CUSTOMER CARE AND PERFORMANCE OF THE HOSPITALITY INDUSTRY IN RWANDA

A CASE STUDY OF FIVE STAR HOTELS IN NYARUGENGE DISTRICT

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A Research Project Submitted in Partial Fulfillment for the Award of Degree in Master of Business Administration (Marketing Option) of Mount Kenya University

SEPTEMBER 2018
DECLARATION

This research project is my original work and has not been presented to any other institution. No part of this research should be reproduced without the authors’ consent or that of Mount Kenya University.

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DEDICATION

To My lovely family; father, mother, sisters and my wife Vanitah for the endless support rendered to me during the course.
ACKNOWLEDGEMENT

My work is done successfully because of various contributions of many people that I appreciate for their valuable contribution.

I appreciate and thank my beloved lecturers at Mount Kenya University Rwanda, from whom I acquired the knowledge that I even used in this dissertation.

I owe very special thanks to my supervisor Mr. Nyabera Sammy for his advice throughout every phase of this research.

I would like also to express my gratitude to the boards of management of the hotels in which I carried out my research as well as the respondents.
ABSTRACT

Generally, this study aimed at evaluating the relationship between customer care and the performance of the hospitality industry and specifically 5 Star Hotels in Nyarugenge District. The research aimed at establishing the impact of customer care delivery on the evolution of hotels while looking at an increase in the clientele and assessing customer service delivery. The study findings will help managers of hotels to build an effective team capable of handling queries from on and off-site clients and serve the clientele to its excellent satisfaction. It also appreciates the customers as the source of growth of hotels in which they are clients. This will also help the government to streamline and continue strengthening and implementing policies promoting customer care as a viable factor for growth in the hospitality sector. The study used both quantitative and qualitative data which was collected using questionnaires. The researcher employed a descriptive research design. The population was 34109 (34000 customers and 109 employees). In this study I applied Yamane (1996), formula to calculate the size of sample where n= N/1+N (e)^2, and sample size was composed of 100 respondents from both clients and employees of the hotels in Nyarugenge District. Primary data was collected using questionnaires, interviews, and visual observations whereas secondary data was collected from documents of the hotels in Nyarugenge District. The collected data was edited, coded and entered in statistical package of social sciences software (SPSS) version 16.0, for analysis to generate frequencies, tables and percentages then entered in Microsoft Excel to generate pie and/or bar charts. The findings show that customer care impacts on the performance of Hotels.
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### LIST OF ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>A.S.B.L</td>
<td>Association Sans Bite Lucratif</td>
</tr>
<tr>
<td>BNR</td>
<td>Banque National du Rwanda</td>
</tr>
<tr>
<td>H.E</td>
<td>His Excellency</td>
</tr>
<tr>
<td>IPAR</td>
<td>Institute of Policy Analysis and Research</td>
</tr>
<tr>
<td>Ltd</td>
<td>Limited by Shares</td>
</tr>
<tr>
<td>RDB</td>
<td>Rwanda Development Board</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
</tr>
<tr>
<td>WWW</td>
<td>Word Wide Web</td>
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DEFINITION OF KEY TERMS

**Customer:** A customer is the most important visitor on our premises; he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so.

**Customer service:** Customer service is a company-wide philosophy about understanding the customer and what they want and need. Customer service is the process of helping people find what they want during the entire transaction cycle. Customer service is the degree, to which a product fails to meet, meets or exceeds customer's expectations. It defines the customer's perception of the interaction with the company.

**Customer care:** Customer care means attending to your customer's needs and making sure you retain customers. When you understand the importance of customer care to an organization then you can begin to apply the appropriate resources to your customer service department.

**Customer satisfaction:** It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals.

**Performance:** The results of activities of an organization or investment over a given period of time in this study, it can be measured by market size, sales volume and market share.
CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter deals with how customer care contributes to the performance of the Hospitality Industry. It presents the background of the study, problem statement, and objectives of the study, research questions, and significance of the study, limitations and organization of the work.

1.1 Background of the study

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

Hospitality institutions have to make it easier to create possible ways to reach the customer (Mike, 2012).

Understanding the relationship between overall service quality and profitability is important but it is more useful to managers to identify specific drivers of service quality and those that most relate to profitability. Doing so; will help the institutions understand what aspects of service quality to change to influence the relationship and therefore where to invest resources (Valerie & Zeithami, 2006).
In this century, hotel service institutions not only need to compete on a product and price, but they also need to sell an experience that is appreciated by customers and difficult for competitors to copy; no matter which business you are in; being a public servant or working for private institutions, good customer care is a need.

The need to provide quality customer care is not a new challenge. What is new is the power brandished by today’s customer power (loyalty) facilitated and enhanced by the internet. Today’s customers have the power to not only take their individual business elsewhere, but to start/join/engage in openly published and easily accessible forums. For hospitality institutions to perform; they must treat customers with honesty, integrity and fairness while respecting their intelligence.

According to Mahatam (1995), customer is the most important visitor on our premises; he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so.

This shows that the performance of Hotel businesses depends largely on customers experiences leading to their return or departure hence increased sales and profitability or losses.

Customer care is the best way to perform any business activity and supports financial progress; many countries set it as their policy and objective in both private and governmental institutions. In Rwanda, Rwanda Development Board has launched the next drive of its countrywide campaign to improve customer care in the country. The objective of the drive is to induce behavioral change and ensure that institutions provide quality
services to customers, thereby improving the business environment in Rwanda (RDB, 2012, P.4).

Customer care helps the hospitality industry to maximize profit and market size as well as to increase the wealth of owners/investors. When an individual invests his/her money in a certain financial institution what he/she expects is dividend. The hospitality industry has been experiencing a surge in growth of the market size in the recent past and increased its market share by both number of customers and returns/profit because it established marketing service. Customer care is the foundation of all things done in any institution. Customer service that not only meet the expectations of customers but that exceed their expectations ensures that customers remain loyal and thus make repeat purchases. Customers will come in high numbers and also the profit of the institution will increase proportionally.

1.2 Problem statement

The Rwandan attitude of pride and arrogance which are far from being business centered are not permitting us to provide customer care to our customers. The Rwanda Development Board was entrusted with the mission to improve the quality of service delivery in Rwanda as part of its development program to stimulate the private sector and make Rwanda an ideal place to do business, work, study, and live. However, there is a need to build on the initiatives taken to date, which have mainly focused on front-of-house operatives and tackle the root causes by transforming service delivery and embedding customer centric values throughout organizations (IPAR-Rwanda, 2010, p.11).
Service delivery needs to be transformed in the public, private and voluntary (civil society) sectors. Strategies for improving service delivery apply equally to all sectors but in the public sector it has to be recognized that customers are also stakeholders. Public services ‘belong’ to citizens. However, to the extent that steps have been taken to improve customer service delivery in Rwanda the focus has been on fixing the symptoms rather than the underlying causes. Training, for example, has been given to front-line-workers rather than the underlying causes of poor service delivery being tackled. Beyond this, the need to improve firm-to-firm service delivery has been given little consideration. Nor has the need to join-up strategies to improve content with those to improve delivery recognized.

However; customers in the sector of hospitality industry have a low involvement in their products and services. Rwanda as a developing country should have a proper linkage between products or services deliverers and customers. The hospitality industry of Rwanda recently faced enormous challenges about performance of which were not giving good customer care to their customers. Thus, many of the employees were not trained on doing business on which they properly give customers what they need on time as the way of creating permanent relationships.

This study sought to show that the lack of customer care in the field of hotel services could cause a lack in the service providers to provide the requisite services that can enable expansion of their activities out of their boundaries throughout the region. The result of this challenge is the partial or total failure of different hotel institutions as stated above.

Lack of customer care in most hotels increases the likelihood of business risk when these institutions fail to meet the obligations to their customers and as well as other
stakeholders. The Hotels that are customer centered have created and protected their reputation among others resulting into having a competitive edge over other players in the Industry. This study assessed the relationship between customer care and performance of the hospitality industry in Rwanda which could play an important role to the economic transformation and growth of the country; the study imparts knowledge to employees on what they are supposed to do in order to retain customers and attract new ones. The research established what should be done in order to improve the level of customer care problem in developing countries like Rwanda so as to attain the highest level of competitiveness at Regional and International level.

1.3 Objectives of the study

1.3.1 General objective
This study aimed to evaluate the real relationship between customer care and performance of hotels in Rwanda

1.3.2 Specific objectives
(a) To establish the role of customer care and performance of hospitality institutions in Rwanda.

(b) To evaluate customer care delivery in the hospitality industry in Rwanda.

(c) To determine ways of improving market performance through adequate customer care in hospitality industry in Rwanda

1.4 Research questions

a) What is the role that customer care services should play in performance in the hospitality institutions?
b) What is the current standard of customer care delivery in the hospitality industry in Rwanda?

c) What are the ways that can help to establish adequate customer care in order to improve performance in the hospitality industry in Rwanda?

1.5 Significance of the study

This study will help hotel service institutions to improve on their customer care in a bid to increase performance and hence profitability. It provides avenues on how they can build effective teams in charge of marketing and qualified in the field of the customer care which will lead to improved market performance. It will help the management to identify the customer needs and wants and measurement on how they can satisfy those needs and wants through provision of quality services by understanding that customer care is the key to improved performance and growth. It will also help to appraise their employees in charge of customer care on how to comply with those predetermined policies.

1.6 Limitation of the study

This study had various limitations that the researcher faced for example some people refused to give personal and official information whereas others chose to avoid the truth. The researcher assured them that the information provided would be confidential and strictly used for academic purposes.

1.7 Scope of the study

The study was undertaken in five-star hotels located in Kigali city namely; Radisson Hotel, Kigali Serena, Marriot Hotel and Mille Collines Hotel.

1.8 Organization of the study
This study is made up of preliminaries including declaration of authorship and supervisor, dedication, acknowledgement, abstract, table of content, list of acronyms and abbreviations. The study is made up of five chapters; chapter one is introduction which includes overview of the content, background of the study, problem statement, objectives of the study being one general objective and three specific objectives, three research questions, significance of the study, proposed limitations of the study, Scope of the study, as well as organization of the study.

Chapter two includes; introduction, theoretical literature, empirical literature, critical review and research gap identified theoretical framework, conceptual framework, and the summary.

Chapter three includes introduction, research design, target population, sample size, sampling techniques, data collection methods, data collection instruments, administration of data collection instruments, Reliability and validity, data analysis procedures, and ethical consideration.

Chapter four includes; introduction, demographic characteristics and findings on the impact of customer care service delivery on the performance of Hotels.

Chapter five includes; summary of major findings of the study, recommendations and conclusions.
CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.0 Introduction

This chapter deals with theories used by other authors related to customer care and performance of the Hospitality Industry; it is comprised by theoretical literature, empirical literature, critical review and research gap identification, theoretical framework, and conceptual framework and further summary of the chapter.

2.1 Theoretical Literature Review

This part aims to review all the past theories in relation with the topic of the study from other authors. Customers who are satisfied with companies’ services are likely to increase the amount of money they spend with that company or the types of services offered. A customer satisfied with a broker’s services, for example, will likely invest more money when it becomes available. Evidence suggests that a customer who notices and values the services provided by a company will pay a price premium for those services. Customer expectations are beliefs about services delivery that serve as standards or reference points against which performance is judged (Valerie & Zeithami, 2006).

The goal of personalization is not just to give a customer whatever he needs, but rather to keep him happy while also insuring that the company profits from delivering the service (Martha, 2011).

Today’s marketing is all about creating customer value and building profitable customer relationships. It starts with understanding consumer needs and wants, determining which target markets the organization can serve best, and developing a compelling value proposition by which the organization can attract and grow valued consumers. If the
organization does these things well, it will reap the rewards in terms of market share, 
profits, and customer equity (Kotler, 2011).

“We have to put more efforts into providing better services at all levels, with particular 
emphasis on the local level because that is where population needs it most. Although we 
may be doing well compared to competitors, we should strive to do better. “What we 
have achieved shows that we have the potential” said by His Excellency President Paul 
KAGAME in his end-year 2013.

Kotler (2011), customer care is all about identifying and satisfying customer needs and 
wants resulting to the financial institution’s performance in terms of profit and wealth 
maximization of shareholders.

A firm in order to compete successfully must have an understanding of consumer 
perception of the quality and the way service quality is influenced. Managing perceived 
service quality means that the firm has to match the expected service and perceived 
service to each other so that consumer satisfaction is achieved. The author identified three 
components of service quality, namely: technical quality; functional quality; and image 
(Ms.U.Dhanalakshmi):
Figure 2.1: Three components of service quality

Gap Analysis: It is a process through which a company can compare its actual performance to its expected performance in order to determine whether it is meeting expectations and using its resources effectively or not.

Source: Grönroos (1984)
The “Gap analysis model” was developed by Parasuraman et al. (1985), for evaluating service quality and its determinants. The model defined service quality as the degree of discrepancy that exists between customers' expectations for the service and their perceptions of service performance. According to Gap Model customer compare the service experience with what they expect and if both does not match it is result into gaps. Following are the gaps according to this model:

**GAP 1:** The first Gap is the gap between consumer expectation of service and management perception of the same. The gap arises when the service provider does not correctly perceive the actual wants or needs of customers.

**GAP 2:** The second gap is the gap between management perception of service and service quality specify by them. The gap arises when the management or service provider
might correctly perceive the needs of customer, but may not correctly specify them further.

**GAP 3:** The third gap is the gap between service qualities specify by the employees and actual deliver of service. This gap is the result of poor training, incapability or unwillingness of employees to serve customer.

**GAP 4:** The fourth gap is the gap between actual service delivered and communication made to the customer. The gap comes when customers assumed that what communication made to them are not fulfilled at the time of service delivery.

**GAP 5:** The fifth gap is the gap between expected service by the customer and service actually experienced by them (Agarwal, 2014,p.31).

### 2.1.1 Customer care

Good service delivery is essential in all economies and more critical in service-led economies. Rwanda has an ambition to become a service led economy yet research demonstrates that service delivery in Rwanda is generally poor. Thus, poor service delivery in Rwanda endangers the realization of vision 2020. Service delivery in Rwanda is the poorest in the region. Attempts to address poor service delivery in Rwanda have focused on the Symptoms not the underlying root Causes. Rwanda can learn much about how to improve service delivery from what other governments and organizations have done in many countries, Organizations in Rwanda in both public and private sectors are not focused on their number one priority service delivery, Policies Practices and Procedures are not aligned with consumer satisfaction (IPAR, 2010,p.0).

When at work look for ways to make difference by being helpful interested and caring toward your customers, colleague, or employees (RDB-Rwanda, 2012, p.12).
Service delivery is crucial for both the public and private sectors and is part of government’s social contract with citizens. Service delivery has been marked as an area for improvement where satisfaction with public services was rated at 64.5% on average for all key sectors. With the anticipated increased role of the private sector in contributing to growth and poverty reduction, quality of service delivery and customer centered services will take on more importance. Improving private and public sector performance will require incentives and mechanisms for engaging private sector, citizens and communities to provide input and feedback for enhanced delivery. During the EDPRS 1 period significant achievements were registered and more could be delivered with improved coordination and communication across sectors as well as between central and local government entities (GoR, 2013,p.11).

Once employees know the customer’s value history and need they should be able to take action to fulfill that need (Goodman,2009).It is crucial to know your important client for them to realize that their service providers care for them. Company must find the game plan for long-run survival, and resources as well by retaining intimate customers as the base of its growth. If you don’t remind your customer that you are still in business they will forget you. Repeat customers are the life-blood of any business; you need to remind your customers that you are still in business, if you are going to get them buy over and over. Good customers are satisfied, delighted customers. You provide them with exactly what they needs and wants. For their part, they make sure you understand their changing needs and requirements.

2.1.2 Managing service quality

A service firm can differentiate by delivering consistently higher quality than its competitors provide. Like manufacturers before them most service industries have now joined to customers driven quality movement and like product marketers, service
providers need to identify what target customer expect in regards to service (Amstrong.G, 2010, p. 248)

2.1.3 Retaining customers

Customer retention is perhaps the major of quality, the service firm’s ability to hang onto its customers depends on how consistently it delivers value to them. Top high service companies set high quality service standards (Amstong&.P, 2010, p.249)

According to researcher; customer care is something which is very crucial in managing Hotels performance, means that customers give advice on how to improve the quality of goods, old customers always convince others to buy from their usual stores hence the new customers are not, they can be in position to lend some money to a businessperson in case there is shortage, they always make order before time, which give the businessperson a chance to prepare. There is no doubt that retaining clients with customer service leads to higher customer satisfaction, which in turn leads to higher sales and business success. In writer’s view everyone in the business is responsible for improving customer service. Any time customer interacts with products or service, employee, marketing or anything else he is forming an opinion about your customer service. The performance of Hotels linked to the level of customer care whenever the firm wants to operate under free of financial risk situation.

2.1.4 Marketing

Today’s marketing is all about creating customer value and building profitable customer relationships. It starts with creating customer needs and wants, deciding which target markets the organization can serve best, and developing a compelling value proposition by which the organization can attract, keep, and grow targeted customers (Kotler, 2010).
Through market assessment, this evaluation of the needs of customers is when, how, what, where, and in which form they want product or services to be.

If the organization does these things well, it will reap the rewards in terms of market share, profits, and customer equity (Kotler, 2010).

2.1.5 Marketing Analysis

The marketing institution conduct SWOT analysis, by which it evaluates the company’s overall strengths(S) which is internal capabilities that may help a company reach its objectives, weakness(W) which is internal limitations that may interfere with a company’s ability to achieve its objectives, opportunities(O) which is external factors that the company may be able to exploit to its advantage, and threats(T) which is current and emerging external factors that may challenge the company’s performance (Kotler P., 2010, p. 23).

It is clear that customers want to interact with businesses on social media. The company uses this as the impetus to grow the team, particularly in a marketing sense by creating content and establishing a blog (Andrew, May 11, 2015).

2.2 Empirical Review

The tourism as an international industry and as the biggest provider of jobs on the planet boasts a greater array of heterogeneous stakeholders than many other industries (Buhalis, 2008). In the International Labour Organizations (2010), Tourism industry accounted for more than 235 million jobs globally, an equivalent to 8% of the overall number of direct and indirect jobs.

The hotel industry is seen to shift towards highly competitive, integrated and customer oriented market framework, supported by the progressive career path evident from the
fact that more and more universities are now offering hotel management courses, a phenomenon which was rare some ten years ago, even in Kenya. (European Journal of Business and Management Vol.5, No.14, 2013 88).

Customer satisfaction, according to World Trade Organization (1985) is a psychological concept that involves the feelings of well-being and pleasure resulting from gaining what a person hopes for and expects from a product and/or service. It is the customer’s fulfillment response to consumption experience, a highly personal assessment that is greatly affected by customer expectations and experience (The Centre for Study on Social Policy, 2007), and is linked to both the personal interaction with the service provider and the outcome experienced by the service users, it is a psychological effect on their choice when they choose a particular hotel or resort to visit and stay in. Dominici et al (2010) observed that in order to achieve customer satisfaction, it is important to recognize and to anticipate customers’ needs and to be able to satisfy them, consequently, the attractiveness of a touristic destination is influenced by the standards of the services provided by the local hotels in the region.

2.3 Theoretical framework

According to the University of Southern California (2005), a theoretical framework is the research from previous literature that defines a study’s core theory and concepts. In social science research, previous research serves as the basis for future research. Social scientists use the theoretical framework to craft a logical argument for a need for their research.
2.3.1 Customer service theory

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

2.3.2 Know your customer

Get to know your customers by profiling them. You can ask them directly, through customer comment cards and surveys at your place of business and on your website. If you operate a retail business, you can distribute membership cards that customers scan when they make purchases. In addition to demographic details, learn what they like and dislike, and how your product or service directly benefits them. Note their buying preferences and interests. Consider how your customer perceives quality. Gain perspective by reversing roles. Think about what you would expect of a transaction if you were the customer, and what you would think of the product or service you are offering (http://smallbusiness.chron.com, Know your customer, 2015)

2.3.3 Build a Customer Service Culture

Indoctrinate new employees into the customer service culture immediately. Provide comprehensive training programs that make them experts in their field. Emphasize how providing excellent customer service is the cornerstone of your business. Ensure the front-line customer service team is personable, friendly and knowledgeable. Empower employees to make decisions that lead to customer satisfaction. Reward outstanding

2.3.4 Customer loyalty and satisfaction theory

According to Zithaml, Berry and Parasuraman (1996); customer Loyalty can be difficult to define given the different views that are presented within the literature. Determine that loyalty includes a customer’s intention to stay with an organization and that loyalty includes four elements: repurchase intentions, recommending the service provider to other customers, less complaints and tolerance of price increases.

2.3.5 Set Customer Expectations

Set realistic expectations for your customers about your products and services. Survey marketing and exaggerated claims might attract customers, but the product or service must always accurately meet customer expectations. Deliver on every promise to win customer loyalty. When customers are happy, they recommend your business to their friends and family. Increased levels of customer satisfaction also mean increased financial performance (http://smallbusiness.chron.com, Customer expectations, 2015).

2.3.6 Communication

Establish a continuing dialog with your customers. Keep them informed of special promotions that appeal to their interests. Tell your customers how much you appreciate their business by letter, email or a telephone call. Company newsletters can also be shared with customers, engaging them in your company culture. Put a dedicated customer section on your website with tips. Ask for your customers' opinions on a regular basis to ensure you are consistently delivering good customer service


2.3.7 Customer Service Tips

Build relationships with your customers and listen carefully to what they tell you. Pay attention to their changing needs, and introduce new products and services based on customer feedback gathered from surveys. Continually explore new ways to keep your customers engaged. Focus on caring for your existing customers and new ones will naturally follow (Retrieved on 25 September 2015 from http://smallbusiness.chron.com/customer tips).

My research paper will use these theories for analyzing the relationships between customer care and performance of Hotels, implementation of policies regarding customer care especially in the hospitality industry. This study will help the decision makers to set appropriate policies to eliminate gaps between customer care and performance of Hotels.

2.4 Critical Review and Gap identification

As with all research, formulating questions that need further investigation and being able to identify gaps in the literature must be approached with research. Identifying and selecting relevant information sources from which you will find the literature you need; will mean looking at books in the library, catalogues, and databases and on the Internet (http/literaturereviewof.com, 2015).

Hamel (2012), in her study on customer care, describes interactions between a business and a customer in order to increase the customer’s satisfaction with products and overall mission of the business. Essentially current and past customer experiences and conversations in a physical store, over the phone or e-mail may be considered as part of customer service. According to Loverman (1994), customer satisfaction is the result of a customer’s perception of the value received in a transaction or a relationship where value equals perceived service quality relative to price and customer acquisition costs.
The research gap identified is to assess the contribution of customer care services to the performance of the Hospitality Industry.

The theories from different authors will help managers of these hotels to improve its customer care in order to perform well so that it will link to the positive results that suppose good return to the shareholders of the hotels.

This study is designed to identify relationship between customer care and performance of hotel service providers in Rwanda.

In fact, all previous studies conducted on this concept revealed that customer care attracts new customers as well as retention of existing ones, customer care is not needed only in the Hospitality Industry but also is the major element in all sectors such as medical, transport, education mostly in private institutions, is needed in political sector too.

This study aims to contribute to fillings this gap using both theoretical and empirical approaches to analyse the real relationship between Customer care and performance of hospitality institutions. It intends to explore how related policies will be established and implemented. It will complete the said conducted study with the achievement of predetermined objectives on which every person responsible will be able to accomplish his/her assignment either providing customer care and/or acquiring services and products in hospitality institutions which in return brings high performance.

Perfect customer care is the lifeblood of any profit oriented business. Customer satisfaction is inextricably linked to profitability. A competitive service provider organizations or business requires employees who are committed to exceeding industry standards for quality service and can perform effectively and efficiently.
2.5 Conceptual framework

According to Professor Roger Vaughan (2008); conceptual framework is a written or visual presentation that explains either graphically, or in narrative form, the main things to be studied, the key factors, concepts or variables and the presumed relationship among them.

Researchers generally have some idea of what will feature in the study, a tentative rudimentary conceptual framework, and it is better to have some idea of what you are looking for/at even if that idea changes over time. This is particularly true for inexperienced and/or time constrained researchers.

Figure 2.3: Conceptual framework

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer care:</td>
<td>Performance of hospitality institutions:</td>
</tr>
<tr>
<td>- Communication</td>
<td>- growth in market size</td>
</tr>
<tr>
<td>- Knowing customers (KYC)</td>
<td>- Growth of customer base</td>
</tr>
<tr>
<td>- Customer retention (Loyalty)</td>
<td>- growth is sales volume</td>
</tr>
<tr>
<td>- Service quality</td>
<td></td>
</tr>
</tbody>
</table>

Intervening variables

- Level of motivation and training
- Commitment of employees
- Government policies
- Regulations in Hospitality Sector

Source: Researcher
As presented with the above figure 2.3, the researcher seeks to evaluate the relationship between customer care (independent variable) and performance of Hotels (dependent variable), an evaluation will be conducted through various indicators of those variables. The customer care elements to be studied are, customer communication, knowing customer, customer retention, service quality and service culture. The dependent variables are growth in market size, growth in number of customers and growth in sales revenues. However, besides independent variables, dependent variables should be factors of other variables named “intervening variables”. Look at the status of this study intervening variables are unavoidable. They are among others, factors like the level of motivation and training, commitment of employees, government policies, and regulations.

2.6 Summary

According to the above literature, there are various ways to provide customer care in order to increase performance of the Hospitality Industry. Customer care is one of the key elements used to increase performance of Hotels/ Hospitality Sector.
CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This chapter includes the following topics: introduction, research design, target population, sample design, sample size, sampling technique, data collection methods, data collection instruments, administration of data collection instruments, reliability and validity, data analysis procedure as well as ethical consideration.

3.1 Research design

A research design is framework or blueprint for conducting the research project it details the procedures necessary for obtaining information needed to structure or solve research problems (Malhotra, 2010, p. 102)

The study used both quantitative and qualitative methodology. The researcher used a descriptive research design in this work. The objective of descriptive research was to describe the characteristics of various aspects, such as the market potential for a product or the demographics and attitudes of consumers who buy the product. (Wikipedia, 2015). In this study the researcher analyzed the role of customer care in the performance of the Hospitality industry particularly Hotels.

3.2 Target population

It is the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made (Malhotra, Naresh K., 2010, p.372).

The study population comprised of both employees and clients of the five star hotels in Nyarugenge District. The total population of 34109 in these hotels was interviewed, that comprised of 30000 clients and 109 employees.
3.3 Sample design

It is the means of selecting a subset of units from a target population for the purpose of collecting data? This information is used to draw inferences about the population as a whole. The sample design encompasses all aspects of how to group units on the frame, determine the sample size, allocate the sample to the various classifications of frame units, and finally, select the sample. Choices in sample design are influenced by many factors, including the desired level of precision and detail of the information to be produced, the availability of appropriate sampling frames, the availability of suitable auxiliary variables for stratification and sample selection, the estimation methods that will be used and the available budget in terms of time and resources (Statcan, 2015).

The targeted population cannot be covered easily by the study hence the need to do sampling. The sampling techniques employed were stratified sampling and simple random sampling.

3.3.1 Sample size

This is the number of respondents that were interviewed in the study.

In this study the formula provided by Yamane, (1996) was used to calculate the size of sample.

Whereby:

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

\( n \): is the sample size
N: Number of population. Being 34109 (34000 customers and 109 employees)

e: margin of error

From here

Sample calculation size for respondents: \[
n = \frac{34109}{1 + 34109 (0.3)^2} \approx 100
\]

Table 3.1: sample size design

<table>
<thead>
<tr>
<th>NO</th>
<th>Branch</th>
<th>Total population per</th>
<th>Sample size per branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Radsson Hotel</td>
<td>9,288</td>
<td>27</td>
</tr>
<tr>
<td>2</td>
<td>Marriot Hotel</td>
<td>8,298</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>Kigali Serena</td>
<td>10,877</td>
<td>32</td>
</tr>
<tr>
<td>4</td>
<td>Mille Collines Hotel</td>
<td>5,537</td>
<td>16</td>
</tr>
<tr>
<td>5</td>
<td>Employees</td>
<td>109</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>TOTAL</td>
<td>34109</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: researcher

3.4 Data collection methods

A designed questionnaire was used to collect data from employee and customers of these hotels.

3.4.1 Primary data collection

According to Benjamin (2014), in primary data collection, the researcher will collect the data himself using methods such as interviews and questionnaires. There are many methods of collecting primary data and the main methods include: questionnaires, interviews, focus group interviews, observation, case-studies, etc. In this study, the
information was obtained through a self administered questionnaire and in depth interview with customers and employees. The primary data, which was generated by the above methods, was qualitative in nature (words) or quantitative (numeric).

Interviews were conducted through direct translation of designed questionnaire in English then translated in Kinyarwanda, with answers immediately translated into English.

Regarding data collection on customer care and performance of Hotels, data collection relied on sampled one employee in-charge of customer care and selected customers from these hotels

3.4.2 Secondary data collection

There is a lot more secondary data than primary data, and secondary data is a whole lot cheaper and easier to acquire than primary data. The problem is that often the reliability, accuracy and integrity of the data is uncertain. Often secondary data has been pre-processed to give totals or averages, and the original details are lost so you can't verify it by replicating the methods used by the original data collectors (Benjamin, 2014,p.23).

Therefore the data was collected from websites of these hotels as well as it documentation centers where information on background and history of Hotels including their missions and visions was provided and used in the study.

3.4.3 Data collection instruments

Research tools and instrument that the researcher used during data collection are: Questionnaires that were distributed to respondents for answering structured questions and face-to-face interview guides for certain subjects.
3.4.4 Administration of data collection instruments

Questionnaires were administered to clients and employees in-charge of customer care and customers respectively. For collecting reliable information; the questionnaires prepared in English were administered by the researcher in person at the respondents’ branches in order to avoid missing variables (unanswered questions).

3.4.5 Reliability and validity

Validity means that the research method and instruments to be used produce information which is reliable to the research topic. For this study a desk review was supplemented by primary information and views from different customers and employees of these hotels by indicating how their performance depends on the level of customer care.

Especially, as for data collection a questionnaire and interview guide were prepared basing on research questions, variables to be measured and their indicators. The supervisor made sure that the questions prepared were relevant and understandable. The results were presented to the supervisor to test for validity and see their consistency.

To achieve reliability, the researcher tested the questionnaire on a few respondents to confirm whether the data collected could answer the research questions and thus achieve the research objectives. This study’s information will be helpful particularly in the Hotel business since it will reveal the usefulness of customer care as a backbone of the Industry in particular and products and/or service providers in general. In this study, 100 customers and employees of the hotels were interviewed.

3.5 Data analysis procedure

After the data collection, the next step was to proceed to data entry using computer and cleaning before we started the analysis. Data analysis refers to a systematic process of
coding, editing, categorizing, and interpreting data to provide explanations of a single phenomenon of interest (McMillan, 2006).

Data was entered into SPSS version 16 to generate frequency tables and analyzed using this version and Microsoft excel to get bar and pie charts that are of good shapes and quality. During data analysis, researcher used descriptive statistics to precise the results of this study.

3.6 Ethical considerations

This study aimed at assessing customer care as a vital component in sustainable development and growth of hotel businesses in Rwanda. Therefore, no harm whether direct or indirect caused to individuals, Hotel Owners and Management and the Government of Rwanda. Data used is from willing respondents.
CHAPTER FOUR: PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

This chapter focuses on the presentation and discussion of findings on the relationship between customer care and performance of five star hotels in Rwanda. It is based on demographic and objectives of the research which includes examining the role of customer care services in performance of hotels, evaluating the level of customer care services, and assessing the current levels of market performance of five star hotels in Rwanda. It is to be presented in form of tables of percentages and frequencies.

The information in this chapter was obtained mainly using 109 questionnaires issued out where 64 were filled by customers of the hotels and 45 were filled by the employees of the hotels as in the table below.

Table 4.1: Number of respondents

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>64</td>
<td>58.7</td>
</tr>
<tr>
<td>Employees</td>
<td>45</td>
<td>41.3</td>
</tr>
<tr>
<td>Total</td>
<td>109</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary Data

From Table 4.1, 58.7% customer respondents and 41.3% employee respondents filled the questionnaires.
4.1 Demographic characteristics

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 and Above</td>
<td>23</td>
<td>21.1</td>
</tr>
<tr>
<td>40-49</td>
<td>22</td>
<td>20.2</td>
</tr>
<tr>
<td>30-39</td>
<td>30</td>
<td>27.5</td>
</tr>
<tr>
<td>20-29</td>
<td>34</td>
<td>31.2</td>
</tr>
<tr>
<td>Total</td>
<td>109</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data.

From table 4.2, 31.2% of respondents were between the age of 20-29, 27.5% were between 30-39, 20.2% were between 40-49, and 21.1% were above age of 50 years. This shows that most of the respondents were mature people.

Table 2.3: Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>47</td>
<td>43.1</td>
</tr>
<tr>
<td>Male</td>
<td>62</td>
<td>56.9</td>
</tr>
<tr>
<td>Total</td>
<td>109</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data.

From table 4.3, 56.9% of the respondents were male while 43.1% were female. This shows that research was not gender biased.
Table 4.4: Department of employee respondents

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>8</td>
<td>17.8</td>
</tr>
<tr>
<td>Marketing</td>
<td>23</td>
<td>51.1</td>
</tr>
<tr>
<td>Others</td>
<td>14</td>
<td>31.1</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From table 4.4, 51.1 % of the respondents’ were from the marketing department, 31.1% were from other departments and 17.8% were from management department.

Table 4.5: Number of years worked for the organization by employee

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 5 years</td>
<td>23</td>
<td>51.1</td>
</tr>
<tr>
<td>1- 5 years</td>
<td>14</td>
<td>31.1</td>
</tr>
<tr>
<td>Less than a year</td>
<td>8</td>
<td>17.8</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: primary data.

From table 4.5, 51.1 % of the respondents have been in the industry for over 5 years, 31.1% have worked between 1 -5 years, and 17.8% have worked in the industry for less than a year. This implies that the industry retains its employees.

4.2 Findings on the role of customer care service in performance of the hotels

Table 4.6: Customer care and effect on organizational performance

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
</table>

| Strongly agree | 30 | 46.9 |
| Agree         | 30 | 46.9 |
| Not sure      | 4  | 6.2 |
| Disagree      | 0  | 0   |
| Strongly disagree | 0 | 0   |
| Total         | 64 | 100.0 |

Source: primary Data.

From Table 4.6, 46.9% of respondents agreed that customer care plays a significant role in the sale of the organizations products. 46.9% of them strongly agreed, 6.2% were not sure, and none of the respondents disagreed with the role customer care services play on the organizational performance.

**Table 4.7: The principle reasons for choice of the hotel**

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location of hotel</td>
<td>17</td>
<td>26.6</td>
</tr>
<tr>
<td>Access to credit</td>
<td>12</td>
<td>18.7</td>
</tr>
<tr>
<td>Home delivery</td>
<td>8</td>
<td>12.5</td>
</tr>
<tr>
<td>Security</td>
<td>17</td>
<td>26.6</td>
</tr>
<tr>
<td>Facilities</td>
<td>10</td>
<td>15.6</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: primary Data.

From table 4.7, respondents cited various reasons for liking their preferred hotels; 26.6% of the respondents cited ideal location of hotel, 18.7% cited access to credit facilities, 12.5% cited home delivery service, 26.6% cited security, 15.6% cited hotel facilities as the
principle reasons for choice of hotel. This indicates that hotels that fulfill most of their customer requirements through customer service attracted clients.

Table 4.8: Level of customer satisfaction of services in hotels

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>27</td>
<td>42.2</td>
</tr>
<tr>
<td>satisfied</td>
<td>31</td>
<td>48.4</td>
</tr>
<tr>
<td>Not sure</td>
<td>6</td>
<td>9.4</td>
</tr>
<tr>
<td>dissatisfied</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Very dissatisfied</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: primary Data.

From table 4.8, 42.2% agreed that they were very satisfied with current level of services in their preferred hotels in the city, 48.4% were satisfied with services provided. A majority of customers, 90.6% are satisfied about current level of services in the hotels. A paltry 9.4% of customers are not sure about their levels of satisfaction.

Table 4.9: How did you get to know about the hotel services offered by the Hotels?

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referral</td>
<td>4</td>
<td>6.3</td>
</tr>
<tr>
<td>Print media adverts</td>
<td>8</td>
<td>12.5</td>
</tr>
<tr>
<td>Internet</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td>Outdoor advertising</td>
<td>12</td>
<td>18.8</td>
</tr>
<tr>
<td>Other Social media sources</td>
<td>8</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: primary Data.
From table 4.9, 50% of the respondents learnt about the hotel services through the internet, 18.8% outdoor advertising, 12.5% social media sources, 12.5% print media and

Table 4.10: Are the media used accessible by the target market for the hotels

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>Agree</td>
<td>30</td>
<td>46.9</td>
</tr>
<tr>
<td>Not sure</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: primary data.

From table 4.10, 46.9% of the respondents agreed that media used to advertise are accessible by the target market, 28% strongly agreed, 25% were not sure. This implies that the industry uses right media to advertise.

4.3 Findings on the level of sales of at the hotels

Table 4.11: Have the sales levels been increasing

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>30</td>
<td>46.9</td>
</tr>
<tr>
<td>Agree</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>Not sure</td>
<td>10</td>
<td>15.6</td>
</tr>
<tr>
<td>Disagree</td>
<td>8</td>
<td>12.5</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: primary Data
From table 4.11, 46.9% of the respondents strongly agreed, 25% agreed that the sales were increasing in the hotels, 15.6% were not sure, 12.5% strongly agreed. This implies the sales are increasing. 

**Table 4.12: Is the level of hotel performance growing?**

<table>
<thead>
<tr>
<th>Details</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>37.5</td>
</tr>
<tr>
<td>Not sure</td>
<td>8</td>
<td>12.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>8</td>
<td>12.5</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>9.4</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: primary data.

From table 4.12, 37.5% of respondents agreed that the sales volume is declining, 28% strongly agreed, 12.5% were not sure, 12.5% Disagreed and 9.4% strongly disagreed. This implies that performance is improving.

### 4.4 Findings on the relationship between advertising and sales growth using Pearson correlation

This section focuses on establishing the relationship that exists between customer service and hotel performance in the market. It looks at customer service as an independent variable while hotel performance is a dependent variable. (Table 13). The findings of the section are summarized in the following table.

The Pearson’s rank correlation co-efficient is provided in the following formula.
\[ r = \frac{n \Sigma xy - \Sigma x \Sigma y}{\sqrt{n \Sigma x^2 - (\Sigma x)^2} \cdot n \Sigma y^2 - (\Sigma y)^2} \]

Where

\( r \) – Pearson’s correlation coefficient and

\( n \) - Frequency.

Table 4.13: The analysis of the relationship between customer care and hotel performance

<table>
<thead>
<tr>
<th>Scale</th>
<th>Customer care (x) (Table 4.6)</th>
<th>Hotel Performance (y) (Table 4.13)</th>
<th>Xy</th>
<th>x²</th>
<th>y²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>30</td>
<td>18</td>
<td>540</td>
<td>900</td>
<td>324</td>
</tr>
<tr>
<td>Agree</td>
<td>30</td>
<td>24</td>
<td>720</td>
<td>900</td>
<td>576</td>
</tr>
<tr>
<td>Not sure</td>
<td>4</td>
<td>8</td>
<td>32</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>64</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Σ(x) 64</td>
<td>Σ(y) 64</td>
<td>Σ(xy) 1292</td>
<td>Σ(x²) 1816</td>
<td>Σ(y²) 1064</td>
</tr>
</tbody>
</table>
\[ r = \frac{64(1292) - 64(64)}{\sqrt{64*(1816-1024)64*(1064-1024)}} \]

\[ = \frac{82688-1024}{\sqrt{13004)(8058)}} \]

\[ = \frac{81664}{\sqrt{105098328}} \]

\[ = \frac{9312}{10251.75} \]

\[ r = 0.9 \]

The Pearson’s correlation coefficient \((r = 0.9)\), implies that there is a significant relationship between customer care and hotel performance in the market.
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS, RECOMMENDATIONS

5.0 Introduction

This chapter summarizes the field discoveries, draws completion and recommendations and ends with areas of further research. The objective of the research were examining the role of customer care services in the performance of five star hotels in Kigali City, evaluation of the level of customer care in the five star hotels and the establishing the relationship between customer care services and hotel performance.

5.1 Summary of Major findings

5.1.1 Findings on the role played by customer care in performance of five star hotels.

The various levels of services provided by the five star hotels play a big role in their performance in the industry. Table 4.6 shows that a majority of the respondents, where 46.9% strongly agreed and another 46.7% agreed that the customer care services level plays a positive role in the performance of the hotel in Nyarugenge District, Kigali City.

The findings revealed that the industry would therefore benefit more if they put in more resources to upscale the level of customer care in their institutions. Only 6.2% of the respondents had a different opinion about the role played by customer care in improving performance in these hotels.

5.1.2 Findings on the level of sales/performance growth in the five star hotels.

From the findings at table 4.11 where 46.9% of respondents strongly agreed and 25% of the respondents agreed, that it was established that the level of sales was increasing through the sales revenues. This was due to improvements in customer care and diversification of the service menu in these hotels. From table 4.11 only a paltry 12.5% had disagreed to the question. This strongly validated the opinion that hotels with a diversified menu of services and excellent customer care would improve their performance and henceforth deliver on their organizational objectives,

5.1.3 Findings on the relationship between customer care and performance of the five star hotels.

From chapter four, it was established that there is a strong relationship between the level of customer care and performance of the hotels in Nyarugenge District of Kigali City.
This is supported by a [positive relationship established by Pearson correlation (0.9)] together with the positive responses from the questionnaires.

5.2 Conclusions

In this study of consumer views on customer care in the hotel industry shows that it constitutes the heart of the hotel performance. Hotels that factor into their processes a diverse menu of services together with excellent customer care would inevitably register impressive growth in their various performance indicators. While promotion has a role to play and can be seen as necessary for their growth, it is the nature of customer care that actually makes the difference in the hotel business. The most effective media are often very expensive; the inexpensive media may not reach your target market, thereby making it difficult for most organizations to run adverts. According to Ferguson (1974)“Advertising increase barriers to entry and reduce competition as measured by increase in monopoly profit”.

Moreover, according to Nickels et al (1999) advertising not only helps to maintain superior stand in the industry and profit maximization, it provides information about a products or services and also gives consumers free television and radio programmes. Giles (1997) sees advertising as non-personal communication directed at a target audience through various media in order to present and promote products, services and ideas. The cost of media space, time and advertisement production is borne by the sponsor or sponsors. Advertising gives a clear image for any product or service of a company which is a great asset. A well-structured and continuous advertising might stand
as one of those strategies to sustain a distinct market position. It could also help to identify strong market competitors.

**Establishing the level of sales**
The level of sales in the five star hotels is growing as indicated in table 4.12 where a majority of the respondents agreed that the sales level in these hotels are growing.

**Relationship between Customer care and sales/performance growth**
The relationship between customer care and sales/performance is very strong. This is shown by Pearson’s correlation co-efficient analysis of (r=0.9) and supported by the responses from the questionnaires.

**5.3 Recommendations**

Having analyzed, discussed and interpreted the data collected in this study, the researcher therefore recommends the following: Due to the competitive nature of the industry the marketing managers of these five star hotels must develop and formulate marketing programs that will satisfy the needs of the consumers. Since other service providers have similar advertising messages, it is recommended that for a more distinguished and effective response from the customer, other forms of promotion should be used for example sponsoring events and use of mobile phone advertising. This will increase awareness about the various products produced by the industry. The industry should choose the most effective media for advertising.

E-marketing should also be used to reach most the people who spend time on the internet and have no time to listen to radios or watch television. The industry should also use celebrities in the country to help them advertise their products for this can attract big crowds from which potential customers can be found.

Regular and consistent up-to-date training on product information should be given to the advertising agency so that they will have the current knowledge and skills to handle the adverts and also to ensure that product information is being emphasized so as to enlighten the customers.
Suggestions for further research

It is therefore important that further research be carried out on the following.

1. Employees motivation and performance
2. Effects of e-marketing on performance
3. Impacts of employees training on performance
REFERENCES


APPENDICES
APPENDIX I: QUESTIONNAIRE OF EMPLOYEES AND CUSTOMERS OF THE HOTELS

I. Identification

1. Branch: ...........................................................................................................................................

2. Gender: ...........................................................................................................................................

3. Marital Status: Married ☐ Single ☐ Divorced ☐ Widowed ☐

4. Age ..............................................................................................................................................

5. Education ....................................................................................................................................... 

6. Occupation .....................................................................................................................................

7. Are you a stakeholder of the hotel industry with one of the following?
   a. Employee ☐
   b. Customer ☐

II. Role of customer care services

1. Before becoming a client of this hotel were you using services of other hotel institution? Yes ☐ None ☐

2. What is the principal reason for choosing/ why you choose this hotel?
   a) Security ☐
   b) Location /Nearest the home ☐
   c) Prices are low ☐
   d) Easy access to credit ☐
   e) Home service delivery ☐
   f) Education and training ☐

3. How did you know the hotel and its services?
a) By word of mouth □

b) Radio/Television □

c) Posters/ Billboard □

4. Are you satisfied by services given by the hotel? Yes □ Non □

5. For how long have you been using hotel’s services? .................................................................

6. Do you intend to remain a client of the hotel?

a) Very sure □

b) Probably yes □

c) Unsure □

d) Probably not □

e) Not at all □

7. Can you recommend others to come to this hotel? Yes □ None □

III. Customer care delivery standards

1. What type of services are you using most in this hotel?

a) Food □

b) Accommodation □

c) Holiday packages □

d) Home delivery □

e) Tour and travel □

2. How many times do you use their services?

a) Daily □
b) Weekly □
c) Monthly □
d) Quarterly □
e) At any time □

3. What is the most reason for you to use the hotel? Please tick one.

a) Reliability □
b) Efficiency □
c) Health □
d) Accommodation □
e) Tours and travel □
f) Kids Education □

4. What has changed in your experiences since you started patronizing here? Please tick one.

a) Places visited have increased □
b) Level of satisfaction has improved □
c) Many referrals □
d) Expenditure has increased □
e) Exciting holiday experiences □
f) Nothing has changed □

APPENDIX II: TIMEFRAME

This work will take the period of 3 months from the day of topic selection to the day of finishing final dissertation and activities are planned as follow:
<table>
<thead>
<tr>
<th>Weeks</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>Choosing a topic</td>
<td>Finding supervisor</td>
<td>Starting proposal</td>
<td>Proposal development</td>
<td>Proposal submission</td>
<td>Data collection</td>
<td>Data analysis</td>
<td>Result presentation and discussion</td>
<td>Submission of the final dissertation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX III: BUDGET

The budget of this project is as follow:

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
<th>Unit cost</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport during book leading</td>
<td>180</td>
<td>200</td>
<td>36,000</td>
</tr>
<tr>
<td>Transport during data collection</td>
<td>14</td>
<td>1,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Lunch during data collection</td>
<td>7</td>
<td>3,000</td>
<td>21,000</td>
</tr>
<tr>
<td>Lunch &amp; dinner during data analysis</td>
<td>14</td>
<td>3,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Lunch &amp; dinner during result presentation</td>
<td>28</td>
<td>3,000</td>
<td>84,000</td>
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<tr>
<td>and discussion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lunch &amp; dinner during dissertation collection</td>
<td>4</td>
<td>3,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Printing</td>
<td>600</td>
<td>20</td>
<td>12,000</td>
</tr>
<tr>
<td>Binding</td>
<td>10</td>
<td>500</td>
<td>5,000</td>
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<tr>
<td>Miscellaneous costs</td>
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<td></td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>276,000 Frws</strong></td>
<td></td>
<td></td>
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</tbody>
</table>