



Importance of Customer Care for Customer Retention/Customer Loyalty in Service Sector

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ABSTRACT:

This paper is about Loyalty and the objective of this research paper was to investigate the importance of customer care for customer retention/customer loyalty. This article considers the importance of customer care to achieve customer satisfaction, which would lead to customers' loyalty. The topic has more relevance in today's competitive atmosphere in the service industry. Over the past years, a major shift occurred in the way service industries approached their customers and what exactly customers' expected from hotels. The loyalty role is shifting from trying to maximize the profit on each transaction to maximizing mutually beneficial relationship with customers. Similarly, customers' also expect certain things and they choose it, if they want to be in a relationship to get that desired thing. This article tried to investigate two different concepts from the view point of customers' and as well as staff, but at the end they come and meet at the same end. That end, off course is Customers' Loyalty.

INTRODUCTION:

Rishipal (2014) illustrated that retaining customers is less expensive than acquiring new ones, and customer experience management is the most cost effective way to drive customer satisfaction, customer retention and customer loyalty. Not only do loyal customers ensure sales, but they are also more likely to purchase ancillary, high-margin supplemental products and services. Loyal customers reduce costs associated with consumer education and marketing, especially when they become promoters for the organization.

Some hotel managers may be tempted to assume that improving any current management practice ultimately contributes to customer value. Such managers may go looking for signs of that customer value after having already chosen the specific areas in which they will invest money, time, and energy for improvements--and without ever having considered the guests' actual preferences. In fact, managing customer value by "creating quality and service that customers can see" now is considered a critical component of companies' strategic marketing. Customer value, the experts report, is what builds loyalty. It is therefore essential that hotel managers be able to compare specific business practices in terms of their relative contributions to creating value and, ultimately, customer loyalty. Managers also have to be able to pinpoint which of the hotel attributes are most critical in the creation of customer value. This presentation of our findings on the customers' perspectives of the lodging industry's best practices is organized around those two managerial challenges: being able to weigh the relative importance of specific business practices and identifying specific practices for improvement. The study analyzed that most of the repeat guests that came into the hotel did not bother about the star ratings of hotel but they more enjoyed the hospitality that hotel provided them or in other words, it can be said that the guests were very much satisfied with customer care of our hotel. This made me inquisitive about the topic of customer care. What exactly it is and what does it has to do with repeat guests. The study made a lot of research on the guests who used to come to hotel regularly by ways of tracking their Reservation history in hotel records.

So, let us have a brief idea of 'why customer care is important' –

- Important for Guests Satisfaction

- An important asset, through which a hotel can promote itself by the means of ‘words of mouth’ through its satisfied customers
- Finally, by summarizing the above two points it can be said that customer care is really very important for a customer to come back again or in other words, become loyal.

LITERATURE REVIEW:

Loyalty creates business. According Frederick (2009), ‘valuing your customers’ has mentioned this theory “What eventually determines loyalty, or the lack of it, is the ‘archetypal moment’; or moments that we would call to mind about an organization, the inner mental picture of the organization, or its products and services, and how we feel about this. It may be determined by a particular powerful memory (if there is no particular archetypal moment, or no picture at all, loyalty will be weak). The archetypal moment may be:

- Do not know them
- An advertising/brand image
- A good or bad experience, typically a deed that was done by someone in the hotel, and the feeling it engenders
- A picture of a regular routine experience, simply part of the fabric of life, giving comfort (or beginning to bore)”.

Visualizing the above theory in context to a hotel - customer may picture a hotel’s resources or product the way the hotel works i.e. the process of using or buying, the interpersonal, human side or its image and values, what it stands for, its identity. To simplify the theory, the archetypal moment that has been mentioned in the above theory clearly says that a customer is influenced by certain moments which really touch his/her memory. As a result, he/she may feel trusting, comfortable, or angry and disappointed. He/she may feel known and acknowledged, or anonymous as part of a machine and may feel that they owe a debt after some act of grace, or effort, or after a series of rewards, or that they are owed a debt after a disappointment. A customer may assess the product well, but be unhappy about some aspect of the service or situation. So, one can say that out of such material is loyalty created or destroyed.

Inamullah (2012) cited that customer loyalty is the readiness of a customer to buy the particular brands and items and remain the same profitable relationship with a particular firm. In other words, it is the continuous buying of a consumer for a particular company brand and suggesting to other friends and family. There must be something attractive in a brand which keeps a customer to buy that product over a period of time without preferring another competitor brand. Consumer loyalty is a multidimensional construct but most of the theorists have concentrated on the behavioural and attitudinal aspects of it.

Helena Nemeč Rudez (2010) who illustrated that ‘loyalty is much more present among very satisfied than only satisfied customers.’ These findings strongly indicate that loyalty even though relates positively to the level of satisfaction, nevertheless is governed by other factors as well. Although companies and service sector firms are making huge outlays on rewards and loyalty programmes, statistics fail to reveal a very bright perspective on their impact. It has also been commented that loyalty schemes add to customer liabilities rather than customer assets.

Sachdeva.P (2010), explains that the consumers’ preferences targeting the higher segments among the superior luxury sector; however, these segments have seen an utmost interest of the people adding towards the brand personality with elite and class matters a lot for the youth. The maximum potential gained under the luxury segment with affordable prices helps creating a market for the same.

So Lemon et al (2002) argues that a satisfied customer in one realm can also be unhappy, and a dissatisfied customer can still buy. Customer loyalty describes the tendency of a customer to choose one business or product over another for a particular need. For instance, in the context of the hospitality industry, a customer may be described as being “brand loyal” because they tend to choose a certain brand of product more often than others. Note the use of the word ‘choose’ though; customer loyalty becomes evident when choices are made and actions taken by customers. Customers may express high satisfaction levels with a hotel in a survey, but

satisfaction does not equal loyalty. Loyalty is demonstrated by the actions of the customer; customer can be very satisfied and still not be loyal.

Sehiffman and Kanuk (2012) suggests that consumer decision making varies with the type of buying decision. The decision to buy toothpaste, a tennis racket, a personal computer and a new car are all very different. Complex and expensive purchases are likely to more buyer deliberation and more participants. Assael distinguished four types of consumer buying behavior based on the degree of buyer involvement and the degree of differences among brands. Consumers engage in complex buying behavior when they are highly involved in involved in a purchase and aware of significant differences among brands. This is usually the case when the product is expensive bought infrequently, risky and highly self-expressive.

Ganiyu (2012) illustrated that the concept that 'customer satisfaction is the key to securing customer loyalty', remains largely unsubstantiated in previous literature. Customer satisfaction leads to retention and loyalty. The relation between satisfaction and loyalty and he also laid that when satisfaction increases it does not mean that loyalty for all consumers increase. This shows that the relation is neither straight nor linear. The main objective of all firms it to attain customer satisfaction, but when there aren't any consumers who are satisfied then the question of loyalty does not arise

RESEARCH METHODOLOGY:

The objective of this research was to do a survey in hotels of choice to determine whether customer care has any relevance in context of customer loyalty. If looking from the point of view of customers, Do customers really value the concept of customer care and does it lead to their loyalty and if looking from the point of view of staff, What role does staff play in making a customer loyal.

The data were collected from both primary and secondary sources. For primary data collection, only 3 five star hotels were selected. The study carried out a survey in all these three hotels. The secondary data were collected from books, journals, magazines, and relevant websites. The study was done a quantitative research which comprises of sampling. The basic idea behind doing a survey was that customers are often reluctant to take time to respond to surveys.

DATA ANALYSIS AND DISCUSSION OF FINDINGS:

This article start off with the findings of **Guests** of these three hotels that chosen for the survey. They are Hotel Radisson, Hotel Le Meridien and Hotel Taj Palace. In all, there were 45 questionnaires that were made for the survey process but managed to get the feedback from only 35 as there were some guests who did not wanted to fill up the questionnaires. There were in all 8 questions in the questionnaire that the guests had to answer.

Guest Services	Excellent	Good	Satisfactory	Unsatisfactory
Handling of Reservation	5	13	20	7
Airport Transfer Service	7	19	13	6
Doorman's welcome	29	12	3	1
Check-In	2	5	30	8
Handling of Baggage	6	17	14	8
Message Handling Service	6	21	12	6
Check-out	29	10	4	2
Telephone Services	34	5	5	1
Concierge	9	28	3	5
Quality Of Rooms	Excellent	Good	Satisfactory	Unsatisfactory
House-Keeping	13	17	11	4
Furniture & Fittings	10	21	12	2
Bathroom	5	14	21	5

Working Area	3	17	19	6
Lighting	8	20	15	2
Privacy	7	16	20	2
Facilities	Excellent	Good	Satisfactory	Unsatisfactory
Business Centre	16	18	9	2
Health Club	8	22	11	4
Swimming Pool	24	12	7	2
Travel Desk	2	9	31	3
Hair Line/Barber Shop	18	14	10	3
Food/Beverage & Service	Excellent	Good	Satisfactory	Unsatisfactory
Coffee Shop	11	22	10	2
Bars	19	18	7	1
Restaurants	16	20	7	2
Discotheque	29	11	3	2
Room Service	4	23	12	6
Staff Attitude	Excellent	Good	Satisfactory	Unsatisfactory
Friendliness	12	18	11	4
Handling of Problems	16	17	9	3
Promptness	10	24	9	2
Value for Money	Excellent	Good	Satisfactory	Unsatisfactory
Accommodation	14	22	6	3
Food & Beverage	17	20	6	2
Overall Experience	13	21	8	3

Starting with guest services, it seemed that a lot of guests were happy with couple of services that the hotel was providing such as Doorman's welcome, telephone services, and check-out. 5 star hotels usually are very good in making the very first impression right leaving their mark on the guests. Also, services that generate extra revenue for the hotel are off-course promoted by the hotel and that is why, telecommunication is very good in 5 star hotels. One very significant thing that a lot of guests putting there ticks in check-out box Well, this study found out that hotels usually want to resell their rooms again as normally they can't afford to keep it vacant for long time. So, this is the reason why check-outs are so fast. On the other hand one can clearly see in the cases of Check-in and baggage handling the list of people in the 'unsatisfactory' column was also high. Usually hotels are quiet lazy in handling too many guests at one time especially when there is a mass check-in so this could be one reason of so many people unsatisfied with their check-ins. Also, baggage handling is one area which is directly proportional to check-ins. So, if there are a lot of check-ins there will be a lot of baggage which will lead to delays and chaos. Finally, guest services could have been improved if the hotels had a check, because customers usually remember bad experience better than good experience. Coming to Quality of Rooms, a lot of people had put their tick marks in 'good' and 'satisfactory' column. The reason for this could be that the guests wanted to be intermediate i.e. neither they like nor they hate something very much. This was rather a very bold thinking that but if one sees very closely, it seemed that a lot of guests admired the lighting and the furniture and fittings provided by the hotel. 5 star hotels usually take care of their exteriors as well as interiors such as maintenance, artificial lights, wooden work etc. On the other hand, a number of guests were 'satisfied' with the type of bathrooms and their privacy. The very fact a lot of guests had put their ticks in the satisfied column proves that they wanted these two areas to be in the top priority. At the end, Quality of Rooms could had been greatly improved, by keeping in view a guests priorities like by just providing guests a little more attention and more space and room, where they can spend time on their own without being disturbed.

Coming to F & B/Service, one can see that the 'excellent' and 'Good' column's results were quiet good. Guest's seemed to be very much happy with the eating and drinking places in the hotel. In today's competitive world, hotels usually score on each other through f & b and the type of service that they provide to their clients. The number of guests putting ticks in 'satisfactory' and 'unsatisfactory' columns greatly declined.

In staff attitude, guests quiet liked the attitude of the staff towards them as one can see through the number of ticks in 'Good' column. Well, what this article presume is that staff in 5 star hotels is taught to be polite with their clients and this is the main reason why so many guests were happy with the staff. Finally, even though guests quiet liked the attitude of staff towards them, their were some guests who were just 'satisfied'. The number of ticks in that column is not less and hence can't be ignored. A little more attention towards staff behaviour could have gone a long way in leaving an impression on the guests.

CONCLUSION AND RECOMMENDATIONS:

To conclude that definitely 'customer care is important in bringing back repeat business'. To understand the genuiness of this statement, the author has presented the results of his research in the 'Analysis and Discussion of findings'. The author in his whole research ha tried to investigate that 'how customer care can make a customer loyal'. For giving a holistic idea, the author has researched both customers and staff of a hotel, to understand that how much relevance do they give to the topic of 'customer care'. As the reader can find out that the author in his whole research has tried to find out the link between customer care towards satisfying a customer and will eventually lead to customers' loyalty or repeat business. To prove the practical importance of customer care and to get an unbiased answer, the author conducted a survey on 90 people(staff and guests) of three hotels respectively. The results showed the steep inclination of guests and the staff of the hotel towards the relevance of the topic 'customer care'. The whole idea of conducting this research was to know two different concepts that is; Do guests really value the concept of customer care and Does staff think that good customer care would lead to a customers' loyalty. The author has tried to explain that customer care is nothing but proper care of the guest. By this he means to say, that proper looking after of the guest, courtesy in dealing, understanding the guest needs and wants and trying to fulfill them is what customer care is all about. Simultaneously, if the concept of customer care is looked from the point of the guest, Do they really value this concept of customer care. Now, the question comes that what does the author actually wants to achieve from his much talked about subject 'customer care'. If a hotel takes proper care of its guests, and the guests really value the customer care that has been extended to them, definitely they will be satisfied. Now, the question arises that who is a satisfied guest? A satisfied guest is a person who is happy with the service that the hotel has provided him/her and appreciates the efforts of the staff in making him/her happy. Certainly, if a guest takes this impression from the hotel, he/she would like come back again and it's quite inevitable that he/she is going to tell other people as well. In other words, he/she would like to become loyal with the hotel. This also answers the question from the point of view of the staff that customers' really give relevance to the topic of customer care.

Service sector firms should develop the culture of total employee involvement towards providing total satisfaction to customers. In today's con-text of ever-increasing customer's expectations, customers expect their needs to be satisfied in total and not partially. For the purpose of providing total satisfaction, active and visible involvement of every employee from top to bottom in the hierarchy is needed. The organisation should motivate each employee by impressing upon them the need for their commitment in rendering total customer satisfaction. This would obviously help maintaining customer retention.

Organisations should focus attention on former customers and lost customers. Some organisations consider former customers as lost customers but the fact is that all the former customers need not be lost customers. Effective measures are to be put forth to convert former customers and lost customers into present customers. This obviously requires a mechanism to find out the dissatisfaction scores, attrition factors and related aspects with regard to the former and lost custom-ers. And this attempt should be on continuous basis.

Organisations should practice total quality marketing with emphasis on internal marketing. Effective internal marketing practiced would indicate the quality standard of the input process, output, and other related aspects as viewed by the organisation's internal customers. This would enable the organisation to initiate steps to improve the practice, procedure, process and performance of people associated with external customers. This attempt would obviously contribute to-wards customer retention.

Organisations should encourage regular customer contact programmes. This would enable customers to take active part in the organisation's activities and that will lead towards customer partnership. This would further lead to increase the retention.

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