

Full Length Research Paper

The impact of effective customer relationship management (CRM) on repurchase: A case study of (GOLDEN TULIP) hotel (ACCRA-GHANA)

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The purpose of this study was to determine the impact of Customer Relationship Management (CRM) on customer loyalty in the hotel industry. The study was conducted at the Golden Tulip hotel, Accra. The objectives of the study were to determine if (CRM) has an impact on customer loyalty, to determine if the practice of effective CRM in organisations leads to a long or short term financial impact, to find out the extent or degree to which effective CRM leads to customer satisfaction and to assess if the services provided by the hotel meets the needs and wants of customers. Questionnaires were administered to both individual and corporate clients of the hotel and the result of this was analyzed. The results showed that 46.3% of the respondents were females whilst 53.3% were males. Most of the respondents had heard about the hotel from newspaper advertisements (40%) and referrals from people who had used the hotel (30%). 80% of the respondents were willing to refer to the services of the hotel to other people whilst 90% of them were satisfied with the services at the hotel. The accommodation and catering facilities were mostly patronized. The perception among respondents about the hotel was good since they gave a positive review of the services. Most of the respondents agreed that they would come back to the hotel. The corporate clients were also satisfied with the services provided at the hotel with 20% having used the hotel for up to 4 years. The corporate clients said they would use the facility again, thus, customer loyalty existed among these clients as well as, the individual clients. It is recommended that the hotel improves the cooling system in the conference room and provide better business centre facilities to attract more customers.

Key words: Customer relationship management, customer loyalty, hospitality industry, Ghana, repurchase.

INTRODUCTION

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 and Guzzo, 2010). Qualities of service and customer satisfaction are critical factors for the success of any business (Gronoos, 1990; Parasuraman et al., 1988). As Valdani (2009) points out: enterprises exist because they have a customer to serve. The key to achieve sustainable advantage lies in delivering high quality service that results in satisfied customers (Shemwell et al, 1998).

Companies are facing their toughest competition ever. To win customers and encourage them to stay loyal or repurchase the service, most companies 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 companies 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 companies are striving to satisfy the maximized expectations of each stakeholder group. Based on the

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nature of marketing, 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 companies make sense of customer needs, manage these relationships more intelligently and help predict the future (Dominici and Guzzo, 2010). Sobotie and Oduro-Senya (2009) indicated limited revision of literature on CRM in Ghana. This research is therefore, an attempt to improve and contribute to knowledge in CRM operations in Ghana especially, how CRM impacts on organisational performance in the hospitality industry. The paper describes how CRM helps organisations to achieve better results and how it can be used to effect repurchase behaviour. The paper also describes how the research was conducted using both individual and cooperate clients responses to arrive at conclusions.

Problem statement and objectives

Customer requirements for quality products and service in the tourism industry have become increasingly evident to professionals (Lam and Zhang, 1999; Yen and Su, 2004). Guest relationships are a strategic asset of the organization (Gruen et al., 2000) and customer satisfaction is the starting point to define business objectives. In this context, positive relationships can create customer’s higher commitment and increase their return rate. 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 return to the same hotel (Choi and Chu, 2001). Hotels are increasing their investments to improve service quality and the perceived value for guests so as to achieve better customer satisfaction and loyalty, thus, resulting in better relationships with each customer (Jones et al., 2007). Relationship quality has a remarkable positive effect on hotel guests’ behavior: it creates positive word of mouth (WOM) and increases repeated guest rates (Kim et al., 2001).

Organisations have discovered research studies have shown that retaining current customers is much less expensive than attracting new ones. Companies have come to realize that in order to develop successful long-term relationship with customers, they should focus on the ‘economically valuable’ customer, while keeping away and eliminating the ‘economical invaluable’ ones. Proper CRM practices can potentially impact customer satisfaction rating and can potentially lead to increased customer retention, thereby increasing customer loyalty.

The specific objectives of the paper are to (1) determine if CRM has an impact on customer loyalty, (2) determine if the practice of effective CRM in organisations leads to a long or short term financial impact, (3) find out the extent or degree to which effective CRM leads to customer satisfaction and (4) assess if the services provided by the hotel meets the needs and wants of customers.

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 and Galloway, 1994; Heskett et al., 1990; Zeithaml et al., 1990). In order to achieve customer satisfaction, it is important to recognize 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 and Nash, 2003). Organizations 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 ongoing 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 and 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 emphasizes the importance of the relationships developed between an organization 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 organization's attempt to develop a long-term, cost-effective link with the customer for the benefit of both the customer and the organization."

Benefits of CRM

Early researchers had hypothesized that CRM benefits varied by industry as the process and technologies associated with CRM were tailored to specific industry structures (Lemon and Zeithaml, 2001). However, findings in cross cultural, multi-industry study of CRM done by Thomas and Kumar (2004) supports the notion that desired CRM benefits do not vary across industries or cultures as stipulated by earlier thoughts. The latest findings were associated to three components including relationship, value and brand equity (Richard and Jones, 2008). The list of desired benefits will be used as the critical link between CRM initiatives and the development of customer equity. These core benefits of CRM will be linked theoretically to the three types of equity (relationship, value and brand) and ultimately to customer equity. Seven core benefits were identified to serve as value drivers in the model: Figure 7.

1. Improved ability to target profitable customers;
2. Integrated offerings across channels;
3. Improved sales force efficiency and effectiveness;
4. Individualized marketing messages;
5. Customized products and services;
6. Improved customer service efficiency and effectiveness; and
7. Improved pricing.

According to Swift (2001), companies gain many benefits from CRM. He states that the benefits are commonly found in one of these areas:

1. Lower cost of recruiting customers: The cost for recruiting customers will decrease since there are savings to be made on marketing, mailing, contact, follow-up, fulfilment and service and so on.
2. No need to recruit so many customers to preserve a steady volume of business: The number of long-term customers will increase and consequently the need for

recruiting many customers decreases.

3. Reduced costs of sales: The costs regarding selling are reduced owing to that existing customers are usually more responsive. In addition with better knowledge of channels and distributors the relationships become more effective, as well as that costs for marketing campaigns is reduced.

4. Higher customer profitability: The customer profitability will get higher since the customer-wallet share increases, there are increases in up-selling, cross-selling and follow-up sales, and more referrals comes with higher customer satisfaction among customers.

5. Increased customer retention and loyalty: The customer retention increases since customers stay longer, buy more and buy more frequently. The customer also more often takes initiatives, which increases the bonding relationship, and as a result the customer loyalty increases as well.

CRM Questions of win-back

Winning back lost and lapsed customers can be one of the most profitable aspects of a company's CRM strategy. In (Ghavami 2006) model, win-back consists of identifying which customers have been lost or are about to terminate their relationship, reason for losing high value customers, effective methods for re-contacting lost customers, and offers that communicate the benefits of reactivation (Willaim G. Zikmund, 2002) (Figure 8).

If the CRM does not identify a reason for losing high-value customers, a common first activity is to contact the customers and verify that they are indeed inactive or lost customers. If they indicate that they are, some attempt should be made to learn why the relationship has soured. Customers will not re-establish their relationships unless they see tangible benefits. If a customer's problem is about the treatment, then an acceptable remedy should be offered. It is possible that a particular customer receives a better deal from the competition. In a case like that the company has to offer a sweeter deal. In many cases, the reactivation offer is tailored to customers lost to a particular competitor or tailored to a specific customer segment. In its analysis of the market place, a company should learn which actions, such as price deals, a competitor took that caused customers to switch brands. It should learn competitor weaknesses and barriers to exit. Knowledge of competitor's deficiencies should be incorporated into reactivation offers to lost customers (Willaim G. Zikmund, 2002).

CRM Problems

According to Myron (2003), six barriers to CRM identified in companies include lack of guidance, integration woes, no long-term strategy, dirty data, lack

of employee buy-in and no accountability. Failure to obtain and maintain executive support for the project is a major setback (Kovacs, 2006).

The most important aspect of CRM problems is not its excellent ability to achieve customer retention but its failure to do so. This is indirectly responsible for CRM collapse. Generally one of the reasons this happens is because most organisations that actually employ CRM, experience a lot of confusion about its attributes and what it really is. The following are some CRM problems:

1. Exorbitant costs: One of the problems with CRM is the huge investment needed to maintain a customer database. The additional expense comes because of the money needed for computer hardware, software, personnel etc. The costs involved are enormous and most often than not the resultant ROI from the CRM implementation fail to cover the costs involved. This leads to a negative feeling within the company about CRM and it so called successes and ultimately results in CRM collapse.

2. Inadequate focus on objectives and ignoring overall business strategy: When hard times hit, the organization loses sight of its goals and ultimately steers away from its CRM implementation. At times goals get interchanged and lose their importance. Companies find themselves work at home directly towards goals that are less important and forgetting the ones that really are.

3. Insufficient resources: Sometimes in phased implementation of CRM, if conditions worsen within the company or without, organisations start lessening their budgets for the current phase. When funds are less, budgets strained and the necessary costs required for CRM success are not employed. Organisations fail to utilize the necessary resources for success and thus, result in failure.

4. No customer focus and misunderstanding customer needs: The organization needs to motivate employees to be absolutely customer centric. CRM problems arise because of employee reluctance to be more customer focused. The result is a highly expensive customer strategy being adopted by the company in an effort to retain customers, with reluctant, unfocused and poorly trained employees implementing it (CRM Software Guide, 2011).

Customer satisfaction in the hotel industry

To obtain loyalty and to outweigh other competitors, hotel providers must be able to obtain high levels of customer satisfaction for the service supplied (Dominici and Guzzo, 2010). A research by Wuest et al. (1996) defined the perception of hotel attributes as the degree to which guests 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, opportunities for relaxation,

standard of services, appealing image, and reputation are recognized as decisive by guests and travelers to assess the quality of hotels (Atkinsons, 1988; Ananth et al., 1992; Barsky and Labagh, 1992; Cadotte and Turgeon, 1988; Knutson, 1988; McCleary et al., 1993; Rivers et al., 1991; Wilensky and Buttle, 1988).

According to a survey carried out by Barsky and Nash (2006), regarding the main hotel chains worldwide, between 2002 and 2005, the importance of loyalty programs for guest's decision on where to stay increased from 32% to 34%. This underscores the importance hotel executives' places on winning customers and therefore repurchase of services by guests.

RESEARCH METHODOLOGY AND QUESTIONNAIRE DESIGN

A descriptive survey design methodology was adopted. Both primary and secondary data were used as a source of data for the research. Data was collected using a questionnaire. The questionnaire was designed to encourage good response from busy respondents. The company website and promotional materials were used as guide for the questionnaire design. The target population of the study used were the corporate and individual clients of the Golden Tulip hotel in Ghana. The study targeted a sample of fifty customers at the Golden Tulip Hotel comprising of corporate and individual clients. Out of this number, 45 were completed. Two sets of questionnaires were designed and given out. One was given to the corporate clients (organisations), and the other was given to the ordinary clients (families, students, business men and women, groups, etc). The questions in the questionnaire for the ordinary clients were divided into four parts; part one consisted of respondent profile, part two consisted of questions on how respondents heard about Golden Tulip and the number of times they patronized the services of the hotel, part three constituted questions on the satisfaction and helpfulness of the staff and part four was made up of questions on the services customers enjoyed and whether they will be willing to repurchase the products and services of the hotel. The questions in the questionnaire for the corporate clients were also divided into four parts. Part one consisted of respondents profile, part two constituted the length or duration in which clients had used the services of Golden Tulip hotel, part three on the other hand dealt with the satisfaction clients got from the services they patronised at Golden Tulip Hotel and part four focused on the dissatisfactions and recommendations that clients had for the hotel. Management of the hotel were interviewed to verify the existence of a customer oriented philosophy;

Questionnaires were administered to guests of the hotel using the *Critical Incident Approach* (Hayes, 2008). The Critical Incident Approach focuses on obtaining information from customers about the services and goods they encountered in the past. This approach can be used both for customers and staff. For our analysis we submitted semi-structured interviews to guests and corporate clients of Golden Tulip.

Limitations of Studies and recommendation for further research

Getting respondents to answer questionnaire was very difficult hence this study managed to get 50 respondents after giving out over 100 questionnaires and arranging to meet a couple of corporate organisations. Some reasons for this were 1) Hotel staff mentioned that guests do not want their privacy interrupted. 2).

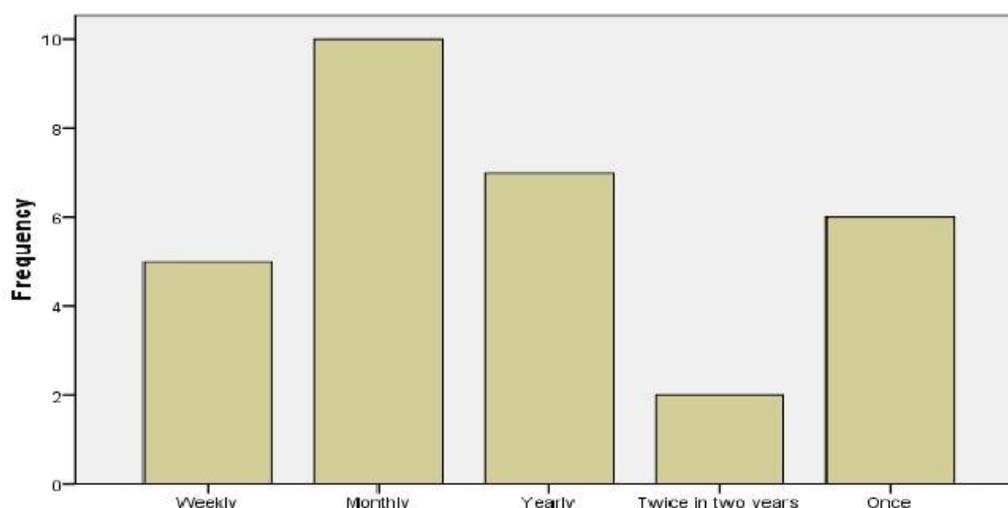
Some clients did not want to be involved in this research. 3). A lot

Table 1. Gender of respondents.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Female	14	46.7	46.7	46.7
	Male	16	53.3	53.3	100
	Total	30	100	100	

Table 2. How often respondents use golden tulip services.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Weekly	5	16.7	16.7	16.7
	Monthly	10	33.3	33.3	50.0
	Yearly	7	23.3	23.3	73.3
	Twice in two years	2	6.7	6.7	80.0
	In a year	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

**Figure 1.** How often respondents use golden tulip services.

of the clients wanted to remain anonymous and would not even accept to be interviewed. There could be some factors that may influence repurchase behaviour such as hotel charges which these researchers did not investigate. Moreover question items were limited in number to encourage high response. This might have affected the possible outcome in that some important variables might not have been measured accurately. Probably, there are some moderating factors between CRM and repurchase behavior relationships and also among the concepts explored in this research which this survey cannot explain.

Another weakness of the customer satisfaction management system of Golden Tulip is that it appeared as though a structured CRM (Customer Relationship Management) system has not yet been implemented.

Data analysis

The data was analyzed and interpreted using simple frequency, percentage distribution, charts and tables with the help of Statistical Package for Social Science (SPSS).

RESULTS

Forty five (45) respondents participated in filling the questionnaires; 30 respondents formed the normal customers while 15 respondents formed the corporate customers. Out of the thirty (30) respondents, fourteen (14) representing 46.7% of the responses were females and the remaining 16 which represents 53.3% of the responses were males (Table 1). From the results of how often respondents use Golden Tulip hotel services, majority (approximately 33.3%) use Golden Tulip services monthly. Out of the sampled respondents, 16.7% use the services weekly, 23.3% use it yearly, with 6.7% using the facilities twice in a year. Six (6) respondents representing 20% have engaged in the services of Golden Tulip once (Table 2 and Figure 1).

From the results, it was also evident that a larger portion of the respondents got to know about Golden

Table 3. How respondents got to know about golden tulip.

	Frequency	Percent	Valid percent	Cumulative percent	
Valid	Newspaper	3	10.0	10.0	10.0
	Advertisement in the media	12	40.0	40.0	50.0
	A friend	9	30.0	30.0	80.0
	Internet, face book, google	4	13.3	13.3	93.3
	Other sources	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

Table 4. Are respondents satisfied with golden tulip's services?

	Frequency	Percent	Valid percent	Cumulative percent	
Valid	Yes	27	90.0	90.0	90.0
	No	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Table 5. Respondent's view on whether the staff are helpful.

	Frequency	Percent	Valid percent	Cumulative percent	
Valid	Very helpful	10	33.3	33.3	33.3
	Helpful	17	56.7	56.7	90.0
	Not so helpful	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

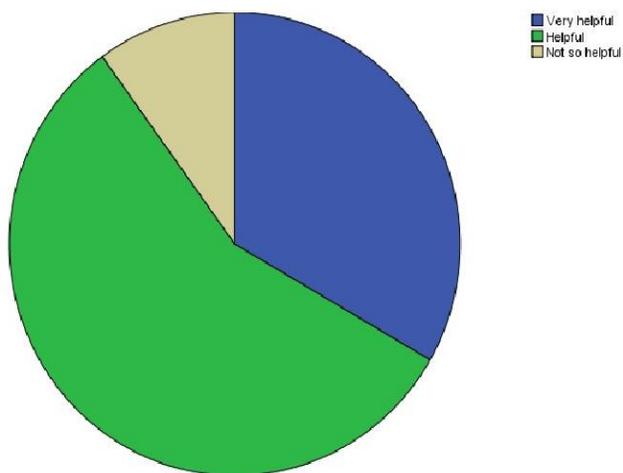


Figure 2. Respondent's view on whether the staff are helpful.

Tulip through advertisement in the newspaper (12 people representing 40%), followed by 30% representing respondent who got to know through friends. Also, quite a number had knowledge about Golden Tulip through the internet and newspaper representing 4(13.3%) and 3(10.0%) respondents respectively. Lastly, 2 respondents

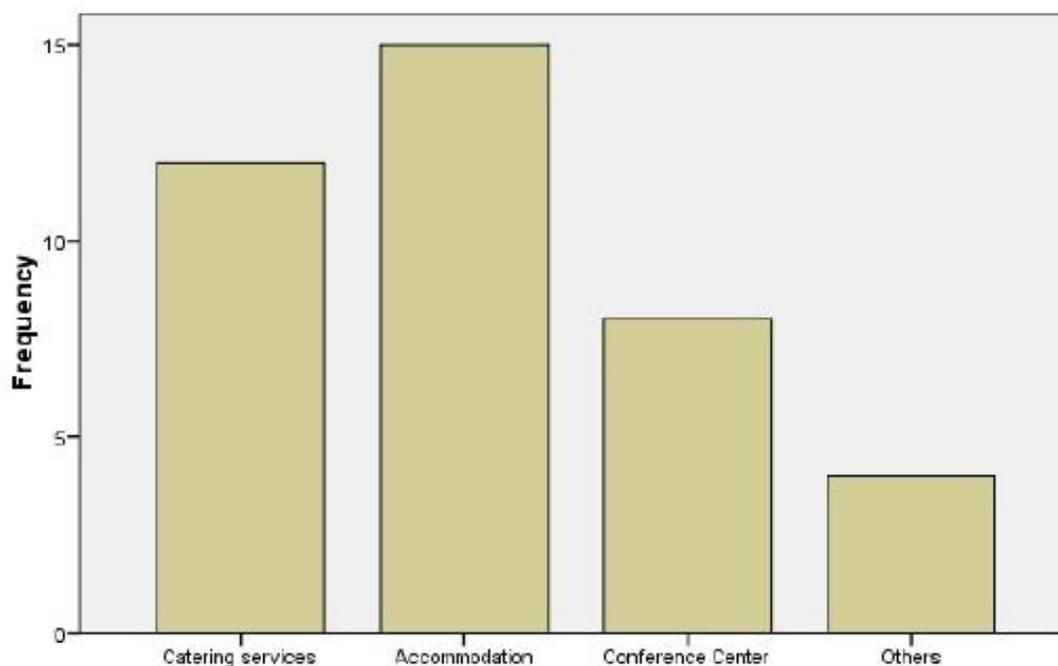
got to know about Golden Tulip through other sources (Table 3). With regards to the satisfaction of services, most of the respondents (27) were satisfied with the services of Golden Tulip with only 3 respondents (10%) not satisfied with the services (Table 4). Out of the thirty (30) respondents, seventeen (17) representing 56.7% of the responses were certain that staffs of Golden Tulip are helpful and ten (10) representing 33.3% were certain that staffs were very helpful while the remaining 3 which represents 10.0% of the responses saw the staff not to be so helpful (Table 5 and Figure 2). This indicatively implies that most of the respondents (that is, 90%) are of the general view that staffs are helpful to customers.

Furthermore, customers patronized the catering services (12 respondents), accommodation services (15 respondents), conference centre services (8 respondents) and the remaining 4 for other services which includes; music band (2), charity events and the business centre (Table 6 and Figure 3). Pertaining to the patronization of services earlier mentioned, the respondents were given the opportunity to give reason for the services enjoyed and the following emerged:

1. The welcoming and accommodating attitude of staff.
2. The hotel is widely spaced and comfortable.
3. Very nice beds for accommodation.

Table 6. Which of the services do the customers patronize?

	Frequency	Percent	Valid percent	Cumulative percent
Valid	Catering services	12	30.8	30.8
	Accommodation	15	38.5	69.2
	Conference Centre	8	20.5	89.7
	Others	4	10.3	100.0
	Total	39	100.0	100.0

**Figure 3.** Which of the services do the customers patronize?

4. Good food (catering services) and comfortable chairs.
5. Excellent internet speed.
6. Lovely atmosphere at pool.
7. Conference centre is one of the best for holding corporate meetings and programmes.
8. Prompt responses to enquiries from staff.

From the results, most of the respondent (23) were willing to repurchase the services of Golden Tulip with only 6 respondents (maybe) not sure of their decision. Just one (1) of the respondents did not have any willingness. (Table 7 and Figure 4)

Corporate customer

The corporate customers consisted of 15 respondents.

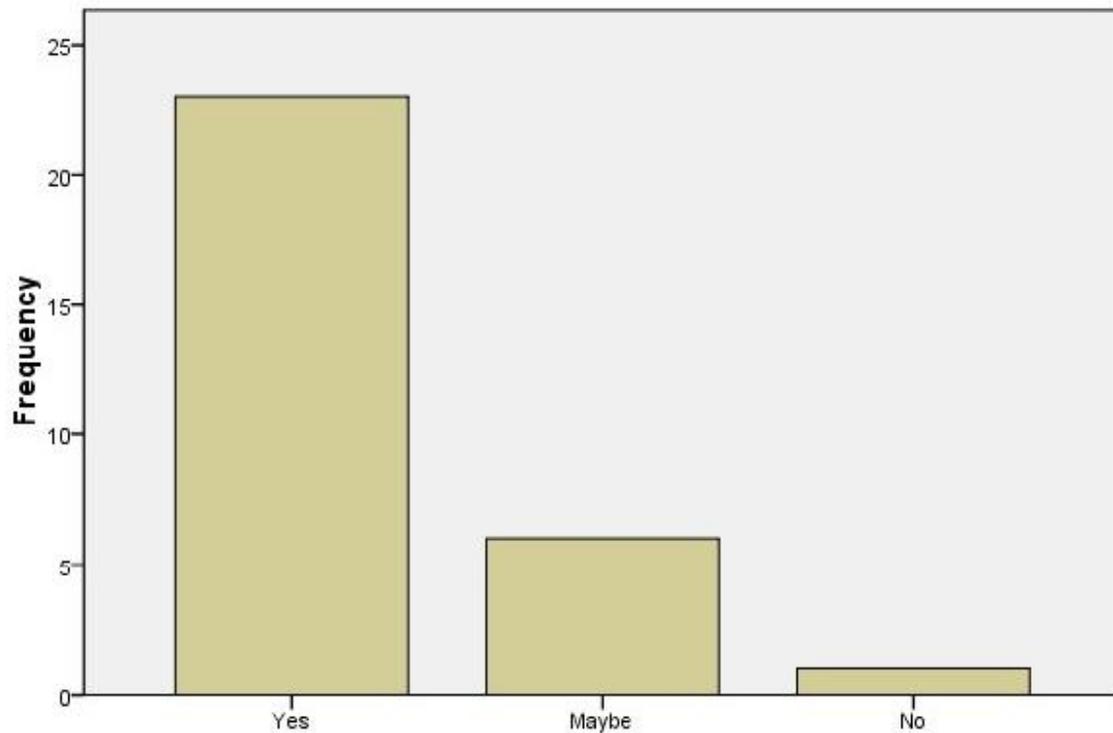
All the respondents representing 100% were satisfied with the services provided by Golden Tulip

(Supplementary Table 1). From the results, majority of the respondents (approximately, 40.0%) have used Golden Tulip services for 1 to 2 years. Out of the sampled respondents, 30.0% have used Golden Tulip services for 3 to 4 years, and twenty percent (20.0%) have used it for less than a year, with 10.0% having used the facilities for 2 to 3 years (Supplementary Table 2 and Figure 5). From the statistics, it showed that customers patronized the catering services (7 respondents), accommodation services (5 respondents), conference centre services (3 respondents) and the remaining 2 for other services which includes: Internet services, restaurant and business centre (Supplementary Table 3 and Figure 6).

The respondents were given the opportunity to indicate some of the things they did not like about the services provided and the following came out: small bathrooms and air conditions not being strong enough. The respondents were also given the chance to provide some recommendations to improve on the services provided by

Table 7. Are customers willing to repurchase the products?

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	23	76.7	76.7	76.7
	Maybe	6	20.0	20.0	96.7
	No	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

**Figure 4.** Are customers willing to repurchase the products?**Supplementary Table 1.** Are respondents satisfied with services provided?

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	10	100.0	100.0	100.0
	No	0	0.0	0.0	100.0
	Total	0	100.0	100.0	

Supplementary Table 2. How long Respondents patronized the services of golden tulip?

		Frequency	Percent	Valid percent	Cumulative percent
Valid	less than a Year	2	20.0	20.0	20.0
	1-2yrs	4	40.0	40.0	60.0
	2-3yrs	1	10.0	10.0	70.0
	3-4yrs	3	30.0	30.0	100.0
	Total	10	100.0	100.0	

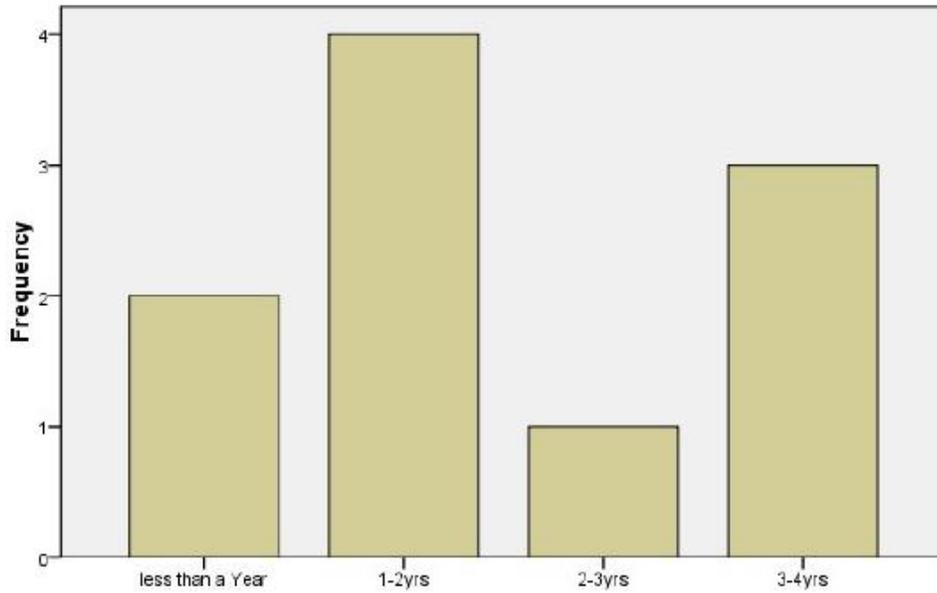


Figure 5. How long respondents patronized services of golden tulip.

Supplementary Table 3. Services normally patronized by respondents.

	Frequency	Percent	Valid percent	Cumulative percent
Valid Services	7	41.2	41.2	41.2
Accommodation	5	29.4	29.4	70.6
Conference centre	3	17.6	17.6	88.2
Other	2	11.8	11.8	100.0
Total	17	100.0	100.0	

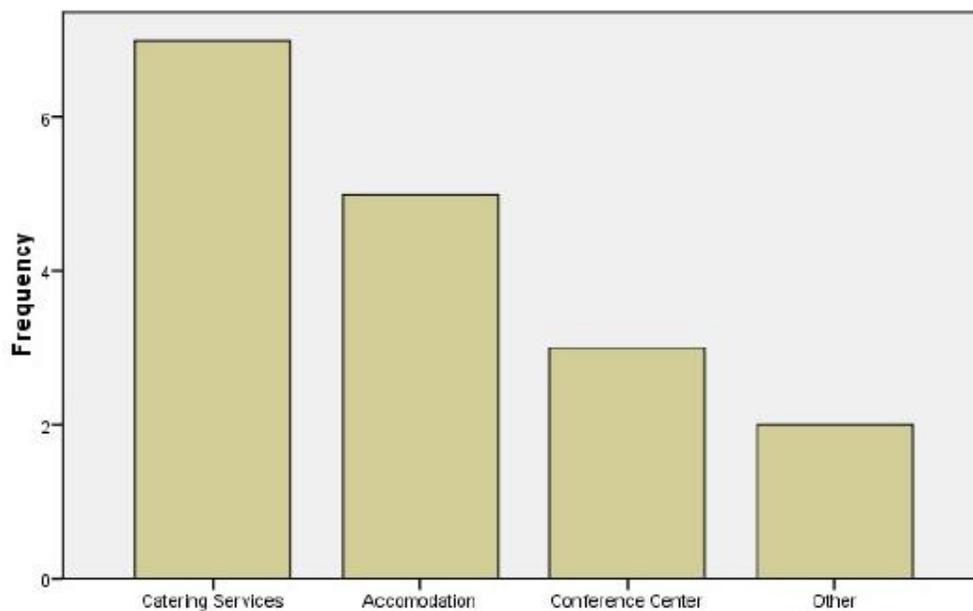


Figure 6. Services normally patronize by respondents.

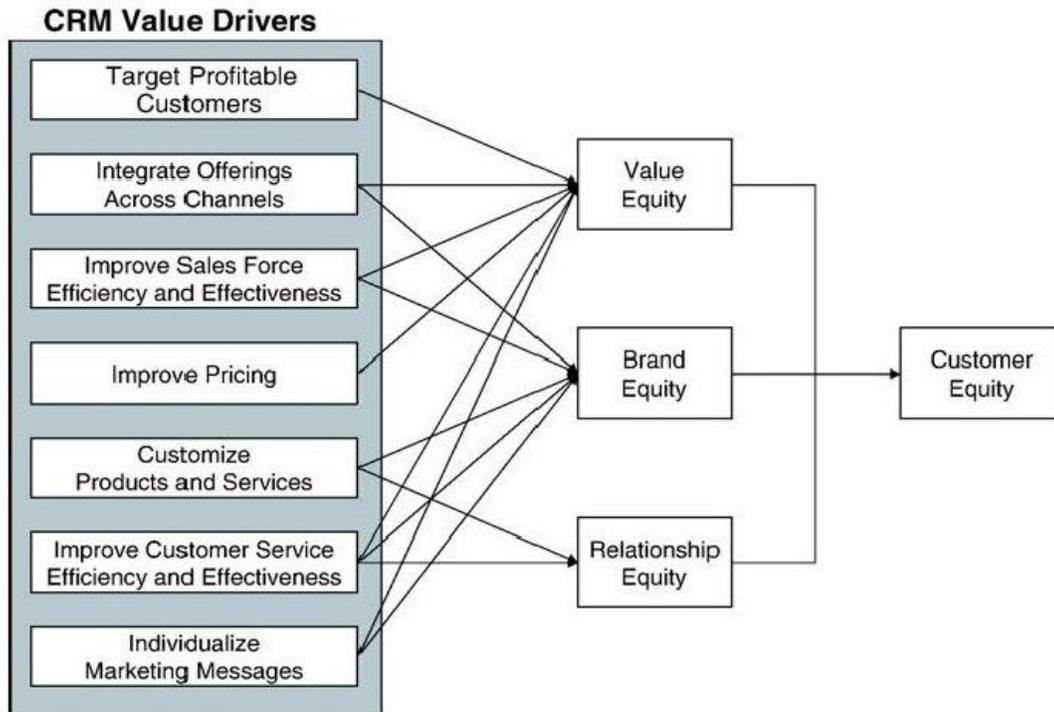


Figure 7. Conceptual model relating CRM value drivers to customer equity (Richards and Jones, 2008).

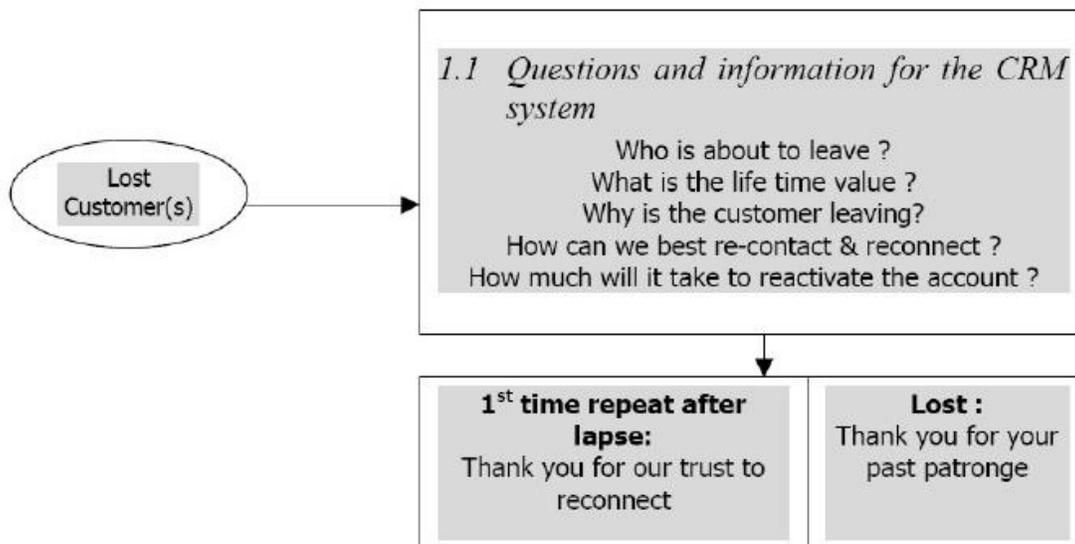


Figure 8. CRM Questions of Win-back (Ghavami, 2006).

Golden Tulip and the following emerged:

1. Management should improve on their business centre facilities.
2. Management should provide bigger bathrooms.
3. Management should provide proper cooling system.

DISCUSSION

Customer Relationship Management (CRM) has attracted the expanded attention of practitioners and scholars. More and more companies are adopting customer-centric strategies, programs, tools, and technology for efficient

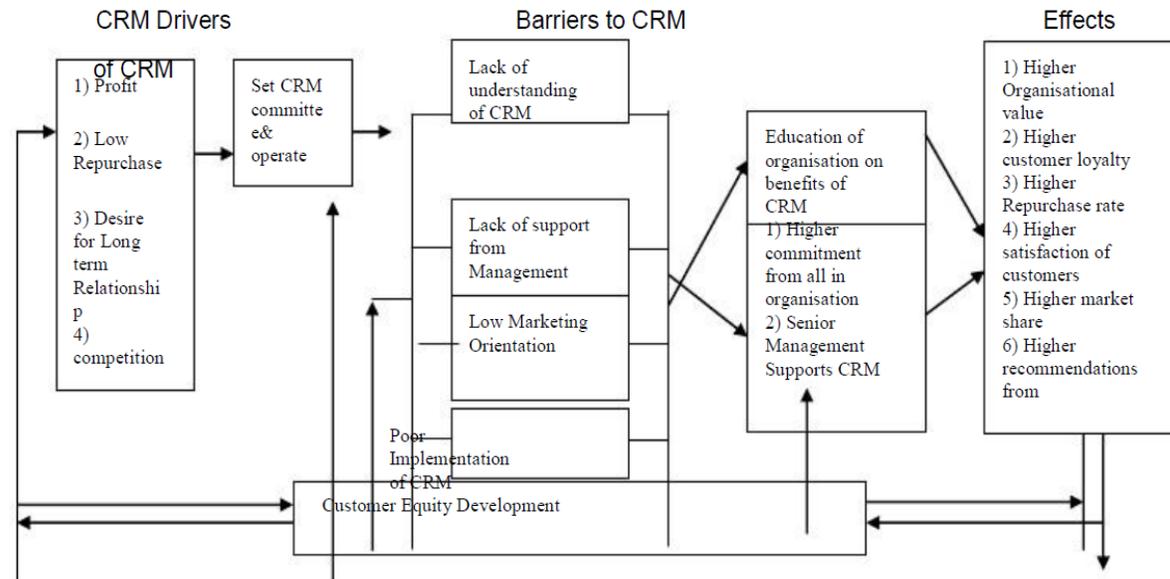


Figure 9. Source: Authors' conceptual framework on CRM (adapted from S. Adams AJBM Vol. 3 5 pp. 178-183, May, 2009).

and effective customer relationship management. They are realizing the need for in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with their customers.

The first objective of this research was to determine if effective CRM has an impact on customer loyalty. As per the findings and results displayed in tables, it was evident that customer loyalty to the services of Golden Tulip existed. 80% of the respondents were willing to even refer the services to friends and relatives. Also, customers satisfaction with services was as high as, 90%. The relationship between customers and the organisations is positive since respondents testify that the staffs are helpful forming a cumulative percentage of 90%. Finally, all of the corporate customers were satisfied with the services provided.

The second objective of this research was to determine whether effective CRM has a long or short term financial impact on the organization. Customers' continuous use of services provided by an assurance that both long and short term financial benefit will be derived. Also, respondents were willing to refer services to friends and relatives and this was an indication that the customer base will be increased and therefore an increase in revenue. Lastly, respondent were willing to repurchase services and this is an assurance that there will be inflow of revenue.

In spite of some companies in Ghana not practicing CRM, there is a need for it to be initiated and maintained to create trust between the customer and organization. The third objective of this research was to determine whether managing customer relationship effectively builds customer trust in the organization. It was also

evident that staffs have a good relationship with the customers since respondents view the staff to be helpful (90%). This is translated in the customers' willingness to repurchase services and refer the services to friends and relatives.

This shows that the build-up of trust that respondents have makes them refer the services to others. The last objective of this research was to determine whether the customer values benefit to make another purchase. This was clearly evident in the customers' willingness to repurchase products. 76.7% of the respondents were willing to repurchase the products and services of Golden Tulip. This shows that there is a level of satisfaction that makes them willing and able to repurchase services. Figure 9 and 10

CONCLUSIONS AND RECOMMENDATIONS

The study assessed customer relationship management and customer repurchase in Ghanaian hospitality industries. The research was conducted as a result of discovering the satisfaction rate and retention rates of these industries. The focus of the study was to determine if effective CRM has an impact on customer loyalty, a long or short term financial impact on the organization, whether managing customer relationship effectively builds customer trust in the organization and if the customer value benefits in making another purchase. In the process, relevant theoretical literatures were reviewed and it was discovered that CRM is an enterprise approach to understanding and influencing customer behaviour through meaningful communications in order to improve customer acquisition, customer retention,

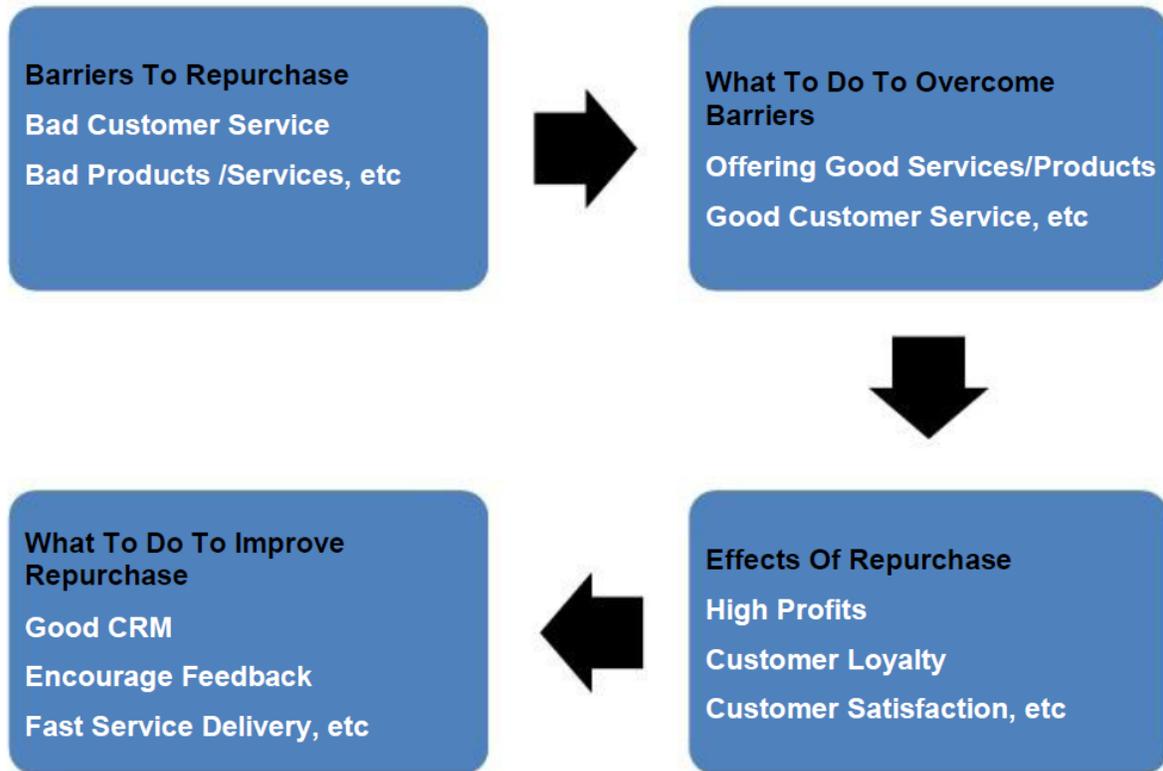


Figure 10. Source: Authors’ conceptual framework on repurchase and CRM.

customer loyalty, and customer profitability. The research was designed as a descriptive one because it provides factual, accurate and systematic data description and characteristics about the population or phenomenon being studied. The research population was examined and after careful analysis, the clients and staff of the Golden Tulip hotel in Ghana were used as a sample size. Primary data was collected from this institution through a well-designed questionnaire that incorporated both closed and an open-ended question. The responses to the questionnaires were analyzed using SPSS and Microsoft Excel.

From the basic statistics of the response, it was found that effective CRM has an impact on customer loyalty. Customers had a good satisfaction in the services provided by Golden Tulip. The customers also patronized the services provided by Golden Tulip very well. Also, the findings showed that effective CRM had a long or short term financial impact on the organization. Customers often patronize the services of Golden Tulip 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. Furthermore, it could be concluded that managing customer relationship effectively builds customer trust in the organization. It is shown that staffs have a good relationship with the

customers since respondents view the staffs to be helpful. This is transformed in the customers’ willingness to repurchase services and refer the services to friends and relatives. This shows the build-up of trust that respondents have that makes them refer the services to others. Lastly, the research showed that the customer values benefit to make another purchase. 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. Even if the case we studied has been chosen because it is representative of other similar businesses in the area and the main limit of this research is that it is circumscribed to only one hotel. We plan in the near future to make other qualitative analysis on other hotels in the same area and compare the results in order to obtain a wider view about customer satisfaction in similar hotels. To improve its customer satisfaction standards, the management needs to adopt new and more advanced CRM procedures.

Over 80% of respondents indicated that Golden Tulip Staff are helpful. This establishes the fact that clients perceive staffs to be caring and hence, Golden Tulip can develop good CRM program that can result in higher repurchase of their services. Recommendation is hereby, made for future research to increase the sample size and include other hotels in Ghana as well as, a comparative

studies with other hotels in Ghana.

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