

Catholicon for Unproductive Customer Relationship Management on Repurchase Behaviour: A Survey of Hotel Presidential

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Abstract

There is inefficiency and challenges in customer relationship management practices that are affecting customer repurchase behaviour in Hotel Presidential. This study aims to investigate and address issues related to ineffective customer relationship management and its impact on customer repurchase behaviour within the context of Hotel Presidential. The study made use of descriptive survey design. The population of the study comprised customers of Hotel Presidential in Port Harcourt, Rivers State. The figure from the customer care officer/reception was given as 36 customers in the Hotel Presidential. The researcher decided to adopt a census in place of sampling, census takes place when the administration of instrument is carried out on the entire population since is manageable. The data for this study was generated using questionnaire. The data was analysed and interpreted using simple frequency, percentage distribution, charts and tables with the help of Statistical Package for Social Science (SPSS). The findings showed that, issue of customer relation management impact on customer loyalty to the services of Hotel Presidential existed. Customers were willing to refer the services to friends and relatives. Also, customers' satisfaction with services was high. So, all of the corporate customers were satisfied with the services provided. Based on the findings, it was concluded that managing customer relationship effectively builds customer trust in the organisation. It was recommended that there is need for service/hospitality organisations to develop good CRM program that can result in higher repurchase of their services.

Keywords: *Unproductive, Customer Relationship Management, Repurchase Behaviour, Hotel Presidential*

Introduction

The hospitality industry is a service/product-oriented industry which is in the business of offering lodging, catering and other related services to people who are away from home (guests), for business, recreational, entertainment or educational purposes in a manner that will satisfy the guest and give full value for his money. The hospital industry originated from the monasteries in England and Rome that built hospices as place of shelter and rest for pilgrims and strangers. At no cost, they only expected the benefactors to contribute according to their means to the common fund. Descriptively, in Nigeria, our fathers were reported to have practiced hospitality even before the arrival of the white man. Culturally, Nigerians are endowed with hospitality dispositions; the ideals of love, brotherhood, warm reception and the offering of hospitality services to strangers willingly, are testimonies of this attribute. The colonialist at his arrival commercialised hospitality with the development of trade and commerce and thus established catering/rest house (Ifegbo, 2005).

On the flip side of the coin, the industry is relatively developing and new, it has witnessed a sharp proliferation of operations in the last decade, attributable to the fact that many more people have resorted to dining out. Over the years, management has improved for good and the manager is bothered with lots of challenges in the business. Today's managements are faced with the problems of rising cost and profit, increasing competition and costly modernisation. The turbulence circumstances surrounding hospitality businesses in the Nigeria has adversely affected their smooth operations especially the hotels in Port Harcourt in the society. Acquisitions, recapitalisations and staff lay-off that have characterised most hotels are evident (Edeh, 2019). These vulnerabilities occur as a result of political instability, economic recession, physical and electronics financial crimes, human capital flight, natural disasters, insecurity such as insurgency, militancy (Edeh & Ukpe, 2019).

It is as a result of these turbulences that firms especially hotels is becoming resilient in terms of continuous human resource development and upgrades of customers' communication interface gadgets. Resilient organisations are proactive, sensitive, and ever ready to avert negative influences that will hinder their performance and protect their profit (Linnenluecke, 2017). Resilient organisations also possess structures that will overcome both internal and external forces that may hinder them from rendering services to their clients/customers through resourcefulness and agility (Duchek, 2019). It has been shown that organisational resilience is the key to anticipate, adapt and recover from shocks.

Amidst these reality and facts, organisations that are conscious of customer's needs usually do so as a result of their resilience nature. Hence, relationship coexistence amongst customers and service providers predict enterprise performance, staff commitment, customer retention and corporate image with the host community (Edeh & Onyemauche, 2018). Customers' are usually regarded as potential personalities and kings in every business as they determine the survivability of every living organisation in the world. It therefore implies that since customers determine the existence of every enterprise, it behoves on management of enterprise to put strategies in place to keep them. This is where productive customer relationship management is needed to be part of organisational strategic intent to enable managers and their subordinates keep abreast of customers relevant to gain positive repurchase behaviour to their survival. Service organisations such as

hotels are sustained majorly by customers' loyalty, repurchase and other precious valuables that the service institutions derive interest for maintenance and payment of staff salaries.

This is not in doubt because in order to retain these potential sustains (repurchase), hotels must embrace productive customer relationship management approach. It is in view of the foregoing that Catalán-Matamoros (2012) contends that customer relationship management encourages firms to develop a robust targeting and enquiry management processes and this help boost new businesses significantly. Customer relationship management also enhances customer retention, customer loyalty (Wu & Lu, 2012). Donaldson and O' Toole (2002) accentuate that customer relationship management increases the profitability of service firms and helps them to identify customer needs in order to tailor products/service required by the customer.

To put this discourse in proper perspective, customer satisfaction is a business philosophy which tends to the creation of value for customers, anticipating and managing their expectations, and demonstrating ability and responsibility to satisfy their needs (Dominici & Guzzo, 2010). For this reason, qualities of service and customer satisfaction are critical factors for the success of any business. The enterprises exist because they have a customer to serve. The key to achieve sustainable advantage lies in delivering high quality service that result in satisfied customers (Valdani, 2009). Service organisations are facing their toughest competition ever. To win customers and encourage them to stay loyal or repurchase the service, most hotels have resorted to meeting and satisfying customer needs by not being only reactive but proactive. They are also interested in finding new ways and means to satisfy the customer. Most companies are aiming for good customer relationship which means better service to the customer thereby preventing the customer from being promiscuous.

A lot of service organisations are not just attracting customers, but are working at building long term relationships with customers (both local and foreign customers), suppliers, employees, distributors and the general public. These organisations are striving to satisfy the maximized expectations of each stakeholder group. Based on the nature of public relations, it involves voluntary "exchange" relationship where both sides must be willing parties. The parties must be able to communicate which could be through different instruments. Therefore, in today's highly competitive environment, businesses need better understanding of their customers. This understanding meets different channels of which one is customer relationship management. CRM helps organisations make sense of customer needs, manage these relationships more intelligently and help predict the future (Dominici & Guzzo, 2010). Customer requirements for quality products and service in the hospitality organisation have become increasingly as it is seen as first evident to professionals.

Customer relationships are a technique asset of the organisation and customer satisfaction is the starting point to define business objectives. A synthesis of this assertion lends credence that positive relationships can create customer's higher commitment and increase their return rate. A long-term and reciprocally advantageous relationship between customers and the hotel is becoming progressively important because of the highly positive correlation between customers' overall satisfaction levels and the probability of their return to the same hotel. Hotels are increasing their investments to improve service quality and the perceived value for customers so as to achieve better customer satisfaction and loyalty, thus, resulting in better relationships with each customer.

Relationship quality has a remarkable positive effect on hotel customers' behaviour: it creates positive word of mouth (WOM) and increases repeated customer rates. This research is therefore, an attempt to improve and contribute to knowledge in CRM operations in Port Harcourt especially, how CRM impacts on organisational performance in the Hotel Presidential. The study describes how CRM helps Hotel Presidential to achieve better results and how it can be used to effect repurchase behaviour. In the light of a more critical analysis, it made use of both individual and cooperate clients/customers responses to arrive at conclusions.

Statement of the Problem

The increased competition in the business environment has made many hospitality industries to adopt some strategies to stay relevance. Hence, improving customer satisfaction is a crucial part of hospitality industry's value and a sure means to a successful business operation, creation of customer loyalty and retention. But in Presidential Hotel, there is a lack of well framed customer relations that manages customers' reviews and complaints including wants and effective communication. The Hotel Presidential is still grappling with management knowledge which causes unprofessional or unproductive customer relations. Even in this modern era, management capabilities are needed as a catholicon for unproductive customer relations management in hospitality industry. If the Hotel presidential is to remain profitable, then the panacea could be considered to be revolutionary in the area of adopting a strategy that will enhance customer experience in order to achieve competitive advantages. Researches have shown that organisations prefer retaining current customers which is much less expensive than attracting new ones. Unarguably, service organisation have come to realise that in order to develop successful long-term relationship with customers, they have to focus on the economical valuable of customer, while keeping away and eliminating the economical invaluable ones. Proper CRM practices can potentially impact productive customer satisfaction rating and can potentially lead to increased customer retention, thereby increasing customer loyalty. Using the above as a framework, productive customer relationship management becomes the focus. Since this is most prevalent among service organisation (hotels), the question begging for answer becomes how well the service organisations, especially Hotel Presidential, has deployed their services to provide or meet the customers' needs and wants with a view of advancing a specific solution. That specific solution in the context of this study no doubt dovetails within the conspectus of customers' loyalty and satisfaction. The problem of this study is therefore preconceived in the forgoing.

Objectives of the Study

The aim of this study is to examine the catholicon of productive customer relationship management (CRM) on repurchase behaviour: A survey of Hotel Presidential in Port Harcourt, Rivers State. In concrete terms, the study is guided by the following objectives:

1. To determine if productive CRM has an impact on customer loyalty in Hotel Presidential in Port Harcourt, and
2. To evaluate the extent/degree to which productive CRM leads to customer satisfaction in Hotel Presidential in Port Harcourt.

Literature Review

Service quality and customer satisfaction are key factors in the battle to obtain competitive advantage and customer retention. Customer satisfaction is the outcome of customer perception of the value received in a transaction or relationship, where value equals perceived service quality, as compared to the value expected from transactions or relationships with competing vendors (Blanchard & Galloway, 1994). In order to achieve customer satisfaction, it is important to recognise and anticipate customers' needs to be able to satisfy them. Enterprises which are able to rapidly understand and satisfy customers' needs, make greater profits than those which fail to understand and satisfy them (Barsky & Nash, 2003). Organisations must therefore, develop and manage a healthy and good customer relationship with all the entities they have to deal with.

Peel (2002), CEO of Quadriga Consulting, defines CRM as understanding the nature of the exchange between customer and supplier and managing it appropriately. The exchange contains monetary considerations between supplier and customer – but also communication. The challenge to all supplier organisations is to optimize communications between parties to ensure profitable long-term relationships. CRM is a key focus for many organisations now as a shift away from customer acquisition toward customer-retention and churn reduction strategies dictates a need for best practice CRM processes. Customer relationship management is also a concept of identifying customer needs; understanding and influencing customer behaviour through on-going communications strategies and an effort to acquire, retain and satisfy the customer.

Customer relationship management is more than simply managing customers and monitoring their behaviour or attitude. It has the potential to change a customer's relationship with a company and increase revenues in the bargain. It also helps to know the customers well enough to decide whom to choose and whom to lose. The objective of CRM is to recognize and treat each and every customer as an individual. Customer relationship management enables organisations to provide excellent real-time customer service through the effective use of individual account information (Kotler & Keller, 2006). Organisations therefore, need to investigate customer needs, build relationships with both existing and potential customers, and will have to satisfy their customers' needs (Rootman, 2006). A lot of researchers have made attempts to define CRM. Here are some definitions, which will hopefully give a better understanding of what CRM is all about. According to Picton and Broderick (2005), CRM is a view that emphasises the importance of the relationships developed between an organisation and its customers. It involves the strategic and tactical management tasks to achieve positive communications and long term customer relationships. Berkowitz (2006) also defines customer relationship management (CRM) as the organisation's attempt to develop a long-term, cost-effective link with the customer for the benefit of both the customer and the organisation.

Theoretical Framework

The study premised on two theories: Perception theory and Melvin Sharpe's Behavioural Model of Public Relations. The choices of the theories are based on their suitability to the topic and aim of this study. **Perception theory** as propounded by Bernard Berelson and Gary Steiner (1964) has its main focus on individual differences. How audience members select, organise and interpret data to have a meaningful understanding of the world. Perception theory is basically a psychological concept which describes different angles individuals view event, situation, ideas and

organisation from their own perspective; which more often than not, does not reflect the true state of things. Perception according to Asemah (2009) is the process of forming a mental picture or image or impression about something. In public relations, perception is the mental picture people form about the organisation, its product or service. It involves the selection, organisation and interpretation of sensory input and in the process; meaning is assigned to the message from an individual perceptual field. The relevance of the theory to the study cannot be overemphasised considering the fact that members of the audience will react to the same hospitality organisations (hotels) services in different ways. The reactions are guided by pre-existing attitudes, opinions, backgrounds, cultures experiences which shape their perception.

Melvin Sharpe's behavioural model of public relations was popularised by Melvin Sharpe an old public relations workhouse in 2006. He believes that some behavioural actions are necessary for public relations to be effective. For Sharpe, behaviour lubricates relationships, while communication is a tool for creating awareness of those actions. And therefore, since behaviours are necessary, if organisations should exhibit these behaviours, it will go a long way in bringing about mutual understanding between the organisation and its publics. He enumerated the behavioural principles necessary for effective public relations performance and harmonious public relationships and stated that they will go a long way to achieve the following: honesty, openness, fairness, continuous communication and continuous image analysis. Sharpe believes that these principles are basic for good public relations at individual, groups and organisational levels; and advocates that public relations officers possess these characteristics and principles. Relating this model to the study, is the recognition that when an organisations extend all these principles and characteristics to the publics, the public will equally reciprocate such gestures.

Methodology

The research used descriptive survey design. The essence of using the descriptive survey design is because the design aimed at persuading the staff and consumers on the productive customer relationship management (CRM) on repurchase behaviour in Hotel presidential. Hence, the work adopted both the qualitative and the quantitative method design. The population of the study comprised the customers of Hotel Presidential in Port Harcourt. The figure from the customer care officer/reception was given as 36 customers in the Hotel Presidential. The researcher decided to adopt a census in place of sampling, census takes place when the administration of instrument is carried out on the entire population since is manageable. The researcher made use of the questionnaire for primary data. Then, books and journals from the library as well relevant publications from the Internet for secondary data. The researcher personally administered and collected the questionnaire from the respondents within few weeks at respondents' convenient time of the day. Some first-hand customers were sent questionnaire via e-mail by the customers care unit. The data was analysed and interpreted using simple frequency, percentage distribution, charts and tables with the help of Statistical Package for Social Science (SPSS).

Results

The results of the analysis were in the table below:

Research Question 1: How does productive customer relationship impact on customer loyalty in Hotel Presidential?

Table 1: Frequency of Customers use of Hotel Presidential Services

		Frequency	Recent	Valid per cent	Cumulative per cent
Valid	Daily	5	16.7	16.7	16.7
	Weekly	10	33.3	33.3	50.0
	Monthly	7	23.3	23.3	73.3
	Quarterly	2	6.7	6.7	80.0
	Yearly	6	20.0	20.0	100.0
Total		30	100.0	100.0	

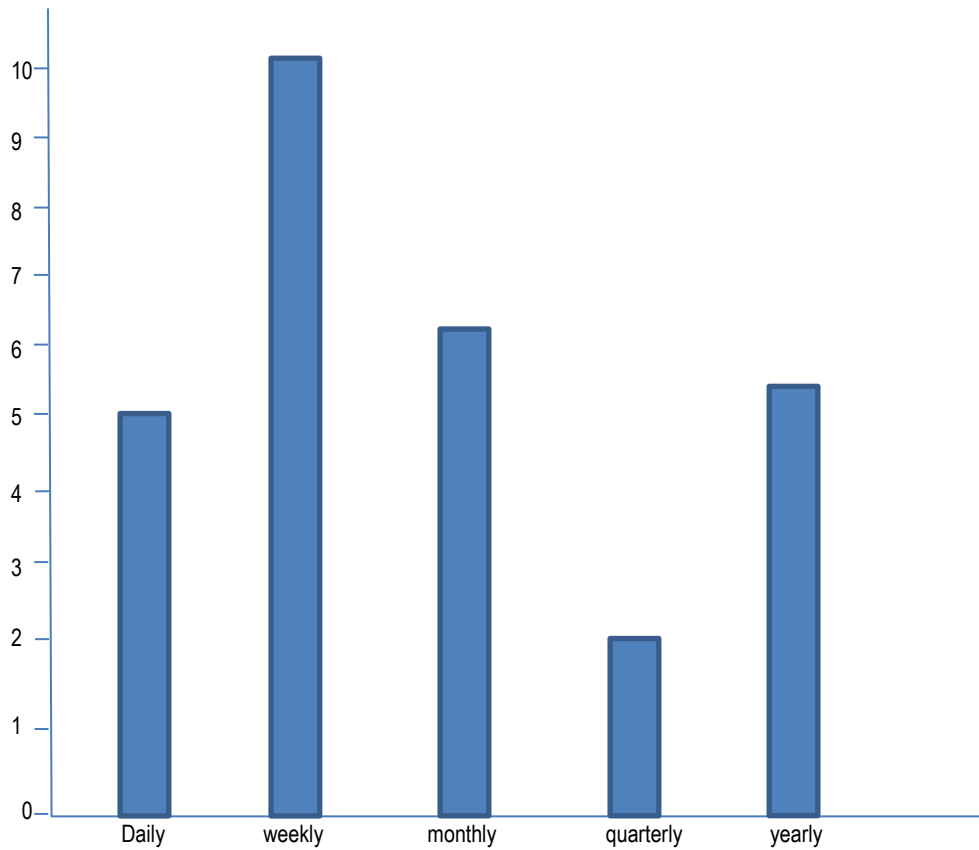


Figure 1: Frequency of customers use of Hotels Presidential Services.

Table 2: Customers willingness to repurchase the Hotels Presidential Services

		Frequency	Recent	Valid Percent	Cumulative Percent
Valid	Yes	24	80.0	80.0	80.0
	Mabe	6	20.0	20.0	96.7
	No	0	0	0	100.0
Total		30	100.0	100.0	

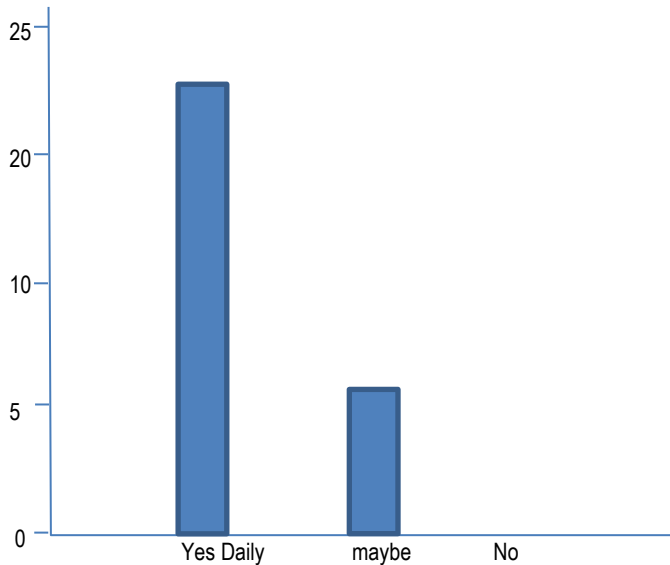


Figure 2: Customer Willingness to repurchased the services/product

Table and Figure 1, from the results of frequency of customers’ use of Hotel Presidential services, majority use Hotel Presidential services weekly. It was evident that customer loyalty to the services of Hotel Presidential existed.

Research Question 2: What is the extent/degree to which productive CRM leads to customer’s satisfaction in Hotel Presidential?

Table 3: Customers satisfaction in Hotel Presidential Services

		Frequency	Recent	Valid Percent	Cumulative Percent
Valid	Yes	30	100.0	100.0	100.0
	No	0	0	0	100.0
		0			
Total		30	100.0	100.0	

Table 4: Customers View on whether the staff are friendly

		Frequency	Recent	Valid Percent	Cumulative Percent
Valid	Very friendly	17	56.7	56.7	90.0
	Friendly	10	33.3	33.3	33.7
	Sometimes	3	10.0	10.0	100.0
Total		30	100.0	100.0	

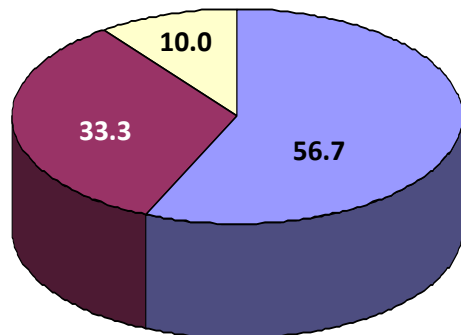


Fig 3: Customer view on whether the staff are friendly.

Table and Figure 2, show that 56.7% of the responses ascertained that staff of Hotel Presidential were friendly. This indicatively implies that most of the customers were of the general view that staff are friendly to customers.

Discussion

The distillation of the study is that Customer Relationship Management (CRM) has attracted many service/hospital organisations in adopting customer-centric techniques, tools, programmes and technology for efficient and effective customer relationship management. They are acknowledging the need for in-depth and integrated customer knowledge so as to build cooperative and partnering relationship with their customers. As inferred from the data on the issue of customer relation management impact on customer loyalty to the services of Hotel Presidential existed. Customers were willing to refer the services to friends and relatives. Also, customers' satisfaction with services was high. So, all of the corporate customers were satisfied with the services provided.

This brings to fore, the issue of Melvin Sharpe's behavioural model of public relations. It is expected that behavioural actions are necessary for public relations to be effective. Those behaviours lubricate relationships, while communication is a tool for creating awareness of those actions. This will go a long way in bringing about mutual understanding between the organisation and its publics. The finding lends credence to Yen and Su (2004) when stipulate that guest relationships are a strategic asset of the organisation and customer satisfaction is the starting point to define business objective. Long term and reciprocally advantageous relationships between customers and the hotel is becoming progressively important because of the highly positive correlation between guests' overall satisfaction levels and the probability of their turn to the same hotel. There is need for CRM to be initiated and maintained to build trust between the customer and organisation.

Closely related to the above was the second analysis which revealed that managing customer relationship effectively builds customer trust in the organisation. It was evident that staff of Hotel Presidential has a good relationship with the customers since respondents view the staff to be friendly. This translated in the customers' willingness to repurchase services and refer the services to friends and relatives. This indeed is a spirit of perception theory; perception is the mental picture people form about the organisation, its product or service. It involves the

organisation and interpretation of sensory input and in the process meaning is assigned to the message from an individual perceptual field. This finding is in tandem with Picton and Broderick (2005) that CRM is a view that entails the importance of the relationships developed between an organisation and its customers. It involves the strategic and tactical management tasks to achieve positive communication and long term customer relationship.

In summation, the findings of the study however is that productive customer relationship management must focus on customer's satisfaction and loyalty with expression of commitment and passion. No doubt, the predominant function of management on the subject matter will help the customers develop a particular conceptualisation of the organisation. Account in support of this findings is Udoudo (2007) when posited that the functional elements of every organisation or business are people, no organisation exist in vacuum... hence, for mutual relationship and acceptance between an organisation and its public to be guaranteed, there is need for planned productive customer relationship management which must be carried out by the organisation.

Conclusion

Drawing from the underlying notions of the perception theory and Melvin Sharpe' model of public relations this study contributed to knowledge by establishing that to obtain loyalty and to outweigh other competitors, hotel providers must be able to obtain high levels of customer satisfaction for the service supplied. Since the perception of hotel attributes as the degree to which customers may find various services and facilities critical for their stay in a hotel. Hotel's attributes such as cleanliness, price, security, location, personal service, physical attractiveness, and opportunities for relaxation standard of services, appealing image, and reputation are recognized as decisive by customers and travellers to assess the quality of hotels. By inference, therefore, regarding the main hotel chains worldwide, the importance of loyalty programs for customer's decision on where to stay increases. This inference should underscore the importance, hotel management places on winning customers and therefore repurchase of services by customers

Based on the results and findings of the study it is concluded here, that effective CRM had a long or short term financial impact on the organisation. Customers often patronise the services of Hotel Presidential and are also willing to refer the services to others. This is an indication that the customer base will be increased which therefore increases the revenue, and respondents also were willing to repurchase services. Also, it concludes that managing customer relationship effectively builds customer trust in the organisation. This is transformed in the customers' willingness to repurchase services and refer the services to friends and relatives. This is clearly evident in the customers' willingness to repurchase products depicting that there is a level of satisfaction that makes them willing to repurchase services at the hotel.

Recommendations

This study therefore, recommended based on the foregoing that:

- i. The fact that customers/clients perceive staffs to be caring, there is need for service/hospitality organisations to develop good CRM program that can result in higher repurchase of their services

- ii. To improve its customer satisfaction standards, the service/hospitality organisations management need to adopt new and more advanced CRM procedures
- iii. The service/hospitality organisations in Nigeria should embrace customer relationship management that is geared towards employee collaboration, quality service delivery, customer satisfaction and customer information management.

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