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**DEPARTMENT OF MARKETING MANAGEMENT**

**THE EFFECT OF RELATIONSHIP MARKETING ON CUSTOMER  
LOYALTY ON GIHON HOTEL A CUSTOMER'S PERSPECTIVE**

**BY**

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**May 2021**

**Addis Ababa**

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**BY**

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**SGS/0365/2012A**

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**THE EFFECT OF RELATIONSHIP MARKETING ON CUSTOMER  
LOYALTY ON GIHON FOUR STAR HOTEL A CUSTOMER'S  
PERSPECTIVE**

**BY**

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## **DECLARATION**

I, Manaye Bruck Bekele hereby declare that this thesis entitled “The effect of relationship management on customer loyalty on Gihon four star hotel a customer’s perspective in Addis Ababa” is my own original work which was conducted for the award of Master’s Degree in Marketing Management. I have carried out this research with the help and guidance of my advisor, Dr. Mohammed. Any other research or academic sources used in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this university or any other institution.

Manaye Bruck -----

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Signature

Date

## ENDORSEMENT

This thesis has been submitted to St. Mary's university, school of graduate studies for examination with my approval as a University advisor.

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Advisor

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May 2021

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## **ACRONYMS AND ABBREVIATIONS**

RM- Relationship marketing

TRU- Trust

CHD- Conflict handling

CMU- Communication

CMI – Commitment

ANOVA -Analysis of Variance

SPSS -Statistical Package for Social Science

VIF -variance inflation factor

## **ABSTRACT**

*The survival of any organization depends on its customers. Customers are the source of profits to be earned by a profit making organization. Due to the more and fiercer competition in today's business, many companies are required to build long-term profitable relationship with customers and to achieve customer loyalty. Therefore, the aim of this study was to determine the effect of relationship marketing dimensions (trust, commitment, conflict handling, and communication) on customer loyalty, by focusing on Gihon four-star hotel Addis Ababa. Quantitative approach along with explanatory research design was applied. The study was conducted on customers of Gihon hotel in Addis Ababa. A sample of 384 respondents was taken through convenience non-probability sampling method, of which a total of 305 valid responses were obtained and used for the analysis. Structured self-administered questionnaire was used to collect the primary data and using SPSS 20.0, both descriptive and inferential statistics were conducted for correlation and multiple linear regression analysis to attain the intended objectives. The results of correlation analysis indicate that there is a positive and significant relationship between all relationship marketing dimensions (trust, commitment, conflict handling, and communication) and customer loyalty. The regression result indicates that Trust, communication, commitment and conflict handling had significant effect on customer loyalty with trust having the highest significance followed by communication, commitment and at last conflict handling. Finally, based on the finding of the study, recommendations were made.*

**Key words:** *Trust, Commitment, Communication, Conflict handling and Customer loyalty*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Competition in today's business has been pushing many companies to build long-term profitable relationship with customers and to achieve customer loyalty. Therefore, relationship marketing has become more and more important since last decade of 20th century, especially in service industry. Relationship marketing (RM) is a form of marketing that is client - based in terms of customer retention and satisfaction rather than individual transactions (Gledhill, 2008). And since customers are at the heart of any business operation it will be important to build and sustain a positive relationship with them in order to have a long successful run in the competitive environment.

Relationship marketing gives a company new opportunities to gain a competitive edge by moving customers up a loyalty hierarchy from new customers to regular purchasers, then to loyal supporters of the firms goods and services, and finally to advocates who not only buy its products but recommend them to others (Smith, 2003). By converting indifferent customers into loyal ones, companies generate repeat sales. The cost of maintaining existing customers is far below the cost of finding new ones, and these loyal customers are profitable ones.

In addition to this, despite the existence of quite of opportunity for spreading the literature about relationship marketing regarding the hotel industry, very little consideration has been given to the RM scopes in the hotel industry (Kanchan& Sharma, 2015). Most studies conducted on CRM were based on financial service industries such as banking, insurance services and the telecommunication services. Fitsum Teklehaimanot (2017) has conducted a study on the effects of relationship marketing on customer retention in the case of commercial bank of Ethiopia and Dashen bank using key relationship marketing mediating variables such as (trust, bonding, reciprocity, empathy), this research didn't use variables like conflict handling and communication. Relationship marketing strategy, apart from its ability to help understand customers' needs, can also lead to customer loyalty and cost reduction. Research has shown that the cost of serving one loyal customer is significantly less than the cost of attracting and serving

one new customer (Ndubisi, 2004). Hence, there exists lack of previous research work on the subject area of relationship marketing in hospitality industry. Therefore, this study intended to analyze the effect of relationship management on customer loyalty on Ghion four-star hotel in Addis Ababa.

## **1.2 Background of the organization**

Ghion Hotel is a four star hotel owned by the government. It has important arena in Ethiopian hotel industry. Its foundation goes back to the regime of Emperor Haile Selasse I. Gihon is a hotel with 196 rooms which stretching over thirteen hectares of land area. The rooms comprise 64 apartments, 28 bungalows and 104 rooms, the later split in to suite, double, French and twin bedded rooms. The Ghion Health center offers one day to year-long packages to distress the body and relax the mind.

## **1.3 Statement of the Problem**

Hotel industry is a highly flourishing and competitive market. In the hospitality industry, offering quality services is very important to create closer relationship with the entire customers. Quality of services has the power to create customer satisfaction.

On the other hand poor quality of services results in customer dissatisfaction and customer defection by going to other competitors. So it is obvious that in order to compete in such market, the hotels must focus on maintaining good relations with the customers and satisfying the customers. So increasingly, the organizations are using Relationship marketing to help boost sales and revenues by focusing on customer retention and customer loyalty.

These days the hotel sector is experiencing a rise in competition, globalization, and higher level of customer deflection to competitors. Furthermore, increasing customer acquisition costs and growing customer expectations are making the hotels performance and competitiveness depend considerably on their ability to satisfy customers efficiently and effectively (Adam, 2010).

So achieving a good level of Customer loyalty which is a measures of customer's interest to select a business organization as a preference, and indicate a certain resistance to competitor's offerings is a very important thing to stay active in the competitive environment, Bowen &

Shoemaker (1998a) viewed customer loyalty as “the likelihood of a customer’s return to a hotel”. A loyal customer could have an emotional attachment to the hotel (Griffin, 1995). A Customer who has a good experience will encourage others to buy to share the experience (Ghannajeh, 2015). So most modern day companies emphasize “customer loyalty” as a key to sustaining long-term business success (Oh, 2002; Alshurideh, 2020), and one of the ways to achieve loyalty of customers is through relationship marketing.

Since the ideas above show that customer loyalty is the outcome of a good implementation of RM, so the researcher has tried to investigate RM practice in the hotel industry in Addis Ababa.

Although the importance of relationship marketing in the Ethiopian hotel industry have been studied by many author, most of them haven’t considered the effects of relationship marketing dimensions on customer loyalty from customers perspective, and most of the studies conducted are on issues like factors that influence customers to stay loyal in hotels and the relationship between customer satisfaction, service quality, price perception, customer trust, brand image and customer retention on four star hotels in Addis Ababa and also on the effects of customer relationship management on customer loyalty on four and five star hotels in Addis Ababa from a firms perspective using variables like people, process and technology (Sosina 2015, Tsedenya 2015),.

Therefore, it is time for practitioners and academics to conduct more studies of loyalty in order to have greater knowledge of this concept and to identify the effects determinants of relationship marketing has in developing customer loyalty. Thus this research is conducted to identify the determinants of relationship marketing and their relative contributions in making customers loyal.

## **1.4 Objective of the Study**

### **1.4.1 General objective**

The general objective of this study is to explore the impact of relationship marketing on Customer loyalty within Gihon four-star hotel in Addis Ababa.

### 1.4.2 Specific objectives

- To examine the effects of trust on customer loyalty in the case of Ghion hotel in Addis Ababa.
- To determine the effect of commitment on customer loyalty in the case of Ghion hotel in Addis Ababa.
- To investigate the effect of communication on customer loyalty in the case of Ghion hotel in Addis Ababa.
- To test the effects of conflict handlings on customer loyalty in the case of Ghion hotel in Addis Ababa.

### 1.5 Scope of the Study

Even if a broader research that encompasses all the hotels involved in the sector would have given a more holistic view on the subject; but, due to the broadness of the subject to be studied and to achieve the objectives of the study within the timeframe, certain delimitations have been made by the researcher. The scope of this study was delimited conceptually, geographically and methodologically for ease of management. **Conceptually**, in terms of the constructs showing in the research framework, only four dimensions of relationship marketing underpinnings (trust, commitment, conflict handling, and communication) are focusing area and their impact on customer loyalty. Other dimensions of relationship marketing measurement are beyond this study. **Geographically**, the study was restricted to Addis Ababa town. It will include Gihon four-star hotel and customers of the hotel only. **Methodologically**, the researcher used statistical tools to analyse the data and employ non probability –convenience sampling technique. The research design was explanatory design and the research only conducted structured questionnaire distributed for customers. Employees of the hotel are not included.

### 1.6 Limitation of the study

The lack of cooperation of the respondents and their commitment to complete the questionnaires due to the corona pandemic and due to the tight time frame to collect the data the sample size of the study had only 79% response rate. The research also didn't include relationship marketing dimensions like empathy, customer centricity, personalization, brand awareness, physical evidence, perceived quality, image and trends.



## **1.7 Significance of the Study**

The results of this study are intended to indicate management of the hotel some measures to improve its strategy towards relationship marketing, retain and constantly delight their customers. The study would also be significant to the hotel industry in its attempt to maintain service levels and implement with high standards. It was hoped that scholars, academicians and researchers would find this study as a crucial contribution to the existing literature on relationship marketing particularly in regard to hotels. Practically, it hopes that this study would provide a foundation upon which continuing research into the effect of relationship marketing on customer loyalty in the other service firms. In addition, the researcher will get more experience in doing research in a specific area.

## **1.8 Definition of key Terms**

Relationship marketing - relationship marketing is a strategy to attract, maintain and enhance customer relationships (Berry, 1983).

Trust-is partners 'confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994).

Commitment- is defined t as an enduring desire to maintain a valued relationship (Morgan and Hunt, 1994).

Communication - Communication is the ability to provide timely and trustworthy information (Narteh, 2009; Ndubisi&Wah, 2005).

Conflict handling-is the ability of each supplier to minimize the negative consequences of manifest and potential conflicts Dwyer (1987).

Customer loyalty- is a deeply held commitment to re-buy a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. Oliver (1997)

## **1.9 Organization of the study**

The thesis is organized into five chapters. The first chapter deals with the introduction of the topic and the second chapter presents review of related literature which is about relationship marketing and customer loyalty. The third chapter deals with the methodology of the research and the fourth chapter presents data analysis, findings and discussion of the data gathered. The fifth chapter presents the conclusion and recommendations of the research and definition of key terms.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2.1 Relationship Marketing**

Relationship marketing has become an alternative means for organizations to build strong, ongoing associations with their customers. As a part of marketing strategy, relationship marketing seek to acquire and retain customers by providing good quality customer services, and therefore has become one of the keys to success in acquiring strong competitiveness in the present markets, because of its implications for access to markets, generation of repeat purchase, creation of exit barriers, and the view that it benefits all parties (andaleeb, 1996).

Relationship marketing has received much attention in both academy and practice areas in the last few decades. It was during the last decade of the 20th century that relationship marketing began to dominate the marketing field (egan, 2001). During this period relationship marketing became a major trend in marketing and management business (ibid). Relationship marketing is concerned about building customer loyalty by providing value to all the parties involved in the relational exchanges (peng & wang, 2006), as customer loyalty is the final goal of relationship marketing.

#### **2.2.1 Defining Relationship Marketing**

In the marketing field there exist several theories to clarify the concept of "relationship marketing". In the past two decades, many researchers have demonstrated a movement between transactional marketing and relationship marketing. The important of this change is an organization try to build relationship with their customers in long-term instead of attracting short-term customers. Christopher, Payne &Ballantyne (1991) showed the differences between relationship marketing which concerns creating relationship with customers and transactional marketing which concentrates on sale and marketing. They underlined that relationship marketing directed toward to long-term orientation rather than short-term orientation.

Table below shows the differences between transactional marketing and relationship marketing.

Table 2.1 Transactional marketing and relationship marketing

<b>Transactional Marketing</b>	<b>Relationship Marketing</b>
<b>Focus on single sale</b>	Focus on customer retention
<b>Orientation on product features</b>	Orientation on customer values
<b>Short time scale</b>	Long time scale
<b>Little emphasis on customer service</b>	High emphasis on customer service
<b>Limited customer commitment</b>	High customer commitment
<b>Moderate customer contact</b>	High customer contact
<b>Quality as the concern of production</b>	Quality as the concern of all

Source: (Adapted from Christopher, Payne &Ballantyne, 1991.)

Thus, according to Christopher, Payne &Ballantyne (1991), relationship marketing can be seen as the establishment and maintenance the relationship between an organization and its customers in the long-term.

There were also many other scholars that gave their own definitions of relationship marketing to mention some of them Morgan & Hunt (1994) defined relationship marketing as: “All marketing activities directed towards establishing, developing and maintaining successful relational exchange.” Another definition adapted by Grönroos (1994), is that “Relationship marketing is to identify and establish, maintain and enhance and, when necessary, terminate relationship with customers and other stakeholders, at a profit so that the objectives of all parties involved are met; and this is done by mutual exchange and fulfillment of promises.” From the definitions above, relationship marketing can be understood as a strategic orientation that focuses on developing customer loyalty. Relationship marketing is characterized as a type of marketing which organizations attempt to improve and enhance close relationship with customers. In other words, the objective of relationship marketing is building long-term relationships with customers rather

than attracting new ones. Establishing long-term relationship with customers is an important condition for success of an organization.

### **2.1.2 Customer Relationship Lifecycle Phases**

There are three customer relationship lifecycle phases. The first phase customer acquisition phase is comprised of the initiation and socialization phases. The initiation phase is the precursor to interactions involving an information exchange between the provider and the customer. The customers have their first interaction with the provider, who undertakes measures such as promotion to acquire the (potential) customer. This phase ends with the first exchange, thereby initiating the socialization phase in which the seller and buyer become familiar with each other. The customer gains preliminary experience with the seller's offering, which enables the seller to collect data about the customer for subsequent preparation of customized service outputs. Since both customer initiation and socialization entail start-up costs, this acquisition phase is often uneconomic for the company. (Manfred bruhn & dominikgeorgi 2006)

If there is a positive development the customer relationship grows during the *customer retention phase*, which can be separated into the growth and maturity phases. The growth phase is characterized by full exploitation of the customer's potential.

Efforts are made to broaden the relationship through increased service use by the customer and to increase cross-buying. In the maturity phase, since the respective customer's potential has been almost fully exploited the goal is now to maintain the sales level reached. (Manfred bruhn & dominikgeorgi 2006)

The customer recovery phase is concerned with the termination of the relationship by the customer and covers the threat, dissolution and abstinence phases. In the threat phase, as a result of certain events, such as unsatisfying interactions with service employees, the customer begins to mull over the idea of no longer using the seller's products and services. A decision is then reached in the dissolution phase to stop using the seller and the customer openly cancels the relationship especially in case of a membership (e.g. as in the case of banking services), or just gives it up quietly, and uses other providers (e.g. Hotels). This leads to the abstinence phase where the customer refrains from using any of the provider's services. The relationship could

commence again, because of either customer-originated reasoning or due to recovery measures undertaken by the provider. (Manfred Bruhn & Dominik Georgi 2006)

### **2.1.3 Importance of Relationship Marketing**

Companies that implement RM make better relationships with their customers, achieve loyal customers and a substantial payback, increased revenue and reduced cost (Roh, Ahn and Han, 2005). The effective implementation of customer relationship marketing results both in higher revenues and lower costs, making companies more effective and efficient, effective in focusing the right customer base with the right services through the right channels, and efficient in doing this at the lowest costs (Lindgreen & Antico, 2005).

Customer relationship building creates mutual rewards which benefit both the firm and the customer and by building relationship with customers, an organisation can also gain quality sources of marketing intelligence for better planning of marketing strategy.

The findings of Foster & Cadogan (2000) showed that the quality of the relationship customers have built with their organization positively influences their assessment of their relationship with the organization. Furthermore, they indicated that customers propensity to do further business with the organization, their likelihood of recommending the organization to others, and the probability that they would pay a premium price for the organizations products or services were shown to be positively influenced by both the strength of their relationship with the employees and the organization as a whole.

As for the benefit from the customer's perspective Relationship marketing allows customers to receive relevant information: An effective Relationship Marketing program provides customers with sufficient information to empower them to make correct purchase decisions. (Annette Jackson Janée N. Burkhalter (2007)

Relationship Marketing also allows personalized marketing for customers, which deals with direct one-to-one interactions between a marketer and its customers. One of the great benefits of interactive marketing is that buyers are in better positions to tell sellers what they want, and

sellers can match their offerings to the needs of buyers (Annette Jackson Janée N. Burkhalter (2007)

#### **2.1.4 Relationship Marketing in Hotel Industry**

Like in any other industry the practice of relationship marketing is key for the success of the hospitality industry as well, research findings of Sin. (2006) indicate that relationship marketing is positively and significantly associated with financial performance (Return on investment, sales growth, and market share) and marketing performance (customer retention, customer satisfaction, and trust) in the hotel industry.

The core philosophy of relationship marketing is the development of long-term relationships with customers. Profitability and growth can be achieved by repeat business which stems from customer loyalty (Heskett. 1994). So relationship marketing is able to provide substantial advantages in the retention of existing customers and increasing their loyalty. Hotels which employ relationship marketing therefore tend to create more value for their customers and prevent them from being attracted to competitors. Although a thorough understanding of the needs and wants of customers is essential in order to ensure customer satisfaction (Jackson 1985; Chu & Choi 2000; Hartling. 2003), however, it does not necessarily guarantee customer loyalty (Morgan & Trivedi 2007). Customer loyalty requires the maintenance of stable and mutually-committed relationships which in turn requires the development of deep emotional connections with the hotel. In the hotel industry, there is strong competition which provides customers with greater choice, greater value for money, and augmented levels of service (Kandampully & Suhartanto, 2000). Indeed, in order to effectively retain their customers and achieve success in such a competitive market, hoteliers need to focus their attention on adopting relationship marketing to gain privileged information about customers, better understand their needs, and thereby serve them satisfactorily to gain and foster their loyalty (Ndubisi & Wah, 2005).

#### **2.1.5 Relationship Marketing Dimensions**

Based on relationship marketing theory there are relational factors such as trust, Commitment, conflict handling and communication) that influence customer loyalty. Relationship marketing theory concerned on relational factors and their influence on relationship marketing outcomes

like customer loyalty and relational contracting (hunt et al., 2006). The researcher will be using the framework as it is with a minor modification.

### **2.1.5.1 Customers Trust**

Moorman et al., 1993; Orth&reen , 2009 stated that trust is defined as the willingness to rely on an exchange partner in whom one has confidence). Trust is partners 'confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994).So in most practical business activities, the development of trust is considered to be a critical result of establishing a long-term successful relationship between all the parties involved. The service providers build trust to their customers by keeping to their promises consistently. Since trust ensures that the relational exchange is mutually beneficial.

Trust is an important ingredient in firm-customer relationships and ultimately in the development of loyalty (Ndubisi, 2007). Therefore, service providers should strive to win customers trust. One of the few ways that this can be achieved includes, providing quality services, the keeping promises that were made to customers, giving attention for the security of transactions, , showing respect for customers through front-line staff, fulfilling obligations, and acting to build customers confidence in the company and its services.

Customers with trusts in service providers 'capability would probably be willing to commit to a service relationship for meeting their expectations (Morgan and Hunt, 1994). Morgan and hunt also argued that even when the environment is changing, the customers would believe that the service provider will take customers interests into account instead of doing anything harmful to the development of relationship. They also conceptualized organizational trust by proposing three core elements as: trustees ability, trustees kindness and trustees integrity. Cumulative process in a relationship was considered to construct trust on the basis of a party's capability of implementing its obligations continuously. Trust is considered so important to long-term relationships and enhancing customer loyalty. Many authors have suggested that customers trust has a significant role in building long-term relationship and achieving customer loyalty (Berry, 1983; Kotler& Armstrong, 2010).



According to Clow & Kurtz (2003), the key to developing a customer relationship competitive advantage is not merely obtaining a contractual agreement, it is developing mutual trust. They argued that the customers must be able to trust the seller and know that he or she will provide the service when needed at the service quality level desired and the seller must be able to trust and work with the customer in a mutually beneficial relationship. This relationship involves both parties sharing information and working together to solve problems. The primary action in gaining customer acceptance of service process modification is to develop customer trust (Clow & Kurtz, 2003). They pointed out that service modifications are much easier to accomplish if customers trust the service providers. Service providers must understand customer habits and know how, when, and why customers purchase the service. The more the services providers know about the customers use of services the easier the change will be to implement. The results of Taylor, Celuch and Goodwin (2004) suggest that trust is consistently the most important antecedents to customer loyalty.

#### **2.1.5.2 Customers Commitment**

(Morgan and Hunt, 1994) defined commitment as an enduring desire to maintain a valued relationship. Commitment is another important determinant of the strength of a marketing relationship, and a useful construct for measuring the likelihood of customer loyalty and predicting future purchase frequency (Morgan and Hunt, 1994). Morgan and Hunt (1994) further explained that an 'enduring desire to maintain' corresponds with that a committed partner wants the relationship to endure indefinitely and is willing to work at maintaining it. And the term 'valued relationship' indicates that commitment exists between the parties when it considered important. On the contrary, Dwyer, Schurr and Oh (1987) defined commitment as 'an implicit or explicit pledge of relational continuity between exchange partners'. According to Dwyer, Schurr, and Ohb (1987), commitment is believed to employ a willingness to make short – term sacrifice to realize longer – term benefits.

In the services relationship marketing area, Berry (1983) maintains that relationships are built on the foundation of mutual commitment. He also argued that a common theme emerges from the literatures on relationship that parties identify commitment among exchange partners as key to achieving valuable outcomes for themselves, and they endeavor to develop and maintain this

precious attribute in their relationships. Therefore, commitment is central to all the relational exchanges between the firm and its various partners. As for commitment as a critical factor in building customer loyalty, consisting in the study of accommodating to customers 'needs, tailoring products to requirements, and being generally flexible in their customer relationships is needed Ndubisi (2007). He also indicated that banks should recognize the influence of service commitment in keeping loyal customers, and act accordingly. They must also show genuine commitment to customer relations.

Committed customers are positive in both attitude and behavior and they are described as delighted with the brand. They can be depended upon to make continuing purchases and to engage in positive and delighted word-of-mouth exchanges with other potential customers. In a number of service settings, they can also make a positive contribution to the environment of the service experience for other customers; this contribution is particularly important in service settings in which customer-to-customer interaction is an important element of the service experience (Rowley, 2005).

Committed customers are resistant to competitors attempts to persuade them and likely to be willing to extend their business with the brand, and to evolve their relationship with the brand over a period of time (Rowley, 2005). More specifically, they hardly consider other brands. Information search and the decision-making associated with switching is regarded as too labor intensive, and switching, in general, is regarded as too risky. Such loyal customers are very susceptible to marketing communications from brands to which they are loyal, and can even communicate the messages surrounded in those marketing communications to other actual or potential customers. Clearly, every business would wish to convert as large a proportion as possible of their customers into committed loyal. They are the true loyal, add value to the brand, and are almost as enthusiastic to continue the relationship with the seller, as the seller might be to continue the relationship with them. Both sides recognize the mutual benefits of the relationship, in minimizing risk.

### **2.1.5.3 Conflict Handling**

In interpersonal communication, conflict occurs when an individual perceives incompatibility between his or her own personal goals, needs, or desires and those of the other party. In dealing with conflict, people use different strategies to accomplish their goals. Dwyer (1987) defined conflict handling as the ability of each supplier to minimize the negative consequences of manifest and potential conflicts. Conflict handling reflects the supplier to avoid any potential conflict, solve that particular conflict before they create problems and the ability to discuss the solution openly when the problem arises. Conflict handling requires cooperative behavior from exchange partners. According to Evans & Beltramini (1987), in a negotiation setting, cooperative versus competitive intentions have been found to be linked to satisfactory problem solution. In short, good conflict resolution will result in relationship quality positively. Conflict handling is an important relationship builder. Even though it is difficult to service industries especially in the hotel sector to achieve zero service failure all the time, but it is so important that the particular hotels put in place effective conflict resolution or problem solving mechanism.

There are different forms of conflict occurrence in a service environment listed below are four proposed by Clow & Kurtz (2003).

#### **1. Employee-Customer conflict**

Conflict can occur between employees and customers when either party does not follow the expected role. Conflict also occurs between the employee and the customer if the customer does not take care of the facility the way the employees feel. Both service personnel and customers are expected to behave in accordance with their role scripts. When behavior deviates from the normal scripts, a conflict may arise. To reduce employee-customer conflict, both customers and service providers must understand their roles. Company personnel should instruct new customers about their roles and may need to remind current customers occasionally. Training employees how to handle different types of customers and their behaviors can also be beneficial.

#### **2. Customer-Role conflict**

Sometimes there is a conflict between the customers and their expected roles. In these situations, the service provider must provide instructions to the client on his or her role without offending

the customer. The service provider should also attempt to give the client a sense of cognitive control through providing information about the service to be provided.

### **3. Customer-Organization conflict**

Conflict between the customer and the organization is common. Most of these situations occur as a result of policies of the service organization. In most cases, the individuals' conflict is with the organization and not with the service personnel. Dealing with customer-organization conflict is difficult to alleviate because most organizations do not want to change policies. When conflict occurs, service providers should analyze their policies and decide if it is time to modify or eliminate the policy.

### **4. Customer-Customer Conflict**

Conflicts sometimes arise among customers when they are served at the same time or when one customer is served in the presence of other customers. Conflicts also sometimes occur among customers who have different expectations. A customer who wants quick, speedy service may be aggravated at the customer in front of him who wants to talk and wants personalized service. Handling conflict among customers is difficult. Employees of all types of services should be trained to handle conflicts among customers and how to minimize such conflict.

Since service failure will occur at a point in service interaction a major problem which had been resolved satisfactorily may leave in its wake a happy and loyal customer, but may be minor issues if not carefully handled will result in dissatisfaction & defection. So a more excellent approach in, for example proactive planning and implementations of handling conflicts includes, identifying potential conflicts, solving conflict before they manifest, avoiding potential conflict and blocking them,. And this efforts could bring the better relationship and loyalty to the particular service firm (Ndubisi, 2007). Ndubisi and Wah (2005) found a significant relationship between conflict handling and customer loyalty, indirectly through trust and perceived relationship quality.

#### **2.1.5.4 Communication**

Communication is the ability to provide timely and trustworthy information (Narteh, 2009; Ndubisi & Wah, 2005). They argued that communications in relationship marketing means providing information that can be trusted; providing information when delivery problem occurs; providing information on quality problems and fulfilling promises. The effect of good communication in a business to customer relationship is to increase overall service satisfaction, the customer's trust of the service providers and loyalty. The frequency of communication between the parties indicates the strength of the relationship (Narteh, 2009).

Communication is considered as a vital component in the establishment of business relationships. Yet it is a variable that is often assumed or taken for granted and consequently overlooked as a component of relationship development (Andersen, 2001). Communication is important in marketing relationships; it plays a central role in providing an understanding of the exchange partner's intentions and capabilities, thus forming groundwork for building trust amongst exchange partners. The regency and frequency of communications are important variables. The regency (number of days/weeks since the last communication) and the frequency (number of communications received over a period of time) drive the perceived level of connection to the organization. In the same time Seines (1998) confirms that communication is not only an important element in its own right, but it also influences levels of trust between buyer and seller. In the same context Sin et al. (2002) asserts that communication, especially timely communication, fosters trust by assisting in solving disputes and aligning perceptions and expectations. Communications also inform dissatisfied customers what the organization is doing to rectify the causes of dissatisfaction. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal.

#### **Customer loyalty**

Customer loyalty is the most important goal of implementing relationship marketing activities. Oliver (1997) defined customer loyalty as a deeply held commitment to re-buy a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. It is assumed that customers who are behaviorally loyal to a firm display more favorable attitudes towards the firm, in comparison to competitors.

Kotler defined the term loyalty as a lasting commitment to family, friends or country and believes that it initially entered to the marketing literature by emphasizing on brand loyalty (Ranjaryan&Barari, 2009). One of the basic assumptions in relationship marketing is that long-term loyal customers are profitable. Storbacka et al. (1994) suggest that customer relationship profitability is achieved through a chain that starts with perceived value that creates customer satisfaction that, in turn, strengthens the relationships so that it lasts longer and thus becomes more profitable (palmer et al,2005). It is assumed that it is cheaper to keep an existing customer than to acquire a new one (Morgan&Hunt, 1994).

Lacey (2009) undertaken research and concluded customers are vital sources for future revenue streams and marketing intelligence to the firm and loyal customers are willingly share insight about their needs and provide the opportunity for firms to tailor products, pricing, distribution channels, and marketing communications. This author also indicated that relational outcomes reflect the combination of marketing resources that contribute to a more efficient and effective marketing enterprise, including personal referrals, sharing personal information, engaging in firm-sponsored marketing research activities, providing complaint feedback, being more open to firm promotions and increasing purchasing activities. Results of Pantouvakis & Lympelopoulos (2008) support that in order for service company services strategies and tactics to yield desired results; attention should be given to the increasing loyalty of customers. Knowing the buying motivations of customers has been an important part of understanding customer loyalty and brand switching behaviour. Oliver (1997) describes four levels of loyalty based on these components:

1. Cognitive - is the information based on whether consumers look for costs, benefits, and quality during their purchasing decision process. Consumer may shift to other stores, which can offer better process and benefits. Affective loyalty – Affective loyalty involves both liking and experience satisfaction. The issue of satisfaction and dissatisfaction has a direct influence on attitude and attitude change. At this stage, consumer loyalty is determined by information relating to the offering, such as price, quality, and so forth. It is the weakest type of loyalty, since it is directed at costs and benefits of an offering and not at the brand itself. Therefore, consumers are likely to switch once they perceive alternative offerings as being superior with respect to the cost-benefit ratio (Kalyanaram

and Little 1994). Cognitive loyalty is influenced largely by the consumer's evaluative response to an experience, in particular to the perceived performance of an offering relative to price (value)

2. Affective - liking towards brand has developed over the course of multiple purchase situations that were satisfying. Affective loyalty relates to a favorable attitude towards a specific brand. Attitude itself is a function of cognition (e.g. Expectation). Satisfaction is a global affect evaluation or feeling state which can be predicted from perceived performance as the cognitive component of the evaluation (Oliver 1993; Phillips and Baumgartner 2002; Westbrook and Oliver 1991). Expectancy confirmation leads to satisfaction, which in turn effectuates affective loyalty (Bitner 1990). Oliver (1997) defines satisfaction as "the consumer's fulfillment response, the degree to which the level of fulfillment is pleasant or unpleasant." Affective loyalty is also subject to deterioration, caused primarily by an increased attractiveness of competitive offerings (Sambandam and Lord 1995) and an enhanced liking for competitive brands. This can be, for instance, conveyed through imagery and association used in competitive communications (Oliver 1999). As cited by, Mukhiddin, Deleep and Jalal (2012)
3. Conative - Affective stage with the express intention to re-buy. It is a loyalty state containing commitment to buy. One of the important dimensions is word of mouth, where the consumer not only would re-visit certain store, but would also encourage relatives, friends and colleagues to patronize certain favored brands. At conative stage, customers will not only commit to buying but also come to trust the favored stores. Conative loyalty implies that attitudinal loyalty must be accompanied a particular brand. It is stronger than affective loyalty, but has vulnerabilities as well. Repeated delivery failures are a particularly strong factor in diminishing conative loyalty. Consumers are more likely to try alternative offerings if they experience frequent service failures. Even though the consumer is conatively loyal, he has not developed the resolve to avoid considering alternative offerings (Oliver 1999).As cited by Mukhiddin, Deleep and Jalal (2012).
4. Action - Conative stage plus the active desire to overcome situational influences and marketing efforts that may have the potential to cause switching behavior. It is the habit

and routinized response behavior. This loyalty category is particularly protected to competitor's marketing activities and would not spend time and effort in engaging information search and evaluation.

## **2.2 Empirical Literature**

In order to substantiate the result of the present study, the researcher also tried to include the following empirical studies.

### **Trust and customer loyalty**

Trust ensures that the relational exchanges benefits both parties, as the good intentions of service providers are not questioned by the customers. And this specially applies to service industries, customers buying services are specially benefited by the existence and development of trust (berry, 1983).

The importance of trust in developing customer loyalty have been mentioned by many researches to mention a few, (Ndubisi, 2007) said that Trust is an important ingredient in firm-customer relationships and ultimately in the development of loyalty , and also the results of Taylor, Celuch and Goodwin (2004) suggest that trust is consistently the most important antecedents to customer loyalty.

Research on trust suggests that it is built through experience; thus encouraging consumers to repeat their business is key to building trust and contributing to the gradual development of loyalty over time (Kocak&Abimbola, 2009). So it's advised that, hotels should strive to win customers trust. The ways in which this can be achieved include the giving and keeping promises to customers, showing concern for the security of transactions, providing quality services, showing respect for customers through service staff, fulfilling obligations, and acting to build customers confidence in the hotels services.

There was study conducted by (Andualem Walelign 2020) the main aim of his study was to investigate the r/ship between RM and customers' loyalty in Hawassa city selected hotels by applying RM dimensions. And one of the RM dimensions he used was trust and according to his research finding he concluded that trust is correlated to customer loyalty ( $r = 0.726$ ) and that it is



a significant predictor And another study conducted by (Surafel Suaferaw 2018) on the Determinants of Customer Retention in Five Star Hotels in Addis Ababa concluded that trust is correlated to customer loyalty ( $r = 0.709$ ) and that it is a significant predictor, ( $\beta = 0.116$ )

### **Commitment and customer loyalty**

Commitment is another important determinant of the strength of a marketing relationship, and a Useful construct for measuring the likelihood of customer loyalty and predicting future purchase Frequency (Morgan and Hunt, 1994).

And other studies conducted by Berry and Parasuraman (1991) indicated that commitment is central in relationship marketing theory. Mutual Commitment is very essential to build a long term relationship. Wilson (1995) observed that commitment was found to be the most common dependent variable used in buyer-seller relationships (Wilson, 1995). Mowday, (1982) also observed that Commitment is higher among buyers who believe they receive more value from a relationship. So commitment is another important determinant of customer loyalty.

The importance of commitment as a variable of relationship marketing was also shown by a study conducted by Surafel Suaferaw, (2018) which assessed Determinants of Customer Retention in Five Star Hotels in Addis Ababa, he concluded that commitment is correlated to customer loyalty ( $r = 0.736$ ) and that it is a significant predictor variable, ( $\beta = 0.199$ )

### **Communication and customer loyalty**

Research show that communication is an important variable to have a successful relationship with customer, Relationship conflict can be reduced by using proper communication system (Moore, 1998). Other studies also supported communication's importance as, Communication is observed to be a uniquely powerful aspect of relationship building through relationship marketing, one that has a tremendous impact on consumer behavior and loyalty (Patterson, 2016). The more breadth and depth that exists in communication patterns, the stronger is the partnership is likely to be (Lambert, et al, 1996).

To add to the above statements a study was conducted by Andualem Walelign, (2020) the main aim of his study was to investigate the relationship between RM and customers' loyalty in Hawassa

city selected hotels by applying RM dimensions. One of the RM dimensions he used was communication and according to his research finding he concluded that trust is correlated to customer loyalty ( $r = 0.680$ ) and that it is a significant predictor. And there's another study conducted by Surafel Suaferaw, (2018) on the Determinants of Customer Retention in Five Star Hotels in Addis Ababa concluded that communication is correlated to customer loyalty ( $r = 0.713$ ) and that it is a significant predictor variable, ( $\beta = .227$ )

### **Conflict handling and customer loyalty**

This relationship marketing variable significance has been researched by many authors to mention a few (Prasad & Aryasri, 2008; Kulet, 2017) noted that the effective management of conflict is a significant factor in creating consumer loyalty.

To add on to that some studies even emphasize that conflict handling is the first strong contributor of customer loyalty as opposed to trust as in the case to most studies (Gedefaw, 2014). Some research reflects that conflict handling has a direct influence on whether a consumer will continue a relationship with the brand (Leonidou et al., 2008). Conflict handling and trust are connected, in that effective conflict resolution will build trust (Prasad et al., 2008).

The importance of conflict handling was tested in a study conducted by Andualem Walelign, (2020) the main aim of his study was to investigate the r/ship between RM and customers' loyalty in Hawassa city selected hotels by applying RM dimensions. And one of the RM dimensions he used was conflict handling and according to his research finding he concluded that conflict handling is correlated to customer loyalty ( $r = 0.736$ ) and that it is a significant predictor. And another study conducted by Surafel Suaferaw, (2018) on the Determinants of Customer Retention in Five Star Hotels in Addis Ababa concluded that conflict handling is correlated to customer loyalty ( $r = 0.723$ ) and that it is a significant predictor variable, ( $\beta = .584$ )

## 2.3 Conceptual Framework

The framework has been adopted for its potential usefulness as a tool to assist the researcher to make meaning of subsequent findings. The conceptual framework is therefore based on four explanatory variables (trust, commitment, conflict handling, communication), and one dependent variable (customer loyalty) as shown diagrammatically in the Figure below

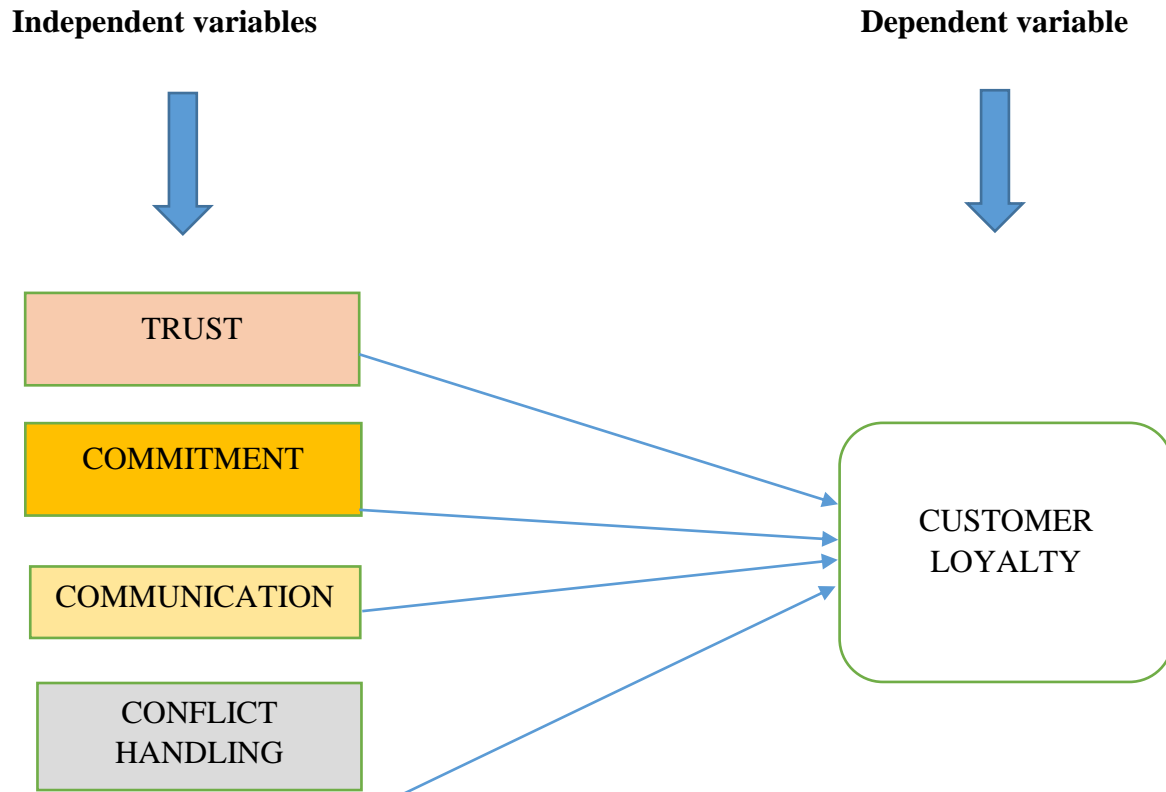


Figure 2.1 Conceptual Framework of the Study (Source: Ndubisi, (2007)

## 2.4 Hypothesis

In order to achieve the purpose of this study the following hypotheses were tested:

**H1:** Trust has positive and significant influence on customer loyalty.

**H2:** commitment has positive and significant influence on customer loyalty.

**H3:** communication has positive and significant influence on customer loyalty.

**H4:** conflict handling has positive and significant influence on customer loyalty.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Description of the Study Area**

The area this study was undertaken in is Gihon hotel which is a hotel accredited as four Star by Ministry of Culture and Tourism of Ethiopia and is located in Addis Ababa. Gihon is a hotel with 196 rooms which stretching over thirteen hectares of land area. The rooms comprise 64 apartments, 28 bungalows and 104 rooms, the later split in to suite, double, French and twin bedded rooms. The hotel is assumed to be places where quality services were given. So it is in this hotel the researcher have investigated the effects of relationship marketing on customer loyalty.

#### **3.2 Research Approach**

Quantitative research approach was applied in this study to get insight to the nuances of the process for best selection of methodology tools that fitted best. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of an attribute.

The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena (Abbey, 2009).

#### **3.3 Research Design**

According to Saunders, Lewis and Thorn hill (2000) as cited by Farhadi (2009) broadly classified the research approach as exploratory, descriptive, and explanatory. The authors further defined exploratory research as a research approach which has a primary objective to insights into and understanding of the problem situation tackling the research and descriptive research as a type of a research approach that has a purpose to describe something. Moreover, if the research is concerned with learning of {why (i.e. how one variable produces changes in another)} the research is said to be explanatory. Taking this into account, this study employed a Descriptive

and explanatory research design, descriptive (describing and summarizing the characteristics of respondents) and explanatory research design (testing the causal relationships that exist between relationship marketing dimensions (trust, commitment, communication and conflict handling) and customer loyalty).

### **3.4 Target Population**

A target population is the entire group of people or entities that the researcher is interested in and for which the researcher wishes conclude (Kothari, 2003). The target populations for the purpose of this study were all individuals (over the age of 18) who have used Gihon- hotel services in Addis Ababa, so the population for this study is unknown. In addition to this, the study focused on those domestic and international customers who have used accommodation and other services for over a night within the specified time frame.

### **3.5 Sampling Procedure**

Sampling is a procedure that uses a small number of units of a given population as a basis for drawing conclusions about the whole populations (Albaum, 1997). So the researcher has used a convenience sampling from non-probability sampling. Convenience sampling inherently is a non-probability sample method. Zikmund (2003) demonstrated that convenience sampling was referred to as sampling by obtaining units or people who were most conveniently available. The research chose this method because data can be facilitated in short duration of time and it is cost and time effective as well.

### **3.6 Sample Size**

Since, the target population of the study were customers who have used accommodation and other services for over a night the population of the study's respondents is unknown, so the researcher utilized the appropriate standardized formula for calculating the necessary sample size by adopting Hair, Bush & Ortinau's (2003) sample size determination formula to determine the number of respondents for the study. Hence the appropriate standardized formula for calculating the necessary sample size would be:

$$no = \frac{z^2pq}{e^2}$$

Where;  $n_o$  is the sample size,  $z^2$  is the abscissa of the normal curve that cuts off an area  $\alpha$  at the tails ( $1-\alpha$  equals the desired confidence level, e.g., 95%) 1,  $e^2$  is the desired level of precision,  $p$  is the estimated proportion of an attribute that is present in the population, and  $q$  is  $1-p$ . The value for  $Z$  is found in statistical tables which contain the area under the normal curve.

Therefore, to illustrate consider  $p=0.5$  (maximum variability), a 95% confidence level and  $\pm 5\%$  precision. The resulting sample size is

$$n_o = \frac{(1.96)(0.5)(0.5)}{(0.05)^2} = 384$$

Adopting this formula, the minimum required sample size was estimated to be 384.

### **3.7 Data Source**

The study has employed both primary and secondary data as its source of information. Primary data were collected based on structured questionnaire and semi-structured interview. The secondary data were collected by reviewing books, previous research works, articles and journals related, and online information available.

### **3.8 Data Collection Method**

Based on the research objective, a questionnaire was prepared to elicit customers experience and get information about relationship marketing and customer loyalty of the hotel. The questionnaire consisted of two parts. one was used to gather general information about the respondent's gender, age, education, occupation, monthly income and for how many time the customer using the hotels services, and another to ask respondents to answer relationship marketing and customer loyalty questions.

### **3.9 Validity and Reliability**

Validity is concerned with how well the concept is defined by the measures and can be defined as the assessment of the correspondence between the individual items and concept. Before the questionnaire was distributed to the respondents, the validity of the instruments was checked by

the advisor as to whether it measures what it spouse to measure. Accordingly, based on the approval obtained from the advisor, the questionnaire was used considering that, they are valid. Reliability of the study shows the degree to which the researcher can confidently rely on data obtained through the use of instrument adopted to gather, for the research work.

It actually shows the extent to which the researcher can confidently rely on the information gather through the use of research instrument (questionnaire) adopted to gather data for the research work. A reliability test has been carried out on the questionnaire using the Cronbach's alpha test. It is a coefficient of reliability used to measure its consistency of the scale; it represents as a number between 0 and 1. According to George &Mallery (2003), scales with coefficient alpha between 0.6 and 0.7 or higher are considered adequate to determine reliability.

**Table 3.1 Reliability Analysis of the Variables**

<b>Variables</b>	<b>Cronbach's alphas</b>	<b>No. of Items</b>
Trust	.924	7
Conflict handling	.816	6
Communication	.739	5
Commitment	.843	7
Customer loyalty	.819	5

*Source: Own Survey (2021)*

### **3.10 Method of Data Analysis**

First descriptive analysis was used for the demographic factors such as gender, age, education, occupation, monthly income and for how many times the customers are using the hotels services. Tools like tables and percentage were used. Analysis of data in this research was done by using statistical tools like regression and correlation models. Correlation analysis was conducted to measure the strength of the association between relationship marketing dimensions and customer loyalty. Regression analysis was also performed to know by how much the independent variable i.e. relationship marketing explains or influences the dependent variable which is customer loyalty. Data analysis was performed by using SPSS software.

### **3.11 Ethical Considerations**

This study maintained scientific objectivity throughout the study, recognizing the limitations of competence. The study in accordance with these taken steps to make sure that no respondent or any participant in this research work is harmed in any way. And all sources used in this research are duly acknowledged.



## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

This chapter encompasses the data analysis and discussion of the research findings. It used descriptive analysis for respondent's profile, and correlation analysis to determine the significance level of relationship between independent and dependent variables. As well a linear regression analysis to identify which factor has the most influence on customer loyalty of Ghion hotel in Addis Ababa.

#### **Response Rate**

The survey questionnaires had been distributed to customers of Ghion hotel in Addis Ababa. Out of the 385 distributed questionnaires, 80 were not completed. Hence, a total of 305 complete questionnaires were being used for the study with 79.2 % response rate. Coding of data is necessary for transferring and editing data in SPSS. The questions and possible answers were corresponded in the order of the actual questionnaire and coded for further analysis using SPSS.

#### **4.1. Descriptive Analysis**

To provide a clear picture regarding the study participants' demographic characteristics and their responses for the given questionnaires, descriptive analyses of respondents' profile and their respective perceptions on brand image have been described below.

#### 4.1.1 Demographic Characteristics of the Respondents

Table 4.1 Demographic Profiles of Respondents

Items	Alternative	Frequency	Percent
Gender	Male	196	64.3
	Female	109	35.7
	<b>Total</b>	<b>305</b>	
Education Level	Below high school	58	19.0
	College diploma	76	24.9
	First degree	90	29.5
	Masters and above	81	26.6
	<b>Total</b>	<b>305</b>	
Occupation	Government sector	53	17.4
	Private sector	116	38.0
	Own business	87	28.5
	Student and others	49	16.1
	<b>Total</b>	<b>305</b>	
Income	<1000 birr	52	17.0
	1000-2999 birr	103	33.8
	3000-4999 birr	85	27.9
	>=5000birr	65	21.3
	<b>Total</b>	<b>305</b>	
Time	Below 1 year	34	11.1
	1-3 years	47	15.4
	3-5 years	108	35.4
	5-7 years	64	21.0
	Above 7 years	52	17.0
	<b>Total</b>	<b>305</b>	

Source: Own Survey (2021)

The analysis of the data collected revealed that 196(64.3%) of respondents were male and the rest 109 (35.7%) accounted for female counterparts. Regarding to their Education status of respondents shows that 90(29.5%) were first degree holders followed by 81(26.6%) were masters and above the rest 76 (24.9%) and 58 (19.0%) were college diploma and below high school respectively. Thus, the result implies that the majority of the respondents were possessed a high level of education and they have knowledge to evaluate the relationship marketing as well as to fill the questionnaire. Occupation shows that 116 (38.0%) were private sector, 87(28.5%) were own business, 53(17.4%) were government employee, 49(16.1%) were student and others. It indicates that private sector respondents were use the service more than the other sectors. In terms of income 103(33.8%) get 1000- 2999 - birr income monthly followed by 85(27.9%) get 3000-4999, 65(21.3%) 5000 and above and 52(17.0%) below 1000-birr income monthly. income status has an implication that respondents with relatively 1000-2999-birr income respondents were use the hotel service. Regarding to experience with the company 108(35.4%) respondents have from 3-5years'pf experience followed by 64(21.0%) have 5-7 years of experience next 52(17.0%) have more than 7 years' experience, 47(15.4%) have 1-5-year experience and lastly 34 (11.1%) have below 1-year experience. It has an implication of respondents were good experience to evaluate the hotel service regarding to relationship marketing dimensions.

#### **4.1.2 Descriptive Statistics of Variables**

In this part descriptive statistics in the form of mean and standard deviation were presented to illustrate the level of agreement of the respondents. The main objective of the study is to examine the effect of relationship marketing in the case of Ghion four-star hotel in Addis Ababa. To do so, customers of the hotel were asked to rate the level of agreement to each question under the four attributes namely: trust, communication, conflict handling and commitment and customer loyalty on a five point Likert scale, Likert scale was used to measure the contribution of attributes for customer loyalty. On a five-point scale, respondents were asked to choose the number that best represented their point of view. According to (Andrich & David, 1978) if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.81 - 3.40; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.21 – 5.00. In order to compare the respondent's customer loyalty, descriptive statistics of mean and standard deviation were used. The mean indicates to what

extent the sample group averagely agrees or disagrees with the different statements. The higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. In addition, standard deviation shows the variability of an observed response.

**Table 4.2 Descriptive Analysis of Variables**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Trust	305	3.4220	1.25751
Conflict Handling	305	3.5224	1.57609
Communication	305	3.7515	1.21428
Commitment	305	3.4108	1.20533
Customer Loyalty	305	3.4105	1.00152
ValidN (listwise)	305		

*Source: Own Survey (2021)*

The result of the descriptive statistics shows that the mean of trust is 3.42 the perception of customer in trusting the hotel is agreed. The perception of customer towards hotel making a commitment to wards customer need is high having a mean score of 3.41. Communication mean of customer responses 3.75 meaning the respondent agree on the method and practice of communication and information delivering technique of the hotel. Conflict handling similarly the response is high having a mean score of 3.52 meaning the customer think the handling especially the hotel solve problems. Finally the respondent answers loyalty testing questions by agreeing on most of the question having a mean score of 3.41.

## **4.2 Inferential Analysis**

### **4.2.1 Correlation Analysis**

Correlations can demonstrate and how variables are related. To examine the relationship between the dependent variable (Customer Loyalty) and the independent variable (Trust, Conflict Handling, Communication and Commitment), Pearson correlation coefficients were calculated. The results obtained in Table 4.3. Provide information about the direction of the relationship

(either positive or negative), the intensity of the relationship (-1.0 to +1.0) and information on whether the correlation is statistically significant as well (Marczyk, 2005). The correlation is significant at the 0.01 and 0.05 level. Different authors suggest different interpretations; however, (Cohen, 1988) suggests the following guidelines for interpreting correlation coefficients: - Small = .10 to .29, Medium = .30 to .49 and Large = >0.5.

**Table 4.3 Correlation Analysis of Variables**

<b>Correlations</b>						
		<b>TRU</b>	<b>CHD</b>	<b>CMU</b>	<b>CMI</b>	<b>LOY</b>
<b>TRU</b>	Pearson Correlation	1	.325**	.387**	.646**	.699**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	305	305	305	305	305
<b>CHD</b>	Pearson Correlation	.325**	1	.412**	.135*	.509**
	Sig. (2-tailed)	.000		.000	.018	.000
	N	305	305	305	305	305
<b>CMU</b>	Pearson Correlation	.387**	.412**	1	.457**	.630**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	305	305	305	305	305
<b>CMI</b>	Pearson Correlation	.646**	.135*	.457**	1	.620**
	Sig. (2-tailed)	.000	.018	.000		.000
	N	305	305	305	305	305
<b>LOY</b>	Pearson Correlation	.699**	.509**	.630**	.620**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	305	305	305	305	305
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

*Source: Own Survey (2021)*

Table 4.3 shows that all of the independent variables have strong positive correlation with the dependent variable. Among them, the association between trust and customer loyalty had the most strongly positive with correlation coefficient of 0.699 and significant at 0.01. Communication is the second most determinants of the customer loyalty with strong positive correlation coefficient of 0.630 and significant level at 0.01. Besides, commitment also had strong positive relationship and significant with customer loyalty with the correlation coefficient of 0.620 and significant level of 0.01 and also conflict handling had strong positive relationship and significant with customer loyalty with coefficient of 0.509 and significant level of 0.05.

## **4.2.2 Multiple Regression Assumption**

In order to be able to calculate the regression analysis accurately, some assumptions need to be met. Assumptions are prerequisites to insure the statistical results be statistically significant, accurate and help the researcher not to draw the wrong conclusion about the results. This regression is conducted to know how much the independent variable explains the dependent variable. Assumptions such as, multi-collinearity, homoscedasticity, normality and linearity for regression analysis used in this study.

### **4.2.2.1 Multi-Collinearity Test**

Multi-collinearity refers to the situation in which the independent variables are highly correlated (Kothari, 2004). When the independent variables are multi-co linearity, there is overlap or sharing of predictive power. When the predictor variables are correlated among themselves, the unique contribution of each predictor variable is difficult to assess. The study checks this with the Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. Collinearity can be detected by Collinearity statistics through checking the Tolerance or VIF (Variable Inflation Factor). VIF value above 10 and a tolerance value below 0.10 pose a multi-collinearity problem.

**Table 4.4 Multi-collinearity**

<b>Coefficients</b>				
<b>Model</b>		<b>Collinearity Statistics</b>		
		Tolerance	VIF	
1	Trust	.525	1.904	
	Conflict Handling	.759	1.318	
	Communication	.666	1.501	
	Commitment	.507	1.974	
a. Dependent Variable: LOY				

The result from Table 4.4 shows the VIF is below ten and the tolerance result is greater than 0.10. Hence, we have not violated the multi collinearity assumption.

#### **4.2.2.2 Normality Test**

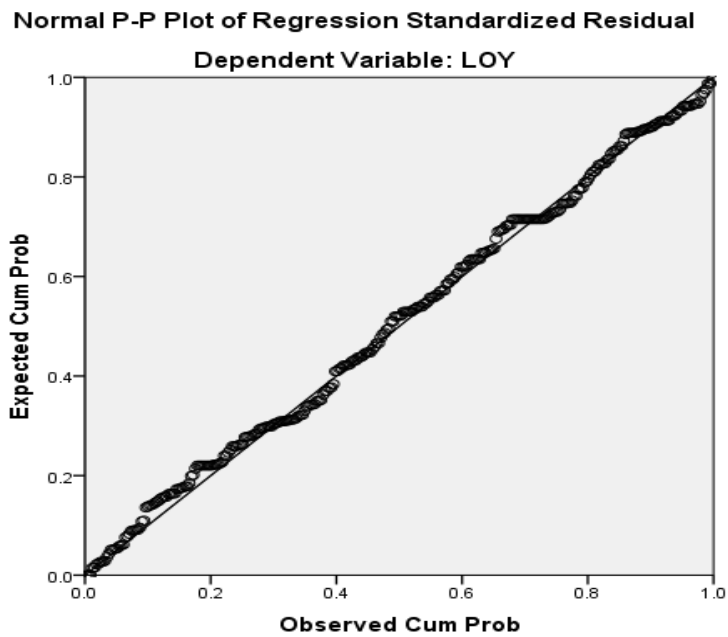
The estimation of multi-regression model requires continuous data with normal distribution. Normality of distribution can be tested by using histogram with a normal curve by using skewness and kurtosis. Normal P-P Plot, you are hoping that your points will lie in a reasonably straight diagonal line from bottom left to top right. Both Skew and Kurtosis should be within the +2 to -2 range when the data are normally distributed (Hair, 1998).

**Table 4.5 Normality Test**

**Descriptive Statistics**

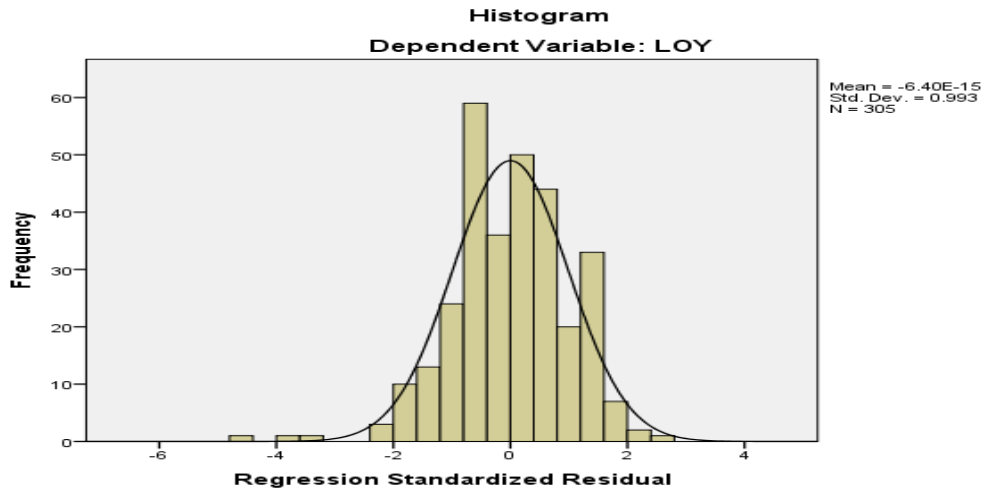
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Trust	305	-.436	.140	-1.219	.278
Conflict Handling	305	-.529	.140	-1.367	.278
Communication	305	-.693	.140	-.514	.278
Commitment	305	-.259	.140	-1.026	.278
Customer loyalty	305	-.183	.140	-.192	.278
Valid N (listwise)	305				

**Figure 4.1 Normal Point Plot of Standardized Residuals**





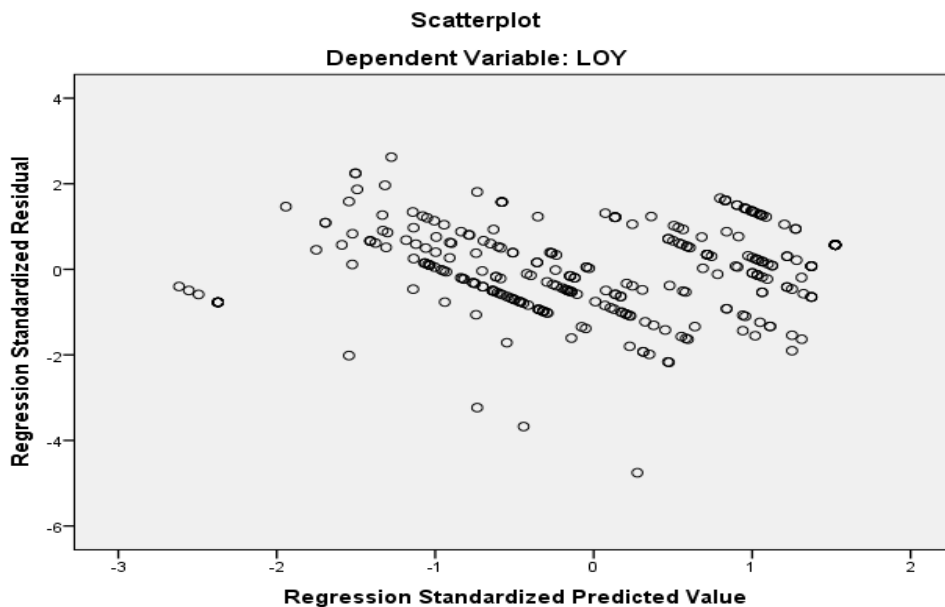
**Figure 4.2 Frequency Distribution of Standardized Residuals**



### 4.2.2.3 Linearity

The assumption can be checked using the scatter plot of the dependent and independent variables. Linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). The regression model can be expressed in a linear way. Berry and Feldman (1985).

**Figure 4.3 Frequency Distribution of Standardized Residuals**



### 4.2.3 Multi-Regression Analysis Results

The multiple regression analysis was conducted. Multiple regressions is an extension of simple linear regression. It is used when we want to predict the value of dependent variable based on the value of two or more independent variables. It is conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influence of the independent variable (Trust, Commitment, Communication and Conflict handling) to the dependent variable customer loyalty.

**Table 4.6 Model Summary**

Model Summary <sup>b</sup>				
Model	R	RSquare	Adjusted R Square	Std. Error of the Estimate
1	.835 <sup>a</sup>	.697	.693	.55535
a. Predictors: (Constant), CMI, CHD, CMU, TRU				
b. Dependent Variable: LOY				

The table shows an R-Square value is 0.697 which means that 69.7 % of the customer loyalty was explained by the variation of the independent variables. In other words, this means that 30.3 % of the dependent variable i.e. customer loyalty cannot be explained by these variables and that there must be other variables that have an influence on the outcome.

**Table 4.7 ANOVA Analysis**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	212.401	4	53.100	172.170	.000 <sup>b</sup>
	Residual	92.525	300	.308		
	Total	304.926	304			

a. Dependent Variable: LOY    b. Predictors: (Constant), CMI, CHD, CMU, TRU

As we see from the above ANOVA table the P value is 0.00 which is less than the level of significance or 0.05. Thus, the combination of the variables significantly predicts the dependent variable ( $F=172.170$ ;  $p < 0.05$ ). Therefore, the overall regression model is significant.

**Table 4.8 Estimated Regression Coefficients**

**Coefficients<sup>a</sup>**

Model	Unstandardized		Standardized	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.358	.123		2.920	.004
TRU	.292	.035	.367	8.364	.000
CHD	.153	.023	.241	6.608	.000
CMU	.238	.032	.288	7.398	.000
CMI	.182	.037	.219	4.900	.000

- a. Dependent Variable: LOY
- b. Predictors: (Constant), CMI, CHD, CMU, TRU

$$CUL = .358 + 0.292 TRU + 0.153 CHD + 0.238 CMU + 0.182 CMI$$

The regression analysis revealed that each relationship marketing dimensions have positive and significant effect on customer loyalty. The regression model from the above table shows that keeping other variables constant, a one-unit increase in trust will bring a 0.292-unit increase in customer loyalty, a one-unit increase in conflict handling will bring a 0.153-unit increase in customer loyalty, a one-unit increase in communication will bring a 0.238-unit increase in customer loyalty, a one-unit increase in commitment will bring a 0.182 - unit increase in customer loyalty. The result shows that Trust has highest value ( $\beta = .292$ ) followed by Communication ( $\beta = .238$ ), Commitment ( $\beta = .182$ ) and Conflict handling ( $\beta = .153$ ).

## **Results of Hypothesis testing**

### **H1-customer Trust has a significant positive effect on customer loyalty of Ghion Hotel.**

As show in coefficients table 4.8 indicate that Trust on the organization has a positive influence on customer loyalty having a beta value of ( $\beta=0.292$ ) this shows that there is a positive and significant effect on customer loyalty with 95% confidence interval. Thus, the above proposed hypothesis is accepted.

### **H2- Conflict handling has a significant positive effect on customer loyalty of Ghion Hotel.**

Based on regression analysis result in the above table 4.8 illustrates that conflict handling has significant influence on customer loyalty the value of beta is 0.153 this shows that there is a positive and significance influence of conflict handling practice on the hotel. On customer loyalty with 95% confidence interval. Thus, the above proposed hypothesis is accepted.

### **H3- Communication has a significant positive effect on customer loyalty of Ghion Hotel.**

The result of multiple regression analysis in the above table 4.8 clearly indicates that communication has positive and significant influence on customer loyalty the value of beta is ( $\beta=0.238$ ) with 95% confidence interval this shows there is a significance influence of organizational communication on customer loyalty. Therefore, the above proposed hypothesis is accepted.

### **H4- Commitment has significant positive effect on customer loyalty of Ghion Hotel.**

The result form the coefficients table 4.8 indicate that commitment of the hotel has a positive influence on customer loyalty having a beta value of ( $\beta=0.182$ ) with 5% significant level this shows that there is a positive and significant effect on customer loyalty. Thus, the above proposed hypothesis is accepted.

**Table 4.9 Summary of the Research Hypothesis Test Result**

Number	Hypothesis	Accepted or Rejected	Reason
H1	Trust has a significant effect on customer loyalty of Ghion Hotel	Accepted	$\beta = .292, p < 0.05$
H2	Conflict handling has a significant effect on customer loyalty of Ghion Hotel	Accepted	$\beta = .153, p < 0.05$
H3	Communication has a significant effect on customer loyalty of Ghion Hotel	Accepted	$\beta = .238, p < 0.05$
H4	Commitment has a significant effect on customer loyalty of Ghion Hotel	Accepted	$\beta = .182, p < 0.05$

### **4.3 Discussion of the Result**

The findings revealed that Trust ( $\beta = .292$ ) has relatively the highest significant and positive effect on customer Loyalty. The nature of service offerings means that service consumers typically pay in advance to buy a firm's promise and, therefore, must be willing to rely on the firm to deliver its promise (Berry, 2005).

Secondly, Communication ( $\beta = .238$ ) has relatively the highest significant and positive effect on customer Loyalty. Communication especially timely communication means helping to resolve the disputes and aligning the conceptions and expectation in order to enhance mutual trust in relationship. Regarding the relationship between the customer and the service provider, communication means providing information that's trustable (Sin et al. 2002)

Thirdly, Commitment ( $\beta = .182$ ) has relatively the highest significant and positive effect on customer Loyalty. Commitment can also be perceived as a manner of responding to the needs of customers and (Ndubisi, 2006) understanding how strong the relationship between a business and its customers have with each other.

Finally, Conflict handling ( $\beta = .182$ ) has also relatively the highest significant and positive effect on customer Loyalty. The hotel service provider's capacity to minimize the negative results. How a consultant handles conflicts is reflected in one's ability to openly discuss a solution when a problem rises up, show concerns and resolve differences quickly and satisfactory (Ndubisi et al. (2007).

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter comprises the summary of major findings, conclusions and then suggested recommendation related to the findings and their respective conclusion.

#### 5.1 Summary of Major Findings

This study examines the effect of relationship marketing on customer loyalty. Based on the theoretical frame work and objectives of the study 30 items were provided in a 5-point Likert scale to the respondents. The gathered data were analyzed by inferential analysis using descriptive and inferential statistics. The analyses had been done based on the primary data collected through self-administered questionnaires from a total of 305 respondents.

Descriptive statistics indicates that all of the research variables were fall in the category of the range between 3.41 and 3.75 which means respondents have a good opinion (agreed) on that these independent variables affect customer loyalty.

With regard to the Pearson correlation analysis, it can be clearly seen that the four relationship Marketing dimensions namely trust, conflict handling, commitment and communication are positively and strongly related to customer loyalty in the hotel. It looks like the Trust ( $r=0.699$ ), Conflict handling ( $r=0.509$ ), Communication ( $r=0.630$ ) and Commitment ( $r=0.620$ ) with customer loyalty.

The regression analysis clearly shows that 69.7 % customer loyalty is explained by relationship marketing dimensions (trust, conflict handling, communication and commitment). Each independent variable regressed against customer loyalty and the result shows all the independent variables can explain the dependent variable (customer loyalty).

The results revealed that all attributes had positive and significant effect on the customer loyalty, The result shows that Trust has highest value ( $\beta = .292$ ) followed by Communication ( $\beta = .238$ ), Commitment ( $\beta = .182$ ) and Conflict handling ( $\beta = .153$ ).

## **5.2 Conclusions**

The main purpose of the study was to examine the impact of relationship marketing on customers' loyalty in hotel, particularly in Ghion Hotel. The major goal of relationship marketing is to create long-lasting relationship with customers. Good relationship with customers is the first requirement to survive in a competitive environment and to generate profit. The relationship marketing dimensions that were included in this research are trust, conflict handling, communication and commitment.

Trust is customer confidence in the quality and reliability of the services offered by the hotel it has vital role to attract customers. Meanwhile, next to Trust, Communication had also a positive significant impact on customer loyalty. Managements of the hotels were aggressively working on communication to provide reliable and timely and trustworthy information and attempt to create a two-way communication process. There is a gap in implementing Commitment the finding revealed the hotels more of focused on business customers than individuals. Managers and marketers needs to put unlimited efforts to change such negative perceptions. In Conflict handling the result indicates that there is gap in how complains are explained. Conflicts resolved satisfactorily may leave in its wake a happy and loyal customer, but may be minor issues if not handled carefully will result in defection.

The findings of hypotheses one through four were verified by running a multiple regression analysis, which then showed that all the dimensions of relationship marketing have a positive and significant effect on customer loyalty of Ghion hotel.

This leads to the conclusion that a one-unit increase in all of the dimensions, results in a positive increase in customer loyalty of Ghion Hotel. This study was aimed at finding out if there is a possibility to use relationship marketing dimensions to make loyal customers of Ghion hotel.

## **5.3 Recommendation**

Based on the findings of the study Trust, conflict handling, communication and commitment practices of the hotel significantly affects customer loyalty. And based on the conclusions drawn above the following recommendations are forwarded for the concerned bodies:

- ❖ Hotel management should work even more on customer trust by making them feel secure, giving them reliable information in time, maximize the effect of trust, hotel should keep their promises, be consistent in providing the promised quality, be honest and have high integrity.
- ❖ Even though the hotel has a good commitment practice the hotel should further consistently stay committed to meet customer needs and to have continuous relationship with customers. Developing commitment through dealing with customers in care, giving individualized attention to the customers, understand their specific needs and having the customers' best interest at heart. In other words, the hotel employees must treat their customers, in the way they would like to be treated.
- ❖ The management should invest in their employees to motivate them to serve customers best. Employees should be trained to act in a manner that recognizes customers as a valuable asset.
- ❖ The management should also work on conflict handling mechanism by making it easy for customers with regards to how where and when to report their complaints that will eliminate unnecessary inconvenience to customers lead to being not loyal. The hotel analyse the feedback periodically and must use them as a means of problem identification. In addition, the hotel should manage conflicts proactively and timely before it runs the relationship.
- ❖ The hotel management should develop strategy in accordance with relationship marketing because loyal customers are valuable communicators of favorable word-of-mouth about organizations or products to which they feel loyal and may even increase their usage of the hotel service collectively will benefit the revenue and profit of the hotel.
- ❖ In general, hotel should make their system on work with customers preferential. As it is known, customers are the reason for the survival of hotel. So, hotel is expected to invest more on attracting new customers and retaining the existed ones. Once they are satisfied with the services that were provided by the hotel, they will communicate about the hotel or services to the other customers. The hotel should recognize the importance of relationship marketing in creating loyal customers and implement properly.



### **Suggestion for Future Research**

Future research should test these relationships in other service sectors other than hotel. Moreover; future research in this area can introduce some other relational dimensions such as empathy, customer centricity, personalization, brand awareness, physical evidence, perceived quality, image and trends. By examining these effects, this future study will add value to the present knowledge in this area, by pushing back the frontier of knowledge in the field.

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## Appendix *I*

Dear respondent

My name is Manaye Bruck. I am working on a research for fulfillments of my Masters of Arts in Marketing Management in ST. marry university. I kindly ask you to fill all questions in the questionnaire to help me collect the most relevant pieces of information regarding the effect of relationship marketing on customer loyalty in Gihon hotel. I am very grateful for the support you are giving me and I would like to assure you that your responses will be kept confidential and will only be used for research purposes.

Contact me

Mob- 0929043487 or

Email: manayebruck123@gmail.com

### *Questionnaires*

#### *I: Demographic or General information*

Choose the suitable answer and tick ( ) in the box given for each question

##### **1. Gender**

Male  male-

##### **2. Age years**

18-20years       20-39 years       40-59 years       60 years and above

##### **3. Education qualification**

Primary     Secondary     Diploma     Degree     Postgraduate  Others

##### **4. Occupation**

Government sector  Private sector  Own Business     Student & Others

##### **5. Monthly income**

Below Birr 1000     Birr 1000-2999     Birr 3000-4999     Birr 5000 and above

##### **6. For how many times you have used the hotels services?**

Below 1 year.....  1 -3 years     3- 5 years     5-7 years  aboveyears



**Part II**

*Please, indicate your opinion by marking the appropriate box on the five point scale where:*

*1=Strongly Disagree 2= Disagree 3=No Opinion 4=Agree 5=Strongly Agree*

<b>Code</b>	<b>Trust related Questions</b>	<b>SD1</b>	<b>D2</b>	<b>NO3</b>	<b>AG4</b>	<b>SAG5</b>
TRU1	The hotel is consistent in providing quality services.					
TRU2	Employee of the hotel show respect to customers.					
TRU3	The hotel always does what it promised to do.					
TRU4	The hotel provides on time reliable information.					
TRU5	The hotel fulfil its obligations to customers.					
TRU6	The hotel is always honest to me					
TRU7	Given my experience, the hotel can be trusted completely.					
	<b>Conflict Handling related Questions</b>					
CHD1	The hotel clearly communicates to you about how and where to complain in case of a problem.					
CHD2	The hotel takes corrective actions to avoid situation that have originated complaints.					
CHD3	The hotel asks you about your feeling toward their responses for your complaints.					
CHD4	The hotel listens to customer's problem.					
CHD5	The hotel tries to avoid potential conflict					
CHD6	The hotel has the ability to openly discuss solutions when problems arise.					
	<b>Communication related question</b>					
CMU1	The hotel provides information easy to access.					
CMU2	Employees devote enough time to customers to be able to answer his/her questions.					

CMU3	The hotel provides timely and trustworthy information.					
CMU4	Employees has full information about the hotel service.					
CMU5	There are two way communications between me and the customer service officer when I visit.					
	<b>Commitment related question</b>					
CMI1	My relationship with the hotel is one that I am very committed to continue.					
CMI2	The hotel offers personalized services to meet customers need.					
CMI3	The hotel is flexible when their services are changed.					
CMI4	The hotel is flexible in serving my needs.					
CMI5	The hotel makes adjustment to suit my needs.					
CMI6	My relationship with the hotel is very important to me.					
CMI7	My relationship with the hotel is worth my effort to maintain.					

<b>Loyalty related questions</b>						
LOY1	I prefer the to other competitor.					
LOY2	I recommend the hotel service to others.					
LOY3	I would always use this hotel service.					
LOY4	My Intention to use the service of this hotel will be changed.					
LOY5	I am a loyal customer to the hotel.					

## APPENDIX II (Amharic Questionnaire)

ቅድስት ማርያም ዩኒቨርሲቲ፣ ስኩል ኦፍ ግራጁዌት ስተዲስ

የማርኬቲንግ ማኔጅመንት የትምህርት ክፍል

የዳሰሳ ጥናት መጠይቅ

ስሜ ማናዬ ብሩክ ይባላል። የቅድስት ማርያም ዩኒቨርሲቲ፣ ስኩል ኦፍ ግራጁዌት ስተዲስ የድህረ ምረቃ ተማሪ ነኝ። ይህንን ጥናት የማድረገው በማርኬቲንግ ማኔጅመንት የማስተርስ ዲግሪ ለማግኘት የሚጠየቀውን መስፈርት በከፊል ለማሟላት ነው። ይህ ጥናት የተደረገው ለትምህርት ዓላማ ብቻ ሲሆን በምንም ዓይነት መንገድ በእርስዎ ላይ የሚፈጥረው ተፅዕኖ አይኖርም። እርስዎ የሚሰጡት እውነተኛ፣ የተብራራ እና ወቅታዊ ምላሽ ጥናቱ ስኬታማ እንዲሆን ወሳኝ ሚና አለው። በመሆኑም እያንዳንዱን ጥያቄ በጥንቃቄ እንዲመልሱ በትህትና እጠይቃለሁ።

ማስታወሻ፡- ስምዎን መጻፍ አያስፈልግዎትም። የምርጫ መልሶች በሚኖሩበት ጊዜ የ“X” ምልክት በማስፈር መልስዎን ይሰጡ። እባክዎን ይህንን መጠይቅ ከሞሉ በኋላ ይመልሱት።

ክፍል አንድ፡ ጠቅላላ መረጃ

- 1. ጾታ  
  ሴት       ወንድ
- 2. እድሜ  
  18 - 25     26-35     36-50     ከ51 በላይ

3 የትምህርት ደረጃ

  ከ12ኛ ክፍል በታች     ሁለተኛ ደረጃ ዲፕሎማ     የመጀመሪያ ዲግሪ እና ከዚያ በላይ

4. ወርሃዊ ገቢ በብር

  ከ 5,000 በታች     ከ5,001-10,000     ከ10,001-15,000     ከ 15,001 በላይ

**ክፍል ሁለት**

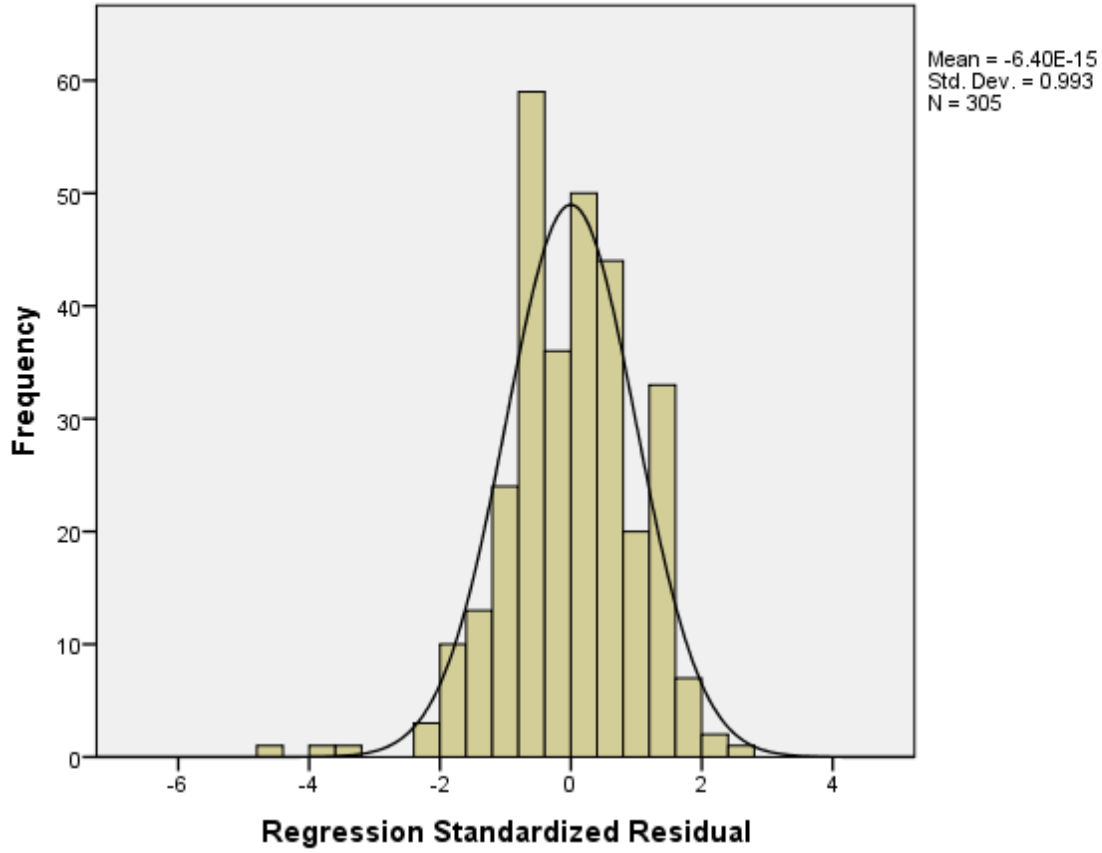
<u>መተማመን</u>	<u>በጣም አልሰማማም</u>	<u>አልሰማማም</u>	<u>አስተያየት የለኝም</u>	<u>እሰማማለሁ</u>	<u>በጣም እሰማማለሁ</u>
1. ሆቴሉ ወጥነት ያለውና ጥራቱን የጠበቀ አገልግሎት ያሰጣል					
2. የሆቴሉ ሰራተኞች ለደንበኞች ገቢ አክብሮት ያሰጣሉ					
3. ሆቴሉ ለደንበኞቹ የገባውን ውል ያከብራል					
4. ሆቴሉ አስተማማኝና ጊዜውን ጠብቆ መረጃ ያቀርባል					
5. ሆቴሉ ግዴታዎችን በአግባቡ ይተገብራል					
6. ሆቴል ለእኔ ታማኝ ነው					
7. በሆቴሉ ከነበረኝ ቆይታ አንጻር በሆቴሉ ላይ ሙሉ እምነት አለኝ					
<u>ግጭት አፈታት</u>					
1. ሆቴሉ ግልፅ በሆነ ሁኔታ አቤቱታዬን የማቀርብበት ሁኔታና ቦታ አሳይቶኛል					
2. ሆቴሉ አቤቱታ የቀረበባቸውን ጉዳዮች ለማረምና ላለመድገም ይጥራል					
3. ሆቴሉ አቤቱታዎን ካቀረቡ በኋላ በጉዳዩ ላይ አስተያየት ይጠይቃል					
4. ሆቴሉ ችግሮችን ለመፍታት ምቹ ነው					
5. ሆቴሉ ግጭቶችን ለማስወገድ ይጥራል					
6. ሆቴሉ ችግሮች ሲከሰቱ በመወያየት መፍትሔ ለመፈለግ ይጥራል					
<u>መረጃ ልውውጥ</u>					
1. ሆቴሉ በቀላሉ ተደራሽ የሆነ መረጃን ያቀርባል					

2. የሆቴሉ ሰራተኞች ተገቢውን ጊዜ ሰተው የደንበኞች ጥያቄን ይመልሳሉ					
3. ሆቴሉ የታመነና ጊዜያዊ መረጃን ያቀርባል					
4. ሆቴሉ ፍላጎቶቹን ስምምነት በተለያዩ መልክ ይጥራል					
5. በእኔና በሆቴሉ የደንበኞች አገልግሎት ኃላፊ መሐከል ጥሩ ሁለትዮሽ ግንኙነት እና ውይይት አለ					
6. ከሆቴሉ ጋር ያለኝ ግንኙነት ለእኔ በጣም አስፈላጊ ቦታ አለው					
7. ከሆቴሉ ጋር ያለኝ ግንኙነት መቀጠል ለእኔ ዋጋ አለው					
<b>ታማኝ ደንበኝነት</b>					
1. ሆቴሉን ከሌሎች ሆቴሎች በላይ እመርጠዋለሁ					
2. የሆቴሉን አገልግሎቶች ለሌሎች እንዲጠቀሙ እጠቁማለሁ					
3. የሆቴሉን አገልግሎቶች አዘውትራ እጠቀማለሁ					
4. የሆቴሉን አገልግሎት ለመጠቀም ያለኝ ሀሳብ ይቀያየራል					

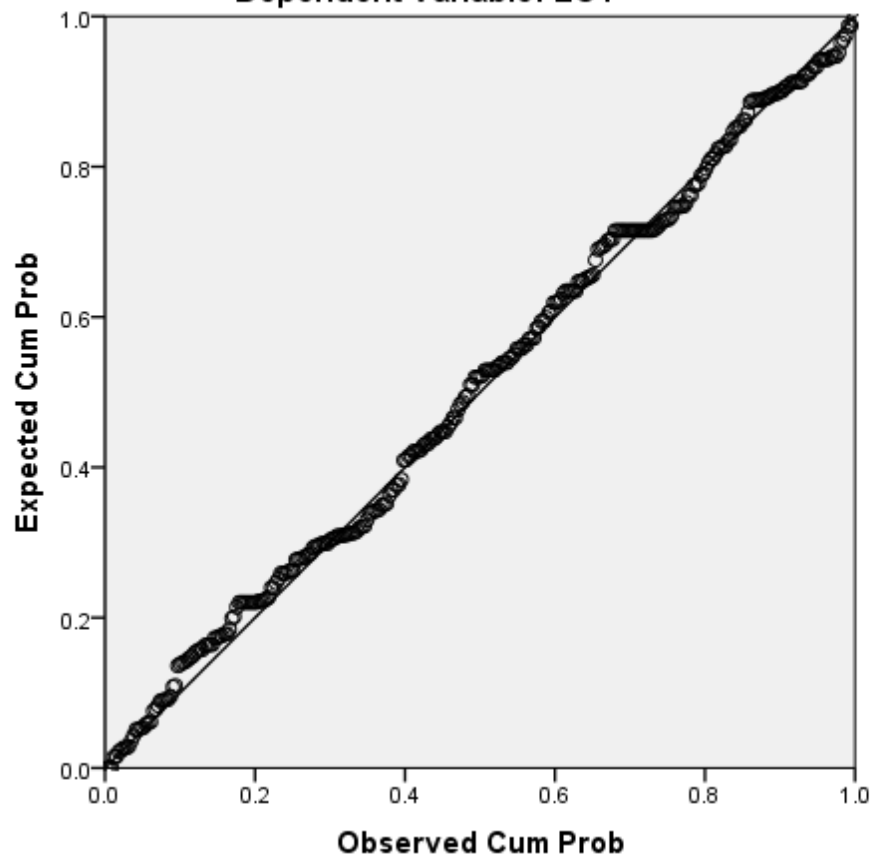
# Appendix II

## Histogram

Dependent Variable: LOY



Normal P-P Plot of Regression Standardized Residual  
Dependent Variable: LOY



### Scatterplot

Dependent Variable: LOY

