EFFECT OF SERVICE QUALITY ON CUSTOMER RETENTION IN HOTEL SECTOR (A CASE OF 5 SELECTED HOTELS IN GAMBELLA TOWN, ETHIOPIA)

A thesis Submitted to the School Graduate Studies of Jimma University Partial Fulfillment of the Award of the Degree of Masters of business Administration (MBA)

By:

MOHAMMED HUSSEN

JIMMA UNIVERSITY

COLLEGE OF BUSINESS & ECONOMICS

MBA PROGRAM

JUNE 05, 2017

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DECLARATION

I hereby declare that this thesis entitled "Effect of Service Quality on Customer Retention in Hotel Sector (a case of 5 selected hotels in Gambella town, Ethiopia)", has been Carried out by me under the guidance and supervision of Dr. Workneh Bayisa and Mr. Megersa Wedajo (MBA).

The thesis is original and has not been submitted for the award of degree of diploma to any university or institution.

Researcher's Name	Date	Signature
Mohammed Hussen	29/09/09	

Abstract

The success of any organization lies on the availability of customers. So, to achieve customer retention strategy service sectors need to have preparing quality service in any business direction in each and every dimension. The objective of the study was to indicate the effect of service quality on retaining existed customers of the 5 selected hotels in Gambella Regional State at Gambella Town. Therefore, the study tries to designate those effects of the service quality in relation to retention of customers. The study employed descriptive type of cross-sectional in time with survey design in addition to quantitative and qualitative type of data was used for the purpose of the study inferential statistics is also considered. In order to collect the primary data the modified service quality model of HOLSERV model were used with in an item of 22 questions of customer perception. This is collected through convenience sampling techniques from the regular customers of those hotels. The total number of questions should be 400 (Cochran, 1963) with confidence level of 95% additionally 4% contingency were added purposively. The collected questionnaires from the respondents were 351 (87.7%) and open ended questions were also attached together. Moreover, 7 questions for testing the effect of customer retention were distributed to support the model questions The SPSS V.20 was also used to process the primary data which were collected from the quantitative parts of the questionnaires. The finding indicated that service quality dimension has positively correlated and they have a strong correlation with that of customer retention. Moreover, to retain existed customers service quality of hotel sectors (tangibility, reliability, responsiveness, confidence and communication) plays a vital role for keeping the profitability of any business by creating retained and loyal customers. Stakeholders be remind that customer oriented market is better that money oriented to generate wealthy maximization instead of profit maximization.

Keywords: Customer, Holserv, Quality, Retention, Service

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TABLE OF CONTENTS

CONTENTS   **PAGE**

List of Table

Lsit of Figure

List of acronym's

SPSS----------------------------Statistical Package for Social Science

SERVQUAL-----------------service quality model

LQI----------------------------logging service quality index

HOLSERV--------------------- modified form of service quality model

BGH----------------------------Baro Gambella Hotel

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Now a day's globalization of hotel industry needs dynamic strategy with a highly competitive environment and better understanding of their customers, which makes the business the most profitable and best retain those existing loyal customers through service quality.

Hotel is a part of the hospitality industry which is an umbrella term for a broad variety of service industries but not limited to hotels, restaurants and casinos. Hotel is often referred as a "Home away from home". If we consider meaning of hotel in the dictionary, a hotel is a building where you pay to have a room to sleep in and where you can eat meals (Cambridge dictionary) or a hotel is an establishment that provides paid lodging on a short-term basis (Wikipedia)

According to Na, (2009/ 2010) depicts hotel is one of the oldest industries in the world. In the history of hotels which is connected closely to civilizations of mankind.

According to some documents, the first inn was appeared in the sixth century B.C when some couples provide large halls for travelers to drink and the entire service was done by owners. To other documents, since early biblical times, the Greeks developed thermal baths in villages for rest. Later, the Romans built mansion to provide accommodation for the government business.

The first thermal baths in England, Switzerland and the Middle East were developed by the Romans. In the middle Ages, religious built inns to cater for their colleagues on the move. At the beginning, inns did not offer meals. They only provided shelter and allowed horses to be changed more easily. Travelling became popular and the impact of the industrial revolution in England spread widely that led to the change from social or governmental travel to business travel. The need for quick and clean service all the time was emerged (ibid).

The birth of hotel industry took place in Europe. At the beginning of the fifteenth century, in France, the first time, there was a law required that hotels keep a register. During this period, the first guide books for travelers were also published. English rules for inns also introduced at that time. At the same time, around 1500 thermal spas were developed in Carlsbad and Marienbad (ibid).

However, the real growth of the modern hotel industry took place in the USA by the opening of the City Hotel in New York in the year 1794. It emerged the wave of hotel building activity in different cities. Some of the best hotels of the USA were built in this era, but the real boom came in the early of 20th century. This period also saw a beginning of chain operations under the guidance of E.M Sattler which would spread into all the continents. It involved big investments, big profits and trained professionals to manage the hotel business (ibid).

Nowadays, architects, designers, developers, engineers, managers, etc realize that taste of guests could be different, according to their wishes or needs. Therefore, they have to catch new trends, define better criteria, present modern standards in order to improve quality of life in hotels (ibid).

One of the most important changes in hotel industry is the development of service quality in relation with attracting the image of customers. If service quality improved, customers will be satisfied and retained. The key to sustainable competitive advantage in current competitive environment lies in delivering high quality service which results satisfied customers to retain them as loyal (Shemwell et al., 1998).In fact both service quality and customer retention linked dependably to create loyal customers (Baker and Crompton, 2000; Zeithmal and Bitner, 2000).

The success of the hotel business is directly allied with customer's satisfaction. If the customer is satisfied, they repurchase the product/service. This helps to attract the mind of customers. One of the best important elements for quality assurance in hotel sector is hunting customers day to day and retaining them by having better market position. The high quality of the hotel product is an essential tool for achieving guest satisfaction (vukosav, curčiċ, 2009).

According to Khan (2013) retention of customers depends on the image of the hotel. The hotels need to portray a positive business image in order to retain customers or to have loyal customer. This entails provision of quality services; searching customer needs (what kinds of service they require?), preparing technological based designs to attract customers (Boubakri et al., 2013). This shows customer oriented marketing strategy is preferable to hunt and retain existed customers.

In addition to this business image targeted on attractive and enjoyable atmosphere, branded product, good service delivery, good word -of- mouth, uniform wearing style of janitors, reputation, and build credibility etc. This creates a great impact on customers holding and satisfying. Customer's retention in hotel industry plays an energetic role for increasing the sales volume of the business. Otherwise the whole business will be flashy. Creating health full environment of business is the only mechanisms of retaining existed customers (ibid).

Furthermore, to retain customers hotel providers should be tactical and systematic in every aspect. Like recognition of customers. For example, calling the guest name with formality; this makes the customers feel recognized and respected, flexibility of the products provided and service delivered trained personnel who will offer standardized services by using discounts, bonus, customer membership cards and other means of systematic designs. All this and others are aspects of a business image that enhances customer retention of hotels (Khan, 2013).

Accordingly as per the Gambella regional state which involved in the sector of hotel, particularly the Gambella town which is the focus of this study would be evaluated by a new format of service quality model HOLSERV."HOLSERV is the one-column format questionnaire that has produced a reliable instrument specifically for the hotel industry. In HOLSERV, eight items of the original SERVQUAL scale were either modified or added and three items were deleted, leaving a total of 26 items in final scale. However, HOLSERV scale is a shorter, more user friendly compared to SERVQUAL scale with a total of 22 item of questions" (Na, 2009/2010)**.**

This research paper tries to study the impact of service quality with regard to customer retention and building long lasting relationships with customers. Which this is tested by the new format of service quality model of HOLSERV. Researchers indicated that service sector organization needs to focus customer's attention. So the purpose of this research is to measure the effect of service quality dimension with regard to customer's retention in the selected hotel sectors.

1.2   Statement of the problem

The hotel industry is one of service sector organization which contributes a significance role to the development of a country. However, to pass the challenges of meeting and exceeding the customers' expectations through the preparation of high quality service in 5 dimensions of tangibility, reliability, responsiveness, confidence and communication which is targeted to ensure customers satisfaction and to retain them for long run.

Marketers always intended to build loyal customers that to have a sustainable profit, minimizing wastage, well organizational performance, ensuring customer satisfaction by having quality service, improving retention and loyalty besides competitive advantage with effective and efficient manner which is the bedrock of any business.

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England spread widely that led to the change from social or governmental travel to business travel. The need for quick and clean service all the time was emerged (ibid).

According to (Mesfin, 2013) among all customer demands, service quality has been increasingly recognized as a critical factor in the success of any business, and ultimately in retaining customer satisfaction (Grönroos, 1990) and (Parasuraman et al., 1985, 1988).in this scenario improving service quality has a great consequence in the development of health full business sector by retaining loyal customer and enhancing satisfaction level of customer.

As the researchers done preliminary survey before doing the actual study at the time of internship program and pilot testing in BGH Hotels in Gambella Town it has still hotel service related problems. However, the actual study is going to done as the researcher have collected questionnaires, most of the owners of service providers and managers have no more attention for customers and some of them are owner managers and others are unskilled in the sectors and also their aim is seems like to collect money (Money oriented).

Likewise, this problem is related with declining the numbers of retaining customers. Some of them are lacks formal written strategy document/guide lines, service ethics and service delivery manuals. Even those who have well programed strategy, failed to implement their plan. In addition to this, lack of service ethics also has negative impact on service quality delivery and harmed the organization to keep the well-being of a given organizational service.

According to Buzeye (as cited by Abraham, 2015), in Ethiopia handling of customer related issues are not scientifically carried out. Many hotels including an international one is still following the traditional way of treating the customer. For instance, throwing the food in front of the guest, insulting the guest, cheat the guest or failure to give the change back as fast as possible, delaying service delivery, misunderstanding the order, chewing gum while serving the guests, pasting finger into the nose while serving, touching hair and other bodies, and etc. are commonly practiced in many hotels of Ethiopia and also penalizing high price with low quality, unavailability of the wanted product(shortage of substitute product) ,poor communication with custodians, lack of respecting of customers, some of the janitors are physically immature has also a great problem of hotels that affect the business atmosphere so there are a huge gap

between service provider and service taker in the hotel sectors that the researcher perceive, this is Supported by Abreham, 2015 in his study of service quality and customer satisfaction in hotel industry: the case of three star hotels in Addis Ababa

The way of satisfying, holding, creating loyal customer is the best manner of managing business in today's competitive environment by identifying the critical impact of service quality through targeting customer's which is measured using service quality model in line with the 5 quality dimensions. Even though, the service provider of hotels does not give priority what customer needs, wants and expects so the purpose of this research is to identify the impact of service quality dimension in relation with customer retention in hotel industry at a case of five selected hotels which is found in the town of Gambella.

The delinquent are the variance between the service taker and service supplier, lack in awareness of modern approach of service quality delivery and others unspecified factors that craft this gap. Since Mesfin (2013) and Abrham (2015) analysis the service quality of hotel sector and customer satisfaction, Mesfin analyses in the case of 5 star hotels of foreign customers and also Abrham targeted that of 3 star Hotel of the same topic but both of them for that of Addis Ababa included Buzye (2010).

Conversely, this thesis is focusing the effect of service quality dimension on retaining customers at Gambella Town of selected Hotels in accordance with the regional Hotel and Tourism indication. To identify such hinders using modified form of service quality models, HOLSERV model selected purposively. This is the one-column format questionnaire that has produced a reliable instrument specifically for the hotel industry.

1.3   Research Questions

- What is the highest and lowest bottleneck of perceived service quality?
- What is the relationship between service quality and customer retention?
- What is the effect of perceived service quality on customer retention?

- What is the overall role of hotel service providers to retain existing customers?

1.4   Objectives of the study

1.4.1. General objective

To indicate the effect of service quality on customer retention of hotel industry at Gambella town

1.4.2. Specific objectives

❖ To identify the highest and lowest bottlenecks of perceived service quality
❖ To identify the relationship between service quality and customer retention.
❖ To specify the impact of perceived service quality on customer retention
❖ To pinpoint the role of service providers in relation to customer retention

1.5 Significance of the study

Hotel sector is one of the best business areas if providers are aware of the day. Because, this business sector has high risk and a high return segment. Before 10 years in the main city of Gambella no more hotels after the nation and nationality celebrated in the region a lot of hotel is going to build with different size and standard hotels. This study is significantly important to identify customer's perceptions of those targeted hotels in the town. After the end of this thesis managers, owners, stakeholders will benefit

➢ To identify the highest and lowest bottlenecks of perceived service quality
➢ To find a solution for the effect of perceived service quality on customer retention
➢ To know the role of hotels for retaining customers
➢ To indicate the gap for further study in related areas

Therefore, this research study is apprehended with multiple outcomes and ramifications in understanding and improving the service quality of each dimension via orchestrated together with the punter by forecasting their needs and expectations and applies in to practice, after a thorough scrutiny of pitfalls and bottlenecks.

Finally this sector is one of the best ways of mechanisms to generate income for country level as a whole by having good quality.so, this study helps for those of further researchers to take the research as a bench mark reference to lookout untouched points of customers in the region of these sector as well as in country level.

1.6 Limitation of the study

There are d/t bottle necks that affect this research from the time of begin to the end:-

❖ Negative perception of hotel owners to distribute the questionnaire in their hotel
❖ The study is restricted service taker of the hotels other population is not targeted
❖ Getting Hotel related data in Ethiopia is difficult b/c of lack of internet accessibility particularly in Gambella Town.

1.7 Scope of the study

The development of service sector is the heart of the current business outlook like that of hotels, banks, transportation companies, hospitals, educational institutions, professional services, telecommunication and etc. this study is delimited in hotel sector in terms of effect of service quality on customer retention. Moreover, hotel sector is snowballing from one star hotel up to luxury. In the researcher point of view the study is restricted to Gambella town selected hotels than that of the rest except the newly inaugurated hotels but it is delimited to 5 selected as sample with reference to Gambella regional culture and tourism office indications.

Finally the sample of this thesis is constrained local and foreign loyal existed customers, who were served in these hotels in the month of January-march 2017.

1.8 Organization of the Paper

This thesis is structured in to five units. The first chapter begins with the introduction; the second chapter deliberates the related literature review of the study; the third chapter target on research methodology and the fourth chapter Results and Discussion while the fifth chapter is

conclusion and recommendation. Finally appendix and references is also attached at the end of this document.

CHAPTER TWO

2. LITRATURE REVIEW

This section sketches the effect of service quality dimension and customer retention in hotel industry. This is one of the greatest competitive areas of tourism industry. Due to this, it generate an enormous parts of once country economy development. However, having service quality, measuring the level of customer satisfaction, forecasting customer perception and expectation of service in relation with loosing and gaining customers is the major challenges of business professionals, owners, employees etc. Since, filling such gap is a great headache in the sector. So, the reason why the researcher try to analyze the impact of service quality dimension in relation to satisfying, holding, creating loyal customer to retain them. Scholars invented and later modified measuring the service quality by using service quality model in relation to customer perception the actual service of the hotel and customer expectation the expected service of the hotel. Such as, SERVQUAL (97 question) by 10 dimensions, HOLSERV (22 question) and LOGINGQUALITY INDEX (26 questions) by 5 basic dimensions were selected to be target for the purpose of identifying perceived and expected service of the hotel, high and poor perceived quality services by using the modified version of SERVQUAL which is HOLSERV models. Abreham, Mohammed and D. Saravanan (2015).

2.1 Relationship between service quality and other attributes

Recent studies have shown that service delivery has changed dramatically due to the development of globalization. using branded service/ product, inflow of new information and communications technology and the growth of demand and supply for having quality goods and services (Mensah, 2009).now a day the advancement of technology is moving sky rocketing so day to day it needs updating the outdate service or product.

Akbaba, (2006) stated that the evaluation of the service quality is more complex than that of the product quality because of their intrinsic nature of heterogeneity, consumption perishability and intangibility of service with this tough differentiation of characteristic's measuring, defining service quality is problematic in relation to holding the loyal customer in addition to attracting the new entrants. Besides of this there are five service quality that represent the evaluative criteria which affect the business as a whole.so, Customer drill to investigate quality of hotels in terms of tangibility, reliability, responsiveness, confidence and communication. These dimension indicated the study to look in deep outlooks with regard to customer perception and expectation. If the customer perception is greater than the expectation the customer can be satisfied on the reverse it is not.

Consequently, some researchers indicated that currently hotel industry is going to escape from a business with owner's manager to that of the more expensive sector of the first class/luxury which is difficult to get everywhere. Hence, there is no a clear requirement to retain customers in each level because of technological advancement. With regard to this, increasing profitability is not the only goal of managers and stake holders and therefore, management professionals attempt to improve guest Satisfaction by having an open mind conceptual thinking through penetrating the service in the mind of customers. The management professionals are striving for these results have limited understanding of research surrounding the paradigms of guest satisfaction and creating loyal customer by enhancing the financial performance of the sector. This research paper shall enlighten some of the variables and important facts of service quality resulting into guest satisfaction to retain them.

> *According to Suleiman A. (2011)from a marketing perspective, customer satisfaction is achieved when the customer's needs and wants are fulfilled (Lam and Zhang, 1999). Lam and Zhang (1999) conducted a study to assess customers' expectations and perceptions of service quality, and identified a gap between the two. They also explored the impact of service quality factors on overall customer satisfaction. The effect of increased service quality competition on binding customer retention rates may depend crucially on the length of time customers in a local market have had to learn about its Provision of service quality.*

2.2 Service quality and customer retention

Hospitality industry's is mainly concern to serve its customer needs and desires in relation to having good quality. Most of them are addressed through personal services. Hence, the hotel industry is able to provide quality services to its ever-demanding customers in a warm and efficient manner. Thus, those businesses leads to obtain a long term competitive advantage over their rivals and they can able to wider their sales volume in addition to satisfying customer. Ironically, providing a quality of services frequently cannot fully appreciated all customers equally until something goes wrong, and then, the poor quality of services can have long lasting lingering effects on the customer base and, hence, often is translated into a loss of business. Nevertheless, since the issue of delivery of hospitality services always involves people, this issue must center on the management of the human resource factor.

In the eyes of guests, hospitality businesses will be viewed successful or failure, depending on the cumulative impact of the service encounters they have experienced on the service level they served. Constantly, since hotels are offering intangible and perishable personal service encounters, managing these services must be a paramount concern of any hotel business instead of kicking customers, searching their interest is preferable. As a preliminary exercise, visualize when you have last visited a hotel, or a restaurant, and then, ask yourself these questions: What did you feel about the quality of the experience? Was it a unforgettable one, which you would recommend it to others, which could have made the difference? Thus, the way personalized services are provided can make the deference in attracting, retaining long-term customers to have loyal customer. (Christou, Hadjiphanis, 2005).

2.3 The concept of customer retention

The retention of customers depends on the business image of the hotel or organization. The hotels need to portray a positive business image in order to retain customers or to have loyal customers. This entails provision of quality services, recognition of customer needs, and utilization of technology in providing the products and services to the customers (Boubakri et al, 2013).In addition to that, business image is also concentrating on being pleasant, attractive

and knowledgeable. This will help to create and maintain the kind of business image that creates first impression, gets good word-of- mouth and builds credibility.

This has a great impact on customer satisfaction and thus influences customer retention. Customer retention in hotels is a major factor to be considered because lack of customers in the hotels will lead to lower sales thus closing up of the founding. Retaining loyal customers for hoteliers is essential and a core factor in keeping the hospitality (hotels) in shape and competitive enough to level up the changing trends that has impacted such business and economic activities of the hotel markets.

Therefore, to retain customers in the hotels there should be customer recognition. For example, calling the guest name with formality; this makes the customers feel recognized and respected. Another means of customer retention is flexibility of the products provided and services delivered, trained personnel who will offer standardized services by using formal programmers like: facts, discounts and customer membership cards (khan, 2013).And also using different mechanisms like customer relationship marketing strategy, pricing strategy this helps to attract customers is the dominant alternative mechanisms to create loyal consumers. All this are aspects of a business image that enhances customer retention in the hotel sectors.

Jobber (2001) states that for many years in hospitality marketing activities of the organization as much as possible to get as many new customers target to meet their expectation mature and intense competition in the hotel sector is preferable. If not, it fails to win a lot of marketing strategies and techniques the whole system are going far from customer centered.

According to Richards (as cited by Khan, 2013) intense competition in the hotel industry, hoteliers going to travel from customer acquisition to customer retention and simultaneously shift their strategy depending on the environment, updating information technology, increase customer retention and loyalty continue to make well-knows. Industry standard loyalty program, winning and maintaining customer loyalty is an important source for hotels (Kotler and Armstrong, 2006). In hospitality industry, high quality of service can add value to the image and

amicably as well as photographs, customer retention and loyalty will lead the business goal to achieve the last target of the hotel like that of luxury hotels.

2.3.1 Customer retention

The customer retention is very important for the hotel to maintain the old customer and attract the new customer. This is very difficult job for the well-being of hotels profitability and for each company to retain the old customer. For such reason, the hotel offers different package for their customers. The main aim of the research is to find out the impact of service quality in relation to retaining customers.

Customer retention strategy is too much important for holding existed as well as attracting new customers for acceptable and profit sustainable business. Gets and Thomas (2001) stated that a customer retention occurs when customer purchase a product or services in again and again by switching others in the same service provider this phenomenon is called customer retention over an extended or specific period of time.(ibid)

For product or services users who purchase the product or service with long purchase time repeatedly for next occasions or in regular basis this is basically called the customer retention, Get and Thomas (2001). In this line, Pyne (2000) states that the customer retention strategy explains the percentage rate at the start of the time period using the service or the product and the customer who still remain loyal customer up to the end of the time period with a progressive condition by switching others. (ibid)

According to Bolton (as cited by khan, 2013) customers are vital for any business, by giving due consideration, keeping and satisfying them to create loyal customer. What is changing or maintaining the consumer expectation? To maintain or to change that, companies should be improve the product or service by perceiving the customer wants and needs before giving the service. Thru, consistently high customer loyalty through the provision of services is achieved otherwise it affect the business as a whole. Subsequently, the strategy of the company should to give priority to focus and target the customer's perception and expectation.

According to Reichheld (1996) 5% increase in customer centered transaction it can produce 25-80% rise in profits/gain, this is advisable mechanisms for those of business providers. In addition to that, the profit derived from a single customer during the business transaction that grows argued because 60% of new customers to increase sales in the form of customer loyalty, customer recommendations could be recognized.

Furthermore, the same author notes that a 5% increase in customer retention produces 75% of the current value argument. The above researcher concluded that for most business holders succeed due to having loyal customers by retaining them. Even if, they are willing to pay premium prices if they are loyal, the benefits of long-term loyal customer supplier relationships in a hospitality firm might be clearly headed. Think that new customer cannot pay premium price but loyal customer can do this is practically applicable in current situation of service providers like hotels, cafés, restaurants, teashops etc. have you analyzed before, about service charge in other service sectors rather than hotel? So retention mechanism is the better system of hunting and catching customers for the existence of the institution.

According to Prabhu (2003) the customer retention, customer satisfaction and quality services are the pre-requisites and significant impact on purchase intentions as he said. In addition hotel investment factors include: satisfaction, quality service, brand image, service performance, customer identification, positive experiences, flexibility and updated technology with regard to the five service quality dimension also plays a crucial role for the development of the well-being of the profitable business sector to stay in market for long run by having their regular customer and also attracting the new guest to hold them as loyal.

According to Gronroos (1994) the firm's customer loyalty dominant factor in the success of a business organization is recognized as the states. The hotel's photo and interior, reception, food and beverage, and price performance with positive customer satisfaction and customer loyalty are indicative of the fact correlated. Corporate image and service quality, which in turn affect customer loyalty; customer retention is influenced by customer satisfaction.

Therefore customer retention in an organization and its customers by maintaining, customer loyalty is tested. Customer retention increases profits for the success of the hospitality industry is very tough. Business Retention hotel or group of customers depends on the image. Hotel customers to maintain or gain loyal customers need to present a positive business image. The quality of services, identify customer needs, and to provide users with the products and services required in the use of technology.

Picture this business than pleasant, attractive and is concentrating on knowledge. This creates the impression that creating and maintaining a professional image to help, word of mouth and reputation makes is good. It is such a huge impact on customer satisfaction and thus affects customer retention. Factor, Providing the products and services the flexibility that customers feel recognized and respected; offer quality services and thereby using loyalty programs by trained personnel who remember the name of the guest For example, the identity of the client should not point to maintain clients in hotels, discount and customer membership card. This increases customer retention in hotels that are part of a business image.

According to Winer (2001) implication of customer - based image management that highlights the most important part of the success and failure of business. The primary responsibility of such system is to improve Customer focus to customer service firms' management, but the customers to gain market awareness is very hard to recognize because human being by nature has different perception for the same service. Not only that, Consumer behavior is estimated based on their own personal benefit and feeling. So, higher quality goods and services, assured the belief that a business with a favorable brand image to repurchase the product or service.

The recommendation of loyal customers and potential customers are the indicators of the future image of the hotel business. According to Keller (2006) a global hospitality industry changed from a traditional and local industry to that of technological based. This is more important for consumers and for businesses owners to have better picture about the firm to stay in market for long period of time and to insure the profitability of the business.

2.4 Customer Expectation and Perception

A customer expectation of a particular service is determined by factors such as personal needs, wants, desires, past experiences and recommendations. The expected service and perceived service sometimes may not be equal, such unbalanced leads to have a gap. These gaps were designed in 1985 by Parasuraman and other scholars. These gaps measured through the service quality model or the 'GAP model'. This identifies five "gaps" that cause unsuccessful delivery. Customers generally have a tendency to compare the service they 'experience' with the service they 'expect'. If the experience does not match the expectation, there arises a gap. Since in the initial stage there were ten determinant factors that influence the appearance of a gap in SERVQUAL model. Such as: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles. Later the determinants were reduced in to five which is called RATER model.

Parasuraman, Zeithaml, and Berry (1985) propose a formal definition of customer Perception of service quality as "the degree and direction of discrepancy between customers' Service perceptions and expectations". Ueltschy *et al.* (2004) define service quality as the consumer's judgment about the overall excellence or superiority of the service. Perceived quality can be defined as the consumer's judgment about an entity's overall excellence or superiority (Zeithaml 1987), or as the result of comparing a customer's expectations prior to receiving the service with the customer's experiences with the service (Liljander and Strandvik, 1993). Growth and Dye (1999) define perceived value as key variables in the customer's mind influencing the perceived value of service and the quality of the service DeMoranville and Bienstock (2003) identify service quality as a measure to assess service performance, diagnose service problems, manage service delivery, and as a basis for employee and corporate rewards. Parasuraman *et al.* (1988) developed a multi-item scale for Assessing customer perceptions of service quality (SERVQUAL).

The underlying theory of service quality defined by Parasuraman *et al.* (1985) is criticized as it is not well supported by theoretical and empirical evidence related to the relevance of the expectations-performance gap (Carman 1990, Cronin and Taylor 1992). In this study, the service quality scale contains five components: atmospherics, accommodation, convenience, responsiveness, and Professionalism (Hanny and Felix, 2005).

2.5 Hotel Information

2.5.1 BGH (Baro Gambella Hotel)

BGH is one of the best selected Hotels in Gambella Town, where a lot of foreigner and domestic customers are getting the service this hotel has convenient rooms with three partitions. Such as king bed, twin bed and single bed each bed rooms has different price with balcony, Wi-Fi, DStv channel in each rooms, Food and Beverages, Meeting hall, parking, etc are also available.

However, BGH was formerly named as Ethiopia Hotel with owner government by using privatization it changes to private owner. When we compare with that of other hotels it is structurally formalized with 6 major departments. Such as, Front office, Technical unit, Housing, Food and Beverages, Human Resource Director Operation and Finance.   But others have no such Structure and some of them are also owner's managers. It is located on the way of Gambella University next to Jejebe Bridge junction.

2.5.2. Grand Hotel

It is newly inaugurated best Hotel which is found in the center of Gambella Town. This hotels is also provides different facilities like that of BGH and other new facilities are constructing like shops, clinics, boutiques, and G +1 renting business rooms are some of facilities which will be a plan after finishing this construction

2.5.3. Giwa, Jinina and Tadesech Hotels

It is also given the same service with that of the mentioned hotels. But, it has some differentiation based on price, service quality with regard to tangibility-the physical atmosphere of the hotels no more attraction and in confidence dimension the security of the hotel

surrounding are not confortable in any time for customers as the dimension indicated that customers should be safe and secure in the service however the area are risky for foot walkers.it has also low in price for every commodities customers are not penalized by service charge, the price for a single bed rooms is the price of the **3rd**ranked bed rooms of BGH and GRAND hotels.

The first two of them are located near Gambella Baro River and the third hotel TADESECH next to office of Regional NOC and MOBIL hotel on the main road of Itang Special wereda.

2.6. Concept of service

Service is a patch up activity to fulfill some one's need in the market, shop, trade fair, and in marketplace as a whole. Service is something, which can be experienced but cannot be touched by hand or seen by our eye. It is offered by service providers to give service for that of the user. So, it is intangible activities.
Some of basic definitions of service as defined by Management Gurus/ specialists are:

"A service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything." By Kotler, Armstrong, Saunders and Wong

"Services are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing about a desired change in or on behalf of the recipient of the service." By Christopher Lovelock.

"Services are the production of essentially intangible benefits and experience, either alone or as part of a tangible product through some form of exchange, with the intention of satisfying the needs, wants and desires of the consumers." By C. Bhattachargee

İt is important to distinguish between a service and goods. Goods are most tangible while services are intangible and perishable. There are many definitions of services in the literature may depend on the author and focus of the research (Grönroos 2001). However, one of the most important and unique characteristics of services is that services are processes, Grönroos (2001)

offer a comprehensive definition of service where is 'an activity or series of activities of a more or less intangible Nature than normal, but not necessarily, take place in the interaction between the customer and service employees and physical resources or goods and systems of the service provider, which are provided as solutions to customer problems'.

2.7. Service Quality Model

2.7.1. SERVQUAL Model

This is the most known model to measure the level of customer satisfaction in Almost service industry based on the customer evaluation of service quality, which is the comparison of the expected and the obtained with regard to their gap in the process of Service delivery According to (Na., 2009 / 10). The foundation of SERVQUAL model by Parasuraman et al.,(1985) which is called gap Model. In this model there are seven gaps in the concept of service quality. In their Introduction they expected only for that of the gap between perceptions of service Delivered and customer Expectation. Since later they analyze numerous measurements in service sectors. But, in their last conclusion they dig out the seven major gaps. Such as:

- ➢ Gap between customer expectation and management perception
- ➢ Gap between management perception and service specifications
- ➢ Gap between service specifications and service delivery
- ➢ Gap between service deliveries versus external communication
- ➢ The gap between customer expectations versus their perceptions of the service delivered
- ➢ The gap between customer expectations and employees' perceptions.
- ➢ The difference between employee's perceptions and management perceptions

In the concept of service quality from the entire seven gaps, the smaller gaps indicated that High level of service quality. However, if a minimum of one gap arises then service Quality going to decline so customer is dissatisfied. Based on this model, Parasuraman et al., (1985) built the SERVQUAL scale with 97 items of questions in 10 dimensions. Later, The SERVQUAL scale contains desirable characteristics of services within 5 dimensions a total of 22 items questions by the same author since 1988.

Regardless of this, its acceptance and wide application, SERVQUAL is exposed to numerous criticisms, from both the conceptual and the operational aspect, such as:

- ❖ SERVQUAL directs to the service delivery process but the result of service experience is not in consideration.
- ❖ The term of expectations has multiple meanings; it is impossible for SERVQUAL model to
- ❖ Measure the absolute expectations of service quality but it is relatively a true measure.
- ❖ In the different moment, customers have different satisfaction levels.
- ❖ It is not always easy for hotel managers to ask guests to fulfill the long questionnaire to get the statistic data of all ten dimensions and to measures their Satisfaction level and so on. Because of this reason other models comes to being which is HOLSERV and LODGING QUALITY INDEX. This two models were built and used only for hotel or hospitality industry.(ibid)

2.7.2 HOLSERV and LODGING QUALITY INDEX (LQI)

HOLSERV is a new format of SERVQUAL. HOLSERV is the one-column format questionnaire that has produced a reliable instrument specifically for the hotel industry. In HOLSERV, eight items of the original SERVQUAL scale were either modified or added and three items were deleted, leaving a total of 27 items in final scale. The HOLSERV scale is a shorter, more user friendly compared to SERVQUAL scale.(ibid).

Additionally this model can be modified depends on the hotel. If the hotel is a five star, 4 star,3 star,2 star and 1star, the questionnaires can be prepared based on the hotel Rank. Moreover, for that of 5 Star and 1 Star the tangibility aspect is not the same. So, this model is better to re-design based on the hotel like that of service quality models of SERVEQUAL and LQI model. (ibid).

2.8. Effect of Service quality and customer retention

Gronroos (1990 and 1994) stated that services are intangible activities in nature which takes place between customer and service provider, problem can be raised between the two so the interaction between the two are major factor that affect the retention of the customer. On the

other side, Zeithaml and Bitner (1996) stated that services is an activity that are happening between the customer and services provider .other factor which play an important role in the services activities that are physical resources and the environment by itself where the service is takes place.

According to Holbrook (as cited by Khan,2013) suggests that 'issues regarding the meaning of "quality" appear to pose formidable barriers to clear thinking'. Zeithaml (1998) calls it 'superiority'; Juran (1988) refers to quality as 'fitness for the purpose' and Bagram & Khan (2012) defined it as 'conformance to requirements, not Elegance'.

It is also defined as "the process by which consumers interpret price and attribute value like characteristics, quality, and members to a goods or services". It has interested researchers for several years. It is a well-known fact that price and quality are two important factors of value (Boubakri et al, 2013; Huit (2000)). They both lead to customer satisfaction and customer retention, which help increase the profits of any business. Therefore, for a manager of service sectors it is important to know customers perception of price and attribute value. Likewise, having quality product with unbiased price indications of attracting customers otherwise it will be the major impact of the business as a whole. (ibid)

Previous studies examining the impact of price on perceived value have suggested a negative link: the higher the price, the lower the product value is perceived (Dodds et al, 1991;Grewal, 1998). This is a general phenomenon that when customers go to search their requirements for buying the product, which have lower prices so they get better value and interest to take the product. This is supported by (Hutton, 1995) claiming that now more consumers are trying to maximize value for money spent, demanding better quality at lower prices. Although this may not be entirely true for all the customers because some customers are willing to pay more if they really like a product. Higher perceived value results in a greater willingness by the consumer to take on a new product (Sternquist, 1998).

Customers who are willing to pay higher prices for a product or service tend to be a branded product or services which is a sensitive product every individual who need the product can able to buy it such kinds of product is un accessible or unique. They also rely agreed on their price

which is an indicator of quality or prestige (Sproles and Kendall, 1986) once customers are convinced that they are getting the best quality product or service.

A research conducted by (Suhartanto,Kandampully,2003) on hospitality industry found a positive relationship between price and customer loyalty. In addition to this, Hutton (1995) claiming that now more consumers are trying to maximize value for money spent, demanding better quality at lower prices. Although this may not be entirely true for all the customers because some customers are willing to pay more if they really like a product. Higher perceived value results in a greater willingness by the consumer to adopt a new product (McGowan and Sternquist, 1998).Hence the difference in price can have a great factor to the profitability or the liquidation of the firm in addition to having or losing customers.

In general, various researchers indicated that, in service sector organization quality and customer satisfaction play irreplaceable roles. 60% of value added in European Economic Community (Knutson, 1988 and Naumann, 1995) succeeded to prove that satisfaction of customers is the cheapest means of promotion. Each year, billions of dollars are spent for improving the level of service quality. It is said that "doing things wrong" accounts for 30 or 40 per cent of operating costs in service organizations. "It's six to seven times more expensive to gain a new customer than it is to retain an existing customer. A 5% increase in customer retention can increase profits by 25% to 95%. (Na, 2009/2010) Particularly in the case of Gambella all the hotels should make more efforts to retain their customers as customer retention rate will decide their future prospective.

2.9. Characteristics of Service Quality

It is well known that quality is based on multiple dimensions. In 1982, grönroos identified two service quality, the function aspect and technical aspect. The functional aspect concern 'how' service is provided while the technical aspect concern 'what' service is provided. The 'what' is received by the customer as the outcome of the process? However the customer also perceives how the process itself functions.

According to Grönroos (1982), stated that service quality in terms of physical quality, corporate (image) quality and interactive quality. Physical quality refers to the tangible aspects of the service. Corporate quality refers to how current and potential, as well as other publics, view

(image) the service providers, interactive quality concerns the interactive nature of the service and refer to a two-way flow that occurs between service provider and the customer, or his/her Representative, including both animated and automated interactions. (Lehtinen & Lehtinen 1982, 1991)

Grönroos (2001) has also presented, similar to what (Lehtinen & Lehtinen 1982, 1991) proposed on service quality, the importance of corporate image and the experience of service quality. Customers often have contact with the same service firm, which implies that they bring their earlier experience and overall perceptions of a service form to each en counter. Hence, the image concept was introduced as yet another important attribute. Image has an impact on customer perceptions of the firm's communication and operations in many aspects, which makes it favorable to have a well-known positive image. If for example a hotel's image is negative, the impact of any mistake will often be magnified in the guest's mind. On the other hand, a positive image will probably make the guest neglect minor mistakes and oversee them. However if minor mistakes occur, the image will be damaged. Grönroos (2001) express that image can be viewed as a filter in terms of a customer's perception of quality.

Service quality from what they suggested that the quality evaluations are not made exclusively on the outcome of service. Moreover they also involve evaluation of the service delivery process. The first dimension, when evaluation happens after service performance, focus on 'what' service is delivered and called outcome quality. The second dimension, process quality is when the evaluation occurs while the service is being performed. In 1988 they presented a definition of service quality which is 'the degree of discrepancy between customer's normative expectations for the service and their perceptions of the service performance' (Parasuraman ,1988) , Brandy and Cronin (2001) presented a three-factor model describing service quality, ambient condition, facility design and social factors. They define that service environment are elements of the service delivery process and it seems best to include them as components of the functional dimension.

2.10. Managerial implications

The hotel industry business is one of the largest center of tourism sector, the managers of the section need to differentiate the most significant critical path with effective and efficient manner

by providing quality service. Managers should able target the basic dimension of tangibility, reliability, responsiveness, confidence and communication. By conducting the study leads to identify their gap and to give recommendation for it.

In order to update customer satisfaction and retention, creating loyal customer, taking recommendation for further improvement and enhancing the company profit, providing branded service, customers need to evaluate the quality of the service with regard to the above dimensions.to satisfy the "tangible" dimensions, the stake holders must assure that both internal and external establishments of the hotel are kept in a good condition, that is, the properties are clean and well illuminated. In addition, the overall surroundings are eye-catching, the hotel reception is enjoyable and fascinating, rooms are well prepared and the employees are organized and well-dressed, the internals are decorated.

In "reliability" dimension, this must assure that guests are satisfied for what they have taken and paid for, all facilities are available or replaceable, work properly each. In the third dimension of "responsiveness", should also realize that guests expect employees to react immediately to their demands and solve their problems quickly, employees should be sensitive to give back immediate response to the guest, and be open mind for every order.

"Confidence" dimension should be aware that guests assume they will have a respectful treatment by polite employees, that the hotel will maintain a safe surrounding, and that it has a suitable location, the guest should be a assured by the service. On "communication" dimension the hotel need to prepare quality service by perceiving what service will customers need and how staffs will interact or communicate with the guest?

Janitors should be ready to give full service with zero complainers, accepting comments without any interference before; during and after giving service the hotels should be aware of customer. Having advertisement to search new clients, hotel stakeholders should therefore exert great efforts on providing good service quality in these dimensions to satisfy and retain their guests. The results of this study will be concentrating on implications for managers in terms of evaluating the level of service quality they are offering. Hotel managers are able to confidently

use those aspects to follow the perceived and expected quality of the service that they provide (Hassan, 2013).

2.11. Conceptual frame work

The following research Conceptual frame work is adopted from the above research model/frame that (Seyed, 2010) was employed to figure out the relation between variables and their consistent relation.

It has been proven that "perceived service quality is a component of customer satisfaction" (Ziethaml et al. 2006). Other researchers had proven also that there is a relationship between customer satisfaction and service quality (Sivadas & Baker-Prewitt, 2000; Wang et al., 2002; Kuo-YF, 2003, Liang & Zhang, 2009 Gera, 2011; Sureshchandar, et al., 2002). As it is indicated customer can be satisfied if perception of the service is greater than the expected service. Customer satisfaction is the ingredient of customer retention.
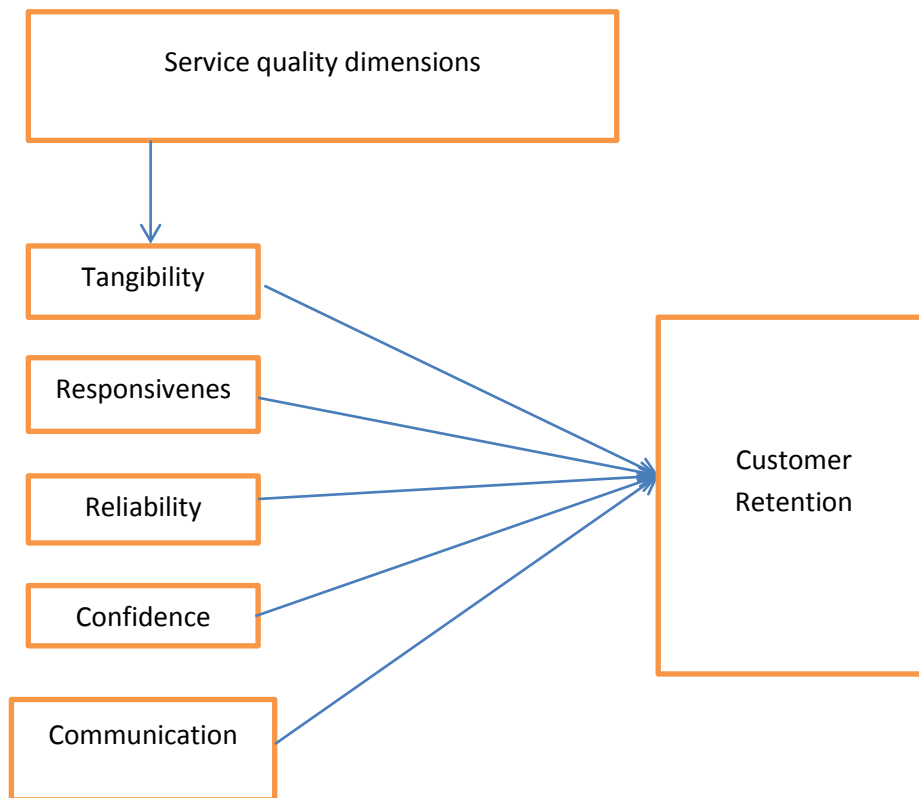
Fig1.extracted from review of related literature review
Source ;own survey

❖ Tangibility-The physical evidence of service including physical facilities, appearance of personnel, tools, and equipment used to provide the service.

❖ Responsiveness-The willingness to help customers and provide swift service

❖ Reliability-The ability to perform the service dependably, regularly and accurately

❖ Confidence-The knowledge and good manners of employees and their ability to convey trust and confidence

❖ Communication-Caring, individualized attention to its customers

This conceptual frame work indicated that service quality with regard to customer perception and expectation to retain existed customer plays a major role. If customer perception are higher that their expectation the service quality is high. However, service quality are anticedent of customer satisfaction(churchil and suprenant,1982).

Hence, customer satisfaction is the result of service quality but customer retention can be depend on satisfaction of customers. Whenever service quality are high customer retention occure Mesfin, (2013) And Dambush, (2014).

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The main objective of the study is to extract the effect of service quality on customer retention in the selected 5 hotels in Gambella town. For social science and behavioral studies survey types of research is the most suitable research design (Kothari, 1990). The research design method used is cross- sectional research design. According to Zikmund (2000), Bryman& Bell, (2003) cross sectional survey design is a type of survey design which is employed to collect necessary data at one point in time from particular set of population. This can be analyzing quantitatively using descriptive (Saunders et al. 2009). Descriptive statistics was used for the analysis of this study. And also both qualitative and quantitative types of data were employed.

Moreover, some qualitative information was used to support the quantitative data of the research With regard to customer retention questions and inferential analysis is also applied.

Additionally, qualitative data collection is carried out to triangulate the quantitative analysis of the data which were customer focus inquiry by using open ended questionnaires purposively (Appendix A)

3.2 Target Population

Both local and foreign customers of 5 selected Hotels which is strategically given by the regional Culture and tourism bureau: namely BGH (Baro Gambella Hotel), GRAND Hotel, Giwa Hotel, Jinina And Tadesech Hotels. According to the Hotel and Tourism evidence such Hotels were given standard criteria based on regional context. Customers were focused in their one month duration b/n February-March 2017/2009 in any occasion. This is helps to measure the level of service quality on customer retentions of their perception the actual service of the

hotels.   Since, they have been serving a lot of customer rather than newly inaugurated hotel which is not included in the study.

3.3 Sampling Procedure

To state the sampling technique of tourism sector of hotel industry is not easily identified. Hence, its sample population is unknown for such unknown sample size Cochran (1963) gave his investigation in his book. The confidence level for 95% is (95% of z^2=1.96) proportion of success and failure 50% for each and margin of error 5% (Kothari, 1990) the sample size of the equation can be formulated by:

$$N = \frac{Z^2 \times P \times (1 - P)}{e^2}$$

Where:

Z^2: confidence level

P: proportion of success and failure

e^2: margin of error

$$N = \frac{(1.96)^2 \times (0.5) \times (0.5)}{(0.05)^2} = 384.16 \approx 384$$

Hence, the above sample sizes were adjusted by (Cochran, 1963). This were accustomed depending on the external and internal factors that affect the study in the time of questionnaire feedback all the distributed questionnaires were not properly collected and the respondents fully not fill the questionnaires accurately due to this 4% contingency were also considered. Additionally, open ended questionnaires which are related to customer retention were also prepared to triangulate the quantitative parts of the analysis and to test the effect of service quality and customer retention. So, 400 questionnaires were distributed to the five selected hotels out of that 351 were the only return back which are 87.7%. Each hotel has been 80 questionnaires of the quantitative parts and open ended questionnaires and 7 independent

variable testing questionnaires were attached together. However, BGH 71, Grand Hotel 70, Giwa 70, Jinina hotel 70 and Taddesech 70 were collected.

The above sample is 95% of confidence level 1.96 critical values with 5% significance level when population of sample is large and unknown. The smaller the standard error will have a greater value of sample population (Kothari, 1990).

According to Abreham (2015), the above sample selection were applied by different researchers in analysis of service quality, Osman, Rahim and Rahayma (2010) and Haochen (2009);Brodie, R.J.,Whittome, J.R.M.,& Brush, G.J.(2009) &Ismail Mensah (2009).So 5 targeted hotels are selected purposively. On behave of this those hotels are selected and standardized according to the regional culture and tourism office documentation (Ref.No ትብ 1/3/20034).

According to Abrham, 2015 in the study of 3 star hotels service quality and customer satisfaction, he indicated that hotel should have comfortable bed, clean environment, well-maintained rooms, convenient locations, a safe and secured environment, convenient parking, Wi-Fi service, help fullness of staff , etc and some additional facilities which makes customer to satisfy and retained. These are the driving force that makes the researcher to initiate to do the research in this sector. Because, getting such facilities in Gambella at the moment is dream. Hence, the selected hotels are BGH hotel, Grand hotel, Giwa hotel, Tadesech hotel and Andinet Jinina Hotel this were selected by culture and tourism office of Gambella town Administration.

3.4 Source of Data

The sources of data that can be used in the research were both primary and secondary sources. Some of the basic secondary sources which were used to support the study were references like academic journals, articles, books, websites, brochures, pamphlets, newspapers and official reports and letters from concerned organizations were critically analyzed and reviewed to dig out for further study of other researchers. Besides of these, 351questionnaires were also analyzed to search the primary data with regard to closed ended type and open ended type in addition 7 customer retention related questions for local and foreign guest by convenience sampling methods.

3.5 Methods of Data Collection

According to Abreham (2015), "in hospitality industry customers are more willing to fill in questionnaire forms, due to easiness and absence of long opens questionnaires (Brace, 2004). The form of questionnaires give to informant and structure may affect customers" answer, so to collect accurate data it is highly important to think out exactly what questionnaires should be given to informant (Brotherson, 2008).

In order to collect accurate and appropriate data from customers, questionnaires need to prepare and organized in relation of SERVQUAL modified model which consist of 22 numbers of questions with a design of 5 likert scales (1=strongly disagree, 2= disagree, 3= neutral, 4= agree, 5=strongly agree). 80 questionnaires for each hotel were distributed to 5 Hotels with a total of 400 questions which were assigned equally and also open ended were prepared which were attached together in addition to 7 customer retention related questions.

3.6 Data Collection Instrument

In order to answer the research basic questions, the researcher employed various data collection methods. Initially to gather information from the participant closed ended questionnaires with five point liker scale were used and open ended questionnaires also employed for the study. The reason for using the liker scale is that will enable certain arithmetical operations to perform the data that collected from respondents. Open ended questionnaire also used to triangulate/support the data collected by closed ended. Beside this, the researcher was reviewed some document which are relevant to the study.

3.7 Data Analysis

Data were analyzed to give a brief description and interpretation. So it needs clear examination for these reason SPSS (statistical package for social science) version 20 were used for descriptive-cross sectional research design methods .Therefore, the Description statistical tool can be arranged in infrequency, percentage and mean and standard deviation in addition to correlation and multiple regression model to support the analysis and check the linkage between

dependent and independent variables and its impact, Cronbach's alpha data reliability test also used to check the reliability of the questionnaires.

3.8 Ethical Consideration

According to Saunders et al., (2003) ethics in the context of research refers to the appropriateness of behavior in relation to the rights of those who becomes subject to your work or affect by it. Therefore, it was necessary to consider ethical issues throughout the period of the research. From the time of the initial stage of clarifying the research question and gaining consent, ethical consideration was given to the design of the questionnaire, confidential information, collection and storage of data, processing of data and result analysis.

3.9 Validity and Reliability Test Result

Content validity of the instrument for the study was confirmed on the effect of service quality on customer retention and items are identified from the literature and reviewed by professionals and academicians. The data was collected from customers who came from different corner of the country and have a bed more than one day in order to collect accurate/valid data. According to Bryman and Bell (2003) Reliability is defined as fundamentally concerned with the degree of consistency measures. According to Hair *et al.* (2003) described Cronbach's Alpha is a method used to measure the reliability of the questionnaire between each item and the whole items of the questionnaire. The normal range of Cronbach's coefficient alpha value is between 0 and 1, and the higher value indicates that higher degree of internal consistency and the lower value lower degree of internal consistency. Different authors accept different values of Cronbach´s alpha so as to achieve internal reliability, but the most frequently accepted value is 0.70 and above to reach internal reliability the data.

CHAPTER FOUR

RESULT AND DISCUSSION

The main aim of this research is to extract the effect of service quality dimension with regard to customer retention in the case of Gambella town 5 selected hotels. This analysis is tested based on SPSS (statistical package for social science) with version 20 for that of closed ended questionnaires. Moreover, open ended questionnaires are also analyzed.

4.1. Analysis of reliability Test

These tests run to determine the reliability of the collected data. For reliability to be confirmed, Cronbach's alpha coefficient range from 0-1 and will need to be above 0.6 to conclude reliability, below this level, reliability cannot be concluded (Nunnaly, et al., 1967 and Hair et al. 2006). Later on According to Nunnaly (1978) "the minimum acceptable level of cronbach's alpha value is 0.70" so, this data are above this value which is acceptable of the internal consistency of the questions.

The results of the reliability analysis showed that Cronbach's alpha coefficients of the extracted factors ranged from 0.806 to 0.898. That is well above the minimum value of 0.60, which is considered acceptable as an indication of scale reliability (Table 1).

Table 4.1. Analysis of reliability test

Dimension of service quality		Cronbach's Alpha	Percentage (%)	Number of item
Tangibility	Perception	0.871	87.1	5
Reliability	Perception	0.887	88.7	4
Responsiveness	Perception	0.924	92.4	5
Confidence	Perception	0.906	90.6	4
Communication	Perception	0.891	89.1	4
Average customer retention	perception	0.909	90.9	7

Source: own survey, 2017

4.2 Sample Characteristics

The sample characteristics are 351 valid responses were collected and 49 questionnaires are non-return, non-complete and non-valid responses. It is evident that the distribution between male and females were reasonably balanced, constituting 61.3% male and 38.7% females. As for educational background, a large proportion of the respondents had educational background above certificate up to higher stage, 73.5%. Such characteristics are considered to be an effect of the data collection process. 70.7% were employed and business owner and only a minor proportion were not currently occupied (29.3%) students and others. From the valid responses all of them were above age from 18 and above, 64.7% of respondents had prior experience with having a bed more than 6 days so such customer were easily can able to evaluate the service quality of the hotel., though in contrast to the frequency of hotel usage, they only used the service occasionally with 35.3% of the respondents using the service 1-5 days in the same hotel.so, As for the Hotel frequency indicated above 64.7% the sample population used hotels for accommodation, food and beverage and other services daily with an average of 35.33% using the service for the purpose of conference and getting the hotel by information without any modern ways of advertising . Most of the respondents were local customers as it is shown in the next table.

Sample characteristics are provided in Tables bellow with their frequency and percent in addition to mean and standard deviation (See Appendix G).

4.2.1. Analysis of demographic data

In this section distribution of customers based on gender, age, educational level, number of days staying in hotel , nationality, occupation, purpose of staying in hotel and finally how choosing the hotel are some of the demographic information.

Table 4.2: Background Information of Respondents

No	Item		Frequency	Percent
1	Gender	Male	215	61.3
		Female	136	38.7
		Total	351	100
2	Age	18-25	27	7.7
		26-35	44	12.5
		36-45	173	49.3
		46-55	70	19.9
		Above 55	37	10.5
		Total	351	100
3	Educational level	Primary	17	4.8
		Secondary	61	17.4
		Certificate	53	15.1
		Diploma	62	17.7
		Degree	84	23.9
		Master	59	16.8
		Above	13	3.7
		Total	351	100
		16-20	6	1.7
		Above 20	11	3.1
		Total	351	100.0
4	Nationality	Ethiopian	317	90.3
		Foreigner	34	9.7
		Total	351	100.0
5	Occupation	Student	44	12.5
		Employed	88	25.1
		Business Owner	160	45.6
		Other	59	16.8
		Total	351	100.0

Source: Own Survey, 2017

The above table 4.1 indicated that back ground information of the respondents selected in the study from the targeted hotel of Gambella Town. Gender, Age, educational qualification, days of staying in the Hotel , occupation, nationality , purpose of staying in the Hotel and ways of choosing the hotel are some of the background information which is described in frequency and percentage. According to gender 61.3% of respondents are male and 38.7% are female. According to Age distribution49.3% of customers are 36 to 45, 19.9% of customers are from 46

up to 55, 12.5% of them are from 26 to 35.however, the minimum number of customers are from 18 to 25 years old and 10.5%'s are above 55 years. In relation to educational qualification he maximum numbers of respondents are Degree Holders 23.9%, 17.7% and 17.4% Diploma and secondary school complete and 16.8% second degree graduate and also the remaining are certificate, primary and others. Besides of this 90.3% of customers are an Ethiopian and 9.7% of the total sample is foreigner this is also collected from Grand and BGH Hotels .with regard to occupation45.6% are merchants, 25.1% are employed, 16.8 and 12.5% are others and students. 40.5% of customers are retained from 6 up to 10 days , 28.5% of guests are retained from 11 to 15 days , the rest are 1 up to 5 days 26.2%, and 4.8% of customers are above 16 days stay in that hotels . This result shows that the respondents are retained customers in the selected hotels. According to the purpose of staying in the hotels 36.8% are Business owners, 29.3% are others, 17.7%, 16.2%   of guests are stayed in the selected hotels for the purpose of conference and for the refreshment they came from different wereda and zone. From such total numbers of customers 43.3% use the service by word of mouth / informal ways of communication, 28.5% suddenly and the other 8.3% of guests are Government Assign for the purpose of meeting and Pugnido, Kule , Jewey and Terfam Camp NRC (NORWEY REFUGEE COUNCIL) workers as they have indicated at the time of by questionnaire distribution.

4.3. The highest and lowest average perceived service quality

Table 4.3. Average Customer perception

Service quality dimension	Average Perception
Tangibility	3.01
Reliability	3.10
Responsiveness	3.07
Confidence	3.11
Communication	2.94
Av. Service quality	3.05

Source: own survey, 2017

It clearly stated in the above table 4.3 that the confidence dimension has with a score of 3.11 in average and communication dimension has the lowest with 2.94. But, the rest of the dimension is moderate in average. This implies the actual service of the hotels in each dimension is still questionable. The respondents of customers are undecided. This finding is supported by Mesfin, 2013; Dr. Debasish, 2015.

4.4. Descriptive Statistics results and discussion

Descriptive statistics is presented in the form of mean and std. deviation to demonstrate the level of agreement/disagreement of customers with their implications to the service of quality of hotel sectors. The responses of the customers for the variables indicated below were measured on five point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But, while making interpretation of the results of mean and standard deviation the scales are reassigned as follows to make the interpretation easy and clear. 1 - 1.8= Strongly Disagree, 1.81 – 2.6 = Disagree, 2.61 – 3.4= Neutral, 3.41 – 4.20= Agree and 4.21 – 5 = Strongly Agree as cited by Yonas,(2013); Dambush, (2014).
N.B Higher standard deviation indicates that dispersion/variation in customers' response whereas the lower standard deviation indicates that lower variation in the customers' response. (ibid).

4.5. Perception of service quality

Table 4.4. Perceived service quality

Service quality dimension	Mean	Std. deviation	
	perception		
Tangibility	3.01	1.11	
Reliability	3.10	1.11	
Responsiveness	3.07	1.06	
Confidence	3.11	1.07	
Communication	2.94	1.12	

Source: own survey, 2017

The above table 4.4 shows that the average perception value of customers is ranged from 2.94 to 3.11. Which indicated the highest perceived service by the customers are confidence dimensions

and the lowest is still communication dimensions. As it is indicated in 4.4 above customers are disagree by the service of the hotels in communication dimension.

In general, Customers of the hotel no more actual service perceived from such hotels in every dimensions and other cases. As they indicated me in the open ended questions the quality of the service, the price they penalized, the accessibility of the product, the availability of the service like those hotels they have Wi-Fi but not well functional and some of the hotels are not well safety from their direction were they are found, janitors are not mentally matured and customers miscommunicate with employees particularly for foreigner guests are some factors that affect those customers. As indicated above 3.11 average value is the greatest in confidence dimension this is not a great variation from the rest of the dimensions for detail Appendix C.

Moreover, hotel providers, managers and stakeholders need to be targeting those dimensions and other factors to improve the actual service they have. Otherwise retaining customers in this case is difficult even customers switch the service.

On the other hand, According to the above table (4) the range of customer expectation based on those service quality lies from 3.20 to 3.36. The implication of this finding is customer responses are depends on what they expect before taking the actual service. However, in this communication dimensions has a least average responses due to the impact of those variables. Like the hotel providers does not give priority to customers, accept comments, re-design the system, search new mechanisms to retain customers and to understand the specific needs of customers have a critical area which need to be considered as the business to be profitable and communication dimension has a least average (APPENDIX C).Having potential front line employees helps to create loyal retained customers. This is supported by Abrham,(2015).

Respondents agreed in all dimensions of the model questions but it need following up for better activity. Since, confidence is the highest average in response that of the rest this indicated that customers of the hotel better served in safety and security of the customer, handling customers in polite manner, awareness to give a positive response and employees' of the hotel giving individual attention are some of the better expected services from the hotel providers/ employees. (See Appendix C for detail)

Beside of this the other average service qualities are between these intervals. Like Tangibility of the hotels, reliability of the hotel employees and responsiveness of the janitors. Therefore, all the dimensions need to be targeted to attract the expectation of customers. In this study the service expectation is higher than the actual service of the hotel this means steal there are problem of service quality in all dimensions. Managers / stakeholders need to be go through this otherwise to bring new customer is expensive than that of retaining the existed customers (Knutson, 1988 and Naumann, 1995).

4.6. The Relationship between Service quality and customer retention

Table 4.5. Relation of customer retention and service quality dimensions.

Service quality dimensions	Average Customer Retention
Tangibility	0.441**
Reliability	0.462**
Responsiveness	0.419**
Confidence	0.469**
Communication	0.357**

**- Correlation is significant at the 0.01 level (2-tailed).

*-Correlation is significant at the 0.05 level (2-tailed).

Source: own survey, 2017

The relationship between the independent variables Tangibility, responsiveness, reliability, confidence and communication, with the dependent variable customer retention was explored using Pearson correlation coefficient. The results of correlation analysis in table 4.5 above shows that, all the independent variables (Tangibility, responsiveness, Reliability, communication and confidence) are positively and significantly correlated with the dependent variable (customer retention) at 99% confidence level (P<0.01). The highest correlation is signified by Confidence (r= 0.469), followed by reliability (r= 0.462), tangibility (r= 0.441), responsiveness (r= 0.419) and communication (r= 0.357).

This indicates that if the level of tangibility, responsiveness, reliability, confidence and communication of the service of the hotel is high then the level of customer retention will be also high and the reverse is true.

Table 4.6 Descriptive statistics of customer retention

NO	Variables of customer retentions	N	Mean	Std. Deviation
1	The hotel tries to establish long term relationships with you	351	3.47	0.841
2	The hotel supports you to buy repeatedly	351	3.62	0.999
3	The hotel has an Excellent reputations	351	3.57	0.835
4	The hotel targets individual attentions to attract your purchasing power	351	3.59	0.837
5	The provides reward to motivate you for next purchase	351	3.58	0.847
6	The hotel has low charge of price with quality service	351	3.47	0.841
7	The hotel provides giving positive word of mouth to all customers	351	3.57	0.835

Source: own survey, 2017

As it is indicated in the table 4.6, the perception of respondents towards customer retention mean and standard deviation are indicated above for each variable. The results are ranged from 3.47 to 3.62 almost all the variables are agreed with the selected customer retention variables. But the hotel has low charge of price with quality service and the hotel tries to establish long term relationships with customers it need to be focused to retain customers this is true for evaluating each questions.

However, the average customer retention is 3.04 found in the interval of neutral in the range of 2.61 – 3.4 which is undecided. (Yonas, 2013; Dambush, 2014). Those questions are not making customers retained because the hotels does not establish any system to gain customers, the hotel supports customer to use the service repeatedly, the hotel may have reputation but actual implementation is degrading , the hotel may target to attract individual attention but not effective mechanisms which is confortable for all, in the case of providing reward this is an expected in those sectors particularly in Gambella as the customers indicated in the open ended questionnaire

and at the time of piloting test. In terms of price, positive word of mouth is some of the factors that makes customers does not decide the exact choice.

In generals the systems of customer retention is not normally implemented in those hotels. That's why service quality of customer expectation is greater than the actual perceived service which has negative in service quality in every dimension.

The linkage of perceived service quality on customer retention is tested by using correlation coefficients of service quality and customer retention. As it is indicated below the independent variables tangibility, reliability, responsiveness, confidence/ guarantee and communication on customer retention are checked by these mechanisms.

4.7. Analysis of inferential statistics

In this section the association of variables were used by Pearson correlation to check the relationship between independent variable and dependent variables and linear regression indicated to identify the best predictable variables which can able to affect the dependent variable customer retention this is performed for the purpose of identifying the effect of service quality on customer retention. With the help of statistical techniques, conclusion and decision were made. According to Duncan C. and Dennis H. (2004:38-41), correlation coefficient can range from -1 to +1. The value of -1 represents a perfect negative correlation while a value of +1 represents a perfect positive correlation and a value of 0 correlations represents no relationship.

In this parts of analysis linear regression model were taken as to test the effect of service quality on customer retention. From this five service quality dimensions has taken as the independent variable and the average value of customer retention is dependent variable in a confidence level of Dependent variable in a multiple regression model. For all the hypotheses of the study below hypothesis test was used at 99% confidence level with 1% Significance which is strongly accepting the raw data of those variables.

4.7.1 Assumption for statistical techniques

1. Normality Test.

The normality of variables was checked by skewedness. As indicated by; Nancy L. leech, Karen C. barrett and George A. Morgan (2005:28), a simple guideline to decide the normality of the variable, if the skewedness is between   -1 and +1, it is approximately normal. In this regard all variables of this research was negatively skewed the expected value ranging -0.679 to - 0.413.This implies all variables were normal. (See Appendix E)

2. Linearity Test.

As a general rule of thumb, predictor variables can be correlated with each other as much as 0.8 and less, unless there is a cause for concern about multi collinearity (Perry R. et al., 2004: 323). (See Appendix F)

 Multi Collinearity among Independent Variable

From the appendix F which is indicated at the end, the relationship between each independent variable with each other is positively correlated and the Pearson correlation coefficient range from 0.333 ** to 0.499** with 99% confidence level. It shows that the multi collinearity of the variables are acceptable, hence, the value is less than 0.8 as indicated in (Perry R. et al., 2004: 323) with strongly significant p< 0.01.

4.8. The impact of perceived service quality on customer retention

Table 4.7: model summary of linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602	.362	.353	.150

 Source: own survey, 2017

From the above table (4.7), R value is 0.602. It indicates that 60.2% of service quality dimensions which has a strong effect on the dependent variable customer retention. Likewise, the coefficient of determination R-square value is 36.2% variation of customer retention due to the factors of the independent variable service quality dimensions and 60.2% of independent variable influences dependent variables for those of five parameters (Montgomery, 1982).

Adjusted R^2 is developed to minimize the impact of Sample size. i. e 35.3% of impact can be occur for the sample size of 351 , if sample size increase its impact is decrease . For the same data the sample size is 360, its impact were 33.5 % (ibid).

Table 4.8 ANOVA (Analysis of variation)

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	59.296	5	11.859	39.223	.000
1	Residual	104.312	345	.302		
	Total	163.608	350			

a. Dependent Variable: AVERAGE CUSTOMER RETENION

b. Predictors: (Constant), communication, tangibility, responsiveness, confidence, reliability

Source : own survey, 2017

The table 4.8 above shows that F- Test which is helps to test to judge the significance. And it helps accepting and rejecting these hypothesis. Therefore, the significance of the hypothesis is less than 5% and the F-test is 39.223 this implies the overall model is fit which is accepting and also the service quality and average customer retention has significance association to have impact on retaining customers of the selected hotels. Hence, the model should be:-

Average customer retention= α + β_1 (TAN) + β_2 (RELI) + β_3 (RESS) + β_4 (CONF) + e

Table 4.9. T value of service quality dimensions and average customer retention

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.629	.148		1.043	.000
	Tangibility	.144	.038	.196	3.834	.000
	Reliability	.133	.039	.183	3.368	.001
	responsiveness	.136	.034	.198	4.031	.000
	confidence	.168	.037	.236	4.530	.000
	communication	.032	.035	.046	.900	.369

a. Dependent Variable: AVERAGE CUSTOMER RETENION
b. Predictors: (Constant), communication, tangibility, responsiveness, confidence, reliability

From the table4.8 above unstandardized coefficients shows for what extent dependent and independent variables' make variation with other independent variable make constant. Moreover, the beta coefficient shows independent variable influence that of the dependent variable Customer retention of the selected hotels with the selected Models of HOLSERV.

- Confidence (beta=0.236 , t=4.530 , $p < 0.001$) which has the highest significant impact on customer retention

- Responsiveness(beta = 0.198,t = 4.031, $p < 0.001$) ; Tangibility(b eta = 0.196. t = 3.834, $p < 0.001$) has moderately affect the dependent variable customer retention

- Reliability (beta = 0.183, t =3.368, $p < 0.001$) has **less** impact for the dependent variable of customer retention.

- Communication is in significant does not affect the dependent variable.

In general, Confidence dimension has high service quality beta value and also it has **strong** impact on customer retention. Managers should be considered, day to day follow up, regularly monitoring, evaluating each activity, supervising each department of the hotel mostly in this dimension. But do not forget reliability dimension even if it has weak impact on retaining the customers.

4.9. Qualitative analysis of open ended questionnaires

The roles of service providers to retain existed customers are indicated by qualitative open ended questionnaires. Hence, Service quality is the most important factor to retain existed customers. According to 63.3% of respondents there are some factors which make customers not to be retained. Such as the environment of both internal and external decorations of the hotel, the noise of the hotel, the price of they penalized in each service, the accessibility of modernized technology like internet, shoe shine machine, ATM machine, sense of security and safety for customers (modern cameras), swimming pool, the availabilities of potential employees, sanitation level of the hotel, cinemas, different kinds of gymnasiums etc. In general, the overall entertainment facilities of the hotel make customers' expectation less than the actual service of the hotel which makes customers loyal and retained. Hence, this helps for the owners of the hotels to attract the mind of customers to maximize their market share.

Most of the customers indicated that service quality is linked with retention of customers. The dimensions of service quality affect the interest of existed customers. Therefore, service quality is the corner stone for creating loyal existed customers this finding is supported by Abreham, 2015 and Mesfin, 2013.

The role of service providers should be targeted to minimize and solve the above drawbacks and searching new mechanisms to win the chance of having and hunting customers regularly by improving service quality in each and every dimension.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

5.1. Summary of Major Finding

In this section the overall summary of the finding is the heart of the research

- ➢ The reliability of the questionnaires is tested by Cronbach alpha test which is above 70% so the internal consistency is accurate.
- ➢ With regarding age distribution respondents are 21.7%of from 18-25 age interval, 36.3% are above 36- 45years old,23.6%, 11.4% and 7.1%'s are the rest intervals.so younger population moving from place to place for the purpose of business , conference and other reasons. But the older customers are not regular customers.
- ➢ In addition to this 47.6% of guests use the service by informal communication, 27.6%of the guests suddenly use the service but 8% is government assignment and 16.8% are other reason. This indicated hotel providers does not use any advertising mechanisms that's why guests use the service suddenly, word of mouth but international guests are not the probability of getting the service rather by using informal ways of communication.
- ➢ In the dimension of customer expectation and perception the result of service quality dimension is listed bellows.
- ➢ The correlation between service quality dimension and customer retention is positively correlated whereas the relationship between those dimensions are positively correlated implies it has moderate relationship with customer retention.
- ➢ Confidence dimension has strong impact for retaining customers whereas communication dimension has weak impact due to the fact that high perceived service quality is appear in the dimension of confidence the reverse is true for the case of communication.
- ➢ 60.2% of average service quality has a strong effect on the dependent variable customer retention

5.2. CONCLUSION

The design of the research is to find out the effect of service quality on customer retention in the selected of Gambella Town hotels. The perceived and Expected services are analyzed the result indicated that:

There are low service qualities in the dimension of responsiveness and communication dimensions the actual service of the hotels are less. Some of the problems are, service related issues like miscommunication between customer and employees, staff at the hotels are not willing to help customers but this is not for all cases of the type of the hotel and the hotels have no operating hours some of the customers are business owner and for purpose of conference so they needs rest but such hotels in addition to this in the case of communication dimension some of the employees are not mentally and physically mature no potential employees to dig out new investigation and searching what will have tomorrow to retain customers, the staff of the hotels understand the specific needs of the customers, accepting the customers complains are indications of the future development. Finally those hotels not redesign the system. Even if creating new ideas and systems are some of the lowest parts of the dimension which will be improved. (See appendix C).

Tangibility, reliability and confidence are some of the best dimension from the result but it has steal a problem when the researchers compare to that of the rest dimensions like responsiveness and communication these results are supported by Abreham, 2015, Mesfine 2013,**D**r. D.Saravanan2015.

The relationship between service quality and customer retention is moderately related which is tested by Pearson correlated with 2 tailed at the significant level of 0.001.

The impact of service quality dimensions are tested by multiple regressions. Therefore, confidence dimension has high impact on retaining the existed customers whereas Reliability dimension has low impact for the dependent variable customer retention.

5.3. RECOMMENDATION

In this parts of the study, some of the recommendation indicated that based on the finding of the study conducted on customers of selected hotels in Gambella town. Some of the recommendation is listed bellow

- ➤ The hotel providers and other stakeholders have due attention to give a training to employees instead of dismissing and penalizing them because in all most cases those dimensions has a negative effect on the quality of the hotel.
- ➤ Hotels should have to be customer oriented instead of profit centered. So, managers and other stakeholders or stockholders should able to hire potential employees.
- ➤ Hotel owner should accept any comment from customers but most of the studied hotels have no such ideas even some of them says unnecessary words to customers, it needs follow up all over the activities of the service and comment box should be also considered.
- ➤ Hotel managers and owners should able to do to attract customers. In this study there are problems under the dimension of tangibility reliability and communications. So, attracting existed customers is cheapest means of promotion instead of finding new customers making confortable environment, looking out of the box, who is our customers? What kinds of product needed in the hotel to retain customers such and other issues should be studied by staffs of the hotels. In general, Hotel managers and stake holders need to be look out of the box, searching time to time what left.
- ➤ Hotels are service oriented, so it needs marketing plan and it should have review regularly depending on their failure and success.
- ➤ Hotels should have systematically chosen the place where they are and the types of customers.
- ➤ Hotel Managers and stakeholders strategically set how marketing plan linked with creating loyal customers to be retained for long lasting.
- ➤ Hotel should have well-equipped and well- maintained facilities, Comfortable and clean rooms with inner and outer decoration, the availabilities of those facilities is important to attract and retained loyal customers.
- ➤ Those service quality dimensions communications, responsiveness and confidence should not be ignored even if they have a greater service quality gap. So, hotel operators need to

be considered the basic needs of customers this is supported by Juwaheer &Ross (2003) and Pizam & Ellis (1999).

➢ Reliability dimension has less relationship with other customer retention variables. So, stakeholders need to consider :having best mechanisms to attract customers, the hotel staff understand the specific needs of customers, redesigning the system periodically and accepting the comment of customers were needs to be target(Appendix C, NO 37-40)

➢ Confidence dimension has high impact on retaining existed customer. So, managers should able to focus this dimensions to prevent the impact not to harm customers repeatedly purchase power.

➢ Finally creating satisfied customer is the role of service providers to retain those customers for long run. Otherwise, Customer switches the market and then it is difficult to generate the business.

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Appendix A

Jimma University

Business and Economics College

MBA Program

Questionnaire to be filled by hotel customers

Dear guests, these questionnaires are designed to gather information on "the effect of service quality dimension and customer retention of Gambella town Hotel sectors". The purpose of this thesis is fulfilling the requirements for Masters of Business Administration (MBA) at Jimma University. I expect from you highly honor full responses. These questionnaire feedbacks are extremely important for my successful completion of the study.

The info that you gave me kept in secret and it is only for academic purpose. Finally I would like to express thanks to you very much for your cooperation and sparing your valuable time for my request. Please put any kinds of mark in the provided place to show your respected response.

MOHAMMED HUSSEN

Tele: 09-1391-7240

Email address: abby9172@gmail.com

Thanks in advance!

Part – one

Personal Data

1. Gender

    Male ☐   Female ☐

2. Age

    Less than 18 ☐   18-25 ☐   26-35 ☐   36-45 ☐   46-55 ☐   Above 55 ☐

3. Educational level

    Primary level ☐   Secondary level ☐   Certificate ☐   Diploma ☐

    Degree ☐   Master ☐   above ☐   Other ☐

4. For how many days stay in this hotel?

    1-5 ☐   6-10 ☐   11-15 ☐   16-20 ☐   above 21 ☐

5. Nationality

    An Ethiopian ☐   Foreigner ☐

6. Occupation

    Student ☐   Employed ☐   Business Owner ☐   Other ☐

7. Purpose of staying in Hotel

    Refreshment ☐   Confrence ☐   Business ☐   Other ☐

8. How you choose the hotel

    Government assigned ☐   word of mouth ☐   suddenly ☐   other ☐

Part –Two

Based on your feeling as you are customers of this Hotel put any mark on your choice about the perception and expectation level of the effect of service quality dimension in relation to customer retention? The level of their expectation and perception are:

(1) **Strongly Disagree**, (2) **Disagree**, (3) **Neutral**, (4) **Agree**, (5) **Strongly Agree.** Conversely, the number that you show, the more that you are best interested on it about the expectation and perception of the hotel sector.

No.	Scale item	Perception				
		1	2	3	4	5
1	The hotel has visually equipment. eg. Bar facility, dining facility…					
2	The physical environment was inviting. AC, TV, Wi-Fi, parking….					
3	Staff at the hotel appear neat uniform and clean.					
4	Material associated with the service.eg. pamphlet's, brochures usually appearing					
5	The outdoor surroundings were visually attractive					
6	When customers create a problem, the hotel shows a genuine interest to solve it. Like an error billing					
7	The hotel perform the service right the first time					
8	The hotel provide its service at the time it promises to do so					
9	The hotel maintain an error free service					
10	Staff at the hotel were able to tell customers exactly when service will be performed if not available at the time					
11	Staff at the hotel give swift service to the patrons					
12	Staff at the hotel are always willing to help customers					
13	Staff of the hotel are never too busy to respond customer requests					
14	Customers of the hotel feel safe in their transactions					
15	Staff of the hotel are consistently polite to handle customers					
16	Staff of the hotel have awareness to respond customers					
17	The hotel have operating hours convenient to all of its customers					
18	The hotel has staff who give priority to its customers individual attention					
19	The hotel has best mechanism than the rest to do further					

20	The staff of the hotel understand the specific needs of their customer					
21	The staff of the hotel willing to accept any comment from the client					
22	The hotel re design the system periodically to attract customers. Like preparing bonus, discount, providing T-shirt….					

Part Three

NO	Customer retention	Likert scale				
		1	2	3	4	5
1	The hotel tries to establish long term relationships with you					
2	The hotel supports you to buy repeatedly					
3	The hotel has an Excellent reputations					
4	The hotel targets individual attentions to attract your purchasing power					
5	The provides reward to motivate you for next purchase					
6	The hotel has low charge of price with quality service					
7	The hotel provides giving positive word of mouth to all customers					

Part – Four

Open ended questionnaire

1. Do you think that the entire question above adequately address the effect of service quality dimension on customer retention issue properly in terms of perception of customers at hotel sector of Gambella town? If not, can you tell me those issues that should be addressed?

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2. Additional comment?

    Thank you in advance!!!

APPENDIX B

ጅማ ዩኒቨርሲቲ

ቢዝነስና ኢኮኖሚክስኮሌጅ

በንግድስራአመራርየድህረምረቃፕሮግራም

I.   በሆቴሉደንበኞችብቻየሚሞላመጠይቅ

ውድየተከበራችሁደንበኞች፤ይህመጠይቅበጋምቤላከተማውስጥበሚገኙለጥቁተመረጡሆቴሎችላይሲሆንየጥናቱዋናዕሰየሆ ቴልየገልግሎትጥራትክፍሎችንደንበኞችንከማፍራትናቋሚከማድረግአንፃርያላቸውፋይዳበሚልየተዘጋጀነው።

ስለሆነምበጅማዩኒቨርሲቲበንግድስራአመራርዘርፍየድህረምረቃፕሮግራምየመመረቂያፅሁፌትንችግርፌቺከማድርግአንፃርተዘጋ ጀናጥናቱንጭብጥለማድረግይቻልዘንድበማንኛው ምመልኩየሚሰጡንንመረጃለጥናቱግብዓትብቻየሚያገለግልሲሆንለሶስተኛዉ ገንየማይተላለፍመሆኑንተገንዘበዉየርስዎተሳትፎለጥናቱመሳካቱልአስተዋፆስለሚያበረክትበተቻለመልኩመጠየቆችንእንድ ሞሉልንበአክብሮትተብበርእንጠይቃለን።

በድጋሚላዬረጉልንቀነተሳትፎከልብየመነጨምስጋናእናቀርባለን!!!!!!

ክፍልአንድ

የግለመረጃ

1.   *ያታ፡ ወንድ* □   *ሴት* □

2.   *ዕድሜ፡18 ዓመትበታች* □ *ከ 18-25* □   *ከ 25-35* □ *ከ35-45* □ *ከ45-55* □ *ከ55 ዓመት በላይ* □

3.   *የት/ትደረጃ፡*   *1ኛደረጃ* □   *2ኛደረጃ* □   *ሰርቲፊኬት* □ *ድፕሎማ* □ *1ኛድግሪ* □   *2ኛድግሪ* □

    ከዚያበላይ □ *ሌላ* □

4.   *ዜግነት፡ኢትዮጵያዊ* □   *የውጭ አገርዜጋ* □

5.   *የስራድርሻ፡ተማሪ* □ *የመንግስትሰራተኛ* □ *ነጋዴ* □ *ሌላ* □

6.   *በሆቴሉ የቆዩበት ምክንያት፡ ለመዝናናት* □ *ለስብሰባ* □ *ለንግድ* □ *ሌላ* □

7.   *ይህን ሆቴል እንዴት መረጡት፡ በመንግስት በኩል ተይዞልኛ /ን* □   *በወዳ ስለሰማሁ* □ *ባጋጣሚ* □ *ሌሎች*

    ምክንያቶች □

ክፍል ሁለት

የሆቴሎችን አገልግሎት አሰጣጥ አስመልክቶ የሚሞላ መጠይቅ

እርስዎየሆቴሉደንበኛናተጣቃሚእንደመሆንዎመጠንአገልግሎቱከማግኘትዎበፊትየነበረዎትአመለካከትናአገልግሎቱንከተ ጠቀሙበኋላያገኙትሙሉአገልግሎትበተመለከተከዚህበታችለተዘረዘሩትመጠይቆችንአስመልክቶ፤

1ኛ- በጣም አልስማማም / ሙሉ በሙሉ የለም ማለት ይቻላል **2**ኛ- አልስማማም**3**ኛ-የምሰጠውሀሳብየለኝም

4ኛ-እስማማለሁተስማምቻለሁ**5**ኛ-በጣምእስማማለሁ   /
በጣምተስማምቶኛልብለዉየተዘረዘሩትንመጠይቆችበተቀመጠዉቦታላይየሚፈልጉትንምልክትእንድያስቀምጡበአክብሮት እንጠይቃለን።።

በድጋሚእናመሰግናለንትብብራችሁአይለዩን!!!

ተ.ቁ.	መመዘኛመስፈርቶች	አገልግሎትበተጠቀሙበትወቅት ያዩበት/የተረዱበትደረጃ				
		1	2	3	4	5
1	ሆቴሉየተሟላአገልግሎትአለዉ፤ለምሳሌሙሉየቤትመገልገያዎች፤የመመገቢያመገልገያዎች፤የመጠጥ ቁሳቁሶች፤የመሰብሰቢያአዳራሽቁሳቁሶች፤ወዘተ።።					
2	ሆቴሉበሚሰጠዉአገልግሎቶችለምሳሌ AC, TV, Wi-Fi, የመኪናማቆሚያዎዘተእርስዎንሳቢናማራኪአድርጎዋታል					
3	የሆቴሉሰራተኞችየሚጠቀሙበትየደንብልብስእርስዎንይዞማቆየትናከማርካታዓንፃርምንያህልእርኪናማራኪነ ዉ					
4	የሆቴሉንአገልግሎትየሚጠቁሙየሚገልጿመጣጥፎችንበራወረቀቶችአልፎአልፎተጠቅመውያውቃሉ					
5	የሆቴሉዉጫዊቅኪፍልሳቢናማራኪነዉ (ደንበኞችንከማርካትናይዞከማቆየትአንፃር)					
6	የሆቴሉሰራተኞችግሮችንከመፍታትአንፃርበፍጥነትናደረጃበመስራትላይናቸዉ					
7	ሆቴሉከሌሎችሆቴሎችየተለየአገልግሎትወቅቱንበጠበቀመልኩበመስጠትላይይገኛል					
8	ሆቴሉየደንበኛንትዕዛዝበጠበቀመልኩቅድሚያበመስጠትየተመሰከረለትነዉ					
9	ሆቴሉችግረፈቺአዳዲስአሰራሮችንዘርግቶአገልግሎትበመስጠትላይይገኛል					
10	በደንበኞችትዕዛዝተመሰረትያልተገኙትንአገልግሎቶችወቅቱንበጠበቀመልኩምላሽበመስጠትላይይገኛል					
11	የሆቴሉሰራተኞችየተቀላጠፈአገልግሎትበመስጠትይታወቃሉ					

12	የሆቴሉሰራተኞችደንበኞችንለመርዳት፣ለመደገፍናለማገዝቁርጠኛእቅምይዘውበመንቀሳቀስላይይገኛሉ					
13	የደንበኞችንፍላጎትከማርካትናደንበኛይዘውማቆየትአንደሆቴሉምላሻሰጪመሆኑይታወቃል					
14	ሆቴሉለተጠቃሚዎችሙሉየደህንነትዋስትናበመስጠቱይታወቃል					
15	የሆቴሉሰራተኞችበጥሩሁኔታደንበኞችንማስተናገድናመያዝስልትናዘዴየተካኑቸው					
16	የሆቴሉሰራተኞችየደንበኞችንፍላጎትቀድሞከመረዳትምላሽከመስጠትአንፃርየሚያቁቸው					
17	የሆቴሉየስራሰዓትሁሉንምደንበኞችያማከለናያቀፈነው					
18	የሆቴሉሰራተኞችቅድሚያየደንበኞችንፍላጎትበመስጠትታዋቂናየተካኑቸው					
19	ሆቴሉከሌሎችሆቴሎችበተሻለመልኩየተሻለስራለመስራትበመንቀሳቀስላይይገኛል					
20	የሆቴሉሰራተኞችየደንበኞቻቸውንፍላጎትበመረዳትየተቀላጠፈስራርበማቅረብላይይገኛሉ					
21	የሆቴሉሰራተኞችየደንበኞችንአስተያየትበመቀበልእንዴግብአትበመቁጠርማሻሻልቁጠኞችናቸው					
22	ሆቴሉየተለያዩአዳዲስአሰራሮችንበማምጣትለደንበኞችፍላጎትከፍተኛቦታበመስጠትላይነው፣ለምሳሌ T-shirt በማዘጋጀት፣በምክንያትየዋጋቅናሽመጠቀም፣ሌሎችምዘዴዎችንይጠቀማል					

ክፍልሶስት

1. እነዚህ መጠይቆች በ ጋምቤላ ከተማ ውስጥ በጥናቱ ከተመረጡ ሆቴሎች ላይ በአገልግሎት አሰጣጥ ጥራት ክፍሎች ደንበኛን ቁሚ በማድረግ ያላቸውን ተፅኖ/ፋይዳ ለይቶ ከማውጣትና የመፍትሄ ሀሳብ ከመዘርጋት አንፃር መልስ መስጠት ይችላሉ ብለው ይገምታሉ ? መልስዎ "አዎ" ከሆነ ሀሳብዎን ቢገልፁልን? መልስዎ "አይደለም" ከሆነ እባክዎ ያሉበትን ሀሳብ ቢጠቅሱን ?

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2. ለጥናቱ ግብዓት ይጠቅም ዘንድ ተጨማሪ የሚሰጡት አስተያየት ካለ?

<div align="right">ለትብብርዎክልብየመነጨምስጋናናቀርባለን!!!!</div>

APPENDIX C

Analysis of perception and expectation of Service quality Dimensions

No	Perception of tangibility	Item scale	Frequency	Percent	mean	Std. deviation
1	The hotel has visually equipment.eg. Bar Facility, dining facility…	Strongly disagree	26	7.4	3.13	1.064
		Disagree	74	21.1		
		Neutral	105	29.9		
		Agree	120	34.2		
		Strongly agree	26	7.4		
2	The physical environment Was inviting. AC, TV, Wi-Fi, parking….	Strongly disagree	58	16.5	2.96	1.149
		Disagree	44	12.5		
		Neutral	125	35.6		
		Agree	103	29.3		
		Strongly agree	21	6.0		
3	Staff at the hotel appear neat uniform and clean.	Strongly disagree	33	9.4	3.17	1.053
		Disagree	43	12.3		
		Neutral	132	37.6		
		Agree	116	33.0		
		Strongly agree	27	7.7		
4	Material associated with The service.eg. Pamphlet, brochures usually appearing	Strongly disagree	76	21.7	2.67	1.166
		Disagree	69	19.7		
		Neutral	119	33.9		
		Agree	69	19.7		
		Strongly agree	18	5.1		
	The outdoor surroundings	strongly	26	7.4		

5	were visually attractive	disagree			3.15	1.100
		Disagree	66	18.8		
		Neutral	132	37.6		
		Agree	82	23.4		
		Strongly agree	45	12.8		
6	**Expectation of Tangibility** The hotel has visually equipment. eg. Bar facility, dining facility…	Strongly disagree	20	5.7	3.16	1.100
		Disagree	92	26.2		
		Neutral	86	24.5		
		Agree	117	33.3		
		strongly Agree	36	10.3		
7	The physical environment was inviting. AC, TV, Wi-Fi, parking….	Strongly disagree	27	7.7	3.28	1.067
		Dis agree	41	11.7		
		Neutral	133	37.9		
		Agree	108	30.8		
		strongly Agree	42	12.0		
8	Staff at the hotel appear neat uniform and clean.	Strongly disagree	22	6.3	3.32	1.050
		Disagree	53	15.1		
		Neutral	104	29.6		
		Agree	136	38.7		
		Strongly Agree	36	10.3		
9	Material associated with the service.eg. pamphlet's, brochures	Strongly disagree	34	9.7	3.14	1.135
		Disagree	62	17.7		

		Neutral	115	32.8		
	usually appearing	Agree	100	28.5		
		strongly Agree	40	11.4		
10	The outdoor surroundings were visually attractive	Strongly disagree	17	4.8	3.33	1.071
		Disagree	57	16.2		
		Neutral	125	35.6		
		Agree	98	27.9		
		strongly Agree	54	15.4		
11	**Reliability Perception** When customers create a problem, the hotel shows a genuine interest to solve it. Like an error billing	Strongly disagree	32	9.1	3.17	1.092
		Disagree	53	15.1		
		Neutral	125	35.6		
		Agree	106	30.2		
		Strongly Agree	35	10.0		
12	The hotel perform the service right the first time	Strongly disagree	47	13.4	2.96	1.174
		Disagree	79	22.5		
		Neutral	93	26.5		
		Agree	104	29.6		
		Strongly Agree	28	8.0		
13	The hotel provides its service at the time it promises to do so.	Strongly disagree	32	9.1	3.15	1.062
		Disagree	46	13.1		
		Neutral	143	40.7		
		Agree	97	27.6		

		Strongly Agree	33	9.4		
14	The hotel maintains an error free service.	Strongly disagree	35	10.0	3.14	1.120
		Disagree	57	16.2		
		Neutral	118	33.6		
		Agree	105	29.9		
		Strongly Agree	36	10.3		
15	**Reliability Expectation** When customers create a problem, the hotel shows a genuine interest to solve it. Like an error billing	Strongly disagree	20	5.7	3.40	1.067
		Disagree	45	12.8		
		Neutral	111	31.6		
		Agree	123	35.0		
		Strongly Agree	52	14.8		
16	The hotel perform the service right the first time	Strongly disagree	25	7.1	3.19	1.123
		Disagree	75	21.4		
		Neutral	104	29.6		
		Agree	103	29.3		
		Strongly Agree	44	12.5		
17	The hotel provides its service at the time it promises to do so.	Strongly disagree	21	6.0	3.34	1.095
		Disagree	46	13.1		
		Neutral	136	38.7		
		Agree	87	24.8		
		Strongly Agree	61	17.4		

18	The hotel maintains an error free service.	Strongly disagree	22	6.3	3.39	1.066
		Disagree	45	12.8		
		Neutral	103	29.3		
		Agree	135	38.5		
		Strongly Agree	46	13.1		
19	**<u>Responsiveness perception</u>** Staff at the hotel were able to tell customers exactly when service will be performed if not available at the time	Strongly disagree	26	7.4	3.04	1.037
		Disagree	75	21.4		
		Neutral	139	39.6		
		Agree	82	23.4		
		Strongly Agree	29	8.3		
20	Staff at the hotel give swift service to the patrons	Strongly disagree	27	7.7	3.11	1.078
		Disagree	67	19.1		
		Neutral	138	39.3		
		Agree	80	22.8		
		Strongly Agree	39	11.1		
21	Staff at the hotel are always willing to help customers	Strongly disagree	31	8.8	3.14	1.064
		Disagree	57	16.2		
		Neutral	122	34.8		
		Agree	114	32.5		
		Strongly Agree	27	7.7		
22	Staffs of the hotel are	Strongly disagree	29	8.3		

		Disagree	84	23.9	3.00	1.061
	never too busy to respond customer requests.	Neutral	122	34.8		
		Agree	90	25.6		
		Strongly Agree	26	7.4		
23	The hotels have operating hours convenient to all of its customers.	Strongly disagree	25	7.1	3.08	1.074
		Disagree	79	22.5		
		Neutral	125	35.6		
		Agree	87	24.8		
		Strongly Agree	35	10.0		
24	**Responsiveness Expectation** Staff at the hotel were able to tell customers exactly when service will be performed if not available at the time	Strongly disagree	19	5.4	3.24	1.136
		Disagree	84	23.9		
		Neutral	95	27.1		
		Agree	100	28.5		
		Strongly Agree	53	15.1		
25	Staff at the hotel give swift service to the patrons	Strongly Disagree	20	5.7	3.35	1.090
		Disagree	53	15.1		
		Neutral	118	33.6		
		Agree	105	29.9		
		Strongly Agree	55	15.7		
26	Staff at the hotel are always willing to help	Strongly disagree	19	5.4	3.44	1.083
		Disagree	43	12.3		
		Neutral	114	32.5		

		Agree	113	32.2		
	customers	Strongly Agree	62	17.7		
27	Staffs of the hotel are never too busy to respond customer requests.	Strongly disagree	26	7.4	3.25	1.151
		Disagree	69	19.7		
		Neutral	99	28.2		
		Agree	105	29.9		
		Strongly Agree	52	14.8		
28	The hotels have operating hours convenient to all of its customers.	Strongly Disagree	19	5.4	3.38	1.064
		Disagree	45	12.8		
		Neutral	126	35.9		
		Agree	106	30.2		
		Strongly Agree	55	15.7		
29	**confidence perception** Customers of the hotel feel safe in their transactions	Strongly disagree	24	6.8	3.11	1.076
		Disagree	76	21.7		
		Neutral	128	36.5		
		Agree	85	24.2		
		Strongly Agree	38	10.8		
30	Staff of the hotel are consistently polite to handle customers	Strongly disagree	24	6.8	3.06	1.117
		Disagree	97	27.6		
		Neutral	105	29.9		
		Agree	85	24.2		
		Strongly Agree	40	11.4		

31	Staff of the hotel have awareness to respond customers	Strongly disagree	25	7.1	3.14	1.033
		Disagree	65	18.5		
		Neutral	124	35.3		
		Agree	111	31.6		
		Strongly Agree	26	7.4		
32	The hotel has staff who give priority to its customers individual attention	Strongly disagree	27	7.7	3.14	1.059
		Disagree	60	17.1		
		Neutral	135	38.5		
		Agree	95	27.1		
		Strongly Agree	34	9.7		
33	**Confidence Expectation** Customers of the hotel feel safe in their transactions	Strongly disagree	19	5.4	3.43	1.095
		Disagree	52	14.8		
		Neutral	98	27.9		
		Agree	124	35.3		
		Strongly Agree	58	16.5		
34	Staff of the hotel are consistently polite to handle customers	Strongly disagree	17	4.8	3.30	1.106
		Disagree	72	20.5		
		Neutral	103	29.3		
		Agree	105	29.9		
		Strongly Agree	54	15.4		
35	Staff of the hotel	Strongly disagree	22	6.3		

	have awareness to respond customers	Disagree	50	14.2	3.28	1.041
		Neutral	123	35.0		
		Agree	118	33.6		
		Strongly Agree	38	10.8		
36	The hotel has staff who give priority to its customers individual attention	Strongly disagree	23	6.6	3.44	1.072
		Disagree	33	9.4		
		Neutral	118	33.6		
		Agree	121	34.5		
		Strongly Agree	56	16.0		
37	**Communication perception** The hotel has best mechanism than the rest to do further	Strongly Disagree	33	9.4	3.00	1.062
		Disagree	74	21.1		
		Neutral	127	36.2		
		Agree	93	26.5		
		Strongly Agree	24	6.8		
38	The staff of the hotel understand the specific needs of their customer	Strongly disagree	24	6.8	3.13	1.064
		Disagree	73	20.8		
		Neutral	123	35.0		
		Agree	97	27.6		
		Strongly Agree	34	9.7		
39	The staff of the hotel willing to accept any comment from the client	Strongly disagree	32	9.1	3.09	1.104
		Disagree	74	21.1		
		Neutral	105	29.9		
		Agree	111	31.6		

		Strongly Agree	29	8.3		
40	The hotel re design the system periodically to attract customers. Like Preparing bonus, discount, providing T-shirt….	Strongly disagree	100	28.5	2.54	1.239
		Disagree	69	19.7		
		Neutral	95	27.1		
		Agree	68	19.4		
		Strongly Agree	19	5.4		
41	**Communication Expect.** The hotel has best mechanism than the rest to do further	Strongly disagree	24	6.8	3.21	1.126
		Disagree	75	21.4		
		Neutral	102	29.1		
		Agree	104	29.6		
		Strongly Agree	46	13.1		
42	The staff of the hotel understand the specific needs of their customer	Strongly disagree	23	6.6	3.32	1.037
		Disagree	40	11.4		
		Neutral	131	37.3		
		Agree	116	33.0		
		Strongly Agree	41	11.7		
43	The staff of the hotel willing to accept any comment from the client	Strongly disagree	27	7.7	3.26	1.105
		Disagree	56	16.0		
		Neutral	110	31.3		
		Agree	115	32.8		
		Strongly Agree	43	12.3		
44		Strongly	48	13.7		

	The hotel re design the system periodically to attract customers. Like Preparing bonus, discount, providing T-shirt…	disagree			3.01	1.199
		Disagree	66	18.8		
		Neutral	109	31.1		
		Agree	89	25.4		
		Strongly Agree	39	11.1		

Appendix D

Correlation coefficient of customer retention and service quality dimensions

		Tangibility	Reliability	Responsiveness	Confidence	Communication
Tangibility	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	5				
Reliability	Pearson Correlation	1.000**	1			
	Sig. (2-tailed)	.001				
	N	5	5			
Responsiveness	Pearson Correlation	1.000**	1.000**	1		
	Sig. (2-tailed)	.007	.006			
	N	5	5	5		
Confidence	Pearson Correlation	1.000**	1.000**	1.000**	1	
	Sig. (2-tailed)	.004	.004	.003		
	N	5	5	5	5	
Communication	Pearson Correlation	1.000**	1.000**	1.000**	1.000**	1
	Sig. (2-tailed)	.009	.008	.002	.005	
	N	5	5	5	5	5
Average Customer Retention	Pearson Correlation	.441**	.462**	.419**	.469**	.357**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	351	351	351	351	351

**- Correlation is significant at the 0.01 level (2-tailed).

*-Correlation is significant at the 0.05 level (2-tailed).

SKIWNESS OF SERVICE QUALITY DIMENSION

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
Tangibility	351	3.33	.934	-.560	.130
Reliability	351	3.36	.942	-.679	.130
responsiveness	351	3.19	.995	-.498	.130
Confidence	351	3.33	.958	-.639	.130
communication	351	3.24	.998	-.413	.130

APPNDIX F
Correlations of the independent variables

|		tangibility	reliability	responsiveness	confidence	communication
tangibility	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	351				
reliability	Pearson Correlation	.499**	1			
	Sig. (2-tailed)	.000				
	N	351	351			
responsiveness	Pearson Correlation	.359**	.340**	1		
	Sig. (2-tailed)	.000	.000			
	N	351	351	351		
confidence	Pearson Correlation	.355**	.492**	.385**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	351	351	351	351	
communication	Pearson Correlation	.333**	.388**	.444**	.435**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	351	351	351	351	351

**. Correlation is significant at the 0.01 level (2-tailed).

APPENDIX G

Additional Demographic Data

1. **Days of staying in the particular Hotel**

day of stay in hotel	Frequency	Percent
1-5	113	32.2
6-10	166	47.3
11-15	53	15.1
16-20	8	2.3
21 and above	11	3.1
Total	351	100.0

Source; own survey, 2017

2. **Purpose of staying in the particular hotel**
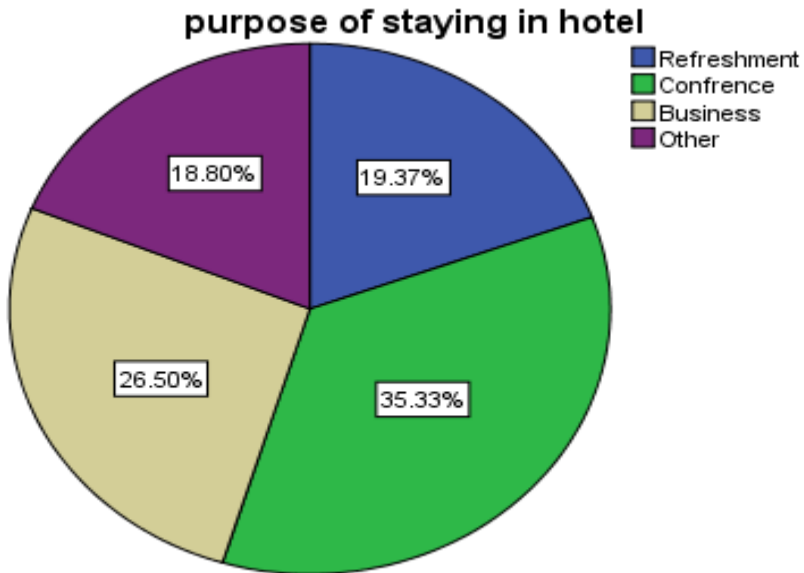
source : own source , 2017

3. Choosing mechanisms of the Hotel

how you choose the hotel	Frequency	Percent
Government Assigned	28	8.0
Word of mouth	167	47.6
Suddenly	97	27.6
Other	59	16.8
Total	351	100.0

Source: Own source