff are punctual and helpful (Tsai et al., 2011). However, the staff is extremely unprofessional, as they generally arrive at the hotels late and waste time in between (Ananth et al., 2011). This is further aggravated by poor manners, in which questions from customers are poorly handled. Such occurrences can, however, be avoided through proper service design (Ananth et al., 2011).

### **Gap 3: Service quality specifications-service delivery gap (delivery gap)**

This describes flaws in the performance of employees (Awoke & Wollo, 2015). This often describes a situation where firms establish good service designs and guidelines but fail to provide employees with the requisite training needed to implement these guidelines (Awoke & Wollo, 2015). In such cases, there is a gap between the documentation of the process and what is done in reality (Loke et al., 2011). For example, a customer makes a booking in advance for the hotel and arrives at the reception only to realize that the room is unavailable. If it is, the room is not well cleaned to be used, wasting the time and resources of the customer (Ramya et al., 2019).

### **Gap 4: Service delivery and external communication (communication gap)**

This describes the discrepancy between what is communicated to the customer regarding service quality and what is delivered (Parasuraman, 2004). For instance, in some cases, service providers tend to advertise in various media to customers, in which organisations mostly promise more than they can deliver (Nargunde, 2016). Consequently, according to Parasuraman et al. (1985), the customer is disappointed

when a gap is experienced between what is communicated and the actual service delivery.

### **Gap 5: Expected service-perceived service gap (service gap)**

The discrepancy between the delivered service and customer expectations is perceived as a gap. According to Nyandoro (2012) and Shariff (2012), there is a need for service firms to work towards ensuring that the service quality delivered is always in alignment with customer expectations. More importantly, Nyandoro (2012) asserts that service quality can be successfully managed when the four gaps identified above exist between management and employees' perceptions and expectations.

Commenting on the gap model of service quality, the study argues that the ability of hospitality firms in Ghana to achieve service quality is based on collaborative efforts from management's commitment, policies, and organizational structures, as well as employee competencies and training, coupled with consistent feedback from customers on what their expectations are when it comes to service quality. In this regard, achieving service quality in the hospitality industry in Ghana depends on what measures the organizations have put in place in terms of their policies, systems, and training programs for employees to equip them and make them competent enough to provide services that will meet the needs and expectations of the customers. By so doing, the knowledge, policy, delivery, communication, and service gaps identified by the gap model will be curtailed, and thus service quality will be achieved among hospitality firms.

### **2.2.5.3 The SERVQUAL-model**

The service quality dimensions identified by Zeithamal (2006) are explained below.

#### **2.2.5.3.1 Reliability**

According to Nooni et al. (2015), this dimension of the SERVQUAL model pertains to the reliability of service delivery to clients by ensuring that they are consistent and precise. This is achieved through maintaining consistency in fulfilling commitments concerning performance. According to Sadek et al. (2010), reliability involves executing the correct actions initially, consistently fulfilling commitments throughout all procedures, and guaranteeing the constant availability of products and services for clients.

Reliability of service also involves accurately providing and calculating the commission of service providers and keeping service promises. Zeithaml and Bitner (2003) argue that reliability is critical to the service industry. Moreover, Nooni et al. (2015) indicated a positive relationship between customer retention and service reliability.

Reliability is crucial in the hospitality industry and can be achieved in various ways. One way is to ensure that all staff members are well-trained and equipped to provide high-quality services consistently. Proper training can help staff understand the importance of fulfilling client commitments, executing the correct actions initially, and consistently fulfilling commitments throughout all procedures. Additionally, hospitality firms can ensure that all equipment and facilities are well maintained and regularly serviced to prevent unexpected breakdowns that can cause disruptions in service delivery. Clear communication channels can also help enhance reliability by ensuring that clients are promptly informed of any changes or delays in service delivery. Moreover, firms can maintain accurate records of client preferences and complaints

to identify areas for improvement and ensure that similar mistakes are not repeated in the future.

#### 2.2.5.3.2 Tangibility

The term "tangibility" pertains to the physical components of the service quality encounter, encompassing materials, equipment, and facilities, as noted by Kheng et al. (2010). Furthermore, issues about safety and convenient access to amenities are integral components of tangibility. Clients frequently correlate the quality of service with the level of tangibility experienced throughout the service delivery process. A well-maintained physical infrastructure, including facilities, equipment, personnel, and communication materials, typically conveys a sense of attentiveness and commitment to clients. According to Panzer et al. (2013), tangible services refer to the physical activities carried out by service providers to attract clients.

Several strategies can be implemented to achieve tangibility in hospitality firms in the Volta Region of Ghana. Firstly, these firms must invest in well-maintained physical infrastructure, including facilities, equipment, and amenities. Regular maintenance and upgrades should be carried out to ensure that the physical components are in good working condition and visually appealing to clients (Poku et al., 2013). This includes keeping the premises clean, ensuring proper lighting, and maintaining comfortable and attractive furnishings. Additionally, hospitality firms should focus on providing their clients with a safe and secure environment (Poku et al., 2013). This can be achieved by implementing security protocols, conducting regular safety inspections, and providing clear signage and directions for emergency exits and amenities (Asirifi et al., 2014). Safety measures should also extend to amenities such as swimming pools, fitness centers, and recreational areas to ensure clients can enjoy these facilities without concerns (Asirifi et al., 2014). Convenient access to amenities is another aspect of tangibility that can be prioritized. Hospitality firms can strive to

offer easy and hassle-free access to various amenities and services (Anabila et al., 2022). This can include features such as accessible parking spaces, well-marked entrances, and clear signage to guide clients to different areas of the facility (Anabila et al., 2022).

#### 2.2.5.3.3 Assurance

According to Zeithaml and Bitner (2003), assurance refers to the service providers' capacity to exhibit proficiency, politeness, and reliance when providing services to clients. According to Sadek et al. (2010), firms consider assurance a service quality dimension encompassing factors such as courteous and amiable employees, a pleasant working atmosphere, expedited access to data and information, and a proficient and well-equipped team. Assurance pertains to the capacity of customers to efficiently and promptly handle client complaints and their readiness to aid clients in resolving their issues while upholding a high level of professionalism in all client interactions (Sadek et al., 2010).

The assurance dimension highlights attributes and qualities that promote employee assurance and reliance through exceptional service and proficient and reliable performance. The cultivation of trust aims to establish a conducive atmosphere for clients to establish a strong rapport with the service provider. According to Parasuraman et al. (1991), the assurance dimension of service quality is primarily characterised by actions such as courtesy, instilling confidence, and imparting knowledge.

To achieve assurance in hospitality firms in the Volta Region of Ghana, it is essential to have well-trained and courteous employees who can efficiently and effectively handle customer complaints. Providing employees with continuous training and development opportunities can help enhance their skills and knowledge, thus

improving their overall performance (Adzoyi & Klutse, 2015). Creating a positive and welcoming work environment can also promote assurance among employees, which can translate into a better customer experience (Adzoyi & Klutse, 2015). Offering expedited access to data and information can also enhance customers' confidence in the service provider, as they can receive prompt and accurate responses to their queries (Adzoyi et al., 2018). Finally, instilling a culture of professionalism and reliability in all customer interactions can go a long way in achieving assurance and promoting customer satisfaction (Adzoyi et al., 2018).

#### 2.2.5.3.4 Responsiveness

Responsiveness refers to the level at which clients demonstrate their readiness and willingness to receive prompt service (Murray et al., 2019). The SERVQUAL model's responsiveness dimensions encompass the service provider's operational hours, the duration of waiting time for order fulfilment and the degree of courteousness exhibited by the staff. According to Kinderis et al. (2011), responsiveness constitutes understanding clients' requirements, offering convenient operating hours, demonstrating attentiveness towards individuals and their concerns, and ensuring the safety of transactions from the clients' perspective. Within the service industry, the inclination of employees to offer aid to clients has a favourable impact on clients' evaluations of service excellence (Mengi, 2009).

In order to achieve responsiveness in hospitality firms in the Volta Region of Ghana, several strategies can be implemented. Firstly, it is crucial to establish convenient operating hours that align with the needs of customers (Asirifi & Senya, 2020). This includes considering factors such as peak periods and customer preferences to ensure services are available when clients require them. Moreover, reducing waiting times for order fulfillment is another important aspect of responsiveness (Asirifi & Senya, 2020). Firms can optimize their processes and workflows to minimize delays

and deliver services promptly. Implementing efficient reservation systems, effective communication channels, and adequate staffing levels can contribute to reducing waiting times and enhancing the overall responsiveness of the firm (Ampong et al., 2021).

#### 2.2.5.3.5 Empathy

Empathy is a crucial dimension of service quality in hospitality firms, which entails providing individualised attention and showing concern for customers' needs and challenges (Bahadur et al., 2018). In the context of the Volta Region of Ghana, hospitality firms can demonstrate empathy by offering exceptional customer service, understanding customers' unique requirements, and providing flexible operating hours and convenient parking options, among other things. The manifestation of empathy in service delivery can positively influence customers' perception of service quality, which can ultimately impact their decision-making process in accepting or rejecting a service delivery (Nooni et al., 2015). Therefore, hospitality firms in the Volta Region of Ghana should strive to exhibit empathy towards their customers to enhance the quality of their services and attract and retain loyal customers.

From the perspective of the study, the SERVQUAL model provides a benchmark for practically measuring the service quality of hospitality firms. The SERVQUAL model's dimensions can be seen or experienced, enabling customers to decide on service quality based on what they see and experience in hospitality firms. To further explain, the tangibility dimension of the SERVQUAL model portrays the physical characteristics and outward aesthetics of hospitality firms, which can influence customers' perceptions of their expectations regarding the services that could be provided. However, some hospitality firms' beauty and physical features could be misleading, as clients could get disappointed when employee responsiveness, reliability, empathy, and assurance are either missing or not up to the customers'

expectations. In this vein, for service quality to be achieved in the hospitality industry in Ghana, there must be a complete blend of the physical aesthetic features of hospitality firms with the human resource competencies of empathy, assurance, responsiveness, and reliability.

### **2.2.6 Perceived and expected service quality**

Understanding and managing customer expectations is critical to delivering high-quality services and ensuring customer satisfaction. Parasuraman et al. (1985) propose that customers evaluate service quality based on the gap between their expectations and actual experiences. This evaluation process has significant implications for customer satisfaction. When customers have high expectations for a service, they set a benchmark for what they consider acceptable or desirable. If the perceived service quality falls below these expectations, customers will likely perceive the service as low and unacceptable, leading to dissatisfaction (Parasuraman, 2004). For example, if a customer expects a fast and efficient response from customer support but encounters long wait times and ineffective assistance, their expectations are unmet, resulting in dissatisfaction (Parasuraman, 2004). In the context of this study, customer expectations play a crucial role in determining their satisfaction, loyalty, and retention in Volta Region's hospitality industry. Customers establish a benchmark of expected service quality based on their desires and prior experiences. If the perceived service quality falls short of these expectations, it can lead to dissatisfaction and potentially negatively impact customer loyalty and retention. The study can assess how well hotels and service providers meet customer expectations by examining service quality factors in the Volta Region's hospitality industry.

Moreover, when the perceived service quality meets or exceeds customer expectations, customers experience a sense of satisfaction (Ullah, 2012). Therefore, if hotel guests receive exceptional hospitality and prompt service, and all their needs

are met as expected, their expectations are fulfilled, resulting in enhanced satisfaction (Ullah, 2012). The magnitude of the gap between expected and perceived service quality plays a significant role in shaping customer satisfaction (Dabholkar, 2014). When the large gap indicates a significant difference between expectations and actual experience, customers are more likely to be dissatisfied (Pakurar et al., 2019). Conversely, when there is a close match between expected and perceived service quality, customers are more likely to be satisfied (Pakurar et al., 2019). In the context of this study, the degree to which the perceived service quality meets or exceeds customer expectations is critical for customer satisfaction, loyalty, and retention in the Volta Region's hospitality industry. When customers receive exceptional hospitality, prompt service, and their needs are met as expected, their satisfaction levels increase. This alignment between expected and perceived service quality leads to enhanced satisfaction and positively impacts customer loyalty and retention.

Effectively managing customer expectations is crucial for service providers. By understanding what customers anticipate and consistently meeting or surpassing those expectations, hospitality firms can deliver high-quality services that align with customer desires (Amin, 2015). This connection between expected and perceived service quality is vital in shaping customer satisfaction and influencing their overall perception of the service provider (Mmutle & Shonhe, 2017). To achieve this connection, service providers must actively manage and shape customer expectations through effective communication, setting realistic service promises, and delivering on those promises consistently (Mmutle & Shonhe, 2017).

## **2.2.7 Service delivery in achieving competitive advantage**

This section presents literature on service delivery in achieving competitive advantage. The section defines competitive advantage and discusses the literature on the five dimensions of service quality (tangibility, responsiveness, assurance, empathy, reliability) and competitive advantage.

### ***2.2.7.1 Defining competitive advantage***

Within its contemporary meaning, the term competitive advantage was coined by Porter in 1985 (Porter, 1985). A competitive advantage is obtained when an organisation develops or acquires a set of attributes (or execution actions) that allow it to outperform its competitors (Wang, 2014). In other words, competitive advantage is revealed when the activities of a given organization are more profitable than those of its market competitors or when it outperforms them as regards other significant results of its activities (Huff et al., 2009), including, for example, the share in the market, product quality, or technological advancement. Inherently, many enterprises cannot exceed such prescribed standards (Huff et al., 2009).

Sigalas and Pekka-Economou (2013) have identified two streams concerning competitive advantage's conceptual demarcation. The first stream defines competitive advantage in performance, e.g., high relative profitability, above-average returns, a benefit-cost gap, superior financial performance, economic profits, positive differential profits in excess of opportunity costs, and a cross-sectional differential in the spread between product market demand and marginal cost. The second stream defines competitive advantage in terms of its sources or determinants, e.g., particular properties of individual product markets, cost leadership, differentiation, locations, technologies, product features, and a set of idiosyncratic firm resources and capabilities.

Service quality is an important tool in a firm's struggle to differentiate itself from its competitors. The relevance of service quality to companies is emphasized because it offers a competitive advantage to companies that strive to improve their business processes towards enhancing customer satisfaction and retention (Ladhari, 2008). In the telecommunications sector in Pakistan, Warraich et al. (2013) conducted a study that found that service quality is an instrumental indicator for achieving competitive advantage as telecommunication firms in Pakistan ensure that their employees are responsive to client's needs and provide reliable telecommunication services to clients.

In Croatia, Jasmina (2010) conducted a study that found that implementing service quality indicators such as reliability, responsiveness, and empathy is a form of competitive edge for hospitality firms. According to Maryam et al. (2014), firms that pay attention to service quality as a strategic element of their performance achieve a competitive advantage. Within the context of telecommunication firms, Maryam et al. (2014) conclude that applying service quality was essential in achieving competitive advantage for firms as they could achieve their performance outcomes.

The following subsections provide information on the impact of service quality dimensions (responsiveness, reliability, tangibility, empathy, and assurance) on competitive advantage.

#### ***2.2.7.2 Reliability and competitive advantage***

According to Zalfa and Siew (2017), reliability means performance dependability or consistency, which is further explained as the obligation to provide services to customers on time. For firms to achieve a competitive advantage through reliability, they need to ensure that their employees are well-trained to promptly provide services to customers, distinguishing the company from other firms providing similar services (Zalfa & Siew, 2017). Firms can achieve a competitive advantage through reliability

by paying attention to the accuracy of dates and times for which services must be provided to their customers (Lau et al., 2013). This is because when customers receive services at accurate times and dates, it enhances their customer satisfaction (Lau et al., 2013). For firms to improve their reliability as a strategic tool for competitive advantage, they need in-depth knowledge about customers' expectations of reliability. In this regard, by using reliability as a strategic tool for competitive advantage, firms will be in the best position to provide reliable services to their customers that meet and exceed their expectations to achieve competitive advantage.

### ***2.2.7.3 Responsiveness and competitive advantage***

Responsiveness as a service quality dimension has a critical role in achieving organisations' competitive advantage. With intense competition among firms, organizations that can quickly respond to customer needs and expectations gain a competitive edge, as clients always want value for their money (Rashid, 2013). Organizations can use responsiveness as a strategy for achieving competitive advantage if they focus on providing excellent time-based services and are also very effective at problem-solving, especially when clients come up with complaints about a service they received (Lee et al., 2005). Organizations that use responsiveness as a strategy for competitive advantage provide their staff with the necessary training that equips them to pay attention to client needs through proper communication and feedback (Arasil et al., 2005). Studies further argue that organizations can achieve responsiveness if they equip their employees to respond promptly to client needs and complaints and thus create a comfortable environment for their clients (Arasil et al., 2005).

#### ***2.2.7.4 Empathy and competitive advantage***

The dynamics of customers' preferences, coupled with competition and the constantly changing needs of customers, have influenced organizations to use empathy to achieve a positive brand image and attain organizational competitiveness (Vencataya et al., 2019). Organizations are, therefore, not only focused on providing services or selling products to their clients; rather, a lot of attention has been given to treating customers with respect, which is a key indicator of empathy (Balinado et al., 2021). Organizations that use empathy as a strategy to gain competitive advantage are patient with clients, especially when clients get upset with their products or services and show their displeasure through complaints (Othman et al., 2019). Organizations use empathy to have good relationships with their clients, essential for achieving client satisfaction (Othman et al., 2019).

#### ***2.2.7.5 Tangibility and competitive advantage***

The tangibles, or the physical appearance of organizations, have become important for achieving organizational competitiveness (Tan et al., 2016). Organizations that seek to gain a competitive advantage in today's globalized world do not only focus on the physical environment in which their businesses operate (Tan et al., 2016). The focus is also on the employees' appearance, especially in how they dress and carry themselves when dealing with clients (Agyapong, 2011). Due to the fact that technological advancement has gained a lot of credence in business operations, tangibility is now associated with how organizations present themselves in cyberspace through websites and social media platforms (Lenka et al., 2009). This is because, in this digital age, millions of people spend time using smartphones to access the products and services of organizations, so tangibility as a strategic element for competitiveness should not only concentrate on the physical buildings of the firm but also the efficiency of their presence on the internet through the use of appropriate technology (Lenka et al., 2009).

### ***2.2.7.6 Assurance and competitive advantage***

Assurance has gained instrumental attention as a strategy for gaining a competitive advantage because customer satisfaction, loyalty, and retention are associated with the trust the organization builds with their clients over time (Lin, 2013). Therefore, organizations should ensure that they provide services that instill trustworthiness in their clients, so that they can connect with their expectations and the service they receive (Ahmed et al., 2010). Issues of mistrust between clients and organizations lead to a negative brand image, indicating that clients are less likely to patronize the organization's services or recommend the organization to others (Vencataya et al., 2019). In this regard, organizations should be able to establish good feedback systems with their clients to assess their shortcomings in service delivery and improve on them to enhance client satisfaction and competitive advantage.

### ***2.2.7.7 Relevance of service quality in the hospitality industry***

There is a growing trend among consumers to expect superior quality in service delivery, as evidenced by studies conducted by He and Li (2011), Hemsley-Brown and Alnawas (2016), and Mohsin and Lockyer (2010). According to Cronin and Taylor (1992), customers consistently evaluate service providers' performance against their expectations. Therefore, service quality encompasses the procedural and consequential aspects of service provision. According to Brady and Cronin (2001), service quality assessment is contingent upon the interaction between the customer and employee, the service environment, and the service outcome.

Providing high-quality service is imperative for customer retention in a highly competitive hospitality sector. Consequently, service quality is frequently monitored to enhance customer loyalty (Camilleri, 2018). Providing high-quality service can generate favourable outcomes in the hospitality industry, such as enhanced customer satisfaction and corporate reputation, which can ultimately result in customer loyalty

(Hu et al., 2009; Mohsin & Lockyer, 2010). On the other hand, hospitality firms that fail to provide satisfactory service quality may encounter challenging situations, such as unfavourable customer satisfaction, which is frequently conveyed through online reviews (Dedeoğlu & Demirer, 2015). Managers in the hospitality industry must comprehensively understand both tangible and intangible factors that require improvement to enhance guest satisfaction across all service levels (Rauch et al., 2015).

According to studies in the hospitality industry, hotel service quality is influenced by several key factors, including the quality of services provided, the location and cleanliness of the hotel, the price, security measures, and the friendliness of the staff (Rauch et al., 2015). Akbaba (2006) has identified certain attributes that may pose challenges for hotels in defining, delivering, and measuring service quality. There is a tendency for the demand for service quality to be concentrated during peak periods of the day, week, or year, such as during check-in and check-out times (Akbaba, 2006). The current period may represent a critical juncture for hospitality brands, as hotels are pressured to provide reliable and high-quality service to their guests (So et al., 2013). Furthermore, several studies suggest customers are more likely to remain loyal to specific hotel brands if their service expectations are surpassed. Therefore, hospitality brands that provide high-quality service will likely retain satisfied customers who exhibit loyalty (Dedeoğlu & Demirer, 2015; Rauch et al., 2015).

In the Ghanaian context, Tweneboah-Koduah et al. (2020) assessed how process innovation and customization as elements of service quality impact the financial and non-financial performance of hospitality firms. This study used data from hospitality firms operating in Ghana. The study found that hospitality firms' customization capability allows them to benefit from using the customer as a key resource and production partner to provide the desired value for customer satisfaction. This study further finds that process innovation and customization produce higher levels of firm

performance when deployed together, as they have complementary properties. Therefore, this study suggests that customization capability should target improving innovation capability to achieve higher overall performance for hospitality firms.

In another study, Danso et al. (2020) examined the effect of technological innovation on the profitability and customer satisfaction performance of star-rated hotels in Ghana. The study used a quantitative approach and a descriptive research design. Data were collected using self-administered questionnaires from 450 managers of hotels in Ghana, and a response rate of 96% (432) was generated. Descriptive statistics were used for the demographics, and factor analysis and regression were used to examine the relationship between technological innovation and performance. The study found a significant positive relationship between product and service innovation, process innovation, and the profitability performance of the hotels. The study also discovered that product, service, and process innovation had a significant positive relationship with the customer satisfaction performance of the hotels.

Based on the literature, the study argues that service quality has a strategic role in achieving competitive advantage in the hospitality industry globally and in the Ghanaian context. Thus, by applying service quality principles such as empathy, reliability, responsiveness, assurance, and tangibility, hospitality firms tend to achieve high levels of profitability through satisfied and loyal customers. However, due to technological advancement, hospitality firms should understand that achieving service quality should also be focused in the digital space. In this regard, hospitality firms in Ghana, in particular, should be able to implement a digital marketing strategy that will ensure customer engagement online to enhance customer satisfaction and loyalty.

## **2.3 Customer satisfaction in the hospitality context**

This section presents literature on customer satisfaction in the hospitality context. Issues discussed in this section comprised definitions of customer satisfaction, the importance of customer satisfaction for achieving business growth and the relevance of customer satisfaction in the hospitality industry.

### **2.3.1 Defining customer satisfaction**

Customer satisfaction is defined as the customer's judgment of the pleasurable level of fulfillment provided by a product or service (Leninkumar, 2017). Moreover, Pizam et al. (2016) define customer satisfaction as the customer's fulfillment response, indicating a pleasurable level of consumption-related fulfillment. Furthermore, Oh and Kim (2017) defines customer satisfaction as the consumer's overall positive emotional response resulting from the cognitive appraisal of the consumption experience. Khairawati (2020) also defines customer satisfaction as an individual's positive evaluation of the perceived difference between prior expectations and the actual performance of a product or service.

From these definitions, it could be deduced that all the authors acknowledge that customer satisfaction is a judgment or response based on the customer's perception and evaluation of their experience with a product or service. However, the definitions differ regarding the specific aspects they focus on. The first two definitions, Leninkumar (2017) and Pizam et al. (2016) emphasize the concept of fulfillment and the pleasurable level of consumption-related fulfillment. They highlight the importance of meeting or exceeding customer expectations in generating satisfaction. In contrast, the third definition by Oh and Kim (2017) places a particular emphasis on the emotional aspect of customer satisfaction, suggesting that it involves an overall positive emotional response resulting from a cognitive appraisal. The fourth definition

by Khairawati (2020) emphasizes the role of comparing prior expectations with the actual performance of a product or service, suggesting that satisfaction is based on the perceived difference between them.

From all definitions the researcher defines customer satisfaction as the overall evaluation or perception of customers regarding the extent to which a product or service meets or exceeds their expectations, resulting in a positive and fulfilling experience. Customer satisfaction, therefore, encompasses the customer's cognitive, emotional, and evaluative responses, reflecting their level of satisfaction with the value received from their interaction with the product or service provider.

### **2.3.2 Importance of customer satisfaction for business growth**

Conventional strategic marketing suggests that customer satisfaction influences the firm's financial performance. The main intuition behind this process is that more satisfied customers tend to demonstrate loyal behavior, which leads to increased financial outcomes for the firm. Given that customers are the key asset of a business, customer satisfaction can be considered a primary goal for any firm (Dossi & Patelli, 2010) since satisfied customers are more likely to continue their dealings with the firm, with less cost for the firm in maintaining these relationships. The cost of acquiring a new customer is usually much higher than retaining an existing one (Bergman & Klefsjoe, 2003).

There is an overwhelming amount of research analyzing the influence of customer satisfaction on the business growth and survival of companies in different industries. Some studies confirm that customer satisfaction directly influences the financial results of a firm (Grigoroudis et al., 2013; Keisidou et al., 2013; Mittal & Frennea, 2010; Sun & Kim, 2013; Williams & Naumann, 2011), while other studies argue that

customer satisfaction has a mediating role in contributing to business growth and survival (Saeidi et al., 2015; Lins et al., 2017).

The relationship between customer satisfaction and a firm's business growth or survival is an issue of great interest to academicians and practitioners (Dossi & Patelli, 2010) for several reasons. First, customer satisfaction has been a key marketing indicator since the shift from transactional marketing to relationship marketing, as it expresses the relationship between clients and the firm (Heinonen, 2014). Companies spend significant resources on improving customer satisfaction, so they must determine quantitative ways of measuring its value. Second, suppose customer satisfaction does have a positive influence on business growth and survival. In that case, it can be used as a predictive indicator, and business growth and survival can thus be managed by managing customer satisfaction.

The linkage between customer satisfaction, business growth, and survival is usually considered at the company level (Mittal & Frennea, 2010; Williams & Naumann, 2011). Some research confirms the positive impact of customer satisfaction at the industry level (Fornell et al., 2010; Sun & Kim, 2013). Moreover, a significant amount of research points out the importance of customer satisfaction analysis (Monferrer-Tirado et al., 2016; Paul et al., 2016). Rego et al. (2013) re-examined the influence of the customer satisfaction index on market share over a longer period than possible. Research by Fornell et al. (2016) discusses the outcomes of extraordinary customer satisfaction. The authors used a 15-year-long time series with companies' financial reports and found empirical evidence that stock returns on customer satisfaction are exceptional. The documented cumulative returns of the companies were 518 per cent over the period 2000–2014. This research confirmed once again that customer satisfaction significantly influences companies' business growth and survival, measured for different industries in the economy.

Similar research was conducted by Williams and Naumann (2011). They scrutinized the influence of customer satisfaction on the business growth and survival of B2B companies on the Fortune 100 list. Customer satisfaction was measured by quarterly surveys over five years, and the companies' business growth and survival were taken from open-source data. Using descriptive statistics and data analysis techniques, Williams and Naumann (2011) confirmed a significant statistical relationship between customer satisfaction and a company's business growth and survival. Another interesting piece of cross-industry research was conducted by Larivière et al. (2016), examining the relationship between customer satisfaction and shareholder value at the firm and individual customer levels. The author found that loyalty can explain the differences in profitability as a response to customer satisfaction and that the influence of satisfaction and loyalty intentions on shareholder value varies by industry.

### **2.3.3 Relevance of customer satisfaction in the hospitality industry**

Most companies are trying to attract customers and satisfy them with their products or services to increase customer loyalty and business growth. Among various methods to measure a firm's competitiveness and marketing performance, customer satisfaction is the most universally accepted measurement and an influential indicator of business growth and survival (Lemon & Verhoef, 2016).

Many firms measure customer satisfaction to evaluate whether they meet their customers' needs better than their competitors. It can be assumed that increasing customer satisfaction is more likely to lead to positive outcomes such as increased sales volume and market share. Thus, marketplace outcomes such as sales or market share have become a traditional method of evaluating the success of marketing strategies (Kumar, 2016).

Customer satisfaction is the very first step of hospitality companies' main operation and the very direct outcome of their services. In the hospitality industry, a motivation for increasing customer satisfaction is providing a reliable signal of customer satisfaction with links to long-term performance (Sun & Kim, 2013). It is further argued that services are more likely than goods to have trade-offs between customer satisfaction and profitability. Therefore, the profitability and value of a hospitality firm would make the firm more vulnerable to customer satisfaction than any other industry (Keisidou et al., 2013; Sun & Kim, 2013).

In Ghana, Amoako et al. (2019) conducted a study to investigate how relationship marketing practices could lead to customer satisfaction in the current practices in the hotel industry in Ghana. A questionnaire was administered to 167 guests of a 3-star hotel in the Accra Metropolis. Structural equation modeling was used to ascertain the significance of the relationship between trust, commitment, and customer satisfaction with respect to the relationship marketing practices of hoteliers in Ghana. The findings show a positive and significant relationship between trust, commitment, and customer satisfaction. The study also revealed that commitment partially mediates the association between trust and customer satisfaction.

From the empirical results, customer satisfaction in the hospitality industry remains relevant for enhancing business growth and survival. Hospitality firms at both the global and Ghanaian stages must continually engage customers in the design of their products and services to achieve competitive advantage and build long-term trust and commitment, which have been shown to facilitate customer satisfaction, as indicated by the study conducted by Amoako et al. (2019).

## **2.4 Customer loyalty in the hospitality context**

This section delves into the literature surrounding customer loyalty within the hospitality context. It encompasses various aspects, including the definitions of customer loyalty, the significance of customer loyalty for organizations, the potential consequences of customer loyalty or disloyalty on business growth, and the relevance of customer loyalty, specifically within the hospitality industry.

### **2.4.1 Defining customer loyalty**

Customer loyalty can be defined as a customer's intention to repurchase a particular product or service consistently and to exhibit positive behaviours such as recommending the brand and resisting competitors' offerings (Watson et al., 2015). Customer loyalty also refers to the customer's willingness to continue purchasing from a specific company or brand, driven by a strong emotional connection and commitment to the relationship (Bhakane, 2015). Tankovic and Benazic (2018) also define customer loyalty as the result of a customer's repeated positive experiences with a brand or company, leading to a conscious decision to continue doing business with them, despite competitive alternatives. Customer loyalty can also be defined as the degree to which customers exhibit behaviours such as repeat purchases, positive word-of-mouth, and resistance to switching to competitors due to their overall satisfaction and perceived value with the brand (Magatef & Tomalieh, 2015).

All the definitions recognize customer loyalty as an intention or willingness to continue purchasing from a specific brand or company. They highlight the importance of positive experiences, satisfaction, and perceived value as drivers of customer loyalty. In terms of differences, the first definition by Watson et al. (2015) emphasizes the intention to repurchase and positive behaviors as key indicators of loyalty. The second definition by Bhakane (2015) highlights the emotional connection and commitment to

the relationship as central to loyalty. The third definition by Tankovic and Benazic (2018) focuses on repeated positive experiences and conscious decision-making in maintaining loyalty. The fourth definition by Magatef and Tomalieh (2015) includes behavioral aspects, satisfaction, and perceived value as drivers of loyalty, emphasizing repeat purchases and resistance to switching.

Based on definitions, the researcher defined customer loyalty as a customer's enduring preference for and commitment to a brand or company demonstrated through consistent repeat purchases, positive recommendations, and a reluctance to switch to competitors. Customer loyalty is therefore built upon a foundation of positive experiences, trust, satisfaction, and perceived value, resulting in a long-term and mutually beneficial relationship between the customer and the brand.

#### **2.4.1 Importance of customer loyalty**

The concept of customer loyalty holds significant importance in the realm of marketing and business expansion. It is widely regarded as one of the most long-lasting assets a company can possess, per the insights shared by Toufaily et al. (2013). Establishing and sustaining customer loyalty is instrumental in enabling companies to cultivate enduring, mutually advantageous associations with their clientele (Pan et al., 2012). According to So et al. (2013), these dedicated customers demonstrate strong loyalty and allegiance to the company and are not swayed by competitors' offerings. In addition, research has shown that loyal customers tend to be more willing to pay, express stronger buying intentions, and are less likely to switch to a competitor (Evanschitzky et al., 2012). Therefore, companies must cultivate a base of loyal customers.

The current era of technological advancement and fundamental changes in consumer lifestyles have necessitated organisations to transform their business practices to

accommodate online marketplaces. The current scenario demands firms reconsider their business environment due to the rising consumer demand for superior service and the widespread use of information technology, mobile devices, the Internet, and social media. The significant shifts in consumer lifestyles and purchasing patterns underscore the importance for businesses to adjust to their customers' evolving mindsets to maintain their competitive edge in the market. The widespread use of technology and online communication channels, including social media and customer communities, has led to a shift in the role of customers (Wirtz et al., 2013). Customers now perceive themselves as able to make a meaningful contribution to service value, influence a company's technology adoption, and foster the growth of online communication and communities.

The function of customers has expanded from being a mere co-producer of value to a crucial role of co-ownership of the brand and its potential success. Historically, the primary objective of a firm was to engage in brand management to achieve a superior market image and foster customer loyalty (Allaway et al., 2011). In contemporary times, customers who avail services are not only co-producers of value but also co-owners of the brand. The strategic objective is to attain active customer engagement as co-owners and co-creators of value, going beyond the scope of customer loyalty. Organisations endeavour to devise tactics to augment customers' proactive involvement with the company and motivate them to act as brand advocates (James, 2013).

#### **2.4.3 Consequences of customer loyalty/disloyalty for business growth**

This section presents literature on the consequences of customer loyalty/ disloyalty on business growth which comprises profitability, share of wallet, willingness to pay and word of mouth.

### **2.4.3.1 Profitability**

Customers who are loyal to a brand are said to act differently than those who are not loyal to a brand (Kumar et al., 2010). The profitability of a business is directly tied to the loyalty of its customers, which is, in turn, related to the quality of the relationships between the business and its customers (Evanschitzky et al., 2012; Gandomi & Zolfaghari, 2013). According to the literature on service management, customer loyalty results in financial gains such as higher revenues, lower client acquisition costs, less price sensitivity on the part of repeat customers, and lower expenses associated with serving these customers (Gandomi & Zolfaghari, 2013).

The relationship between client loyalty and profitability remains significant for business growth (Zhang et al., 2010). While there is a common belief that increasing customer loyalty leads to increased profits, this notion has been challenged (Gee et al., 2008). Reinartz and Kumar (2002) categorize customers into different groups, including butterflies, genuine friends, strangers, and barnacles, and raise the question of whether all loyal customers are equally profitable. Genuine friends are characterized as long-term, profitable customers who require significant nurturing (Reinartz & Kumar, 2002), whereas strangers generate lower profits and have limited durations as clients. Barnacles, on the other hand, are loyal customers who have a negative impact on profitability due to their low transaction volume. Butterflies are highly profitable but exhibit lower levels of loyalty (Reinartz & Kumar, 2002),

Garland (2005) challenges the notion that loyalty positively impacts bottom-line results and proposes marketing tactics based on the categorization developed by Reinartz and Kumar (2002). While businesses may aspire to meet the needs of their entire customer base, practical limitations and high costs often make it unfeasible. Zeithaml et al. (2001) argue that providing the same level of service to all clients would lead to the most profitable customers subsidizing the service of the least profitable ones. To capitalize on customer loyalty effectively, businesses must employ sophisticated

management techniques and tailor their marketing and relationship strategies based on customer segmentation (Garland, 2005; Reinartz & Kumar, 2002; Zeithaml et al., 2001).

#### **2.4.3.2 Share of wallet**

According to Evanschitzky et al. (2012), the concept of "percentage of wallet" refers to how customers distribute their purchases among competing companies. In competitive markets, customers often demonstrate polygamous commitment, engaging with multiple businesses rather than displaying exclusive loyalty (Kim & Lee, 2010). Understanding the percentage of wallet is valuable for businesses to ascertain how customers allocate their spending among competitors and devise strategies to increase their overall share of customer purchases (Keiningham et al., 2015).

Management theory suggests that increasing the share of wallet should have a greater financial impact on an organization than focusing solely on customer retention (Keiningham et al., 2012). Supporting this perspective, Coyles and Gokey (2005) argue that enhancing customer retention and share of wallet can generate significantly more value for a business than concentrating solely on retention efforts. Numerous academic and professional studies have examined the association between customer loyalty and share of wallet (Keiningham et al., 2012). Meyer-Waarden (2007) emphasizes the crucial role of loyalty in determining a customer's share of wallet and discusses how loyalty programs can influence customer lifetime duration and share of wallet in the retail sector.

Empirical research by Keiningham et al. (2012) demonstrates that repeated satisfactory transactions substantially increase a customer's share of wallet. To assess the moderating effects of education, relationship length, and product type on the relationships between emotional and consequential loyalty with share of wallet, Kim and Lee (2010) gather data from clothing and grocery buyers. Their findings

reveal that moderating variables significantly impact the relationship between emotional loyalty and share of wallet.

#### **2.4.3.3 Willingness to pay more**

According to Ladhari (2009), customers may be willing to pay a premium to a focal firm compared to its competitors due to the perceived value associated with that firm. From a managerial perspective, the willingness to pay more is a crucial financial metric as it indicates the average premium customers are willing to pay for a company's products and/or services compared to its competitors (Evanschitzky et al., 2012). This willingness to pay a premium can lead to increased profitability opportunities (Trudel & Cotte, 2009) and a greater share of the customer's wallet for the company (Marshall, 2010).

Extensive research has been conducted on the relationship between loyalty and willingness to pay more (Allender & Richards, 2012). The findings suggest that loyal customers exhibit lower price sensitivity than non-loyal customers (Goldsmith et al., 2010). Loyal customers are more inclined to pay a premium to maintain their relationship with their preferred service providers (Evanschitzky et al., 2012).

Moreover, Evanschitzky et al. (2012) propose that loyal customers develop emotional connections with their preferred companies. This emotional attachment motivates customers to maintain long-term relationships, fostering stronger bonds, identification, and even partnership with the organization. Unlike non-loyal customers who primarily focus on the economic benefits of purchasing from a specific company, loyal customers emphasize the emotional benefits they derive from patronizing their preferred company, thus avoiding additional search costs (Aksoy, 2013).

In summary, the willingness to pay a premium and the relationship between loyalty and willingness to pay more have important implications for businesses, as they can

contribute to increased profitability and a greater share of the customer's wallet (Aksoy, 2013; Allender & Richards, 2012; Evanschitzky et al., 2012; Goldsmith et al., 2010; Ladhari, 2009; Marshall, 2010; Trudel & Cotte, 2009).

#### **2.4.3.4 Word of mouth (WOM)**

The significance of customer word-of-mouth (WOM) as an outcome of customer-firm relationships is widely recognized (Brown et al., 2007; Ye et al., 2011). WOM is considered a relational outcome within the business context (Ye et al., 2011). In service contexts, the impact of positive WOM communication is particularly important due to the inability to test services before purchase (Ng et al., 2011). The literature acknowledges that loyalty is crucial (Garnefeld et al., 2011), and empirical evidence supports a positive correlation between WOM and customer loyalty (Severt et al., 2007).

Prospective customers perceive WOM information as reliable since it originates from personal experiences and cannot be manipulated by the firm (Ye et al., 2011). This personalized form of transmission is considered trustworthy and attracts the interest of potential customers. Thus, WOM functions as advice from peers, influencing consumer decision-making, product evaluations, and purchase decisions (Park & Lee, 2009; Zhang et al., 2010).

The impact of WOM communication on attitudes and purchasing behavior has been widely acknowledged, making it a dominant force in the marketplace (Blazevic et al., 2013; Ye et al., 2011). Positive WOM endorsements can increase customer communication beyond sharing their direct experiences (Solnet & Kandampully, 2008).

WOM communication is perceived as credible and impartial, as it typically comes from individuals who do not stand to benefit from the recipient's decision to purchase

(Cheung et al., 2012). Potential clients trust this testimonial as it reflects favorable encounters and aligns with the company's customer-centric ethos (Lytle & Timmerman, 2006). Firms recognize that their conventional marketing mechanisms have limited impact, emphasizing the significance of WOM (Blazevic et al., 2013).

In summary, customer WOM is vital in shaping consumer behavior, product evaluations, and purchase decisions. It is perceived as trustworthy, credible, and influential, offering valuable insights from personal experiences and peer recommendations (Blazevic et al., 2013; Brown et al., 2007; Cheung et al., 2012; Garnefeld et al., 2011; Lytle & Timmerman, 2006; Ng et al., 2011; Park & Lee, 2009; Severt et al., 2007; Solnet & Kandampully, 2008; Ye et al., 2011; Zhang et al., 2010a).

#### ***2.4.3.5 Strategies to boost customer loyalty***

In business, loyal customers are much more important than new customers. It is more expensive to attract new customers than keep existing ones loyal. It is necessary to build customer loyalty in the business to remain competitive. The loyal customers help to maintain a manageable marketing budget and invest more in improving the quality of the company's products and services. Here are some strategies for customer loyalty that help boost customer loyalty in businesses (Onibalusi, 2016).

Improving the customer experience is one of the most important strategies for building strong customer loyalty. Customer experience is an essential tool for increasing customer loyalty because the customers are those who first experience the products or services, which impacts how much customers want to come back and interact with a company again (Airas, 2015). Customers always want to buy from suppliers who know them and their needs. The key rule to building loyalty is to serve the customer excellent products according to their experience. The business increases customer satisfaction and loyalty by providing products and services according to the customers' experience (Airas, 2015).

Improving employee morale is another key rule of customer loyalty (Lawton, 2016). The employee's performance, touch, and interactions with the customers in the business affect customer loyalty. Therefore, the business must serve its employees first so that they, in turn, can serve the customers very well. As well as holding regular meetings with staff and discussing topics related to the company, this also helps to improve employee morale. The customers always show loyalty to that company, which treats them well and cares about their needs and desires (Nirpaz, 2012).

Showcasing your customers' success stories also helps build strong customer loyalty to the business (DeFranzo, 2012). Your customers' success stories influence existing customers to bring more people to your business. It also helps to motivate existing customers and build trust with new customers. Similarly, reviewing every customer, such as their complaints and other feedback about the company, gives guidelines to improve the services and acquire more customers (Taylor, 2017).

Rewarding loyal customers is another strategy to increase customer loyalty (Custer, 2017). Loyalty programs always offer customers opportunities that encourage them to stay long-term with a company. Loyalty programs are essential to the business because they encourage customers to become repeat purchasers (Custer, 2017). Loyalty programs come in many forms, for example, point systems where the customers earn points for every purchase, encouraging them to purchase valuable goods or services. These programs reward customers for frequent purchases, which help generate profits for a company (Onibalusi, 2016).

Similarly, there are three core marketing strategies to increase customer loyalty. Marketers can operate the programs based on these approaches (Custer 2017). A limited-time-only promotion strategy means to attract customers to a company by providing an effective promotional strategy (Lawton, 2016). It is an acquisition strategy to attract customers. This strategy is believed to be more effective than other pricing

strategies because it motivates customers to purchase goods and products when the promotional price is temporary. This strategy works quite well but will not build a long-term relationship with the customers (DeFranzo, 2012).

The reward-for-purchase strategy encourages customers to repeat store visits and increases the average order value. It is a strategy that promotes customers' purchasing habits by rewarding them for every purchase. For example, if a company offers a 10% discount on each purchase, it will result in incremental store visits by customers within 30–45 days of the initial purchase (Taylor, 2017).

#### ***2.4.3.6 Relevance of customer loyalty in the hospitality industry***

The significance of customer loyalty as a strategy to attain long-term competitive advantages has been emphasized in response to increased competitiveness in global markets (Aksoy, 2013). In the current business landscape, managers must devise innovative strategies to foster trust, loyalty, and positive word-of-mouth communication among their customers (Dominici & Guzzo, 2010). Recognizing the importance of cultivating strong connections with current clientele, service-oriented enterprises face challenges in the hospitality industry (Morgan & Rego, 2006; Wilkins, 2010).

In the past, hospitality companies effectively conveyed value by highlighting their offerings' economic worth and distinctive characteristics. However, with many companies providing similar goods and services perceived as commodities, customer-centric approaches have become crucial for success (Solnet & Kandampully, 2008; Victorino et al., 2005). Customer-provided word-of-mouth, whether online or offline, positive or negative, plays a vital role in consumer decision-making and is scrutinized by potential customers (Brown et al., 2007; Khare et al., 2011). Thus, firms must prioritize customer relationships, trust, and engagement as strategic focuses (Eisingerich et al., 2014), recognizing that distinctive, lasting, and favorable customer

experiences drive success and expansion in the hospitality industry (Walls et al., 2011).

Crafting customized experiences that establish a connection between the organization and individuals with shared interests can cultivate brand advocates and collaborative value generators, ultimately enhancing loyalty and profitability (Füller, 2010; Hwang & Kandampully, 2012). Hospitality companies have shifted their focus from customer acquisition to fostering engagement and participation to improve business growth and gain a competitive edge (Prahalad & Ramaswamy, 2004; Sawhney et al., 2005). Engaged consumers can generate referrals, co-create experiences and value, and contribute to organizational innovation processes and loyalty (Hoyer et al., 2010). Establishing durable relationships through customer commitment and trust is essential for fostering emotional customer loyalty (Bowen & Shoemaker, 2003; Evanschitzky et al., 2012). Customer involvement significantly influences loyalty, as increased participation leads to the acknowledgment of service outcomes and the formation of new social connections (Eisingerich & Bell, 2006).

To cultivate loyalty, hospitality establishments must engage their clientele throughout the product life cycle and create services that cater to evolving requirements (Bijmolt et al., 2010). Groups of advocates, brand ambassadors, and emotionally loyal customers hold strategic value due to their potential for high lifetime value and positive word-of-mouth influence (Kumar et al., 2010). Fostering active interactions and co-creation extends the customer-supplier relationship, facilitating innovation and knowledge exchange (Payne et al., 2009; Kandampully, 2003). Customers rely on experienced individuals and online evaluations to acquire knowledge for decision-making. Personalized in-person or online interactions play a significant role in establishing an emotionally loyal customer base (Kumar et al., 2010; Payne et al., 2009).

Within the Ghanaian context, Nartey et al. (2013) assessed the impact of relationship marketing on customer loyalty in Ghana's luxury and first-class hotel industries. Three hundred customers of luxury and first-class hotels in Ghana completed a questionnaire derived from the literature review. Descriptive statistics, exploratory factor analysis, and multiple regression were used to test the impact of six key relationship marketing practices on customer loyalty, competence, commitment, conflict handling, trust, communication, and relational bonds. The findings suggest that all six relationship-marketing practices significantly and positively affect customer loyalty in Ghana's hotel industry. Apart from extending knowledge on relationship marketing practices into a domain without much empirical work, the study also provides hotel managers with practical ways of implementing relationship marketing strategies for achieving customer loyalty in Ghana.

Owusu-Mintah (2018) examined factors responsible for ensuring customer retention in the Ghanaian hospitality industry using a case study of four hotels in the Kumasi Metropolis. The study also assessed the guests' expectations and the major determinants of their hotel retention. A sample of 120 guests selected using convenience sampling was used for the study, which applied a customer retention model to study important variables for customer retention in those hotels. The study applied quantitative data collection and analysis methods involving inferential statistics. The results showed that hotel guests had various expectations regarding the services they received that were sometimes not met. In addition, only a few respondents received information about the hotels online. Hence, it was recommended that the management of the hotels develop and operate good websites and encourage their potential customers to make online reservations at the hotels.

From the literature, the study concludes that business growth and survival in the hospitality industry, both from a global and Ghanaian perspective, have stronger associations with customer loyalty. Thus, loyal customers for hospitality firms have a

strategic role in enhancing business growth and survival. However, especially in the Ghanaian industry, as indicated by the work of Owusu-Mintah (2018), there is more room for improvement when meeting the expectations of customers who engage in the services of hospitality firms online. Therefore, it remains important that, as the digital space continues to emerge, customer demands through online platforms created by hospitality firms be very responsive to achieve customer loyalty.

## **2.5 Customer retention in the hospitality context**

This chapter provides an overview of the literature on customer retention within the hospitality context. It begins by offering definitions of customer retention and delves into the significance of retaining customers, specifically within the hospitality industry.

### **2.5.1 Defining customer retention**

Customer retention refers to the ability of a business to retain its existing customers over a specific period (Ascarza et al., 2018). Customer retention is a company's strategic effort and measures to foster customer loyalty and encourage repeat purchases or continued engagement (Ginn et al., 2010). Customer retention actively manages and nurtures customer relationships to ensure continued loyalty and satisfaction. It includes ongoing communication, personalized experiences, and addressing customer needs to strengthen the bond between the customer and the business (Ascarza et al., 2018). Customer retention is also defined as the outcome or result of successful customer relationship management practice. It represents the ability of a company to retain a high percentage of its existing customers and sustain long-term profitability through repeat business (Diaz, 2017). Based on the definitions, the researcher defines customer retention as the comprehensive set of strategies, actions, and efforts a business employs to maintain and strengthen its relationships

with existing customers. Customer retention also involves creating a positive customer experience, delivering exceptional value, and consistently meeting or exceeding customer expectations to encourage ongoing loyalty and repeat business.

### **2.5.2 Importance of customer retention in the hospitality context**

Customer retention is important in hospitality, as evidenced by various studies. Repeat customers are more likely to recommend a firm and its services to potential new customers (Mousavi, 2012). They tend to exhibit greater tolerance toward service providers, even when service levels are less than satisfactory, and are more likely to provide feedback (Oh, 2009). Acquiring new clients is significantly costly compared to customer retention (Ahmad & Buttle, 2002), with acquisition marketing being six times more expensive than retention efforts (Jobber, 2004).

Customer relationship management activities, known for their cost-effectiveness and predictably profitable outcomes, contribute to the heightened focus on customer retention among firms (Gallo, 2014). Notably, high retention rates have been linked to substantial increases in firm profits. For example, a mere 5% improvement in customer retention can lead to a remarkable 25% to 85% increase in profits (Gallo, 2014; Ginn et al., 2010). Reichheld and Sasser (1990) found that a 5% increase in customer retention translated to a 25% to 125% boost in profitability for selected service firms.

Within the hospitality industry, customer retention has gained even greater significance. Extremely loyal guests display strong attitudinal attachment to their preferred hotels, often adjusting their visit timing to secure stays (Tideswell & Fredline, 2004). They exhibit lower sensitivity to pricing issues and are willing to pay more to stay at their favored hotels rather than opting for cheaper alternatives. Brand-loyal customers reduce marketing costs associated with attracting new customers and

contribute to positive word-of-mouth and a willingness to pay premium prices (Bowen & Shoemaker, 1998; Kotler et al., 1998; Tepeci, 1999).

Emotional commitment and loyalty programs that offer financial incentives have positively impacted customer retention in the hospitality industry (Verhoef, 2003). National customer retention surveys indicate that a significant portion of sales (75%) is derived from existing customers (Carter, 2008). However, it is concerning that many firms do not measure customer loyalty or implement loyalty programs (Ray & Chiagouris, 2009). It is essential to recognize that revenue from loyal customers continues to grow as they remain loyal to the firm (Sirohi et al., 1998). Therefore, businesses should shift their focus from solely attracting new customers to retaining existing ones, as the costs involved in acquiring new customers often outweigh the benefits (Rosenberg & Czepiel, 1992). Neglecting customer retention and solely seeking new customers is akin to repeatedly searching for a needle in a haystack. It is time and resource-consuming without guaranteeing sustainable success.

## **2.6 Customer relationship management**

Despite not being explicitly mentioned in the conceptual framework, customer relationship management (CRM) in this study is justified due to its potential to empower hotels in effectively managing customer relationships and improving various key factors. CRM strategies can significantly enhance service quality, drive customer satisfaction, improve customer retention rates, and foster long-term loyalty (Khan et al., 2022). By implementing CRM practices, hotels in the Volta Region can optimize their operations, creating memorable and personalized guest experiences that contribute to sustainable business growth in the highly competitive hospitality industry. Through CRM, hotels can gather and analyze customer feedback, preferences, and complaints, enabling them to identify areas for improvement and proactively address customer concerns (Rahimi et al., 2017). This customer-centric approach, facilitated

by CRM, enables hotels to understand customer needs and preferences better, tailor their services, and consistently deliver high-quality experiences (Madhovi & Dhliwayo, 2017). Additionally, CRM enables hotels to develop personalized communication channels, loyalty programs, and targeted marketing campaigns, allowing them to engage customers and incentivize their loyalty (Hardjono & San, 2017). Hotels can establish strong customer connections by prioritizing customer relationship management, fostering brand advocacy, and achieving long-term success in the hospitality sector (Santouridis & Veraki, 2017).

### **2.6.1 Defining customer relationship management**

Customer relationship management is a business strategy focusing on building and maintaining strong and mutually beneficial customer relationships (Payne & Frow, 2016). According to Soltani and Navimipour (2016), customer relationship management refers to the practices, systems, and technologies companies use to manage and analyze customer interactions and data throughout the customer lifecycle. Customer relationship management is also an integrated approach combining people, processes, and technology to optimize customer interactions and maximize customer value (Nyadzayo & Khajehzadeh, 2016). Overall, the definitions highlight the strategic nature of CRM, the use of technology and data, and the focus on building and managing customer relationships throughout their journey with the company.

Dwelling on these definitions, the researcher defines customer relationship management as a holistic business approach that encompasses the strategies, processes, and technologies utilized by an organization to manage and nurture its relationships with customers effectively. Customer relationship management in the hospitality context involves understanding customer needs, preferences, and

behaviors to build personalized and meaningful interactions at every stage of the hotel customer journey.

### **2.6.2 Importance of customer relationship management for business growth**

Customer Relationship Management (CRM) refers to businesses' strategies and practices to attract, retain, and foster enduring customer relationships. Customer Relationship Management (CRM) refers to the systematic approach of acquiring new customers, retaining existing ones, and effectively managing the needs and expectations of both current and potential customers (Bhattacharya, 2011). Customer Relationship Management (CRM) can be perceived as a strategic approach organizations adopt to cultivate enduring relationships with their customers and establish a sense of confidence and loyalty. Customer Relationship Management (CRM) is commonly regarded as a cohesive strategy that incorporates sales, customer service, field support, and other relevant functions to enhance customer retention (Bhattacharya, 2011). Establishing a CRM system aims to optimise the relationship with all customers and suppliers by effectively coordinating people, processes, and technologies, among other essential functions (Kumar & Peterson, 2012). Customer Relationship Management (CRM) can be viewed as a strategic approach that enables businesses to effectively retain their most valuable customers, optimise operational efficiency, and enhance the value of customer interactions to drive profitability (Kumar & Peterson, 2012). According to Tao's (2014) findings, the maintenance of positive relationships and the satisfaction of internal customers can also lead to the satisfaction and retention of external customers. According to Peppers and Rogers (2011), for a company to achieve growth in terms of size, efficiency, and profitability, it is imperative to acknowledge and address the challenges faced by all stakeholders. It is important to note that as long as customers are generating revenue, it is the responsibility of firms to provide them with exceptional services. Failure to do so may result in losing customers to competitors (Tao, 2014). Acknowledging that Customer Relationship

Management (CRM) is crucial in shaping the customer experience is essential. Its primary objective is to manage customer interactions effectively by gaining a comprehensive understanding of their needs and preferences. This, in turn, enables businesses to develop products and services that cater to their target audience and add value to their offerings (Tao, 2014).

### **2.6.3 Key elements of customer relationship management**

In this section, literature is presented on the key elements of customer relationship management, which comprise trust and commitment, satisfaction, symmetry and dependence, and fairness.

#### **2.6.3.1 Trust and commitment**

Trust plays a vital role in successful customer relationship management (CRM), and fosters enhanced collaboration, reducing uncertainty and promoting cooperation among individuals in a relationship (Morgan & Hunt, 2010). A key aspect of proficient CRM is cultivating customer commitment, which is positively influenced by customer trust in the organization. However, customers may exhibit discrimination towards trustworthy partners due to concerns about the security of their personal data (Selnes, 2011). Implementing an effective CRM strategy is crucial for fostering customer retention and establishing a sustainable and mutually beneficial relationship between the customer and the organization.

#### **2.6.3.2 Satisfaction**

Research conducted by Gustafsson et al. (2010) has determined that customer satisfaction and the perception of service quality are significant factors in determining customer attitudinal loyalty. However, it was found that satisfaction has a stronger correlation with customer retention, as it is closely related to the overall evaluation of

service quality. It is worth noting that service organisation employees tend to establish a close relationship with customers due to their frequent collaboration during service encounters, which is a simultaneous relationship. This relationship is dynamic and subject to change based on the customer's perception of previous experiences, resulting in continuous updates to the customer relationship management (CRM) system (Britton & Rose, 2012).

### ***2.6.3.3 Symmetry and dependence***

According to Britton and Rose (2010), relying excessively on another party may not be strategically advantageous, as it can potentially drive the other party to seek alternative relationships. To establish a symmetrical relationship, it is crucial to evaluate the fairness across different components of the relationship, including information sharing and power dynamics. The balance of power plays a significant role in determining the stability of the relationship. Maintaining a balanced and equitable relationship becomes essential as companies strive to gain a competitive edge in a saturated and highly competitive market.

### ***2.6.3.4 Fairness***

According to Kumar et al. (2010), research has indicated that perceiving fairness in interactions with service providers can enhance the quality of the relationship between customers and service providers. It is crucial to establish and follow well-defined processes and procedures that allow customers to evaluate the relationship's quality and sustain it over time. Relationships can be categorized into distributive fairness or procedural fairness. Distributive fairness, as outlined by Britton and Rose (2012), involves assessing the distribution of rewards and obligations within a relationship to anticipate its outcomes. On the other hand, procedural fairness is determined by the fairness of the measures and methods employed, leading to a more reliable outcome.

## 2.7 Chapter summary

This chapter reviewed the literature on the theoretical perspectives of service quality, customer satisfaction, customer loyalty, and customer retention in the hospitality industry. The chapter defined key variables such as quality, service, service quality, and competitive advantage. Service quality models such as the Grönroos and SERVQUAL models were discussed, and literature was also provided on the strategic importance of service quality dimensions on competitive advantage and then linked to the hospitality industry. The study also elaborated on the strategic importance of customer satisfaction, customer loyalty, and customer retention and discussed their implications in the hospitality industry regarding business growth.

From the literature, the study argues that the concepts of service quality, customer satisfaction, customer loyalty, and customer retention have key roles to play in achieving competitive advantage in the hospitality industry and have implications for business growth and survival. In this regard, hospitality firms that become more concerned with service quality, customer satisfaction, customer loyalty, and customer retention will most likely achieve a competitive advantage over their counterparts.

## **CHAPTER THREE**

### **HOSPITALITY SERVICE QUALITY BEST PRACTICES**

#### **3.1 Introduction**

This chapter presents literature on practical lessons learnt from best practices regarding service quality strategies. The chapter assesses service quality strategies of different global hospitality firms on specific best practices used to achieve service quality. The chapter also presented literature on service quality strategies hospitality firms adopt through robotics, artificial intelligence, and service automation. The chapter concluded with a summary of lessons learnt based on the literature.

#### **3.2 Goal of the chapter**

This chapter aims to gain a practical understanding of how different hospitality firms ensure service quality. The aim is to identify best practices that can serve as inputs to provide key recommendations for this study.

#### **3.3 Quality practices in hospitality: a global perspective**

This section provides details of service quality strategies used by different hospitality firms in the global space.

##### **3.3.1 Service quality strategies of Mahali Mzuri Hotel: Kenya**

The Mahali Mzuri Hotel in Kenya is one of the world's best hotels and recently won an award as the best hotel for travel and leisure in the year 2021. At the Mahali Mzuri

Hotel, a key service quality strategy is to welcome their clients with a smile and to make them feel very comfortable (Mahali Mzuri Hotel, 2021).

This approach is ingrained in their organizational culture. Despite adherence to current COVID-19 protocols, such as wearing face masks and social distancing, clients are still welcomed in a way that makes them feel comfortable for a wonderful experience at the hotel.

Client safety is another service quality strategy used at the Mahali Mzuri Hotel (Mahali Mzuri Hotel, 2021). Due to the COVID-19 pandemic, the Mahal Mzuri Hotel has put in intense efforts to ensure that cleaning measures are always on point and that their employees continually receive training on COVID-19 protocols to improve their safety processes and always ensure that they are one step ahead in achieving client safety. Face masks are freely distributed to their guests, and guests also receive free hand sanitizers and anti-bacterial wipes for their convenience. Apart from that, all public areas at Mahali Mzuri Hotel have been provided with sanitizer stations to ensure strict adherence to safety protocols due to the COVID-19 pandemic (Mahali Mzuri Hotel, 2021).

### **3.3.2 Service quality strategies of selected five-star hotels: India**

A study by Kumar (2017) assessed the service quality strategies of selected five-star hotels in India. The following subsections discuss the ten (10) service quality strategies used by selected five-star hotels in India.

#### **3.3.2.1 Service bonding**

Service bonding is defined as the connection between customers and firms as a result of the continuance of the provision of services that consistently meet the needs and

expectations of customers (Kumar, 2017). In this regard, it is being argued that service bonding comes about as a result of the capacity of a firm to provide reliable services to its clients (that is, services that consistently meet the needs and expectations of clients). Kumar (2017) attests that when firms fulfill their promises to customers in terms of providing expected services, they create a service bond with customers that leads to customer loyalty. Thus, among five-star hotels in India, service bonding is achieved by ensuring that hotel services are reliable, which helps achieve customer loyalty.

### **3.3.2.2 Service security**

According to Kumar (2017), service security is a service quality strategy that is characterized by ensuring that customers are provided with services that ensure their safety. Five-star hotels in India, therefore, ensure service security by adhering strictly to occupational health and safety mechanisms in providing services to their guests in terms of their environment, food services, and lodging services, among others. It is also a strategy of five-star hotels to ensure that they provide customers with the needed support (such as 24-hour in-room dining for customers, reliable internet services to clients, and laundry services for clients) that makes them feel comfortable and relaxed. At the same time, they patronize the services of the selected five-star hotels.

### **3.3.2.3 Service scope**

Service scope is the physical environment where customers interact as they are provided various services from five-star hotels (Saenko et al., 2017). According to Kumar (2017), the environmental ambience of five-star hotels must meet international standards for physical facilities, such as spacious rooms, world-class furniture, the architectural layout of hotels, world-class parking spaces, air quality, the appearance of hotel personnel, and quality food served to guests. These are service quality

strategies that are related to the service scope. Kumar (2017) further argues that the five-star hotels in India have maintained high standards of service scope characteristics in terms of both the internal and external environment, contributing positively to their performance in the hotel industry in India.

#### **3.3.2.4 Service competence**

Service competence provides employees with the requisite knowledge and skills to provide top-notch services to clients. Examples of top-notch services include the following: offering transport booking and pick-up services from the client's location to the hotel; providing health and fitness services to clients through the use of a state-of-the-art gymnasium and yoga studio; providing body massage and spa services for clients; employees showing professionalism while attending to the needs of clients; and always putting up a smile to welcome clients.

In view of this, five-star hotels in India invest in employee training and development because they always want their employees to improve their service skills to achieve customer satisfaction and loyalty (Kumar, 2017). In terms of service competence, one of the key strategies that selected five-star hotels in India adopt is that they put in a lot of effort during recruitment and selection procedures for employees since their focus is to get employees who have the skills and attitude to continually improve themselves with tasks and responsibilities assigned to them in the hotel industry (Kumar, 2017).

#### **3.3.2.5 Service inclination**

Service inclination is exhibited in employees' empathy towards customers by being understanding, friendly, caring, and willing to go the extra mile to solve their problems (Kumar, 2017). In selected five-star hotels in India, service inclination is achieved through healthy interactions (thus friendly, calm, caring, and respectful relationships)

between employees and customers, and this helps to create excellent employee-customer relations, thereby achieving customer satisfaction (Kumar, 2017).

### **3.3.2.6 Service timeliness**

Another key service quality strategy utilized by selected five-star hotels in India is service timelines, which are characterised by providing hotel services to customers in real-time (Ngoma et al., 2020). In this regard, there are no delays in the services provided to customers. This strategy is adopted by selected five-star hotels because they deem it plausible to ensure that customers' time is not wasted when receiving services from their hotels in the quest to achieve customer satisfaction and loyalty (Kumar, 2017).

### **3.3.2.7 Service availability**

Service availability is another key service quality strategy selected five-star hotels in India use. Service availability in hospitality means that the services that are provided by hotels, such as room accommodation, food services, event services, massage and spa services, transport and pick-up services, and customer care services, are accessible to clients on the specific dates and time frames that clients seek to access such services (Nobar & Rostamzadeh, 2018).

In terms of service availability, the focus of the hotels is to ensure that the services they provide can meet the needs of their customers and provide them with the needed support at any time (Kumar, 2017). Quick response and intervention to customer complaints intensify customer satisfaction and loyalty (Kumar, 2017). In this regard, by ensuring service availability, five-star hotels always ensure that customers can access all hotel services without any delay whatsoever (Kumar, 2017).

### **3.3.5 Service quality strategies at the Fairmont Nile City Hotel**

The Fairmont Nile City Hotel is in Cairo, Egypt, and provides world-class hospitality services to its clients. Service quality plays an integral role in the operations of the Fairmont Nile City Hotel. The service quality strategies of the Fairmont Nile Hotel encompass welcoming, safeguarding, and taking good care of their clients by making their safety a top priority (Fairmont Nile City Hotel, 2022).

One key evidence of enhancing service quality is adhering to international standard cleaning and operational services geared towards ensuring their guests' safety. Due to the COVID-19 pandemic, the hotel ensures that all its pick-up vehicles are regularly disinfected and temperature checks are conducted at the hotel entrances. During check-in, the hotel ensures that guests and their luggage are sanitized (Fairmont Nile City Hotel, 2022).

The Fairmont Nile Hotel also ensures that all lobby and public areas are constantly disinfected. There is a forty-eight (48)-hour sanitization time for all guest rooms upon checkout. In dining areas, the hotel ensures that social distancing is achieved by maintaining a minimum of two (2) meters between tables. The Fairmont Nile Hotel also focuses on modern design and art deco to provide timeless elegance in its hotel accommodations with luxury suites, aiming to make customers comfortable with stunning views of the Nile River (Fairmont Nile City Hotel, 2022).

### **3.3.6 Service quality strategies at Melia Hotels and Resorts**

Melia Hotels and Resorts has more than three hundred and fifty (350) hotels in forty (40) countries across different parts of the globe. The service quality strategies of Melia Hotels and Resorts are grounded in different aspects of their organizational core values and culture, such as Mediterranean hospitality, balanced culture, guest-

centeredness, being part of the family, and customer innovation (Melia Hotels and Resorts, 2022).

Mediterranean hospitality is a key organizational culture that has its heritage in Spain, where Melia Hotels and Resorts evolved. As a service quality strategy, Mediterranean hospitality maintains good relationships between managers and employees within Melia Hotels and Resorts worldwide. Mediterranean hospitality ensures employees maintain healthy and friendly relationships with their guests to keep them happy and comfortable (Melia Hotels and Resorts, 2022). According to Chi et al. (2020), good, healthy, and friendly relationships can be achieved when employees of hotels exhibit professionalism, respect, and care when dealing with customers. Good, healthy, and friendly relationships between employees and customers can also be achieved when customers are welcomed with a smile and their needs are promptly attended to by hotel employees (Chi et al., 2020).

In terms of a balanced culture as a service quality strategy, Melia Hotels and Resorts ensures that employees mix fun with professionalism when providing hotel services to their guests. This balanced culture is achieved as employees become more friendly and open to the needs of their customers as they try to make them happy and comfortable for the period during which they stay at the hotel (Yan et al., 2021).

Furthermore, there is also a mixture of casualness and formality between employees and guests and between managers and their subordinates. The goal of a balanced culture is to help maintain an organizational climate that is friendly while at the same time focusing on professionalism associated with the provision of services to guests (Melia Hotels and Resorts, 2022).

The guest-centered aspect of its service quality strategy is to ensure that customers are given incredible experiences beyond their expectations. In this regard, Melia

Hotels and Resorts adheres to international standards of serving their guests by being reliable and emphatic and always ensuring that guests are comfortable and having fun to leave a memorable experience (Melia Hotels and Resorts, 2022).

Hotels are achieving the guest-centered approach to customer quality by ensuring that the physical facilities of the hotels, such as rooms for accommodation, food services, health and fitness services, and security services, among others, are in their best condition to meet the expectations of customers (Padma & Ahn, 2020). For instance, a guest-centered approach to service quality ensures that guests' rooms are extremely clean, beds and fittings are in their best condition, and food served to guests is tasty and does not pose any health risk to clients. Also, the guest-centered approach ensures that employees are accessible to clients whenever needed and treat them with respect and care as they attend to them (Paulose & Shakeel, 2022).

The family approach to service quality is a kind of service quality culture in which Melia Hotels and Resorts pays much attention to the needs of their employees. Melia Hotels and Resorts ensures that employee remuneration and bonuses are paid on time, providing opportunities for career advancement and high employee retention. The part-of-the-family approach to service quality is prioritized because the firm believes that happy employees can make their guests happy (Melia Hotels and Resorts, 2022).

Customer innovation is another service quality strategy used by Melia Hotels and Resorts. To achieve customer innovation, Melia Hotels and Resorts invest in loyalty programs for customers, where customers who continually patronize their hotel services are rewarded. Also, Melia Hotels and Resorts invests in leadership programs for their employees to make them eligible to provide customers with the right values that could exceed customer expectations. Melia Hotels and Resorts also conduct periodic surveys to seek customer feedback, enabling them to seek innovative ways to optimize customer experiences (Melia Hotels and Resorts, 2022).

### **3.4 Quality practices in hospitality: Ghanaian perspective**

#### **3.4.1 Service quality strategies of the Kempinski Hotel**

The Kempinski Hotel is one of the renowned 5-star hotels in Ghana that offers luxurious hospitality in a grand European style. The service quality strategy employed by Kempinski Ghana Hotel has its roots in their focus on providing excellent enterprise value to its customers (Kempinski Hotel Ghana, 2022).

To achieve service quality, Kempinski invested in talent acquisition, talent management, and the training and development of staff to ensure that service quality standards are maintained in all their operations. The service quality strategy of the Kempinski Hotel is decentralized in nature, which means that it transcends from its headquarters to all country-specific locations across the globe (Kempinski Hotel Ghana, 2022).

Staff professionalism in providing hospitality services to clients from different backgrounds and cultures is a key service quality strategy utilized by the Kempinski Hotel. The final criteria used by the Kempinski Hotel is that all its hotel facilities meet European standards, with the end goal of ensuring that clients are served excellently and maintaining customer satisfaction and loyalty (Kempinski Hotel Ghana, 2022).

### **3.5 Robotic, artificial intelligence and service automation (RAISA)**

The extent of overall pleasure or contentment felt by the customers resulting from the experience's ability to meet customer expectations and desires has traditionally been used to measure guest satisfaction in the hospitality industry (Qiu et al., 2015). As a result of this desire to please customers, service excellence has been achieved by focusing on understanding and fulfilling the customer's needs and wants (Lashley,

2000). RAISA and its applications in the travel, tourism, and hospitality industries have shifted the focus of this debate. It is now possible for many businesses, including hospitality and tourism, to "transform" their operations thanks to the advancements made possible by RAISA, as demonstrated by Ivanov (2019).

Airports, hotels, and travel agencies have long used service automation and self-service technologies (e.g., passenger services and e-passport gates) to improve the overall customer experience (Bogicevic et al., 2017) and reduce waiting times (Bogicevic et al., 2017; Kattara & El-Said, 2013). In addition to allowing for various specialized analyses and research tools, AI has gained momentum as a facial recognition technology and has grown in importance (del Rio et al., 2016). In contrast to other industries (e.g., engineering), the introduction of robots in the hospitality and tourism industries has been relatively late, but many businesses have increasingly adopted them as they provide a cost-effective solution to many complex issues while also improving the customer experience (Ivanov & Webster, 2018; Kuo et al. 2017; Papathanassis, 2017). This is achieved as the use of robotics, artificial intelligence, and service automation systems plays instrumental roles in the hospitality industry in providing customer care services (Rosete et al., 2020).

Through its implementation, RAISA has reshaped how people think about and measure customer service and the overall quality of the experience. Depending on the extent of RAISA's implementation, "memorable experiences" are replacing customer service, and "personal, social interaction" is replacing "personal engagement in an emotional and intellectual way" (Naumov, 2019). RAISA has reshaped our understanding of customer service, particularly regarding how customers are treated and what they expect regarding speed and efficiency (Naumov, 2019).

According to early theorists, such as Burgess (1982), hospitality should be viewed as a social relationship characterized by the hosts' friendly, welcoming, and warm behavior toward customers. Understanding service as the interaction between customers and customer-facing staff and arguing that service quality is based on the quality of the process, that is, treating the customer (e.g., personal touch and attention to details) and the hosts' ability to create a pleasant, relaxing, and "hospitable" environment (Blain & Lashley, 2014; Brotherton, 2005; Brotherton & Wood, 2008), According to Kandampully et al. (2018), service quality no longer depends solely on "hosts and guests" but on facility designs, in-room technologies, and entertainment. In line with Pine and Gilmore's (1998) concept of an "experience economy," the shift from a service-based economy to an experience-based economy in which a business's financial success is based on the "memorable experience" it provides has been central to the evolution of hospitality products and services (Bharwani & Jauhari, 2013; Hemmington, 2007; Melissen et al., 2018; Sipe & Testa, 2018).

Gartner's (2014) research shows that 89% of companies view customer experience as their primary tool for gaining an advantage in the marketplace. As technology, personalized services, and even service automation are all considered essential components of hospitality's "experiential nature," RAISA's role becomes even more critical. This is further supported by the research of Ryu and Jang (2018) on restaurant experiences and by Johansson and Naslund (2009) on cruise ship experiences. Changes in the conceptual definition of service quality have been greatly influenced by the implementation of RAISA, which shifts the focus from personal interaction to personal engagement emotionally and intellectually.

Innovations such as in-room entertainment, keyless room entry, and ease of using AI-enabled virtual agents are increasingly being perceived as the new norms of guest satisfaction by guests rather than their desire to use these technologies. Mobile application development and service automation are two examples of process

innovation. Hospitality companies have developed mobile apps in the same way as some travel companies (Morosan & De Franco, 2016). For example, the Marriott Mobile App is a digital room key, allowing guests to bypass the check-in line and head straight to their room. The Hyatt Twitter Concierge, for example, allows hotel guests to tweet concerns, special requests, or inquiries at any time of day or night, seven days a week (Robles, 2017).

Customers' demands for efficiency, reliability, and speed of service have necessitated service automation, especially with the popularity of low-cost lodging and fast-food service providers. To meet these demands, a growing number of hospitality providers are investing in cutting-edge technology to improve their service. There are many examples of how self-service and service automation reshape service industries such as hospitality. According to a Cornell University survey, customers now prefer service automation for a wide range of tasks and interactions (Linton & Kwortnik, 2015). The result is that hotel receptions now have self-service kiosks where guests can check in and out and make their room keys (Oh et al., 2013). Fast-food chains like McDonald's and Wendy's have invested heavily in self-service kiosks and tablets that customers use to place orders, while others, like Yo Sushi, have created automated service mechanisms to meet the needs of their patrons (Ivanov et al., 2017; Klein, 2017).

Automation in guest rooms and the application of artificial intelligence are two examples of product innovation in action. Room tablets like the "Moon Pad" from Citizen M in London allow hotel guests to control everything from lighting to temperature and even window blinds (Nicholls, 2014). Shangri-La in Abu Dhabi has introduced a "Guest Automation System" that automatically changes the room status from "occupied" to "vacant," changes the temperature, and provides valuable information to the reception desk when a guest is no longer present (Hospitality Tech, 2017).

AI has also made its way into the hospitality industry in various ways. Hotels are racing to offer new AI experiences to their customers since the introduction of Siri and Alexa by Apple and Amazon, respectively. Hilton's Connie, the first AI robot to serve as a concierge, has altered our understanding of AI. Incorporating IBM Watson AI software, Connie can provide information about tourist attractions, answer simple questions, and improve its responses based on customer interactions (Trejos, 2016). Two virtual agents with AI capabilities have been created in Singapore. Customers and visitors to Singapore can rely on SARA (Niculescu et al., 2014) for information and virtual assistance, while CLARA (D'Haro et al., 2015) offers advice on where to eat and other general information, such as how to get around.

There is a growing interest in human-robot interaction in hospitality and tourism due to the increasing prevalence of robots in many operations (Murphy et al., 2017; Sun Tung & Law, 2017). While Royal Caribbean's flagship Quantum of the Seas has robot bartenders working for them, Starwood Hotels has introduced Boltr, a robotic butler that can deliver goods to customers (Crook, 2014; Golden, 2014). For the first time, Japan's Henna-na Hotel has implemented functional trolley robots to assist guests with luggage as they make their way to their rooms (Lewis-Kraus, 2016). Both "product" and "process" innovations can be applied to using robots. As they meet the needs of today's digitally advanced consumers while also offering businesses cost-effective and efficient options, they can be considered process innovations (Ivanov & Webster, 2018). It is also possible to see robot implementation as a form of product innovation. For example, the T-rex humanoid robot at Japan's renowned Henna-na Hotel attracts thousands of curious visitors yearly (Kikuchi, 2017). Humanoid robot Mario (an "employee" of The Marriott Ghent) has become a sensation in Ghent, Belgium (Horecatrends, 2015).

### 3.6 Chapter summary

This chapter presented literature on best practices regarding service quality strategies in the global hospitality industry. Using specific case studies of hospitality firms, the study concludes that the COVID-19 pandemic has contributed to the focus on cleanliness standards as key service quality strategies for hospitality firms, as in the case of hotels such as the Mahali Mzuri Hotel in Kenya and the Fairmont Nile Hotel in Egypt. It can also be concluded that the service quality strategies of some of the hospitality firms are embedded in their organizational cultures, as in the case of Melia Hotels and Resorts, whose service quality strategies revolve around its organizational core values and cultures in terms of Mediterranean hospitality, balanced culture, guest-centeredness, being part of the family, and customer innovation.

From the chapter, the study concludes that the use of service quality strategies such as service bonding, service security, service scope, service competence, service inclination, and service timeliness by five start-up hotels in India has its orientation in the SERVQUAL model with dimensions such as tangibility (service scope), reliability (service bonding, service competence), service security (assurance), service inclination (empathy), and service timeliness (responsiveness).

The study concludes that the hospitality industry has not been left out when it comes to enhancing service quality through adopting appropriate technology. The emergence of robotics, artificial intelligence, and service automation (RAISA) as service quality strategies for the hospitality industry has been argued to be the new phase of enhancing service quality through technological advancement in recent times.

## CHAPTER FOUR

# THEORETICAL AND CONCEPTUAL FRAMEWORKS AND HYPOTHESES DEVELOPMENT

### 4.1 Introduction

In this chapter, the study presented empirical literature on the direct and indirect (mediation) relationships between service quality factors (reliability, responsiveness, tangibility, assurance, empathy) and customer satisfaction, customer loyalty and customer retention. Hypotheses were formulated based on the empirical literature, and finally, the conceptual framework guiding the study was established and explained accordingly.

### 4.2 The expectancy disconfirmation theory

The Expectancy Disconfirmation Theory, proposed by Richard L. Oliver in 1980, focuses on customer satisfaction and is centered around the idea of a discrepancy between customers' expectations and their actual experiences with a product or service (Elkhani & Bakri, 2012). At the core of the expectancy disconfirmation theory are customers' initial expectations. Customers form expectations before consuming a product or service based on various factors, including past experiences, word-of-mouth recommendations, and marketing communications (Van Ryzin, 2013). These expectations serve as a benchmark against which their experience will be evaluated. Once customers have experienced the product or service, they compare their perceived performance with their initial expectations (Pereira et al., 2015). This process is called disconfirmation. Three outcomes arise from this comparison: positive disconfirmation, negative disconfirmation, or confirmation.

Positive disconfirmation occurs when the perceived performance of the product or service exceeds customers' initial expectations (Qazi et al., 2017). In such cases, customers feel a sense of delight and satisfaction as their expectations have been surpassed (Kim & Kim, 2021). On the other hand, negative disconfirmation arises when the perceived performance falls short of customers' initial expectations (Mazhar et al., 2022). This leads to customer dissatisfaction and disappointment, as customers feel disappointed by the product or service not meeting their anticipated standards (Zamani & Pouloudi, 2021). However, confirmation occurs when the perceived performance aligns with customers' initial expectations (Gupta et al., 2020). In these cases, customers' satisfaction remains relatively stable, as there is no significant disconfirmation, either positively or negatively (Gupta et al., 2020).

Customer satisfaction is the ultimate result of the disconfirmation process. It is influenced by the direction and magnitude of the disconfirmation and customers' initial expectations. When customers experience positive disconfirmation, their satisfaction is heightened (Sinha et al., 2020). In situations of confirmation, satisfaction remains moderate, while negative disconfirmation leads to lower satisfaction levels (Sinha et al., 2020). The expectancy disconfirmation theory underscores the importance of managing and meeting customer expectations (Choi et al., 2019). By understanding and aligning their offerings with customer expectations, businesses can strive to create positive disconfirmation and enhance customer satisfaction (Zhang et al., 2022). It highlights the need for consistent delivery of quality experiences to ensure customers' expectations are met or exceeded (Zhang et al., 2022).

While offering valuable insights into customer satisfaction, the expectancy disconfirmation theory has faced criticism on several fronts. One criticism is that the theory oversimplifies the complex nature of customer satisfaction (Yuksel & Yuksel, 2001). Critics argue it focuses too narrowly on the disconfirmation between expectations and perceived performance, neglecting other influential factors such as

individual differences, emotions, and social influences (Yuksel & Yuksel, 2001). Another criticism is that the theory excessively emphasizes initial expectations, potentially overlooking the dynamic nature of expectations (Zehrer et al., 2011). Customers' expectations can evolve throughout consumption and be influenced by various factors beyond pre-consumption expectations. The theory may not adequately capture these changes or consider other sources of influence on satisfaction (Zehrer et al., 2011).

The expectancy disconfirmation theory can be used to justify the relationships between service quality, customer retention, customer satisfaction, and customer loyalty among customers of hotels in the Volta Region of Ghana. In the context of hotels in the Volta Region of Ghana, providing high service quality is crucial. Positive disconfirmation occurs if the perceived service quality exceeds customers' initial expectations, leading to customer satisfaction. Satisfied customers are more likely to develop an emotional connection with the hotel and exhibit loyalty by returning for future stays and recommending the hotel to others. On the other hand, if the perceived service quality falls short of customers' initial expectations, negative disconfirmation can result in customer dissatisfaction. Dissatisfied customers are more prone to switch to competing hotels or share negative experiences, which can lead to a decline in customer retention and loyalty. Therefore, hotels in the Volta Region need to understand and manage customer expectations effectively. By consistently delivering service quality that meets or exceeds customers' initial expectations, hotels can foster positive disconfirmation, enhance customer satisfaction, and increase the likelihood of customer retention and loyalty. This can be achieved through well-trained and attentive staff, personalized services, cleanliness, comfort, efficient check-in/check-out processes, and prompt resolution of any customer concerns or complaints.

### 4.3 Hypotheses development

This section reviews the empirical literature leading to the development of hypotheses linking the theoretical variables discussed in Chapter 2 to guide the study.

#### 4.3.1 Effect of service quality on customer retention

In a study conducted by Ahmed et al. (2010), results confirmed a positive relationship exists between the dimensions of service quality, including tangibles, reliability, responsiveness and assurance and customer retention. Similarly, Ali et al. (2010) revealed a significant positive relationship between customer retention and service quality. In another study conducted by Omotayo and Joachim (2008), it was discovered that an increase in service quality produces a corresponding positive impact on customer retention levels. Undertaking similar research in the telecommunication industry, Ahmed et al. (2010) also corroborated earlier studies that a positive relationship exists between service quality and customer retention. In a study conducted in Ghana by Nsiah and Asantewaa (2015), it was found that a significant positive relationship exists between service quality and customer retention in the Ghanaian banking industry. Lee and Hwang's (2015) study found a positive correlation between empathy and assurance in customer retention, in hotels.

Similarly, Al-Ababneh et al.'s (2020) study conducted in the hotel industry in Jordan also found a positive relationship between assurance and empathy and customer retention. Tangibility and reliability were positively associated with customer retention in a study conducted by Choi and Chu (2015) in the Korean hospitality industry. Furthermore, a study by Nguyen et al. (2018) in the Vietnam hotel industry found that responsiveness was positively associated with customer retention. Based on the literature, it was hypothesised as follows: *H1: There exists a significant positive relationship between service quality dimensions and customer retention.*

#### 4.3.2 Effect of service quality on customer satisfaction

Research conducted by Pontoh and Tumbuan (2014) suggests that service quality affects customer satisfaction. Another study by Boon-Lait and Zabid (2013) found a significant positive relationship between service quality dimensions such as reliability, responsiveness, assurance, tangibility, empathy and customer satisfaction in the Malaysian hotel industry. In a study conducted by Izogo and Ogba (2015), it was found that service quality positively impacts customer satisfaction in the automobile repair services sector. Other studies on the constructs have also discovered a significant positive relationship between service quality and customer satisfaction, which these findings corroborate (Kabuitu & Ngige, 2016; Malik, 2012; Marinelli et al., 2015). Li and Liang (2017) conducted a study in China's hotel industry and found a positive impact of empathy and tangibility on customer satisfaction.

Similarly, Liu and Jang (2017) conducted a study among Korean hotels and discovered a positive association between responsiveness and customer satisfaction. Paraskevas and Arendell (2014) found a significant positive relationship between tangibility and customer satisfaction in luxury hotels. Lee and Hwang (2018) also found a positive link between empathy and customer satisfaction in the hotel sector. Kim and Jang (2019) conducted a study on restaurants in Korea and found no significant relationship between assurance and customer satisfaction. This aligns with Jang and Namkung's (2009) study, which found no positive association between reliability and customer satisfaction among Korean restaurants. Based on the literature, it was hypothesised as follows: *H2: There exists a significant positive relationship between service quality dimensions and customer satisfaction.*

#### **4.3.3 Effect of service quality on customer loyalty**

A plethora of studies have been conducted to assess the effect of service quality on customer loyalty. A study by Nooni et al. (2015) examined the impact of service quality on customer loyalty in the Ghanaian cellular industry. The study's results indicated that a significant positive relationship exists between service quality and customer loyalty in the Ghanaian cellular industry. Another study by Maskur et al. (2016) also found a positive relationship between service quality and customer loyalty. Other studies have also found that significant positive relationships exist between service quality and customer loyalty (Montolalu et al., 2015; Pramana & Rastini, 2016; Viriya et al., 2015). Boshoff and Mels (2015) studied South Africa's hotel industry and found a positive association between service quality factors, such as empathy, responsiveness, assurance, and customer loyalty.

Similarly, Kusumasondjaja and Suwarno (2019) conducted a study in the Indonesian hotel industry and found that responsiveness, empathy, and assurance were positively related to customer loyalty. Choi and Chu (2011) conducted a study in the United States and found a significant positive relationship between tangibility and customer loyalty. Ezeuduji et al. (2020) also found a significant positive association between tangibility and customer loyalty in the hotel industry in Nigeria. Based on the literature, it was hypothesised as follows: *H3: There exists a significant positive relationship between service quality dimensions and customer retention.*

#### **4.3.4 Effect of customer satisfaction on customer loyalty**

According to Chen and Wang (2009), customer satisfaction can measure the consistency between prior expectations and perceived service performance. Customer satisfaction is crucial in determining customer loyalty and a significant reason to continue a relationship with a company's products or services. Satisfied

customers are more likely to repurchase, reduce their price sensitivity, engage in positive word-of-mouth marketing, and become loyal customers (Chen & Wang, 2009). Achieving customer satisfaction and loyalty is critical for a company's success and bottom line. The loyalty-building process involves several steps: awareness, exploration, expansion, commitment, and dissolution (Arantola, 2000). Customer loyalty is seen as a consequence of customer satisfaction, and when satisfaction reaches a certain level, customer loyalty increases significantly.

Conversely, customer loyalty decreases automatically when customer satisfaction falls below a certain threshold. Moreover, highly satisfied customers tend to be more loyal than merely satisfied ones (Chi, 2005). There is a significant positive correlation between customer satisfaction and customer loyalty (Chi, 2005), as evidenced by the study of Yoo and Bai (2016) in the hotel industry, the Pakistani hotel industry study by Raza et al. (2019) and the findings of Homburg et al. (2015) among hospitality firms in Asia, Europe, North America, and Australia. Based on the literature, it was hypothesised as follows: *H4: There is a significant positive relationship between customer satisfaction and customer loyalty.*

#### **4.3.5 Effect of customer satisfaction on customer retention**

Studies have examined the relationship between customer satisfaction and customer retention in the hotel industry. Ibojo examined the impact of customer satisfaction on customer retention among banks in Nigeria. The study results showed that customer satisfaction positively correlates with customer retention among banking customers in Oyo state, Nigeria. Kim and Cha (2015) conducted a study in South Korea and found a significant positive connection between customer retention and customer satisfaction. Similarly, Saleem et al. (2019) conducted a study in Pakistan's hotel industry and found a significant positive association between customer retention and customer satisfaction. Another study was conducted by Okonkwo, Mba and Ede

(2020), which sought to examine the impact of customer satisfaction on customer retention among banks in Enugu state, Nigeria. The study's results indicated that a significant positive relationship exists between customer satisfaction and customer retention among banks of banks in Enugu state, Nigeria.

However, contrasting findings have been reported in other studies. Grönroos (2016) conducted a study in Finland and found no statistically significant relationship between customer satisfaction and customer retention. Likewise, a study conducted by Hussain et al. (2018) in the hotel industry of Saudi Arabia also found no statistically significant relationship between customer satisfaction and customer retention. Based on the literature, it was hypothesised as follows: *H5: There is a significant positive relationship between customer satisfaction and customer retention.*

#### **4.3.6 Effect of customer loyalty on customer retention**

Loyalty contributed to customer retention, which either increased commitment for a longer period or contributed to high resistance to competition (Delgado-Ballester & Munuera-Alemán, 2001). Thus, suppliers need to retain loyal customers who can contribute to continued profits (Tseng, 2007). Achieving organisational success can be facilitated by the advantageous retention of customers through continuous affiliation with the organisation, which is fostered by customer loyalty (Kandampully & Suhartanto, 2000). Other than having a favorable attitude and making repeated purchases, loyal customers were believed to be adjustable to any prices charged by the company. A meta-analysis conducted by Matzler et al. (2016) across hotels in the USA, Korea, Germany, and China revealed a significant positive association between customer loyalty and customer retention.

Similarly, Kim et al. (2017) conducted a study among hotels in South Korea and found that the implementation of customer loyalty programs has a positive impact on

customer retention. The study by Kim et al. (2017) also highlighted that loyal customers are likelier to recommend hotel services to others. These findings indicate the importance of customer loyalty in driving customer retention and word-of-mouth recommendations. Based on the literature, it was hypothesised as follows: *H6: There is a significant positive relationship between customer loyalty and customer retention.*

#### **4.3.7 Service quality and customer loyalty: Mediation effect of customer satisfaction**

Hapsari and Idrus (2021) found that customer satisfaction partially mediates the association between service quality and customer loyalty among hotels in Indonesia. Similarly, in a study conducted in India's hotel industry, Shukla and Singh (2015) reported that customer satisfaction mediates the relationship between service quality and customer loyalty. Kim et al. (2017) also found that customer satisfaction mediates the relationship between service quality and customer loyalty among hotels in South Korea. These results suggest that improving service quality can enhance customer satisfaction, increasing customer loyalty. Kuo et al. (2013) conducted a study to investigate the effect of service quality on customer loyalty in the hotel industry in China, using customer satisfaction as a mediating variable. The study's results indicated that customer satisfaction mediated the relationship between service quality and customer loyalty among hotels in China. In Greek, Santouridis and Trivellas (2009) investigated the mediating effect of customer satisfaction on the relationship between service quality and customer loyalty. The study's results showed that customer satisfaction positively mediated the relationship between service quality and customer loyalty among Greek customers of Internet shops. In Malaysia, a study was conducted by Nikou and Khiabani (2020) to examine the mediating effect of customer satisfaction on service quality and customer loyalty relationships among four-star hotels. From the study's results, customer satisfaction was found to mediate the relationship between service quality and customer loyalty. Based on the literature, it

was hypothesised as follows: *H7: Customer satisfaction mediates the relationship between service quality and customer loyalty.*

#### **4.3.8 Service quality and customer retention: mediation effect of customer loyalty**

In a study conducted in the Iran hotel industry by Naseri et al. (2015), it was found that customer loyalty significantly mediates the association between service quality and customer retention. Similarly, a meta-analysis conducted by Zins et al. (2018) showed that customer loyalty fully mediated the relationship between service quality and customer retention among hotels in the USA, Asia and Middle East countries. Another study that was carried out by Bai and Yoo (2016) also revealed that customer loyalty mediates the relationship between service quality and customer retention in the hotel sector. Johnson et al. (2018) assessed the mediating role of customer loyalty on the relationship between service quality and customer retention among customers of retail banks. The study showed that customer loyalty mediated the relationship between service quality and customer retention. Smith et al. (2021) also examined the effect of customer loyalty on the relationship between service quality and customer retention. According to the results, it was found that customer loyalty mediates the relationship between service quality and customer retention. Based on the literature, it was hypothesised as follows: *H8: Customer loyalty will mediate the relationship between service quality and customer retention.*

#### **4.3.9 Service quality and customer retention: Mediation effect of customer satisfaction**

Yeh et al. (2015) conducted a study in the hotel sector in Taiwan and found that customer satisfaction partially mediated the relationship between service quality and customer loyalty. Similarly, Wang and Li (2019) conducted a study in the Chinese hotel industry and observed that customer satisfaction partially mediated the

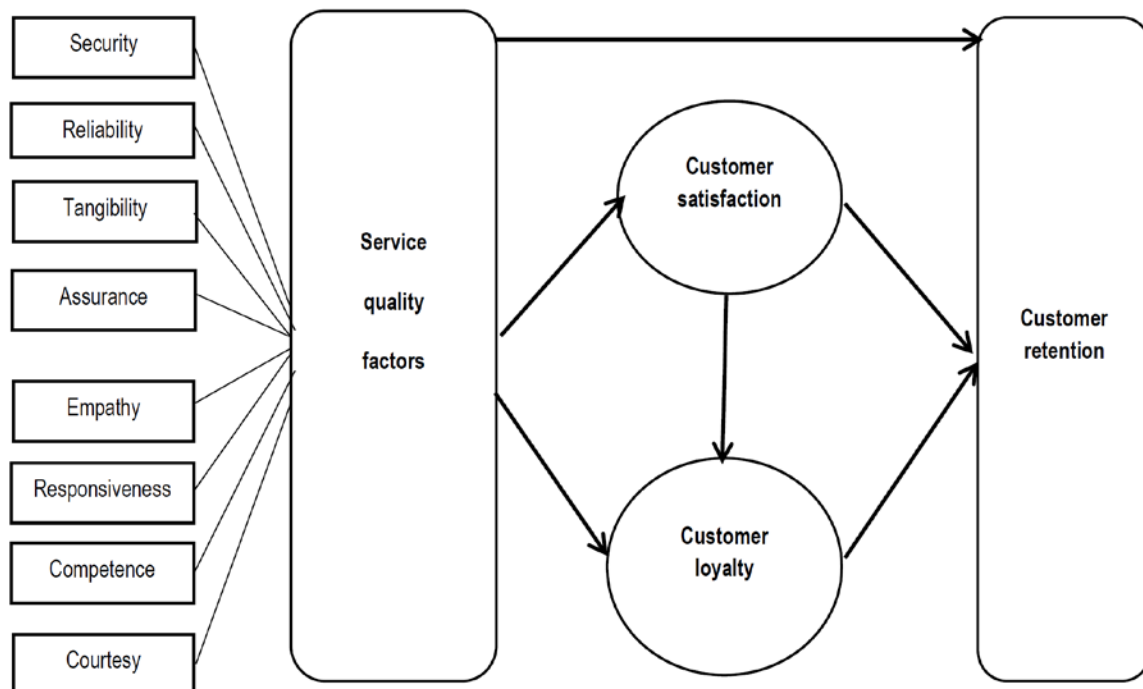
relationship between service quality and customer retention. However, a study by Matos and Henrique (2019) in the Portuguese hotel industry showed that customer satisfaction did not mediate the relationship between service quality and customer loyalty. A study was conducted by Rawat and Kumar (2017) to examine the mediating role of customer satisfaction on the relationship between service quality and customer retention among IT firms in India. The study results showed that customer satisfaction positively mediates the relationship between service quality and customer retention among IT firms in India. In Ghana, Allan (2016) examined the relationships between service quality, customer satisfaction and customer retention among luxury hotels. The study results showed that customer satisfaction mediates the relationship between service quality and customer retention among luxury hotels in Ghana. Based on the literature, it was hypothesised as follows: *H9: Customer satisfaction mediates the relationship between service quality and customer retention.*

#### **4.3.10 Customer satisfaction and retention: Mediation effect of customer loyalty**

In a study conducted in the Iran hotel industry by Naseri et al. (2015), it was found that customer loyalty significantly mediates the association between service quality and customer retention. Similarly, a meta-analysis conducted by Zins et al. (2018) showed that customer loyalty fully mediated the relationship between service quality and customer retention among hotels in the USA, Asia and Middle East countries. Another study that was carried out by Bai and Yoo (2016) also revealed that customer loyalty mediates the relationship between service quality and customer retention in the hotel sector. Smith, Johnson and Brown (2017) investigated the mediating role of customer loyalty on the relationship between customer satisfaction and customer retention in the hotel industry. The study found that customer loyalty partially mediates the relationship between customer satisfaction and customer retention. In another study, Diaz (2017) examined the relationships between customer satisfaction, customer loyalty and customer retention among mobile phone users in Peru. The study's results

showed that customer loyalty mediated the relationships between customer satisfaction and customer retention among mobile phone users in Peru. Aityassine (2022) also studied the relationships between customer satisfaction, customer delight, customer retention and customer loyalty. The results showed that customer loyalty partially mediated the relationship between customer satisfaction and customer retention. Based on the literature, the study hypothesised as follows: *H10: Customer loyalty will mediate the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.*

#### 4.4 Conceptual framework



**Figure 4.1: The proposed conceptual framework guiding the study**

Figure 4.1 presents the conceptual framework of the study. The conceptual framework was formulated based on the relationships among the constructs. The study proposes

that service quality factors, namely reliability, tangibility, assurance, empathy, responsiveness, competence and courtesy, will have positive relationships with other variables such as customer satisfaction, customer loyalty and customer retention. This assumption that each of the service quality factors being investigated could have positive relationships with customer satisfaction, customer loyalty and customer retention is based on the premise that empirical literature has shown that service quality has a significant positive relationship with customer satisfaction (Narisawri and Iriawan, 2007; Pontoh & Tumbuan, 2014; Putri, 2014; Sitorus & Suwarno, 2015; Viriya et al., 2015), customer loyalty (Henriawan, 2015; Maskur et al., 2016; Montolalu et al., 2015; Pramana & Rastini, 2016; Viriya et al., 2015) and customer retention (Ahmed et al., 2010; Ali et al., 2010; Bujisic et al., 2014). Moreover, the conceptual framework proposes that customer satisfaction and customer loyalty will be positively related. It is further proposed that customer satisfaction and loyalty will also positively affect customer retention in the hospitality industry. The challenge is to ensure that each of the service quality factors is assessed against customer expectations versus actual delivery in terms of the presale, transaction and post-sale phases to ensure optimal customer satisfaction, loyalty and retention with a consequent improvement towards the development of sustainable tourism and hospitality businesses in Ghana and a corresponding contribution towards economic growth and development.

#### **4.5 Chapter summary**

This chapter provides a comprehensive review of empirical literature examining the relationships between service quality factors, customer satisfaction, customer loyalty, and customer retention in the hospitality industry in Ghana. The literature highlights the importance of service quality in influencing customer satisfaction and subsequent loyalty and retention. Various service quality factors, such as responsiveness, reliability, tangibles, assurance, and empathy, have been identified as significant drivers of customer satisfaction. Satisfied customers are likelier to exhibit loyalty by

repeatedly choosing the same hotel, recommending it to others, and engaging in positive word-of-mouth. The literature also emphasizes the mediating role of customer satisfaction, which acts as a mechanism through which service quality influences loyalty and retention. Based on the literature review, a conceptual framework is presented, outlining the hypothesized relationships between the variables. This chapter sets the foundation for the subsequent chapter, detailing the research methodology employed in the study to further investigate these relationships in the Ghanaian hospitality industry.

## CHAPTER FIVE

### RESEARCH METHODOLOGY

#### 5.1 Introduction

The research design and methodology are presented in this chapter. The chapter discusses the methodology used for the study, which comprises the research design, population and sample, data collection and data analysis procedures, research strategy, and expected outcomes. The chapter also presents the data collection tools, methods for data analysis, ethical considerations, and precautions to be taken to ensure data quality and reliability. This chapter seeks to explain the research methodology of the study and as well identify and present the expected research outcomes.

#### 5.2 Expected outcomes of the study

Based on the problem statement, the following objectives have been derived:

##### 5.2.1 Primary objective

To determine the impact of service quality factors on customer satisfaction, loyalty and retention in the hospitality industry in Ghana.

##### 5.2.2 Secondary objectives

1. To determine the extent to which service quality factors influence customer retention in the hospitality industry in Ghana.

2. To determine the extent to which service quality factors influence customer satisfaction in the hospitality industry in Ghana.
3. To determine the extent to which service quality factors influence customer loyalty in the hospitality industry in Ghana.
4. To determine the relationship between customer satisfaction and customer loyalty among hotels in the Volta Region of Ghana.
5. To determine the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.
6. To determine the relationship between customer loyalty and customer retention among hotels in the Volta Region of Ghana.
7. To determine the extent to which customer satisfaction will mediate the relationship between service quality and customer loyalty among hotels in the Volta Region of Ghana.
8. To determine the extent to which customer loyalty will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.
9. To determine the extent to which customer satisfaction will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.
10. To determine the extent to which customer loyalty will mediate the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.
11. To suggest the possible elements of a service quality strategy to optimise customer retention in the hospitality industry of the Volta Region in Ghana.

### **5.3 Research paradigms**

Gringeri et al. (2013) define research paradigms as the set of basic beliefs that help understand the nature of reality, how this reality can be established and how knowledge is produced. According to Creswell (2003), three fundamental elements help differentiate one research paradigm from the other: ontology, epistemology and

methodology. Ontology describes the nature and form of reality in the physical world, while epistemology describes the nature of knowledge. Methodology substantiates the rationales which define the procedures used in conducting research (Creswell, 2003; Guba & Lincoln, 1994). In this section, four research paradigms are being discussed, and they are as follows: positivism, post-positivism, critical theory and constructivism.

### **5.3.1 Positivism**

Blumberg et al. (2014) assert that the positivist paradigm perceives the world as real and identifies and apprehends what constitutes reality. In this regard, research conducted using the positivist paradigm does not have the problem of research bias since findings are regarded as objective. The positivist paradigm employs the quantitative methodology; hence, research hypotheses play a key role, either verified or falsified (Guba & Lincoln, 2005; Shukla & Singh, 2015).

### **5.3.2 Post-positivism**

The post-positivism paradigm emerged as a result of the positivism paradigm, thus indicating a subtle distinction between the two. The difference between these two paradigms concerns the “probability of reality” (Lincoln & Guba, 2000). According to Lincoln and Guba (2000), in as much as the positivist paradigm perceives the world as totally real, the post-positivist paradigm perceives the world as partially real. Thus, per the post-positivist paradigm, there is an extent or probability to which the world can be perceived as real. In this regard, hypotheses formulated using a post-positivist paradigm only indicate that there is a probability that the hypotheses can be either true or false. Although research conducted using the post-positivist paradigm is unbiased, there is a level of influence on the part of the study on the investigation being conducted. In this regard, in terms of methodology, qualitative methods can be

employed to some extent, but quantitative approaches dominate this kind of research paradigm (Lincoln & Guba, 2000).

### **5.3.3 Critical theory**

For the critical theory paradigm, reality is influenced by values associated with society, culture, ethnicity, economy and gender (Lincoln & Guba, 2000). Due to the influence of values on reality, there is subjectivity in knowledge acquisition. In terms of the methodology under this paradigm, it is the notions of the respondents that determine how data should be gathered, and data analysis depends on the dialogue between the study and the research (Lincoln, Lynham & Guba, 2008).

### **5.3.4 Constructivism**

According to Lincoln and Guba (2008), reality is relative and subjective under the constructivism paradigm. In this vein, knowledge creation is determined by the study and the respondents/participants. That is to say, the realities held by the respondents are subject to the realities held by the study and vice versa. According to the constructivist paradigm, meaning or truth is non-existent without the human mind since meaning is constructed rather than discovered. Thus, per the constructivists, meaning is constructed as the human mind interacts with the world (Crotty, 1998). Qualitative methods are the main data collection tools for research using the constructivist paradigm.

### **5.3.5 Justification for choice of positivist research paradigm**

The positivist research paradigm was chosen for this study because its epistemology, ontology and axiology were relevant towards achieving the study's objectives. First,

the positivist research paradigm is justified because the study examined the direct and indirect (mediation) relationships between service quality factors, customer satisfaction, customer loyalty and customer retention objectively, which corresponds with the ontological perspective of the positivist paradigm. In this regard, to achieve objectivity, the study did not interfere in any way regarding the opinions expressed by customers of hotels in the Volta Region on issues about service quality, customer satisfaction, customer loyalty and customer retention.

Customers of hotels who participated in the study provided their candid opinions concerning the questionnaire administered to them. The epistemological dimension of the positivist research paradigm deals with empirically based knowledge acquisition methods (Davies & Fisher, 2018). In this study, knowledge of the relationships between service quality factors, customer satisfaction, customer loyalty and customer retention was acquired by following standardized statistical analysis using statistical tools such as Statistical Package for Social Sciences (SPSS) and Smart PLS 4. The acquisition of knowledge on the subject matter was based on testing hypotheses through structural equation modelling for both direct and indirect (mediation) effects among the variables, without any form of manipulation of variables. Moreover, the axiology of the positivist research paradigm dwells on the premise that the biases and values of the study should not influence the interpretation of the results. In this regard, the statistical output of direct and indirect relationships among the variables used in the study was reported in their original state without any form of bias on the part of the study.

#### **5.4 Research design**

The research design refers to the overall strategy chosen to integrate the different components of the study in a coherent and logical way, thereby ensuring that the research problem is effectively addressed and serves as a blueprint for the collection

and analysis of appropriate data (Creswell, 2009). This study adopted correlational and cross-sectional designs to achieve the study's objectives.

Creswell (2012) posits that correlational designs involve examining the relationships between two or more variables without manipulation. The use of the correlational research design was relevant for this study as it enabled the study to examine the direct and indirect (mediation) relationships between service quality factors (reliability, assurance, tangibility, responsiveness, empathy) and customer satisfaction, customer loyalty and customer retention among hotels in the Volta Region of Ghana. Moreover, the rationale for employing a cross-sectional design was also justified as the data were gathered from customers of the designated hotels in the Volta Region during a specific period on a single occasion.

## **5.5 Research strategy**

The research strategy involves selecting an appropriate research approach or method that aligns with the research philosophy, questions, and objectives (Saunders et al., 2019). According to Saunders et al. (2019), the four main research approaches that studies can adopt are experimental, case study, survey and action research. In this study, the survey research strategy was adopted.

Babbie and Mouton (2010) define survey research as a quantitative data collection method involving structured questionnaires or interviews to gather information about the attitudes, beliefs, opinions, or behaviors of a sample of individuals or groups on a phenomenon being investigated. In the conduct of this study, the choice of survey research strategy was justified because the study involved a large number of participants, specifically, three hundred and eighty-nine (389) customers from one hundred and twenty-two (122) hotels in the Volta Region of Ghana.

## **5.6 Research methodology**

The research methodology is the general approach that is utilized by a study to gather relevant data with the end goal of achieving the objectives of the study (Creswell, 2014). According to Saunders et al. (2019), mono-quantitative and multi-quantitative methodologies could be adopted by studies based on their research questions and hypotheses being tested. The mono-quantitative methodology uses a single data or questionnaire to test specific hypotheses proposed by the study. On the other hand, the multi-quantitative methodology uses more than one data or questionnaire for testing complex hypotheses and responding to different research questions (Saunders et al., 2019).

It is further argued that the mono-quantitative methodology is most appropriate for studies that dwell on positivist research paradigms. In contrast, multi-quantitative methodology is most appropriate for studies that adopt pragmatic research paradigms or mixed research approaches (Saunders et al., 2019). Based on this study, the mono-quantitative research methodology was most appropriate because the study utilized a single data gathered from customers of hotels in the Volta Region of Ghana. Furthermore, the data gathered was used to test direct and indirect (mediation effects) hypotheses on the relationships between service quality factors, customer satisfaction, customer loyalty and customer retention.

## **5.7 Measuring instrument**

The data collection instruments that were used for the study comprised questionnaires. Service quality factors, namely reliability, responsiveness, tangibility, assurance and empathy, were measured using the SERVQUAL questionnaire. A total of fifty-one (51) items were used for measuring service quality as follows: Reliability (13 items), Responsiveness (11 items), Tangibility (11 items), Assurance (9 items)

and Empathy (7 items). Customer satisfaction was measured by adopting the Customer Satisfaction Index (CSI) developed by the American Customer Satisfaction Index (1994). Eight (8) items were used to measure customer satisfaction. The Loyalty Scale developed by Wirtz and Bateson (1995) was adopted to measure customer loyalty. A total of seventeen (17) items were used in measuring customer loyalty. Customer retention was measured by adopting the Customer Loyalty Engagement Index (CLEI) developed by Bain and Company (2003). Six (6) items were used in measuring customer retention. The questionnaires were measured on a seven-point Likert scale where 1= strongly disagree, 2= disagree, 3= slightly disagree, 4= neutral, 5= slightly agree, 6= agree, and 7= strongly agree.

The questionnaire also examined the demographic information of the respondents, which comprised their gender, age, the highest level of education, religion, marital status, household income, employment status, most important hobby, nationality, family size, duration of being a customer and number of visits to hotels in the Volta Region of Ghana.

## **5.8 Research population and sampling**

Population refers to the group of cases from which the sample for the study is selected (Creswell, 2012). This study's population comprises all hospitality-related firms in the Volta Region of Ghana. Hospitality firms in the Volta region comprise hotels, guest houses, beach resorts and lodges in Ghana. Currently, there are about one hundred thirty-eight (138) hospitality firms in the Volta Region of Ghana (Ghana Yello, 2023). The customers of these hospitality firms in the Volta Region exhibit diverse characteristics, reflecting the region's multifaceted appeal. Notably, the region attracts a mix of tourists and travelers, both domestic and international, drawn by its cultural, historical, and natural attractions. Business travelers seeking accommodations during conferences and seminars hosted in the region also form a significant customer

segment (GTA, 2022). The scenic landscapes of the Volta Region make it a magnet for nature enthusiasts and adventure seekers interested in eco-tourism and outdoor activities. Additionally, the rich cultural heritage, including traditional festivals and historical sites, attracts customers keen on cultural and heritage tourism (GTA, 2022).

A multi-stage sampling procedure was chosen for this study. First, the study determined the sample size of the hospitality firms by using the Rao Soft Sample Size calculator at the 95% confidence level. Based on the Rao Soft Sample Size calculator, the appropriate sample size for a population of one hundred and thirty-eight (138) is one hundred and two (102).

In this regard, a total of one hundred and two (102) comprised the hospitality firms' sample size. Secondly, the cluster sampling technique was used to group the hospitality firms based on the eighteen (18) districts in the Volta Region. In the context of the Volta Region's diverse landscape, comprising eighteen (18) districts, the employment of cluster sampling ensures equitable representation across the region. By organizing hospitality firms into clusters based on geographic proximity, the study acknowledges potential variations in characteristics, customer demographics, and economic factors among different districts.

Lastly, convenience sampling was used to select customers who participated in the study. The choice of convenience sampling was based on the premise that only customers who were available and willing to participate at the time of data collection in the hospitality firms were allowed to participate. A total of four hundred and fifty (450) questionnaires were administered across the one hundred and two (102) hospitality firms in the Volta Region of Ghana. However, three hundred and eighty-nine (389) could be retrieved, which gave a response rate of 86.4%.

## **5.9 Data collection and related issues**

This section discussed the data collection process of this study and comprised of sub-components such as sources of data as well as validity and reliability assurance.

### **5.9.1 Sources of data**

Data obtained for the study was gathered from both primary and secondary sources. The primary source provided data from the use of questionnaires. The advantage of using primary data is that they are more reliable since they come from the original sources and are collected especially for the study (Saunders et al., 2007). The secondary data for the study was obtained from various publications, reports, documents and other available records.

### **5.9.2 Validity and reliability assurance**

Validity and reliability are fundamental aspects of research methodology. Validity refers to the extent to which a research instrument accurately measures what it is intended to measure (Tabachnick & Fidell, 2014). It ensures that the findings and conclusions drawn from the research are trustworthy and meaningful. On the other hand, reliability assurance addresses the sources of inconsistent or unreliable observations in social science measurements and encompasses strategies employed to minimize these threats (Haradhan, 2017). By enhancing the reliability of measurements, studies can increase the consistency and dependability of their results. Both validity and reliability are crucial considerations in research design, as they contribute to the overall rigor and credibility of the study findings.

### **5.9.2.1 Validity assurance**

This study achieved validity assurance by adopting the theoretical assessment of validity approach. The theoretical assessment of the validity approach evaluates how well an operational measure reflects the underlying theoretical construct (Taherdoost, 2016). Within this approach, two sub-types of validity assessment were employed, namely face validity and content validity. Face validity was ensured by clearly defining the constructs under investigation and aligning them with the operational definitions (Taherdoost, 2016). This step ensured that the measurement items accurately represented the intended constructs within the context of hotels in the Volta Region of Ghana.

Conversely, content validity pertains to the extent to which the items on a scale adequately represent the concept being measured (Denzin & Lincoln, 2018). To establish content validity, expert opinions from academia and industry were sought regarding the appropriateness and relevance of the measurement items in relation to the constructs being examined. The input from these experts ensured that the items used in the study aligned with the operational definitions of the constructs and effectively captured the intended concepts (Denzin & Lincoln, 2018). Thus, content validity was achieved by incorporating the ratings and feedback from these experts into the final measurement items.

By employing the theoretical assessment of validity approach, incorporating face and content validity, this study ensured that the measurement instruments effectively captured the intended constructs and their underlying theoretical concepts. This rigorous validation process enhances confidence in the study's findings and strengthens the overall validity of the research.

### **5.9.2.2 Reliability assurance**

The potential threat to instrument reliability in this study was subjectivity, which could affect the accuracy of observations. Since the study investigated service quality factors and their relationship with customer satisfaction, loyalty, and retention, relying solely on customers' observations at the hotels could result in subjective and unreliable data. To overcome this threat, the study used questionnaires to gather customers' opinions on their service quality experiences, satisfaction, loyalty, and retention. This approach provided a more objective and reliable means of measuring the constructs of interest. Another threat to reliability is the presence of ambiguous and imprecise questions, which may result in inappropriate responses. To address this issue, the study ensured that the investigated constructs were clearly defined and understandable, avoiding unclear questions. Additionally, seeking input from academia and industry experts helped identify and address any issues related to ambiguous or imprecise questions (Haradhan, 2017; Tabachnick & Fidell, 2014).

## **5.10 Data analysis**

Data gathered from questionnaires were analyzed using the Statistical Package for Social Sciences (SPSS) software version 26 and Smart PLS 4. First, data were coded into the SPSS software by assigning numerical values to the items on the questionnaire. For instance, for an item like gender, 1 was assigned to a male while 2 was assigned to a female. After data coding, data was entered for all the questionnaires that were gathered for the study. The data were analyzed in congruence with the research objectives and hypotheses. The SPSS software was used to analyse demographic data of respondents such as gender, age, highest level of education, religion, marital status, household income, employment status, most important hobby, nationality, family size, duration of being a customer and number of visits to hotels. The SPSS data was also used to present results on descriptive

statistics of the variables, which comprised their minimum, maximum and mean values. The Smart PLS 4 software was used to conduct partial least squares (PLS) structural equation modeling for direct and indirect (mediation) effects on the relationships between service quality factors and customer satisfaction, customer loyalty and customer retention among hospitality firms in the Volta Region of Ghana.

### **5.11 Ethical considerations**

Ethical considerations utilized during the data collection comprised anonymity, confidentiality, and informed consent. In terms of anonymity, the study ensured that any information that would reveal the identity of respondents, such as names, phone numbers, and postal addresses, among others, were not included in the questionnaire. Confidentiality was also achieved by ensuring that the data gathered were used for research purposes alone and that under no circumstance was the data gathered made available to any external party for any reason. To achieve confidentiality, the study ensured that all questionnaires were sealed in envelopes after they were collected and then used for data analysis.

Informed consent was achieved by ensuring that respondents were duly informed about the purpose of the study and then allowed to give their own permission before participating. Informed consent for respondents was accompanied by consent forms which the respondents/participants signed as practical evidence to show their consent to participate in the study.

### **5.12 Chapter summary**

This chapter presented the methodology and research design of the study. The chapter has justified using a positivist research paradigm, survey research strategy,



mono-quantitative research methodology, and correlational and cross-sectional research designs. The study has also justified using statistical tools such as SPSS and Smart PLS 4 for testing the study's hypotheses.

## CHAPTER SIX

### RESULTS AND DISCUSSIONS

#### 6.1 Introduction

This chapter presents the study's results and discusses them with relevant literature. A total of four hundred and fifty (450) questionnaires were administered by the study to customers of one hundred and two (102) hotels in the Volta Region of Ghana. Out of the 450 questionnaires administered, a total of three hundred and eighty-nine (389) were retrieved, giving a response rate of 86.4%. Saunders et al. (2019) posit that a response rate of 70% or higher is deemed suitable for quantitative studies to facilitate effective data analysis. In light of this matter, given the response rate of 86.4%, it was deemed suitable for the study to utilise the acquired data for analysis, as it constituted a proportion exceeding 70% of the administered questionnaires. The study results were grouped under four sub-sections: demographic data of respondents, descriptive statistics of constructs used for the study, regression analysis and structural equation modelling analysis. The study's results were presented based on the study's objectives.

#### 6.2 Demographic profile of respondents

Demographic profile of the respondents, comprising of their gender, age, highest level of education, religion, marital status, household income, employment status, most important hobby, nationality, family size, duration of being a customer and number of visits to hotels were presented in this section and discussed with literature.

The results showed that most respondents were males (56.3%), while 43.7% were females. This is consistent with Kwansa and Odoom's (2016) study attest that male customers are likelier to patronize hotels in Ghana than females due to the likelihood of men engaging in travel for business and leisure purposes compared to women.

For the age distribution, it was found that the majority of respondents were between the age range of 31-40 years (45.8%), 25.2% were between the age range of 18-30 years, 21.9% were between the age range of 41-50 years while 7.2% were above 50 years. This is consistent with Atuguba and Danso (2019), who attest that most hotel customers in Ghana fall within the age range of 31-50 years. This phenomenon can be attributed to the fact that individuals within this particular age bracket typically possess a reliable and consistent source of income, affording them the means to engage in recreational pursuits, such as visiting hotels for leisure purposes.

For educational level, most respondents have attained their Master's degree (38.6%), and 15.7% have attained their PhD. In comparison, another 15.7% have attained their diploma, 14.9% have attained their bachelors/advanced diploma, 11.8% have attained their postgraduate diploma, while 3.3% have an educational level below diploma. The study's finding on respondents' educational level was supported by Agbesinyale and Kwarfo-Apegyah (2018) whose study attest that customers with high educational levels are most likely to have high expectations when patronizing hotel services. That notwithstanding, the result indicates that hotels in the Volta Region attract highly educated customers, which has implications on their high expectations for services and amenities available at the hotels in the Volta Region.

Regarding religion, it was found that the majority of the respondents comprising, 59.6% were Christians, 28.8% were Muslims, 10.5% practice the African traditional religion, and 1% were Hinduists. The dominance of Christian customers in this study

is unsurprising since about 71% of the Ghanaian population are Christians (Oduro-Ofori et al., 2021).

The results showed that 57.1% of the respondents are married, 28% are single, 7.5% are separated, 5.7% are divorced, and 1.8% are widowed. The dominance of married customers in this study is explained by Asare et al. (2020), whose study attests that married individuals are mostly engaged in leisure and travel and patronize hotels more than unmarried individuals. The finding that married customers dominated this study also has implications for the hotel industry in the Volta Region of Ghana to develop more packages and services that attract the expectations of married customers.

From the results, most of the respondents have household income ranging between Ghc 2000 to Ghc 3,999 (31.6%), 30.1% of respondents have household income ranging between Ghc 1,000 to Ghc 1,999, 16.2% have household income between Ghc 4,000 to Ghc 4,999, 14.1% of the respondents have household income up to Ghc 999 while 8% of the respondents have household income that is more than Ghc 5,000. The household income range of the respondents in the study aligns with the findings of a study by Owusu et al. (2019), which found that most households in Ghana fall within the lower middle-class income bracket. This could affect the types of hotels and services available to customers, as hotels may need to cater to customers with limited budgets.

Regarding employment status, it could be inferred that 54% are employed, 23.9% of the respondents are self-employed, 8.2% are retired, 8% are unemployed, and 6% are students. This finding aligns with Nketiah-Amponsah et al. (2017), who attest that a stable income source is a significant factor in customers' willingness to pay for higher-end hospitality services.

From the results, the most important hobbies of the respondents comprised the following: sports (29%), reading (24.4%), movies (16.7%), music (14.9%), gardening (6.9%), cooking (5.7%) and art (2.3%). Since sports and reading were the most important hobbies among customers, it is useful for hotels in the Volta Region to provide facilities and amenities that cater to such interests as gyms and libraries (Boakye & Ribeiro-Samora, 2019).

Regarding nationality, the majority of respondents are Ghanaians (73.8%), 11.1% are non-Ghanaian Ecowas nationality, 9.5% of respondents belong to other African nationalities, 3.1% are Americans, 1.3% are Europeans, and 0.8% are Asians. In comparison, 0.5% are Australians/New Zealand nationalities. The findings on nationality suggest that the majority of customers are Ghanaians, which is not surprising given that Ghana is the host country. However, non-Ghanaian Ecowas and other African nationalities indicate a diverse customer base with unique cultural and language preferences that hospitality establishments should consider (Raza & Singh, 2018).

The results also showed that 50.4% of the respondents have a family size of 3-5, 36.2% of respondents have a family size of 1-2, 10.8% of the respondents have a family size of 6-10 while 2.6% of the respondents have family size of 11 and above. The result of family size gives implications on the need for hotels to ensure that their services are tailored towards the needs of families by offering services that are family friendly such as family suites for small to large family sizes (Chang & Huang, 2015; Gong & Cai, 2018).

Most of the respondents have been customers of hotels for a period of 1-3 years (44.2%), 37% of the respondents have been customers of hotels for less than 1 year, 12.9% have been customers of hotels for 4-6 years, 2.8% have been customers of hotels for 7-10 years, 2.3% have been customers of hotels for 10-15 years while 0.8%

have been customers for more than 15 years. This emphasizes the importance of hotels and resorts focusing on gaining new clients and developing long-term connections. Customer loyalty is important in the hotel sector since it leads to repeat business and favorable word-of-mouth referrals (Baloglu & Pekcan, 2018; Kim & Kim, 2016).

Regarding number of visits, most respondents have visited hotels twice (26.2%), 23.7% have visited hotels once, 21.6% have visited hotels thrice, 12.1% have visited hotels more than five times, 11.1% of respondents visited hotels four times while 5.4% have visited hotels five times. This finding underlines the significance of hotels and resorts providing unique and memorable experiences that attract clients to return more often. According to studies, customer experience is crucial in consumer loyalty and repeated purchases (Bolton & Drew, 2016; Kim & Kim, 2016).

**Table 6.1A: Demographic profile of respondents**

Gender	Frequency	Percentage (%)
Male	219	56.3
Female	170	43.7
<b>Total</b>	<b>389</b>	<b>100</b>
Age	Frequency	Percentage (%)
18-30 years	98	25.2
31-40 years	178	45.8
41-50 years	85	21.9
Above 50 years	28	7.2
<b>Total</b>	<b>389</b>	<b>100</b>
Highest Education	Frequency	Percentage (%)
PhD	61	15.7
Masters	150	38.6
Honours/PGDip	46	11.8
Bachelors/AdvDip	58	14.9

Diploma	61	15.7
Below Diploma	13	3.3
<b>Total</b>	<b>389</b>	<b>100</b>

Table 6.1B: Demographic profile of respondents

Religion	Frequency	Percentage (%)
Christian	232	59.6
Muslim	112	28.8
Traditional African	41	10.5
Hinduism	4	1.0
<b>Total</b>	<b>389</b>	<b>100</b>

Marital Status	Frequency	Percentage (%)
Single	109	28
Married	222	57.1
Divorced	22	5.7
Separated	29	7.5
Widowed	7	1.8
<b>Total</b>	<b>389</b>	<b>100</b>

Household Income	Frequency	Percentage (%)
Up to Ghc 999	55	14.1
Ghc 1000 to Ghc 1,999	117	30.1
Ghc 2000 to Ghc 3,999	123	31.6
Ghc 4,000 to Ghc 4,999	63	16.2
Ghc 5000 and above	31	8
<b>Total</b>	<b>389</b>	<b>100</b>

Employment Status	Frequency	Percentage (%)
Employed	210	54
Unemployed	31	8
Retired	32	8.2
Self-Employed	93	23.9
Student	23	6
<b>Total</b>	<b>389</b>	<b>100</b>

Most Important hobby	Frequency	Percentage (%)
Reading	95	24.4
Sports	113	29
Music	58	14.9
Movies	65	16.7
Gardening	27	6.9
Cooking	22	5.7
Art	9	2.3
<b>Total</b>	<b>389</b>	<b>100</b>

Table 6.1C: Demographic profile of respondents

<b>Nationality</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Ghanaian	287	73.8
Non-Ghanaian Ecowas	43	11.1
Other African	37	9.5
American	12	3.1
European	5	1.3
Asia	3	0.8
New Australia/New Zealand	2	0.5
Total	389	100
<b>Family Size</b>	<b>Frequency</b>	<b>Percentage (%)</b>
1-2	141	36.2
3-5	196	50.4
6-10	42	10.8
11 and above	10	2.6
Total	389	100
<b>Duration of being a customer</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Less than 1 year	144	37
1-3 years	172	44.2
4-6 years	50	12.9
7-10 years	11	2.8
10-15 years	9	2.3
More than 15 years	3	0.8
Total	389	100
<b>Number of visits</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Once	92	23.7
Twice	102	26.2
Thrice	84	21.6
Four times	43	11.1
Five times	21	5.4
More than five times	47	12.1
Total	389	12.1

## **6.3 Descriptive statistics**

This section presents results on the descriptive statistics (minimum, maximum and mean values) of the independent variables (service quality dimensions: reliability, responsiveness, tangibility, assurance, empathy), dependent variable (customer retention) and mediation variables (customer satisfaction and customer loyalty).

### **6.3.1 Service quality dimensions**

This section presents descriptive statistics regarding minimum, maximum, and mean scores on the service quality dimensions: reliability, tangibility, responsiveness, empathy and assurance.

#### **6.3.1.1 Reliability**

A total of thirteen (13) items were used to measure the construct reliability. The thirteen (13) items were measured on a 7-point Likert scale where 1=strongly disagree and 7=strongly agree. For the thirteen (13) items, the minimum value for each item was 1.00, while 7.00 was attained as the maximum value. In terms of mean scores, ten (10) out of the thirteen (13) items had mean scores that were greater than 4.00 (midpoint value), implying that they had higher score ratings of 5=slightly agree to 7=strongly agree. However, three (3) of the items, namely “Hotel staff performed services right the first time”, “Emergency medical care is available in the hotel if needed”, and “There is uninterrupted power supply in the hotel”, had mean scores that were less than the midpoint value of 4.00. This implies that these three items had lower ratings of 1=strongly disagree to 3=slightly disagree on the 7-point Likert scale. The result indicates that reliability, which refers to the consistency and dependability of services delivered to clients (Khan & Fasih, 2014), was rated high by most of the respondents that participated in the study. Reliability, therefore, involves keeping

promises related to performance and dependability, doing the right thing the first time, and ensuring that products and services are always available for clients. Zalfa and Siew (2017) further explained reliability as the obligation to provide services to customers on time and with performance dependability or consistency. To achieve competitive advantage through reliability, firms need to train their employees to provide services promptly and accurately. The study's findings suggest that the hotel needs to improve its reliability in certain areas, such as first-time performance of services and uninterrupted power supply. The hotel can enhance its reputation for providing dependable services, leading to increased customer satisfaction and loyalty.

### **6.3.1.2 Responsiveness**

A total of eleven (11) items were used to measure the construct responsiveness among the hotels from the perspective of customers. These eleven (11) items were measured using a 7-point Likert scale, ranging from 1=strongly disagree to 7=strongly agree. The minimum value of 1.00 was attained for all eleven items, while 7.00 was the maximum value attained. From the results, it could be inferred that most respondents gave high score ratings ranging from 5=slightly agree to 7=strongly agree since mean scores for the 11 items were greater than the midpoint value of 4.00. This finding is consistent with the literature that suggests that responsiveness is an important dimension of service quality (Kumar et al., 2009). Responsiveness is characterized by understanding customer needs, being available during favorable working hours, paying attention to individual problems, and ensuring safety in transactions.

Additionally, employee willingness to assist customers has a positive effect on customer perception of service quality (Sadek et al., 2010). Furthermore, organizations that respond quickly to customer needs and expectations can gain a competitive edge (Sadek et al., 2010). Responsiveness is critical to achieving competitive advantage in organizations, particularly in a competitive market

environment (Zalfa & Siew, 2017). Customers always seek value for their money, and organizations that respond to their needs effectively can differentiate themselves from competitors. Therefore, organizations can use responsiveness to achieve competitive advantage by providing timely services and being effective at problem-solving, particularly when customers have complaints (Zalfa & Siew, 2017).

### **6.3.1.3 Tangibility**

The tangibility construct was measured using a total of eleven (11) items that were measured on a 7-point Likert scale ranging from 1=strongly disagree and 7=strongly agree. Of these eleven (11) items, minimum and maximum values attained comprised 1.00 and 7.00, respectively. Mean scores that were attained for each of the eleven (11) constructs were greater than the midpoint value of 4.00. This implies that high rating scores ranged from 5=slightly agree to 7=strongly agree for the tangibility construct. Tangibility constitutes the physical aspects of service quality, such as materials, equipment, and facilities, which can communicate care and devotion to clients (Kheng et al., 2010). Customers often associate service quality with the degree of tangibility during the service delivery process. In the hotel industry, good physical structures (physical facilities and amenities) communicate care and devotion to clients. In today's globalized world, tangibility has become an important aspect of organizational competitiveness, and the hotel industry is no exception (Panda & Rath, 2018). Additionally, tangibility is now associated with how organizations such as hotels present themselves in the digital space, such as through websites and social media platforms (Ladhari & Michaud, 2015).

### **6.3.1.4 Assurance**

The construct, assurance, was measured with nine (9) items on a 7-point Likert scale ranging from 1=strongly disagree to 7=strongly agree. Minimum values of 1.00 and maximum values of 7.00 were attained for all nine (9) items. Regarding mean scores,

it could be inferred that most respondents gave high ratings since mean scores for each of the nine (9) items were greater than the midpoint value of 4.00. The study's findings align with previous research on the assurance dimension of service quality. According to Liu et al. (2015), assurance is a critical component of service quality and is characterized by the ability of service providers to convey trust and confidence to their customers. This is achieved through factors such as employee competence, communication skills, and reliability. Similarly, Karatepe and Uludag (2017) found that assurance was one of the most important dimensions of service quality for customers in the hotel industry, as it contributes to building trust and loyalty. The importance of assurance in building trust and loyalty is further supported by the work of Ryu and Han (2016), who found that service quality dimensions, including assurance, significantly impacted customer satisfaction and intention to revisit.

#### **6.3.1.5 Empathy**

Empathy was measured using seven (7) items on a 7-point Likert scale ranging from 1=strongly disagree to 7=strongly agree. The minimum and maximum values attained for the empathy construct were 1.00 and 7.00, respectively. However, for mean scores, five (5) out of the seven (7) items had mean scores that were greater than the midpoint value of 4.00. This means that items such as “the hotel staff understand my requirements and the hotel staff listens carefully to customer complaints” had high ratings of 5=slightly agree and 7=strongly agree. That notwithstanding, two of the items had mean score values less than the midpoint value of 4.00. This means that items such as “*the hotel staff always recognizes me as a customer*” and “*the hotel staff calls me by name*” had low ratings of 1=strongly disagree and 3=slightly disagree” from customers that participated in the study.

Empathy is a key dimension of a firm's service quality, and is characterised by excellent client service, convenient parking space, and working hours (Ndubisi, 2006). According to Khan and Fasih (2014), empathy is the ability of service delivery firms to

pay attention to individual customer problems and demands and address these issues effectively. Blery et al. (2013) argue that how a company takes responsibility to address problems faced by their customers on an individual or group level is classified as empathy. The importance of empathy in achieving a positive brand image and attaining organizational competitiveness has been recognized in the literature (Chen et al., 2018; Lee & Kim, 2016).

**Table 6.2A: Descriptive Statistics on Service Quality Dimensions**

<b>Reliability</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>
Hotel staff performed services right the first time	389	1.00	7.00	3.3933
The hotel staff are knowledgeable	389	1.00	7.00	4.1388
The hotel staff have good communication skills	389	1.00	7.00	4.2674
Hotel ensured accuracy in billing	389	1.00	7.00	4.5296
Hotel ensured accuracy of food orders	389	1.00	7.00	4.7224
There is accurate information about hotel services	389	1.00	7.00	4.6761
The hotel provided advanced and accurate information about prices	389	1.00	7.00	4.6452
The hotel provided timely housekeeping services	389	1.00	7.00	4.4396
There are reliable transport facilities	389	1.00	7.00	4.1825
There is an un-interrupted supply of running water	389	1.00	7.00	4.3548
Emergency medical care is available in the hotel if needed	389	1.00	7.00	3.1054
There is un-interrupted power supply in the hotel	389	1.00	7.00	3.8303
There is an un-interrupted power supply in the hotel	389	1.00	7.00	4.1697
<b>Responsiveness</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>
The hotel staff is ever willing to provide help promptly	389	1.00	7.00	4.0437
The hotel staff is always available to provide service to clients	389	1.00	7.00	4.2494
The hotel ensures quick check-in and check-out	389	1.00	7.00	4.4627

There is prompt breakfast service	389	1.00	7.00	4.4679
The hotel resolves complaints quickly	389	1.00	7.00	4.4190
I am kept informed about when services will be performed	389	1.00	7.00	4.2288
I am given security and safety tips in the hotel	389	1.00	7.00	4.0925
I can easily reach the hotel by telephone	389	1.00	7.00	4.3882
Employees respond promptly to my demands	389	1.00	7.00	4.1928
Employees understand my specific requirements	389	1.00	7.00	4.2185
The hotel's website is well functioning and interactive	389	1.00	7.00	4.1105
<b>Tangibility</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>
The hotel had modern and comfortable furniture	389	1.00	7.00	4.1645
The hotel had appealing interior and exterior décor	389	1.00	7.00	4.3393
The hotel had an attractive lobby	389	1.00	7.00	4.3779
The hotel is clean	389	1.00	7.00	4.4730
There is comfort in hotel rooms	389	1.00	7.00	4.3548
The hotel has spacious rooms	389	1.00	7.00	4.3985
The hotel has hygienic bathrooms and toilets	389	1.00	7.00	4.4576
The hotel staff are neat	389	1.00	7.00	4.4653
The hotel staff are professional	389	1.00	7.00	4.3342
The hotel has excellent recreational facilities	389	1.00	7.00	4.2262
The hotel had visually appealing brochures, pamphlets etc	389	1.00	7.00	4.1722
<b>Assurance</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>
The hotel's food and beverages taste well	389	1.00	7.00	4.4344
The hotel staff are courteous	389	1.00	7.00	4.2648
The hotel staff are friendly	389	1.00	7.00	4.3188
The hotel staff treats complaints with respect	389	1.00	7.00	4.2828
My dealings with the hotel remains confidential	389	1.00	7.00	4.4499
Employees appear honest, credible and trust worthy	389	1.00	7.00	4.4859

The behaviour of employees instil confidence in me	389	1.00	7.00	4.3985
If a problem occurs, I am assured it will be resolved and not happen again	389	1.00	7.00	4.2905
The hotel staff gives me special attention when I checked-in	389	1.00	7.00	4.3239

**Table 6.2B: Descriptive Statistics on Service Quality Dimensions**

Empathy	N	Minimum	Maximum	Mean
The hotel staff always recognises me as a customer	389	1.00	7.00	3.3753
The hotel staff calls me by name	389	1.00	7.00	3.8072
There is availability of room service in the hotel	389	1.00	7.00	4.1183
The hotel staff understand my requirements	389	1.00	7.00	4.1491
The hotel staff listens carefully to customer complaints	389	1.00	7.00	4.2725
The hotel staff have good problem solving abilities	389	1.00	7.00	4.3213
The hotel staff show that they have the customer's best interest at heart	389	1.00	7.00	4.3985

### 6.3.2 Customer satisfaction

According to results from Table 6.2, customer satisfaction was measured using eight (8) items on a seven (7) point Likert scale, ranging from 1=strongly disagree to 7=strongly agree. Minimum values attained for each of the eight items was 1.00, while 7.00 was attained as the maximum value. For mean scores attained, it was found that each of them for each item used for measuring customer satisfaction was greater than 4.00 (midpoint value). This means that most respondents gave high ratings of 5=slightly agree to 7=strongly agree on the construct, customer satisfaction.

The result that most respondents gave high ratings for customer satisfaction is significant since it indicates that the customers are pleased with the hotel's services to a greater extent. This may positively affect the hotels, including increased client and brand loyalty (Zhang & Kim, 2015). This indicates that customers of hotels in the Volta

Region are most likely to be satisfied with the hotel's services and promote it to others, which has positive implications for hotels' revenue increase. Similarly, Liu and Jang (2017) do attest that customer satisfaction has a positive implication on repeated purchases among customers of hotels and that repeated purchases of hotel services increase hotel revenues.

**Table 6.3: Descriptive statistics on customer satisfaction**

	N	Minimum	Maximum	Mean
I always feel welcomed and appreciated by the hotel staff	389	1.00	7.00	4.4781
I am satisfied with the facilities and ambience of the hotel	389	1.00	7.00	4.3573
I am satisfied with the level of service in this hotel	389	1.00	7.00	4.2879
By the level of service, the hotel staff appear well trained	389	1.00	7.00	4.2776
By the level of service, the hotel appears to have capable staff	389	1.00	7.00	4.2442
My expectation of the level of service is always fulfilled	389	1.00	7.00	4.0334
I am satisfied with the room services of the hotel	389	1.00	7.00	4.1440
I am satisfied with the quality of food and beverages in the hotel	389	1.00	7.00	4.3779

### 6.3.3 Customer loyalty

The construct, customer loyalty, was measured using a total of seventeen (17) items on a seven (7) point Likert scale ranging from 1=strongly disagree to 7=strongly agree. The minimum and maximum values for each item used for measuring customer loyalty were 1.00 and 7.00, respectively. Mean scores for each of the seventeen (17) items were greater than the midpoint value of 4.00. This means that most respondents gave high ratings of 5=slightly agree to 7=strongly agree for the construct, customer satisfaction. The finding that most respondents gave high ratings for customer loyalty is consistent with previous research. For instance, a study by Zeithaml et al. (2016)

discovered that loyalty of customers is positively associated with service quality and satisfaction of customers. In this regard, satisfied customers tend to perceive the firm's services as high quality and become loyal to the firm's services. Customers' loyalty to the products and services of firms also promotes trust and commitment to the firm's brands which is instrumental in gaining a competitive advantage (Kim et al., 2020). Choi and Kim (2015) also note that the loyalty of customers to the products and services of organizations contributes positively to brand equity. In this regard, clients who do perceive that brands are of high value become loyal to such brands.

**Table 6.4: Descriptive statistics on customer loyalty**

	N	Minimum	Maximum	Mean
I will recommend the hotel to others who seek my advice	389	1.00	7.00	4.3316
I say positive things about this hotel to other persons	389	1.00	7.00	4.3290
I consider this hotel my first choice when I need a hotel service	389	1.00	7.00	4.2391
I will pay higher prices for services of this hotel instead of going to another one	389	1.00	7.00	4.3085
I will use other services of this hotel I have not used before	389	1.00	7.00	4.2288
I will patronize this hotel because I like it	389	1.00	7.00	4.2468
I think this hotel has the best offers at the present	389	1.00	22.00	4.2185
I am pleased to patronize this hotel instead of other brands	389	1.00	7.00	4.1028
I like this hotel more than the others around	389	1.00	7.00	4.2699
I feel more attached to this hotel than to others around	389	1.00	7.00	4.1337
I am more interested in this hotel than others around	389	1.00	7.00	4.1774
I intend to continue patronising the hotel in the future	389	1.00	75.00	4.6838

I look forward to visiting the hotel in the future	389	1.00	7.00	4.2262
I would like to have first-hand information about the hotel's new services/products	389	1.00	7.00	4.3342
Even if this hotel were difficult to reach, I would still keep patronising it	389	1.00	7.00	4.1568
I am willing to make an effort to patronise this hotel	389	1.00	7.00	4.1131
I care a lot about this hotel than where I frequently patronise	389	1.00	7.00	4.0771

### 6.3.4 Customer retention

The construct, customer retention, was measured using a total of six (6) items, measured on a seven (7) point Likert scale with ranges from 1=strongly disagree to 7=strongly agree. For each of the six items, a minimum value of 1.00 and a maximum value of 7.00 were attained for each of the items. Regarding mean scores, it was found that mean scores for each of the items used for measuring customer retention had mean scores that were less than 4.00 (midpoint value). In this regard, it could be rightly inferred that most respondents gave low ratings of 1=strongly agree to 3=slightly agree on the construct, customer retention. The finding was in unity with Singh and Dev (2015), whose study uncovered that customer retention was an instrumental indicator of firm growth. In addition, Alalwan et al. (2018) asserted that the retention of customers was associated with customer loyalty and client satisfaction.

This finding was inconsistent with previous research, as a study by Singh and Dev (2015) found that customer retention is a critical factor for the long-term success of a business. Additionally, a study by Alalwan et al. (2018) found that customer retention positively relates to customer loyalty and satisfaction. However, the low ratings on customer retention in this study could be attributed to a myriad of factors such as inappropriate customer service, absence of quality products or inability of hotels to

deal appropriately with competitors in the hospitality industry. Based on the results, it is relevant for hotels in the Volta Region to ensure improvements in their customer retention by utilizing loyalty programs and customer incentives to enhance customer retention. Kim et al. (2017) note that loyalty programs can be practical in improving customer retention to ensure positive business outcomes such as revenue increases. Moreover, building strong ties with hotel customers can effectively ensure customer retention (Chen & Chen, 2020).

**Table 6.5: Descriptive statistics on customer retention**

	N	Minimum	Maximum	Mean
The hotel creates strong bonds that bind the customers the hotel	389	1.00	7.00	3.0206
The hotel thoroughly monitors and evaluate its relationship with customers by the help of relationship surveys and customer databases	389	1.00	7.00	3.1183
The hotel organizes periodical customer loyalty programs to retain customers	389	1.00	7.00	3.0103
The hotel has effective service recovery systems in order to maintain its relationship with customers	389	1.00	7.00	3.0463
The hotel sends SMS messages on its new products and services	389	1.00	7.00	2.9692
The hotel engages customers to understand their needs and expectations	389	1.00	7.00	3.1157

## 6.4 Regression analysis

Regression analysis assesses the predictive effect of single or multiple independent variables on a dependent variable (Arkes, 2019). Simple linear regression is used when a study checks the effect of a single independent variable on a single dependent variable (Arkes, 2019). However, multiple regression assesses the effect of more than

one independent variable on a dependent variable (Arkes, 2019). In this study, multiple regression analysis was appropriate for achieving the study's first three objectives: the relationship between service quality dimensions and customer retention, customer satisfaction and customer loyalty among hotels in the Volta Region of Ghana.

#### **6.4.1 Service quality dimensions and customer retention among hotels**

The first objective sought to assess the relationships between service quality factors (reliability, responsiveness, tangibility, assurance and empathy) on customer retention among hotels in the Volta Region. Regression analysis was conducted using Smart PLS 4. According to the results, an r-square value of 0.495 was attained. This indicates that 49.5% of the dependent variable (customer retention) variation was explained by the independent variables (service quality factors). The regression model was statistically fit ( $F=75.196$ ,  $p=0.000$ ), indicating that at least one of the independent variables (service quality factors) has the potential to statistically determine the dependent variable (customer retention).

The results showed a significant positive relationship between assurance and customer retention ( $B=0.350$ ,  $p=0.000$ ). Another significant positive relationship existed between empathy and customer retention ( $B=0.253$ ,  $p=0.000$ ). However, non-significant positive relationships were found to exist between tangibility and customer retention ( $B=0.012$ ,  $p=0.868$ ), reliability and customer retention ( $B=0.092$ ,  $p=0.147$ ) and also responsiveness and customer retention ( $B=0.080$ ,  $p=0.273$ ).

The result showed that empathy and assurance positively related to customer retention among hotels in the Volta Region was consistent with previous research. In a study conducted by Lee and Hwang (2015), it was found that empathy and assurance were positively associated with hotel customer retention. In the hotel

industry in Jordan, a study conducted by Al-Ababneh et al. (2020) found that assurance and empathy were positively associated with customer retention. That notwithstanding, the literature did not support the results showing that service quality indicators such as tangibility, reliability and responsiveness had non-significant relationships with customer retention. This is because, in a study conducted in the Korean hospitality industry, Choi and Chu (2015) uncovered that tangibility and reliability were positively associated with customer retention. Similarly, in a study conducted in the Vietnam hotel industry, Nguyen et al. (2018) found that responsiveness was positively associated with customer retention.

**Table 6.6: Service quality and customer retention among hotels**

	Standard Estimates (B-values)
Tangibility	0.012 (p=0.868)
Assurance	0.350 (p=0.000)
Reliability	0.092 (p=0.147)
Empathy	0.253 (p=0.000)
Responsiveness	0.080 (p=0.273)
Fit Indices	
R <sup>2</sup>	0.495
F-value	75.196
Sig (F-value)	0.000

#### 6.4.2 Service quality dimensions and customer satisfaction

The second objective sought to assess the relationships between service quality factors (reliability, tangibility, responsiveness, assurance, empathy) and customer satisfaction among hotels in the Volta Region. Regression analysis using Smart PLS 4 was used to assess the relationships between service quality factors and customer satisfaction. The r-square value of 0.590 showed that the service quality factors

explained 59% of the variation in customer satisfaction. The regression model was also statistically fit ( $F=70.973$ ,  $p=0.000$ ), which implies that at least one of the service quality factors has the potential to statistically predict customer satisfaction. The results showed a significant positive relationship between responsiveness and customer satisfaction ( $B=0.232$ ,  $p=0.000$ ). A significant positive relationship was also found between tangibility and customer satisfaction ( $B=0.210$ ,  $p=0.001$ ), while another significant positive relationship was found between empathy and customer satisfaction ( $B=0.277$ ,  $p=0.000$ ). However, non-significant positive relationships existed between assurance and customer satisfaction ( $B=0.075$ ,  $p=0.197$ ) and reliability and customer satisfaction ( $B=0.065$ ,  $p=0.256$ ).

Compared to the literature, it was deduced that the result that showed that responsiveness, tangibility and empathy have significant relationships with customer satisfaction was supported by literature. This is because a study by Li and Liang (2017) conducted on service quality and customer satisfaction in China's hotel industry found that empathy and tangibility positively affect customer satisfaction. In addition, a study by Liu and Jang (2017) found that responsiveness was positively associated with customer satisfaction among Korean hotels. It must be emphasised that the significant relationship between tangibility and customer satisfaction indicates that customers place a lot of value on the physical facilities provided by hotels and their level of cleanliness. Another study by Paraskevas and Arendell (2014) found a significant positive connection between tangibility and customer satisfaction among luxury hotels. However, the significant association between empathy and customer satisfaction portrays the relevance of staff being able to understand and relate to the needs and expectations of their customers, which is also consistent with Lee and Hwang (2018), who attests that a positive connection exists between empathy and customer satisfaction in the hotel sector.

Regarding the non-significant relationship between assurance and customer satisfaction, it could be rightly inferred that in as much as customers do place value on the confidence and trustworthiness of hotel staff in the Volta region, it was not a predictor of customer satisfaction, compared to other service quality factors such as empathy and tangibility. This is consistent with Kim and Jang (2019), whose study found that assurance was found to have a non-significant relationship with customer satisfaction among restaurants in Korea. The finding on the non-significant relationship between reliability and customer satisfaction was also consistent with a study conducted by Jang and Namkung (2009), who found that reliability was not positively associated with customer satisfaction among Korean restaurants.

Based on the discussions, it could be rightly inferred that tangibility, responsiveness and empathy should be prioritised in providing customer satisfaction. This will therefore involve providing training to hotel staff to respond promptly to customer needs, ensure that the hotel environment is clean and visually appealing and also a culture of empathy is fostered among hotel staff.

**Table 6.7: Service quality and customer satisfaction among hotels**

	Standard Estimates (B-values)
Tangibility	0.210 (p=0.001)
Assurance	0.073 (p=0.197)
Reliability	0.065 (p=0.256)
Empathy	0.277 (p=0.000)
Responsiveness	0.232 (p=0.000)
	Fit Indices
R <sup>2</sup>	0.590
F-value	110.394
Sig (F-value)	0.000

### 6.4.3 Service quality dimensions and customer loyalty

The focus of the third objective was to assess the relationship between service quality factors (reliability, tangibility, responsiveness, assurance, empathy) and customer loyalty among hotels in Ghana. An r-square value of 0.703 was attained, implying that the service quality factors explained 70.3% of the variation in customer loyalty. Model fitness was achieved for the regression model ( $F=180.997$ ,  $p=0.000$ ), which implies that at least one of the service quality factors is most likely to predict customer loyalty. The results showed a significant positive association between responsiveness and customer loyalty ( $B=0.283$ ,  $p=0.000$ ). There is also a significant positive relationship between empathy and customer loyalty ( $B=0.419$ ,  $p=0.000$ ), while another significant positive relationship exists between assurance and customer loyalty ( $B=0.113$ ,  $p=0.023$ ). That notwithstanding, non-significant positive relationships existed between reliability and customer loyalty ( $B=0.028$ ,  $p=0.557$ ) and tangibility and customer loyalty ( $B=0.119$ ,  $p=0.119$ ).

The result showed that service quality factors such as responsiveness, assurance and empathy were positively associated with customer loyalty among hotels in the Volta Region, consistent with previous literature. A study by Boshoff and Mels (2015) in South Africa did show that service quality factors such as empathy, responsiveness and assurance were positively associated with customer loyalty in South Africa's hotel industry. Additionally, a study conducted in the Indonesian hotel industry by Kusumasondjaja and Suwarno (2019) showed that service quality factors such as responsiveness, empathy and assurance were positively related to customer loyalty.

That notwithstanding, the non-significant relationships that showed that reliability and tangibility were not positively associated with customer loyalty were inconsistent with previous studies. This is because studies conducted by Choi and Chu (2011) in the United States of America showed a significant positive connection between tangibility

and customer loyalty. Again, another study that was conducted by Ezeuduji et al. (2020) found that a significant positive connection exists between tangibility and customer loyalty in the hotel industry in Nigeria.

**Table 6.8: Service quality and customer loyalty among hotels**

	Standard Estimates (B-values)
Tangibility	0.087 (p=0.119)
Assurance	0.113 (p=0.023)
Reliability	0.028 (p=0.557)
Empathy	0.419 (p=0.000)
Responsiveness	0.283 (p=0.000)
Fit Indices	
R <sup>2</sup>	0.703
F-value	180.997
Sig (F-value)	0.000

## 6.5 Structural equation modelling

Structural equation modelling is a multivariate technique used to test the direct and indirect effects between a set of variables (Tabachnick & Fidell, 2014). In this study, structural equation modelling was appropriate for testing the direct and indirect relationships between service quality, customer satisfaction, customer retention and customer loyalty among hotels in the Volta Region of Ghana. Smart PLS 4 was the statistical software for conducting structural equation modelling analysis.

In order to set the structural equation model, it was first important to convert the dimensions of service quality into composite variables using the Statistical Package for Social Sciences (SPSS) software, version 26. To get the composite variable of the service quality dimensions (reliability, tangibility, responsiveness, empathy,

assurance), the items used for measuring each service quality dimension were added and then divided by the number of items of the construct. For instance, for reliability which had eleven (11) items, these items were added up one after the other and then divided by eleven (11). This data transformation procedure was repeated for all service quality dimensions. SPSS data was then imported into Smart PLS 4 software for the structural equation modelling analysis. Construct validity was the first assumption to check. According to Tabachnick and Fidell (2019), construct validity assesses whether the items used for measuring a construct measure what they intend to measure. In conducting SEM, construct validity helps to determine which items are least appropriate in measuring a construct and that can be determined by the factor loadings of the construct. Chatfield (2018) argues that to get a good model fit in SEM, items with factor loadings that are less than 0.6 should not be included. For the construct validity of the variables, customer satisfaction had five (5) items with factor loadings greater than 0.6. Customer loyalty had twelve (12) items with factor loadings greater than 0.6, while customer retention had six (6) items greater than 0.6. Service quality dimensions, namely assurance, empathy, reliability, responsiveness and tangibility, had factor loadings greater than 0.6. In this regard, the construct validity assumption was achieved.

Reliability was also checked in the process of conducting structural equation modelling. Dugard et al. (2022) contend that reliability using Cronbach alpha values is most appropriate for checking the internal consistencies of the items used for measuring constructs. Constructs are deemed statistically reliable when their Cronbach alpha values are greater than 0.7 (Dugard et al., 2022). From the results, Cronbach alpha values for each of the variables were attained as follows: customer loyalty (0.923), customer retention (0.959), customer satisfaction (0.832), and service quality (0.932). This indicates that the reliability of variables was achieved as Cronbach alpha values of each of the variables were greater than 0.7.

Average Variance Extracted (AVE) was used to check the convergent validity of the variables used for the study. According to Dugard et al. (2022), convergent validity is achieved in structural equation modelling when the AVE values of the variables are greater than 0.5. From Table 5.4.2, convergent validity was achieved since AVE values for each variable were greater than 0.5. Discriminant validity was checked using the heterotrait-monotrait ratio (HTMT) and the Fornell Lacker criterion. Chatfield (2018) states that the HTMT ratio assesses discriminant validity by measuring the similarity between latent variables. Charfield (2018) further asserts that the discriminant validity of a construct can be achieved using HTMT when the measure of similarity between two constructs is not closer to 1.00. From Table 5.4.3, discriminant validity using the HTMT was achieved since none of the measures of similarity between each construct was closer to 1.00. Fornell Larcker Criterion as a measure of discriminant validity is the square root of the AVE extracted by variables must be greater than the correlation between a variable and any other variable (Chatfield, 2018). Discriminant validity was also achieved using the Fornell Larcker criterion since the square root of the AVE extracted for each variable (service quality, customer retention, customer satisfaction, customer loyalty) was greater than the correlation between each variable and any other variable.

**Table 6.9A: Construct Validity**

Variable Items	Factor loadings
Q66 <- customer satisfaction	0.727
Q67 <- customer satisfaction	0.806
Q68 <- customer satisfaction	0.864
Q70 <- customer satisfaction	0.817
Q71 <- customer satisfaction	0.687
Q75 <- customer loyalty	0.736
Q76 <- customer loyalty	0.707
Q77 <- customer loyalty	0.705

Q80 <- customer loyalty	0.730
Q81 <- customer loyalty	0.745

**Table 6.9B: Construct Validity**

Q82 <- customer loyalty	<b>0.740</b>
Q83 <- customer loyalty	0.721
Q85 <- customer loyalty	0.739
Q86 <- customer loyalty	0.727
Q87 <- customer loyalty	0.749
Q88 <- customer loyalty	0.767
Q89 <- customer loyalty	0.751
Q90 <- customer retention	0.880
Q91 <- customer retention	0.919
Q92 <- customer retention	0.928
Q93 <- customer retention	0.935
Q94 <- customer retention	0.906
Q95 <- customer retention	0.895
assurance <- service quality	0.888
empathy <- service quality	0.845
reliability <- service quality	0.873
responsiveness <- service quality	0.917
tangibility <- service quality	0.913

**Table 6.10 Reliability and Convergent validity statistics**

	Cronbach's alpha	Composite (rho_a)	reliability	Composite (rho_c)	reliability	Average extracted (AVE)	variance
Customer loyalty	0.923	0.923		0.934		0.540	
Customer retention	0.959	0.960		0.967		0.830	
Customer satisfaction	0.839	0.841		0.887		0.612	
Service quality	0.932	0.934		0.949		0.788	

**Table 6.11 Discriminant validity using Heterotrait-Monotrait ratio (HTMT)**

customer retention <-> customer loyalty	0.664
customer satisfaction <-> customer loyalty	0.827
customer satisfaction <-> customer retention	0.628
service quality <-> customer loyalty	0.871
service quality <-> customer retention	0.728
service quality <-> customer satisfaction	0.823

**Table 6.12 Discriminant validity using Fornell-Larcker Criterion**

	customer loyalty	customer retention	customer satisfaction	service quality
customer loyalty	0.735			
customer retention	0.626	0.911		
customer satisfaction	0.731	0.566	0.783	
service quality	0.810	0.691	0.731	0.888

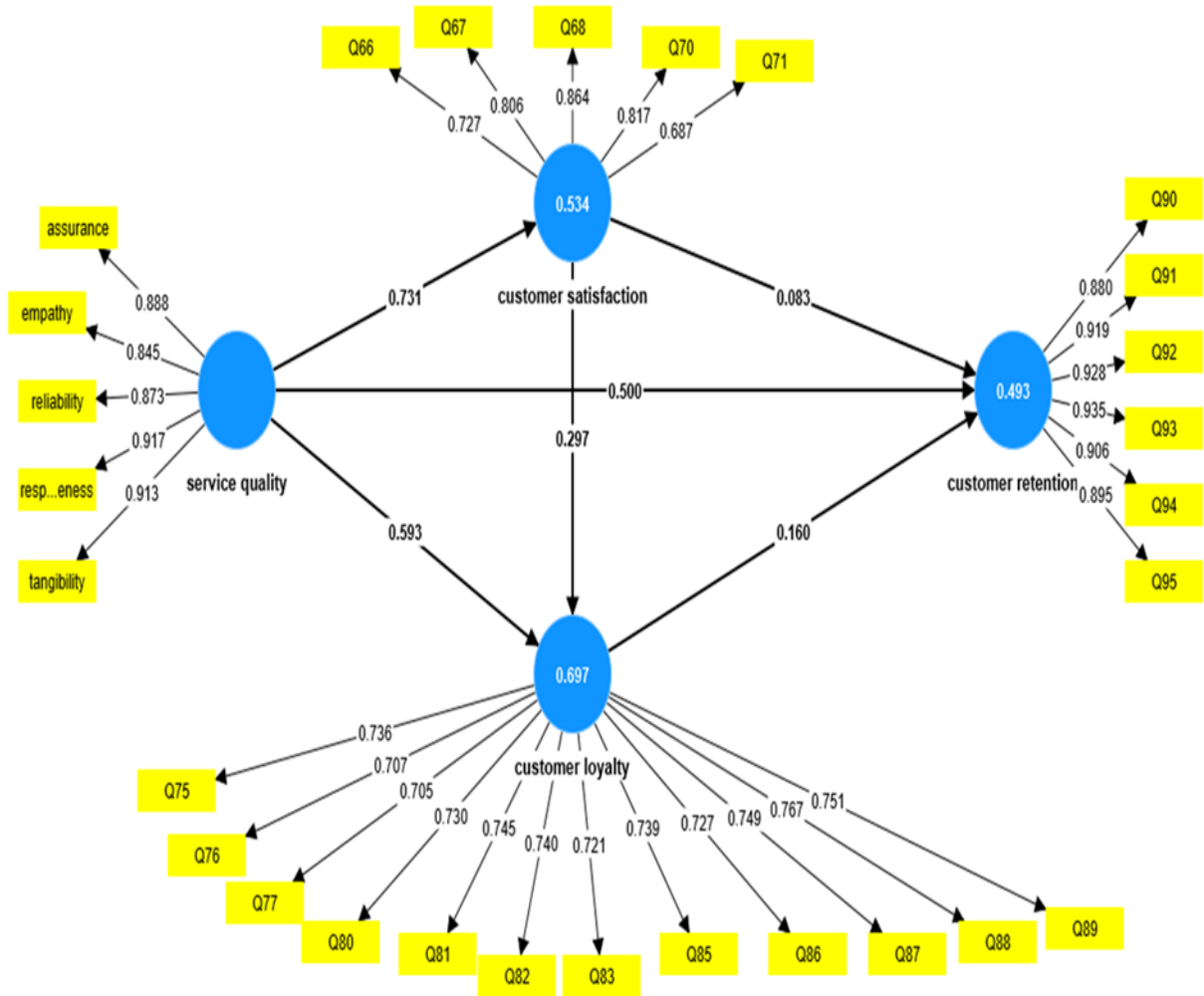


Figure 6.1: Structural Equation Modelling

**Table 6.13 Direct effects**

	B-value	T statistics	p-values
H4: customer satisfaction -> customer loyalty	0.297	5.474	0.000
H5: customer satisfaction -> customer retention	0.083	1.470	0.142
H6: customer loyalty -> customer retention	0.160	2.750	0.006

### **6.5.1 Impact of customer satisfaction on customer loyalty**

The results showed a significant positive relationship between customer satisfaction and loyalty (B=0.297, p=0.000). The finding that customer satisfaction positively relates to customer loyalty was consistent with relevant literature. A study by Yoo and Bai (2016) found that customer satisfaction and loyalty positively relate to the hotel sector. Additionally, a study by Raza et al. (2019) found that a significant positive association exists between customer satisfaction and customer loyalty in the hotel industry in Pakistan. The result of the study was also consistent with a study conducted by Homburg et al. (2015) that showed that customer satisfaction and customer loyalty are positively related among hospitality firms in Asia, Europe, North America and Australia.

### **6.5.2 Impact of customer satisfaction on customer retention**

The results showed a non-significant positive relationship between customer satisfaction and retention (B=0.083, p=0.142). The non-significant relationship between customer satisfaction and customer retention among hotels in the Volta Region was inconsistent with the literature since previous studies have found significant positive relationships between the two variables. A study conducted by Kim and Cha (2015) found a significant positive connection between customer retention and customer satisfaction in the hotel industry in South Korea. In another study,

Saleem et al. (2019) found that in the hotel industry in Pakistan, a significant positive association existed between customer retention and customer satisfaction. That notwithstanding studies have shown non-significant associations between customer satisfaction and customer retention in the hotel industry. A study conducted in Finland by Grönroos (2016) found that customer satisfaction and customer retention are not statistically related. Another study conducted in the Saudi Arabia hotel industry by Hussain et al. (2018) found that customer satisfaction and customer retention were not statistically related.

### **6.5.3 Impact of customer loyalty on customer retention**

The results of the study showed that a significant positive relationship exists between customer loyalty and customer retention ( $B=0.160$ ,  $p=0.006$ ). The result, which revealed that a significant positive relationship exists between customer loyalty and customer retention, was supported by previous studies. In a meta-analysis conducted by Matzler et al. (2016) among hotels in the USA, Korea, Germany and China, a significant positive association existed between customer loyalty and customer retention. Another study conducted by Kim et al. (2017) found that implementing customer loyalty programs positively contributes to the retention of customers among hotels in South Korea. The study by Kim et al. (2017) further showed that loyal customers are most likely to provide recommendations to other customers regarding hotel services.

**Table 6.14 Mediation effects**

	Original sample T statistics	P values	
(O)	( O /STDEV)		
H7: service quality -> customer satisfaction -> customer loyalty	0.217	5.658	0.000
H8: service quality -> customer loyalty -> customer retention	0.095	2.571	0.010
H9: service quality -> customer satisfaction -> customer retention	0.061	1.473	0.141
H10: customer satisfaction -> customer loyalty -> customer retention	0.048	2.581	0.010

#### **6.5.4 Service quality and customer loyalty: Mediation effect of customer satisfaction**

The results from the mediation analysis also indicated that customer satisfaction significantly mediates the relationship between service quality and customer loyalty ( $B=0.217$ ,  $p=0.000$ ). The result, which indicated that customer satisfaction mediated the relationship between service quality and customer loyalty, was consistent with studies conducted by other studies in Indonesia (Hapsari & Idrus, 2021), India (Shukla & Singh, 2015) and South Korea (Kim et al., 2019). The study conducted by Hapsari and Idrus (2021) revealed that customer satisfaction mediates the association between service quality and customer loyalty among hotels in Indonesia. Similarly, the study conducted in India's hotel industry found that customer satisfaction mediates the relationship between service quality and customer loyalty. Furthermore, Kim et al. (2017) found that customer satisfaction mediates the relationship between service quality and customer loyalty among hotels in South Korea. A study by Nikou and Khiabani (2020) found that customer satisfaction mediates the relationship between service quality and customer loyalty.

### **6.5.5 Service quality and customer retention: Mediation effect of customer loyalty**

The results also indicate that customer loyalty significantly mediates the relationship between service quality and customer retention ( $B=0.095$ ,  $p=0.010$ ). The finding implies that service quality enhances customer retention through customer loyalty. The literature supported the result. A study conducted in the Iranian hotel industry by Naseri et al. (2015) found that customer loyalty significantly mediates the association between service quality and customer retention. Similarly, a meta-analysis conducted by Zins et al. (2018) showed that customer loyalty fully mediated the relationship between service quality and customer retention among hotels in the USA, Asia and Middle East countries. Another study that was carried out by Bai and Yoo (2016) also revealed that customer loyalty mediates the relationship between service quality and customer retention in the hotel sector. A study by Smith et al. (2021) found that customer loyalty mediates the relationship between service quality and customer retention.

### **6.5.6 Service quality and customer retention: Mediating effect of customer satisfaction**

Customer satisfaction did not significantly mediate the relationship between service quality and customer retention ( $B=0.061$ ,  $p=0.141$ ). The finding that customer satisfaction does not mediate the relationship between service quality and customer retention was not consistent with previous studies conducted in the hotel industry. This is because studies in the hotel industry have revealed that customer satisfaction mediates the relationship between service quality and customer retention. For instance, a study that was carried out by Yeh et al. (2015) discovered that customer satisfaction partially mediated the association between service quality and loyalty of customers in the hotel sector in Taiwan. Moreover, another study conducted in the Chinese hotel industry by Wang and Li (2019) also revealed that customer satisfaction partially mediated the relationship between service quality and the retention of

customers. That notwithstanding, a study conducted in the Portuguese hotel industry by Matos and Henrique (2019) affirms the result of this study as it revealed that customer satisfaction did not mediate the relationship between service quality and customer loyalty.

#### **6.5.7 Customer satisfaction and retention: Mediation effect of customer loyalty**

The results also indicate that customer loyalty significantly mediates the relationship between service quality and customer retention ( $B=0.048$ ,  $p=0.010$ ). The finding implies that service quality enhances customer retention through customer loyalty. The literature supported the result. A study conducted in the Iranian hotel industry by Naseri et al. (2015) found that customer loyalty significantly mediates the association between service quality and customer retention. Similarly, a meta-analysis conducted by Zins et al. (2018) showed that customer loyalty fully mediated the relationship between service quality and customer retention among hotels in the USA, Asia and Middle East countries. Another study that was carried out by Bai and Yoo (2016) also revealed that customer loyalty mediates the relationship between service quality and customer retention in the hotel sector. A study by Diaz (2017) found that customer loyalty mediates the relationship between customer satisfaction and retention. The study by Aityassine (2022) also found that customer loyalty partially mediated the relationship between customer satisfaction and customer retention.

### **6.6 Chapter summary**

This chapter analyzed and presented the study results based on the research hypotheses. SPSS and Smart PLS software were used to analyze the data gathered. The results of the study have been discussed with relevant literature. The next chapter, therefore, derived conclusions from the study's results and provided recommendations based on the study's results. Directions for future studies have also been suggested in the next chapter.

## CHAPTER SEVEN

### CONCLUSIONS AND RECOMMENDATIONS

#### 7.1 Introduction

This study examined the mediating effect of customer satisfaction on the relationships between service quality and customer retention among hotels in the Volta Region of Ghana. Nine research objectives and hypotheses guided the study. The hypotheses were tested using Structural Equation Modelling. This chapter presents the conclusions based on the results attained based on the hypotheses tested. The chapter further presents practical recommendations and also recommendations for future studies.

#### 7.2 Conclusions

This section provides conclusions of the study based on each of the research hypotheses that were tested using Structural Equation Modelling.

##### 7.2.1 Summary of conclusions

This section presents a summary of the study's conclusions in Table 7.1A, 7.1B and 7.1C.

**Table 7.1A: Summary of conclusions based on the conclusions**

Objectives	Hypotheses	0.05 Sig	Accept/ reject	Conclusion
To determine the extent to which service quality factors influence customer retention in the hospitality industry in Ghana.	H1: There will be a significant positive relationship between service quality factors and customer retention among hotels in the Volta Region of Ghana.	Tangibility (0.868) Assurance (0.000) Reliability (0.147) Empathy (0.000) Responsiveness (0.273)	Reject Accept Reject Accept Reject	Quality factors tangibility, reliability and responsiveness do not significantly influence customer retention. On the other hand, quality factors assurance and empathy significantly affect customer retention in the Ghanaian hospitality sector.

**Table 7.1B: Summary of conclusions based on the conclusions**

To determine the extent to which service quality factors influence customer satisfaction in the hospitality industry in Ghana.	H2: There will be a significant positive relationship between service quality factors and customer satisfaction among hotels in the Volta Region of Ghana.	Tangibility (0.001) Assurance (0.197) Reliability (0.256) Empathy (0.000) Responsiveness (0.000)	Accept Reject Reject Accept Accept	Service quality factors such as assurance and reliability do not significantly influence customer satisfaction. However, service quality factors such as tangibility, empathy and tangibility significantly affect customer satisfaction.
To determine the extent to which service quality factors influence customer loyalty in the hospitality industry in Ghana.	H3: There will be a significant positive relationship between service quality factors and customer loyalty among hotels in the Volta Region of Ghana.	Tangibility (0.119) Assurance (0.023) Reliability (0.557) Empathy (0.000) Responsiveness (0.00)	Reject Accept Reject Accept Accept	Service quality factors such as empathy and responsiveness significantly affect customer loyalty. On the other hand, service quality factors such as tangibility, assurance and reliability do not influence customer loyalty.
To determine the relationship between customer satisfaction and customer loyalty among hotels in the Volta Region of Ghana.	H4: There will be a significant positive relationship between customer satisfaction and customer loyalty among hotels in the Volta Region of Ghana.	0.000	Accept	Increased customer satisfaction among customers of hotels positively affects customer loyalty.
To determine the relationship between customer satisfaction and customer retention	H5: There will be a significant positive relationship between customer satisfaction and	0.142	Reject	Customer satisfaction does not positively contribute to customer retention among

among hotels in the Volta Region of Ghana.	customer retention among hotels in the Volta Region of Ghana.			hotels in the Volta Region of Ghana.
To determine the relationship between customer loyalty and customer retention among hotels in the Volta Region of Ghana.	H6: There will be a significant positive relationship between customer loyalty and customer retention among hotels in the Volta Region of Ghana.	0.006	Accept	Increased customer loyalty positively leads to customer retention among hotels in the Volta Region of Ghana.

**Table 7.1C: Summary of conclusions based on the conclusions**

To determine the extent to which customer satisfaction will mediate the relationship between service quality and customer loyalty among hotels in the Volta Region of Ghana.	H7: Customer satisfaction will mediate the relationship between service quality and customer loyalty among hotels in the Volta Region of Ghana.	0.000	Accept	The relationship between service quality and customer loyalty among customers was positively mediated by customer satisfaction.
To determine the extent to which customer loyalty will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.	H8: Customer loyalty will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.	0.010	Accept	The relationship between service quality and customer retention was positively mediated by customer loyalty.
To determine the extent to which customer satisfaction will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.	H9: Customer satisfaction will mediate the relationship between service quality and customer retention among hotels in the Volta Region of Ghana.	0.141	Reject	Customer satisfaction did not mediate the relationship between service quality and customer retention.
To determine the extent to which customer loyalty will mediate the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.	H10: Customer loyalty will mediate the relationship between customer satisfaction and customer retention among hotels in the Volta Region of Ghana.	0.010	Accept	Customer loyalty positively mediated the relationship between customer satisfaction and customer retention.

To suggest the possible elements of a service quality strategy to optimise customer retention in the hospitality industry of the Volta Region in Ghana.	N/A	N/A	N/A	See recommendations
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### 7.2.2 Conclusions on objective one

From the results in Table 7.1A, it can be concluded that not all quality factors significantly affect customer retention in the Ghanaian hospitality sector. Instead, while quality factors tangibility, reliability, and responsiveness do not significantly influence customer retention, assurance and empathy significantly affect customer retention in the Ghanaian hospitality sector.

### 7.2.3 Conclusions on objective two

From the results in Table 7.1B, it can be concluded that not all service quality factors significantly affect customer satisfaction in the Ghanaian hospitality sector. Instead, while service quality factors assurance and reliability do not significantly influence customer satisfaction, responsiveness, empathy, and tangibility do have a significant effect on customer satisfaction in the Ghanaian hospitality sector.

### 7.2.4 Conclusions on objective three

From the results in Table 7.1B, it can be concluded that not all service quality factors significantly affect customer loyalty in the Ghanaian hospitality sector. Instead, while service quality factors tangibility and reliability do not significantly influence customer loyalty, assurance, empathy, and responsiveness do significantly affect customer loyalty in the Ghanaian hospitality sector.

### **7.2.5 Conclusions on objective four**

From the results in Table 7.1B, it can be concluded that increased customer satisfaction among customers of hotels positively affects customer loyalty.

### **7.2.6 Conclusions on objective five**

From the results in Table 7.1B, it can be concluded that customer satisfaction does not positively contribute to customer retention among hotels in the Volta Region of Ghana.

### **7.2.7 Conclusions on objective six**

From the results in Table 7.1B, it can be concluded that increased customer loyalty positively leads to customer retention among hotels in the Volta Region of Ghana.

### **7.2.8 Conclusions on objective seven**

From the results in Table 7.1C, it can be concluded that the relationship between service quality and customer loyalty among customers was positively mediated by customer satisfaction.

### **7.2.9 Conclusion on objective eight**

From the results in Table 7.1C, it can be concluded that the relationship between service quality and customer retention was positively mediated by customer loyalty.

### 7.2.10 Conclusion on objective nine

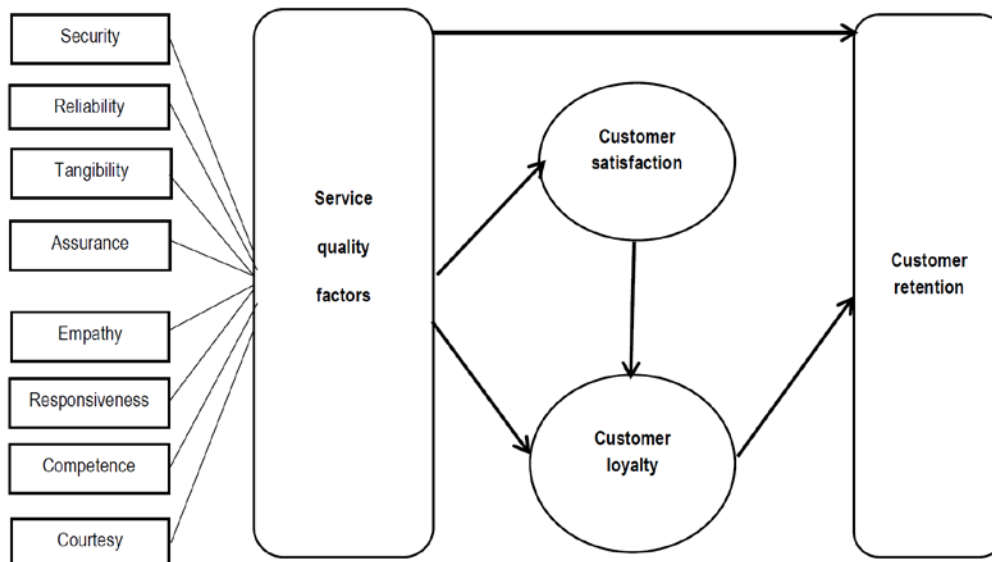
From the results in Table 7.1C, it can be concluded that customer satisfaction did not mediate the relationship between service quality and customer retention.

### 7.2.11 Conclusion on objective ten

From the results in Table 7.1C, it can be concluded that customer loyalty positively mediated the relationship between customer satisfaction and customer retention.

## 7.3 Modified conceptual framework

Based on the results in Chapter 6 and the above conclusions, it is evident that a modified conceptual framework is necessary.



**Figure 7.1: Modified conceptual framework for the Ghanaian hospitality industry**

Figure 7.1 shows that customer satisfaction does not directly influence customer retention. Thus, it can be concluded that in the Ghanaian hospitality environment, customer satisfaction does not directly influence customer retention. Instead, it does so indirectly through customer loyalty.

#### **7.4 Strategy elements to optimise customer retention**

Firstly, since service quality factors significantly influence customer satisfaction, customer retention and loyalty, the study recommends that hotels in the Volta Region develop a customer-focused organizational culture centred on training and the development of skills such as empathy and assurance. It is important for hotels to conduct training needs assessments to identify the specific service quality skills that their employees are lacking and develop training programs to equip them with strong interpersonal skills such as active listening, empathy and emotional intelligence, among others, to improve customer outcomes in terms of customer satisfaction, customer retention and customer loyalty.

Secondly, hotels in the Volta Region need to develop an improved operation-centric strategy focused on making them more responsive to the needs and expectations of their customers. To achieve this, hotels in the Volta Region of Ghana must improve the responsiveness of their communication channels such as online chats, emails, phone calls, and social media handles, by being available 24/7 to ensure that customer needs are addressed promptly. Employees of hotels must also be equipped through training programs on how to respond appropriately to customer requests in real-time. It is also important for hotels in the Volta Region to use technology that enhances responsiveness, such as online booking systems, mobile apps and artificial intelligence, such as chatbots, to improve their responsiveness to their customers.

Thirdly, since tangibility was also found to significantly contribute to customer satisfaction, the study recommends that hotels invest in improving their physical facilities, amenities and infrastructure to create a more appealing, serene and comfortable environment for customers. In this regard, upgrades in furniture, bedding, lighting systems, gyms, and waiting areas will help improve customer satisfaction. Hotels can also adopt sustainability or green practices in improving their physical facilities, such as using eco-friendly materials and products such as non-toxic paints, organic bedding and towels to reduce the environmental impact of hotel operations. Energy-efficient lighting and Heating, Ventilation, Air Condition (HVAC) systems help save the hotels' energy consumption.

Furthermore, the study recommends that hotels in the Volta region adopt and implement an improved customer monitoring and evaluation system focused on research using surveys and online reviews. This customer feedback will enable hotels to identify the areas of service quality where they fall short and adopt the right strategies to improve accordingly.

The study also recommends that hotels in the Volta Region adopt and implement loyalty programs for their customers by offering rewards and incentives to customers who frequently patronise their services. Loyalty programs of hotels can be based on points, and by the accumulation of certain points, customers could receive rewards, such as free meals during their stay or reduced hotel cost by a certain percentage.

Finally, the study recommends the need for hotels in the Volta Region of Ghana to improve personalized customer experiences by understanding customer needs and expectations and ensuring that these needs and expectations are properly addressed based on the customers' unique preferences. In this regard, hotels in the Volta Region can offer personalized welcome packages, provide special packages for special

guests based on their references, and make customers feel more valued and appreciated as they patronise hotel services.

## **7.5 Recommendations for future research**

This section provides recommendations for future studies based on the results and conclusions derived from this study.

Firstly, the study recommends that, since a non-significant relationship was found to exist between customer satisfaction and customer retention among hotels in the Volta Region, it is important for future studies to unravel other factors that contribute to customer retention among hotels in the Volta Region of Ghana.

Secondly, the study recommends that, since this study focused on the mediating effects of customer satisfaction on the relationships between service quality and customer retention, future studies can examine the moderating effects of customer satisfaction and customer loyalty on the relationships between service quality and customer retention among hotels in the Volta Region of Ghana.

Thirdly, the study recommends that future studies consider replicating this study in other service-oriented industries in Ghana such as banking and telecommunication industries, since a study of this nature will be relevant in developing customer-centric programs for such sectors of the economy.

Lastly, the study recommends that, since this study utilised the quantitative research approach to test the hypotheses proposed, future studies can combine both quantitative and qualitative methods and triangulate data to explain the relationships between service quality, customer retention, customer loyalty and customer satisfaction among hotels in the Volta Region.



## **7.6 Chapter summary**

This chapter presented the conclusions and recommendations of the study. The chapter attests that customer satisfaction and customer loyalty are important variables that positively enhance the relationships between service quality and customer retention among hotels in the Volta Region of Ghana.

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## APPENDIX I

### QUESTIONNAIRE

I am a PhD student researching service quality factors influencing customer satisfaction, loyalty and retention in the hospitality industry in Ghana. I would be very grateful for your assistance in completing the questions below. Please read the statements carefully and tick the number corresponding to your choice. All information provided remains confidential.

<b>SECTION A: DEMOGRAPHICS</b>						
<b>1. HOTEL NAME</b>						
<b>VISITOR INFORMATION</b>						
2.	<b>Gender</b>	[1] Male	[2] Female	[3] Other		
3.	<b>Age (years)</b>	[1] (18-30)	[2] (31-40)	[3] (41-50)	[4] (Above 50 years)	
4.	<b>Highest education</b>	[1] (PhD)	[2] (Master's)	[3] Honours/ PGDip	[4] Bachelor's/ Adv Dip	[5] (Diploma) [6] (Below Diploma)
5.	<b>Religion</b>	[1] Christian	[2] Muslim	[3] Traditional African	[4] Hinduism	[5] Other [6] Atheist (none)
6.	<b>Marital Status</b>	[1] Single	[2] Married	[3] Divorced	[4] Separated	[5] Widowed
7.	<b>Household income</b>	[1] Up to GH¢ 999.00	[2] GH¢1,000- GH¢1,999	[3] GH¢2,000 - GH¢3,999	[4] GH¢4,000 - GH¢4,999	[5] GH¢5,000 and more
8.	<b>Employment Status</b>	[1] Employed	[2] Unemployed	[3] Retired	[4] Self Employed	[5] Student [6] Others
9.	<b>Most important hobby</b>	[1] Reading	[2] Sports	[3] Music	[4] Movies	[5] Gardening [6] Cooking [7] Art
10.	<b>Nationality</b>	[1] Ghanaian	[2] Non-Ghanaian Ecowas	[3] Other African	[4] American	[5] European [6] Asian [7] Australia/ New Zealand
11.	<b>Family size</b>	[1] 1- 2	[2] 3-5	[3] 6-10	[4] 11 and more	
12.	<b>Duration of being a customer</b>	[1] less than 1 year	[2] 1-3 years	[3] 4-6 years	[4] 7-10 years	[5] 10-15 years [6] More than 15 years
13.	<b>Number of visits</b>	[1] Once	[2] Twice	[3] Thrice	[4] Four times	[5] Five times [6] More than five times
Please indicate the extent to which you agree or disagree with each statements by ticking (X) against one of the alternatives below.						

Statements		Responses						
		Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
		[1]	[2]	[3]	[4]	[5]	[6]	[7]
14.	The hotel staff performs services right the first time	[1]	[2]	[3]	[4]	[5]	[6]	[7]
15.	The hotel staff are knowledgeable	[1]	[2]	[3]	[4]	[5]	[6]	[7]
16.	The hotel staff have good communication skills	[1]	[2]	[3]	[4]	[5]	[6]	[7]
17.	The hotel ensures accuracy in billing	[1]	[2]	[3]	[4]	[5]	[6]	[7]
18.	The hotel ensures accuracy of food orders	[1]	[2]	[3]	[4]	[5]	[6]	[7]
19.	There is accurate information about hotel services	[1]	[2]	[3]	[4]	[5]	[6]	[7]
20.	The hotel provides advanced and accurate information about prices	[1]	[2]	[3]	[4]	[5]	[6]	[7]
21.	The hotel provides timely housekeeping services	[1]	[2]	[3]	[4]	[5]	[6]	[7]
22.	There are reliable transport facilities	[1]	[2]	[3]	[4]	[5]	[6]	[7]
23.	There is an un-interrupted supply of running water	[1]	[2]	[3]	[4]	[5]	[6]	[7]

24.	Emergency medical care is available in the hotel if needed	[1]	[2]	[3]	[4]	[5]	[6]	[7]
25.	There is un-interrupted internet service in the hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]
26.	There is un-interrupted power supply in the hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]
27.	The hotel staff is ever willing to provide help promptly	[1]	[2]	[3]	[4]	[5]	[6]	[7]
28.	The hotel staff is always available to provide service to clients	[1]	[2]	[3]	[4]	[5]	[6]	[7]
29.	The hotel ensures quick check-in and check-out	[1]	[2]	[3]	[4]	[5]	[6]	[7]
30.	There is prompt breakfast service	[1]	[2]	[3]	[4]	[5]	[6]	[7]
31.	The hotel resolves complaints quickly	[1]	[2]	[3]	[4]	[5]	[6]	[7]
32.	I am kept informed about when services will be performed	[1]	[2]	[3]	[4]	[5]	[6]	[7]
33.	I am given security and safety tips in the hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]
34.	I can easily reach the hotel by telephone	[1]	[2]	[3]	[4]	[5]	[6]	[7]
35.	Employees respond promptly to my demands	[1]	[2]	[3]	[4]	[5]	[6]	[7]
36.	Employees understand my specific requirements	[1]	[2]	[3]	[4]	[5]	[6]	[7]
37.	The hotel's website is well functioning and interactive	[1]	[2]	[3]	[4]	[5]	[6]	[7]
38.	The hotel had modern and comfortable furniture	[1]	[2]	[3]	[4]	[5]	[6]	[7]
39.	The hotel has appealing interior and exterior décor	[1]	[2]	[3]	[4]	[5]	[6]	[7]

40.	The hotel has an attractive lobby	[1]	[2]	[3]	[4]	[5]	[6]	[7]
41.	The hotel is clean	[1]	[2]	[3]	[4]	[5]	[6]	[7]
42.	There is comfort in the hotel rooms	[1]	[2]	[3]	[4]	[5]	[6]	[7]
43.	The hotel has spacious rooms	[1]	[2]	[3]	[4]	[5]	[6]	[7]
44.	The hotel has hygienic bathrooms and toilets	[1]	[2]	[3]	[4]	[5]	[6]	[7]
45.	The hotel staff are neat	[1]	[2]	[3]	[4]	[5]	[6]	[7]
46.	The hotel staff are professional	[1]	[2]	[3]	[4]	[5]	[6]	[7]
47.	The hotel has excellent recreational facilities	[1]	[2]	[3]	[4]	[5]	[6]	[7]
48.	The hotel has visually appealing brochures and pamphlets etc	[1]	[2]	[3]	[4]	[5]	[6]	[7]
49.	The hotel's food and beverages taste well	[1]	[2]	[3]	[4]	[5]	[6]	[7]
50.	The hotel staff are courteous	[1]	[2]	[3]	[4]	[5]	[6]	[7]
51.	The hotel staff are friendly	[1]	[2]	[3]	[4]	[5]	[6]	[7]
52.	The hotel treats complainants with respect	[1]	[2]	[3]	[4]	[5]	[6]	[7]
53.	My dealings with the hotel remain confidential	[1]	[2]	[3]	[4]	[5]	[6]	[7]
54.	Employees appear honest, credible and trustworthy	[1]	[2]	[3]	[4]	[5]	[6]	[7]
55.	The behaviour of employees instil confidence in me	[1]	[2]	[3]	[4]	[5]	[6]	[7]
56.	If a problem occurs, I am assured it will be resolved	[1]	[2]	[3]	[4]	[5]	[6]	[7]
57.	The hotel staff gives me full attention when I check-in	[1]	[2]	[3]	[4]	[5]	[6]	[7]

		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Somewhat Disagree</b>	<b>Neutral</b>	<b>Somewhat Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
		[1]	[2]	[3]	[4]	[5]	[6]	[7]
58.	The hotel staff always recognises me as a customer	[1]	[2]	[3]	[4]	[5]	[6]	[7]
59.	The hotel staff calls me by name	[1]	[2]	[3]	[4]	[5]	[6]	[7]
60.	The hotel is the availability of room service	[1]	[2]	[3]	[4]	[5]	[6]	[7]
61.	The hotel staff understand my requirements	[1]	[2]	[3]	[4]	[5]	[6]	[7]
62.	The hotel staff listens carefully to customer complaints	[1]	[2]	[3]	[4]	[5]	[6]	[7]
63.	The hotel staff have good problem-solving abilities	[1]	[2]	[3]	[4]	[5]	[6]	[7]
64.	The hotel staff show that they have the customer's best interest at heart	[1]	[2]	[3]	[4]	[5]	[6]	[7]
65.	I always feel welcomed and appreciated by the hotel staff	[1]	[2]	[3]	[4]	[5]	[6]	[7]
66.	I am satisfied with the facilities and ambience of the hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]
67.	I am satisfied with the level of service in this hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]

68.	By the level of service, the hotel staff appear well trained	[1]	[2]	[3]	[4]	[5]	[6]	[7]
69.	By the level of service, the hotel appears to have capable staff	[1]	[2]	[3]	[4]	[5]	[6]	[7]
70.	My expectation of the level of service is always fulfilled	[1]	[2]	[3]	[4]	[5]	[6]	[7]
71.	I am satisfied with the room services of the hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]
72.	I am satisfied with the quality of food and beverages in the hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]
73.	I will recommend the hotel to others who seek my advice	[1]	[2]	[3]	[4]	[5]	[6]	[7]
74.	I say positive things about this hotel to other persons	[1]	[2]	[3]	[4]	[5]	[6]	[7]
75.	I consider this hotel my first choice when I need a hotel service	[1]	[2]	[3]	[4]	[5]	[6]	[7]
76.	I will pay higher prices for services of this hotel instead of going to another one	[1]	[2]	[3]	[4]	[5]	[6]	[7]
77.	I will use other services of this hotel I have not used before	[1]	[2]	[3]	[4]	[5]	[6]	[7]
78.	I patronise this hotel because I like it	[1]	[2]	[3]	[4]	[5]	[6]	[7]
79.	I think this hotel has the best offers at the present	[1]	[2]	[3]	[4]	[5]	[6]	[7]
80.	I am pleased to patronise this hotel instead of other brands	[1]	[2]	[3]	[4]	[5]	[6]	[7]
81.	I like this hotel more than the others around	[1]	[2]	[3]	[4]	[5]	[6]	[7]
82.	I feel more attached to this hotel than to others around	[1]	[2]	[3]	[4]	[5]	[6]	[7]
83.	I am more interested in this hotel than others around	[1]	[2]	[3]	[4]	[5]	[6]	[7]
84.	I intend to continue patronising the hotel in the future.	[1]	[2]	[3]	[4]	[5]	[6]	[7]
85.	I look forward to visiting the hotel in the future.	[1]	[2]	[3]	[4]	[5]	[6]	[7]
86.	I would like to have the first-hand information about the hotel's new services/ products	[1]	[2]	[3]	[4]	[5]	[6]	[7]
87.	Even if this hotel were difficult to reach, I would still keep patronising it	[1]	[2]	[3]	[4]	[5]	[6]	[7]
88.	I am willing to make an effort to patronise this hotel	[1]	[2]	[3]	[4]	[5]	[6]	[7]
89.	I care a lot about this hotel where I frequently patronise	[1]	[2]	[3]	[4]	[5]	[6]	[7]

## APPENDIX II

### Number of Hotels used and the number of customers per hotel

Hotel name	Frequency of Participants/Customers
1. Aborigine B Resort	6
2. Adom Guest House	1
3. African Hill Hotel	22
4. Amedzope Hotel	3
5. Amet Hotel	1
6. Ananda Hotel	2
7. Ann Royal Hotel	2
8. Atlantis Breeze Hotel	2
9. Aveme Guest Inn	4
10. B. Foot Safari	2
11. Bob Coffee Hotel	11
12. Bowmann City Guest House	1
13. Buggie Hotel	2
14. Canal Hotel	1
15. Cast eve Crystal Hotel	2
16. Catherines Lodge	2
17. Chances Hotel	14
18. Chez Fanny Hotel	1

19. Concordia Hotel	1
20. Connie Hotel	2
21. Danny-Taf Hotel	2
22. Elanan Hara Hotel	2
23. Eli Beach Resort	1
24. Esenam Hotel	1
25. Fafaedmar Hotel	2
26. Fafali Guest House	2
27. Freedom Hotel	1
28. Galaxy Hotel	2
29. Ganiela Hotel	1
30. Geduld Hotel	2
31. Golden Queen Hotel	1
32. Grace Lodge	1
33. Grand Hotel	1
34. Grans Lodge	2
35. Greater Grace Hotel	2
36. Home Away Hotel	1
37. Honolulu G. House	2
38. Hotel de Mork	1
39. Hotel Lawina	9
40. Hotel Saint Thomas	1

41. Hotel Stevens	4
42. Hotel Vilcabamba	3
43. Hotor Hotel	3
44. Jess Hotel	1
45. Johnson Inn Hotel	3
46. Kada Hotel	1
47. Kekeli Hotel	5
48. Ken's Royal Palace Hotel	1
49. Keta Beach Hotel	1
50. Kiki Hotel	3
51. Lagoon View Guest House	1
52. Lorldoronyo G. House	2
53. Lorneh Lodge	8
54. Mackenzie Lodge	1
55. Majestic Vill Hotel	1
56. Malisel Hotel	17
57. Mawunmenyo Hotel	2
58. Molisel Hotel	1
59. Mountain Paradise	9
60. Muntalas Guest House	2
61. Nakvic	1
62. Obama Hotel	1

63. Ogo Lodge	1
64. Pacific Hotel	2
65. Palace Club House	1
66. Paradise Hotel	1
67. Park Greenhill Hotel	2
68. Phils Plaza Hotel	10
69. PNA Royal Hotel	1
70. Pride Hotel	5
71. Queens View Guest House	1
72. Restel Hotel	6
73. Royal Hotel	2
74. Salem Guest House	2
75. Same Sister Guest House	2
76. Serene Hotel	5
77. Shekinah Glory Hotel	5
78. Sky Plus Hotel	14
79. Stelle Kings Lodge	2
80. Steve Kings Lodge	6
81. Stevens Hotel	7
82. Sun City Hotel	2
83. Sunflower Hotel	4
84. Sunset City Hotel	6

85. Sweet Home Guest House	1
86. Tarso Hotel	6
87. Triangle Hotel	2
88. Time Tells Hotel	3
89. Travellers Inn	6
90. Triangle Hotel	9
91. Trinity Spa	2
92. Typical Guest House	3
93. Vic Charles Hotel	4
94. Viglin Lodge	3
95. Villa Cisneros	2
96. Volta Charles Hotel	2
97. Volta Serene Hotel	34
98. Volta Valley Hotel	2
99. Winners Luxury Hotel	3
100. Wli Water Height Hotel	15
101. Woezor Hotel	9
102. Work and Happiness Hotel	1
Total	389