

**EFFECT OF RELATIONSHIP MARKETING PRACTICES AND INFORMATION  
COMMUNICATION TECHNOLOGY ON CUSTOMER SATISFACTION  
AMONG CLASSIFIED STAR HOTELS IN NAIROBI-KENYA**

**BY**

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**OCTOBER, 2016**

**DECLARATION**

**Declaration by the Student**

This thesis is my original work and has not been presented to any other examination body. No part of this work should be reproduced without prior written permission of the author and/or of Moi University.

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### **DEDICATION**

I dedicate this thesis to my family members in particular my dear wife Gladys, children Faith, Owen and Wyne. I also dedicate it to my late parents, Dad Stakus Nyameino who departed in September 2014 and Mum Yunuke Nyakerario who left us in January 2015 respectively. They provided me with morals, love, enabling environment and emotional support however my parents never lived to witness the completion of the struggle, aspiration, effort and joy of their son. May God rest their souls in eternal peace.

## ABSTRACT

Effective relationship marketing practices and information technology have become a potentially valuable way of enhancing customer satisfaction. However, there is limited empirical research to establish the combined effect of relationship marketing practices and information technology on customer satisfaction. The purpose of this study was to test the relationship between relationship marketing practices dimensions-commitment, communication, conflict handling and service quality, information communication technology and customer satisfaction. The study is grounded on social exchange theory and expectancy theory. Descriptive and predictive research designs guided the study. Data for the study were collected from a sample of 375 customers from classified star hotels in Nairobi and analyzed using descriptive and inferential statistics. Multiple regression and moderated multiple regression analyses were used to test the null hypotheses at 0.5 level of significance. The results indicate that commitment strategy ( $\beta$  0.191  $p < 0.05$ ) and service quality ( $\beta$  .259  $p < 0.05$ ) were significant in affecting customer satisfaction. However, communication strategy ( $\beta$  100  $p > .05$ ) and conflict handling ( $\beta$  --0.013  $> 0.05$ ) were not significant in affecting customer satisfaction. Information technology has moderating effect on the relationship between commitment ( $\beta$  -.224  $p < 0.001$ ) service quality ( $\beta$  0.194  $p < 0.000$ ) and customer satisfaction. However, ICT does not moderate the relationship between communication ( $\beta$  -.037  $> .709$ ), conflict handling ( $\beta$  -.039  $p > .357$ ) and customer satisfaction. In conclusion the study revealed that there is significant effect on relationship marketing practices and ICT utilization on customer satisfaction among classified star hotels in Nairobi. The study recommends that classified star hotels should focus on commitment strategy dimensions of customer needs, emotoinality, personalized services and flexibility on services as a relationship marketing practice. Also hotel managers should pay attention to all service quality dimensions of assurance, reliability, responsiveness, convenience and empathy. Finally, hotel managers should also make use of ICT since it enhances the relationship between existing relationship marketing practices and customer satisfaction. This study contributes to existing literature by including information communication technology in the RMP and customer satisfaction model and recommends for further reseach on broader dimensions on study variables.

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**LIST OF ABBREVIATIONS AND ACCRONYMS**

<b>ANOVA</b>	Analysis of Variance
<b>CRM</b>	Customer Relationship Management
<b>CRS</b>	Central Reservations Systems
<b>DV</b>	Dependent Variable
<b>EPD</b>	Expectancy Disconfirmation Paradigm
<b>GDP</b>	Gross Domestic Product
<b>HFOS</b>	Hotel Front Office System
<b>HLM</b>	Hierarchical Linear Models
<b>ICT</b>	Information Communication Technology
<b>IT</b>	Information Technology
<b>IV</b>	Independent Variable
<b>KMO</b>	Kaiser-Meyer-Olkin
<b>ML</b>	Maximum likelihood
<b>PCA</b>	Principal component analysis
<b>RM</b>	Relationship Marketing
<b>RMIS</b>	Restaurant Management Information System
<b>RMP</b>	Relationship Marketing Practices
<b>SPSS</b>	Statistical Package for the Social Science
<b>UN</b>	United Nations
<b>VIF</b>	Variance Inflation Factor

## DEFINITION OF KEY TERMS

- Classified hotels:** These are hotels that attain or meet certain set classification requirements regarding assumed standards of operations including building structures, accommodation standards, mode of facilities, location, environment, capacity, front office and communication services among other bench marks
- Commitment:** This is an on-going relationship between hotel service providers of classified star hotels and customers served that have common mutual interest or relationship with multiple facets of commitment which include adjusted, personalized, flexible, emotional and strong sense of identification services. The relationship requires loyalty, maximum effort, long-term maintenance and a positive intention on the service.
- Communication:** Communication is the act of transferring and sharing a message with customers and making it understood in a meaningful way. It is also the provision of timely, trustworthy and accurate information, fulfilment of promises, sharing of information among customers and the dissemination of information between hotel service providers and the customers served.
- Conflict handling:** It is open discussion of problems, having mechanism and style of solving problems. It is a negative consequence of manifested and potential conflicts which hotels should avoid before they create problems. It is also the open discussion of problems and creation of the mechanisms and styles for solving them.

**Customer satisfaction:** This is the ability to meet or exceed customer expectations. It is a key aspect of any business. For a hotel, satisfaction is gauged in relation to the service quality, quality of food, prices, value and the star hotel environment

**Level of ICT Utilization:** It is the availability, extent and application or use of information communication technology (ICT) by both customers and star hotel operations when either party wants to transact or communicate on star hotel services which will include booking, paying, ordering, rating or any other related usage in the course of the relationship in order to achieve satisfaction.

**Relationship Marketing practices:** To establish a fundamental marketing research surveys normally conducted on classified star hotels to investigate the relationship created, developed, and maintenance of the relationship in particular on commitment, communication, conflict handling and service quality with customers served.

**Service quality:** Are effective and efficient management of business processes to ensure customer satisfaction is on constant improvement which is normally measured by customers in form of perception either responsiveness, convenience, reliability, empathy, care and attention to customers.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter entails background of the study, statement of the problem, objectives of the study, research hypotheses, significance of the study and scope of the study.

#### **1.2 Background of the Study**

Contemporary businesses operate in an ever changing and competitive marketplace and working environment. As such, many firms have realized the need to satisfy customers so that the customers can buy again in the future (Mohammad, 2012; Soriano, 2002). Satisfaction of customers is considered an important factor leading to competitiveness and enabling the evaluation of a firm's performance (Gustafsson, Johnson & Roos, 2005). Increasing customer satisfaction has become an important topic in the hospitality industry and among managers, consultants, and academic scholars all over the world (Keiningham *et al.*, 2007).

Customer satisfaction is defined as an evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service (Oliver, 1999; Tse & Wilton, 1988). According to Kim, Park and Jeong (2004), customer satisfaction is customer's reaction to the state of satisfaction, and customer's judgment of satisfaction level. Customer satisfaction is very essential in today's business world since, as Deng *et al.*, (2009) argue, the ability of a service provider to create high degree of satisfaction is crucial for product/service differentiation and developing strong relationship with customers. Customer satisfaction is critical to business success, particularly in the hospitality industry, which has been affected by stiff competition with hotels competing in the areas of human resources and technology (Singh *et al.*, 2011).

Several researchers have demonstrated how relationship marketing significantly generates customer satisfaction. The marketing literature has theorised key virtues that develop Relationship Marketing such as commitment, communication and conflict handling Ndubisi, (2007). For instance, Maznahand Noor (2010) has emphasized that relationship marketing is not only to attract customers but also to maintain the existing customers. Further, relationship marketing demands the establishment of mutually accepted norms of redressing the partners. Similarly, Bugel *et al.*, (2010) studied five different service sectors, namely banking, health insurance, supermarket, mobile telecom providers and automotive, and found that enhanced customer satisfaction and relationship generates commitment. In today's highly competitive environment, hotels are unable to survive with a transactional attitude towards customers. They have to focus their marketing lenses to satisfying and maintaining customers. For this reason, customer satisfaction is viewed as vital theoretical and practical issue for most marketers and researchers (Amin *et al.*, 2011).

According to Ndubisi and Wah (2006), just like trust, commitment is an important and consistent variable when it comes to understanding the strength of a marketing relationship. It is a useful construct for measuring the likelihood of customer satisfaction. Similarly, Nguyen and Mutum (2012) opine that commitment is the most common dependent variable used in a buyer-seller relationship and is an essential ingredient for successful, long-term relationships. Commitment arises from trust, shared values and the belief that partners are difficult to replace. Commitment motivates partners to co-operate in order to preserve the relationship invested (Morgan & Hunt, 1994). Commitment is an intention to continue a course of action, an activity and a desire to maintain a relationship (Amin *et al.*, 2011). Further, it implies that partners forgo short-term alternatives in favor of the long-term benefits

associated with current partners. Customers make commitments only to trustworthy partners, because commitment entails vulnerability and leaves them open to opportunism as they define relationship marketing by using the concepts of commitment and trust.

Commitment has been identified as one of the key characteristics of successful relationships. Morgan and Hunt (1994) assert that parties expect each other to be committed to what they have in common. Commitment can manifest itself in various ways like making adjustments to standard products or services or by investing in the relationship. Commitment is also a way of responding to customer needs and is a key dimension of being market oriented. Thus, commitment is expected to be a central expectation or norm within a business relationship and fulfilling this expectation is opined to drive customer satisfaction.

Communication has been describe by Morgan and Hunt (1994) as an antecedent of trust, along with shared values and lack of opportunistic behavior. Communication is written or verbal and can take the form of personalized letters, direct mail, websites, other machine-mediated interactions, and intercom and e-mail among many others. Hotels strive to acquire and maintain satisfied customer. In these cases, good communication is defined as that which is helpful, positive, timely, useful, easy, and pleasant. The service provider, in short, provides information in such a way that the customer personally benefits especially when there is minimum effort needed to decode the communication and to determine its utility. Such communication is often personalized or delivered in a person-to-person format to meet each customers needs. Conflict refers to the level of disagreement between the parties acting in an exchange relationship. It reduces the possibility of creating and maintaining a long-term relationship (Amin *et al.*, 2011). It is the organisation's ability to minimise the

negative consequences of manifested and potential conflicts. Conflict handling includes an organisation's ability to avoid potential conflicts, solve manifested conflicts before they create problems, and discuss solutions when problems arise. The handling of conflicts carefully and effectively directly influences customer loyalty and satisfaction Ndubisi (2007). The degree to which the different parties in the relationship engage in conflict handling processes depend on their prior satisfaction with the relationship, the magnitude of the investment in the relationship and the alternatives that the parties have Sauers (2008). Organisations that encourage disappointed customers to complain and empower their employees to remedy the situation at the time and place of its occurrence have shown to achieve higher revenues and greater profits Kotler and Keller (2006).

Studies show that there are positive correlation of customer satisfaction with dimensions of service quality which include reliability, assurance, responsiveness, empathy and tangibility. One of the studies conducted by Mukhtar *et al.*, (2014) found out that service quality is positively correlated with customer's satisfaction, that customer's are likely to focus on hotels employees responsiveness, how they fulfill their promise and how they show interest upon serving customer's or when doing their work. This includes criteria like, promptness in giving service and willingness to help customers. Also customer assurance like effectiveness and consistency in service delivery are other criteria which customers are likely to focus on.

A large number of hotels use ICT to ease their tasks, such as making reservations, managing rooms, telecommunicating and accounting for guests (DiPietro and Wang, 2010). Technology plays a crucial role for customers satisfaction and revenue management (Gurnoor, Singh, and Bhangu, 2012). By the year 2000, online reservations, websites information, virtual concierge, Wi-Fi were uncommon.

However, currently literally none of the classified star hotels can operate without these facilities. It is important to understand all these technologies so that when instilled they will be used for getting operation excellence. Technology and hospitality services are directly involved in the positive attitude of customers which reflects in customer satisfaction and customer loyalty (Muhammad Shaham Bakhat *et al.*, (2012).

Further, ICT has been rapidly changing and enhancing from time to time and many hotels should invest a lot of resources to ensure that they have the latest technology. Information Communication Technology not only helps in customer satisfaction but also gives benefits to hotels. As Arash Fartash *et al.*, (2012) indicate, the hospitality industry is changing speedily around the world due to technological changes in information and communication. The industry needs to adopt technology to reduce costs, increase operational efficiency, improve service quality and customer experience. The successful outcome of hotels to implement ICT to certain level depends on their ability to obtain and utilize updated information to assist their marketing and management processes. Hence, technology enables hotels to manage information dynamically and effect business competitiveness by assisting managers to make appropriate marketing and customer satisfaction decisions. There is need to utilize ICT globally and even in the Kenyan hotel sector to enhance, facilitate and ease business operations. Eraqi (2006) asserts that technology is becoming the first priority for hotel management in order to increase and improve their service quality and also works as a tool to get competitive advantage and to enhance their service levels and management processes.

This study is relevant to and among classified star hotels in Nairobi Kenya by helping service organizations to gain sustainable competitive advantage. Therefore hotels

should give more focus on increasing reliability, responsiveness and assurance on service quality Mistry (2013).

The hospitality industry plays an important role to the economy. The use and proliferation of Information and Communication Technologies ICT with advanced and application of it have unveiled new avenues for enterprises and organizations in which the hospitality cannot be left out (Ansah, Kontoh & Balnkson, 2012). Technology-based systems which stand in as essential position to offer better services which Hotels can take advantage of the extensiveness of ICT vis-à-vis technology-based systems to advance some of their hotels operations in Kenya. Classified star hotels provide services such as reservation, telecommunication, front office, restaurant and accommodation for customers or guests. In order to enhance and improve the provision of these services, especially front office and accommodation, hotels in Kenya need to embrace efficient and effective customer satisfaction techniques through use of information communication technologies in order to satisfy and retain customers. ICT has a major role to play in relationship marketing practices among classified star hotels (Asabere & Doku, 2013).

The hotel industry in Kenya by extension supports and enhances the tourism sector and the economy in general as confirmed by extracts from Kenya Government Economic survey (2013 & 2014) which further states that it has grown, evolved and developed over the years in Kenya and globally thus making meaningful contribution to the economy in terms of employment, revenue and profit. The actual manifestation of the state of customer satisfaction and marketing relationship practices varies globally from person to person, product to product and service to service particularly among classified star hotels. The state of customer satisfaction and relationships depends on the information technological environment, usage, a number of

psychological, social, economic and physical factors. In the contemporary environment the only constant is change. Therefore, businesses have to develop different strategies in order to survive in long run. One of the best strategies is about satisfying the customers to ensure a long term growth of business.

### **1.3 Statement of the Problem**

The hospitality industry has witnessed growing interest in competition and link to customer satisfaction in gaining competitive advantage in Kenya. Critical elements of the hospitality industry such as service quality, relationship marketing, communication, conflict handling, customer satisfaction and ICT are headed for high levels of sophistication and innovation owing to global ICT changes and competition as noted by Mihajlović (2012). However, Despite increased value and magnitude in hospitality industry in terms of contribution, increased productivity, reduced costs, improved service quality, long-term profitability and improved customer satisfaction there is limited literature, practice and context studies as regards use of ICT moderation effect among classified star hotels industry in Kenya as asserted by Muhammad *et al.*, (2012).

The changing landscape of global marketing is making global, regional and local marketers to shift their focus from transaction based marketing to relationship marketing. This paradigm shift to embracing more interactive relations and strengthening marketing can build and nurture lasting close associations with customers Abbasi and Turkman (2010). Necessity, competition, environmental changes, paradigm shift, challenges and dynamism of customer satisfaction have prompted the use of relationship marketing as a business strategy. Oduro (2013) emphasizes the incorporation of RMP and customer perception in the process of achieving customer satisfaction by enhancing commitment, communication, conflict

handling, and excellent service quality. This strategy would also create an enabling environment, trust and mutually beneficial relationships within the context of information technology utilization. Although relationship marketing has been signaled as an effective strategy to attract, maintain and enhance customer relationships. Amin *et al.*, (2011) further asserts that there is little empirical research that has tested the underlying assumptions on moderated effect in Kenya and on context which much of the relationship marketing literatures based on commitment strategy, communication strategy, conflict handling, service quality and broad customer satisfaction.

There are however limitations in implementing, use and to test the moderating effects of information technology utilization on relationship marketing practices and customer satisfaction according to Nwakanma *et al.*, (2014), as there exists scanty in form of literature or little evidence research that has been done to test the spillover effects to customer satisfaction and to identify the moderating effect among classified star hotels especially in Kenya and in the East African region. Moreover, According to Tsai *et al.*, (2009) and Sirirak *et al.*, (2011) not many studies have researched the relationship on relationship marketing practices and its effectiveness on customer satisfaction as moderated by information technology in hotel industry thus asserts that there is need for more studies to investigate the impact of ICT on hotel application usage and performance in general in developing countries especially in Kenya.

This forms the motivation for this study. The adoption and use of information communication technology in various industries, particularly the hotel industry, is an area that has received the attention of researchers, managers and professionals due to its importance in contribution in industry and economy Arash *et al.*, (2012). Despite increased attraction, attention, value in this area, utilization of ICT and its impact on customer satisfaction in the hotel industry has not been adequately studied and tested.

Therefore this study sought to establish if there were any potential moderation effect of ICT utilization on the relationship between marketing relationship practices on commitment, communication, conflict handling and service quality on customer satisfaction among classified star hotels in Kenya.

#### **1.4 Objectives of the Study**

##### **1.4.1 General Objective**

The general objective of this study was to determine the effect of relationship marketing practices and information communication technology on customer satisfaction among classified star hotels in Nairobi, Kenya.

##### **1.4.2 Specific Objectives**

To answer the main objective, the researcher was guided by the following specific objectives:

- i. To determine the effect of commitment strategy on customer satisfaction among classified star hotel in Nairobi, Kenya.
- ii. To determine the effect of communication strategy on customer satisfaction among classified star hotels in Nairobi, Kenya.
- iii. To determine out the effect of conflict handling on customer satisfaction among classified star hotels in Nairobi, Kenya.
- iv. To assess the effect of service quality on customer satisfaction among classified star hotels in Nairobi, Kenya.
- v. To establish the moderating effect of ICT utilization on the relationship between relationship marketing practices and customer satisfaction among classified star hotels in Nairobi, Kenya

## 1.5 Research Hypotheses

In order to achieve the objectives, the following hypotheses were formulated.

- i. **Ho<sub>1</sub>**: Commitment strategy has no statistical effect on customer satisfaction among classified star hotels in Nairobi, Kenya.
- ii. **Ho<sub>2</sub>**: Communication strategy has no statistical effect on customer satisfaction among classified star hotels in Nairobi, Kenya.
- iii. **Ho<sub>3</sub>**: Conflict handling has no statistical effect on customer satisfaction among classified star hotels in Nairobi, Kenya.
- iv. **Ho<sub>4</sub>**: Service quality has no statistical effect on customer satisfaction among classified star hotels in Nairobi, Kenya.
- v. **Ho<sub>5a</sub>**: There is no significant moderating effect of ICT utilization on commitment and customer satisfaction
- Ho<sub>5b</sub>**: There is no significant moderating effect of ICT utilization on communication and customer satisfaction
- Ho<sub>5c</sub>**: There is no significant moderating effect of ICT utilization on conflict handling and customer satisfaction
- Ho<sub>5d</sub>**: There is no significant moderating effect of ICT utilization on service quality and customer satisfaction

## 1.6 Significance of the Study

### 1.6.1 Researchers

This study aimed at investigating the effect of relationship marketing practices and Information Technology Communication on customer satisfaction among classified star hotels in Nairobi, Kenya. It is therefore envisioned that the study would be of significant importance to researchers owing to study findings that commitment strategy

and service quality were significant as the study has contributed to the body of knowledge by providing a comprehensive framework on the effect of relationship marketing practices on dimensions on hotel performance.

### **1.6.2 Practice Management**

The study has the potential to help managers come up with more rational strategies at improving and understanding customers satisfaction and relationship. Most importantly, it has practical managerial implications that would be drawn in view of moderating the effect on relationship marketing practices on commitment and service quality which were found to be significant. The study recommendations can also help hotels to improve on the effects of moderations relationship marketing practices on customer satisfaction in improving hotel performance, profit, relationship and competitiveness.

### **1.6.3 Policy Makers**

This study has also the potential of assisting policy makers of Government and other public and private stakeholders such as investors, hotel owners and tourism marketing bodies. The study provides to stake holders with information of the findings to formulate appropriate policies in the sector, in understanding customer satisfaction and to draw better strategies to market Kenya as a tourism destination to earn the country more income to improve the country's GDP. Based on the findings, the study provides practical solutions aimed at attracting and retaining customers and better understanding of customer satisfaction and factors that determine relationship marketing practices.

### **1.7 Scope of the Study**

The study focuses on three key elements that make up the study variables which were conceptualized, independent variable relationship marketing practices with sub-

variables including commitment, communication, conflict handling and service quality, customer satisfaction as dependent variable and utilization of ICT as moderator. Descriptive and predictive research design was used, the study target population was 6067 and sample size of 375 customers accommodated or served among classified star hotels in Nairobi between september 2014 and February 2015. The study covered all classified hotels in Nairobi that are captured in the Kenya Gazette Notice of 2003. The unit of analysis was customers accommodated and served at or among classified star hotels Nairobi kenya.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter discusses concepts: customer satisfaction, relationship marketing practices, commitment, communication, conflict handling, service quality and Information Communication Technology concepts, theories: Expectancy theory and social theory. Models: The Kanol model and Technology acceptance model, Empirical literature review gaps, conceptual model and operationalization framework.

#### **2.2 Concepts**

This section discusses study variables which include the concept of customer satisfaction, relationship marketing practices, commitment, communication, conflict handling, service quality and information communication technology.

##### **2.2.1 Concept of Customer Satisfaction**

Customer satisfaction is meeting one's criteria or satisfying one's product and services needs, it has different emotion or manner of satisfaction, which is one of the main goal of marketing action where by it creates relationship with customers and how they act Maiyaki *et al.*, (2011). However every customer has different need, different attitudes and feelings. Different behaviors, different satisfaction levels, different buying pattern, therefore it is not essential that every consumer get same level of satisfaction for specific products or services being presented. It is clear that if anyone is satisfied with specific offer or service will acquire themselves grip in repurchase but will depend on how Customers will evaluate the quality of a service Ali *et al.* , (2010). Satisfaction come after use of some products or services which is essentially the result of actual and expected use of service Khokhar *et al.*, (2011). It is very

significant for hotel management to recognize and satisfy needs of customer that would help them for their success as customer satisfaction is the most important objective for the marketing process.

Customer satisfaction is exciting today because customers are more connected and knowledgeable than ever before, the social media, online customer reviews, messages forums and the power of internet search are tipping and shifting the balance of power in their favour. Kevin *et al.*, (2011) observed that hotel websites provides the type of information that customers would like to have, this has been seen to increase in use of internet services and that global hotel reservations rising as contributed by Schultz, (2012). Also as competition in the hotel industry intensifies, hoteliers have learnt to shift their strategies from customer acquisition to customer retention and loyalty, which is only possible with effective customer satisfaction. Dominici *et al.*, (2010) observed that in order to achieve customer satisfaction, it is important to recognize and to anticipate customer's needs and to be able to satisfy them. Consequently the attractiveness is influenced by the standards of the services provided by the classified star hotels in Nairobi.

Kohlmayr, (2012) concludes that to inspire long term customer satisfaction among customers, hoteliers must not only identify who their most valuable customers are but also put strategies in place to make them feel welcome and most valued. Kapiki, (2012) observed that excellent services quality by hotelier's results to better customer satisfaction and loyalty. Word of mouth according to Cvent, (2013) is official way of communication between people regarding a product or service which is boosted through use of various ICT electronics devices like whatsapp, facebook, twitter among others.

### 2.2.2 Concept of Relationship Marketing Practices

Relationship marketing is defined as attracting, maintaining, and enhancing customer relationships while other literature reveals many more definitions. Harker (1999) conducted a content analysis that produced 26 definitions from the Relationship Marketing (RM) literature. The author classified them into seven fundamental categories, namely (1) birth; (2) development; (3) maintenance; (4) temporality; (5) interaction; (6) outputs; and (7) emotional marketing content. Gronroos (1991) defines relationship marketing as establishing relationships with customers and other parties at a profit, by mutual exchange and fulfillment of promises through commitment and communication strategies, service quality and conflict handling among classified star hotels. A successful marketing strategy and appropriate management of relationships ensures that customers are retained. It is important to focus on the concept of personalization that drives the commitment value to the customer (Ashley *et al*, 2011).

Relationship marketing is used in marketing research to investigate the creation, development, maintenance of committed, interactive, and profitable relationships with selected partners over time Harker (1999). Several studies demonstrate that the success of any service company depends on maintaining a long-term relationship with customers. Morgan and Hunt (1994) and (Izquierdo, Cilla & Gtiemrre, 2005) indicate that relationship marketing includes all activities directed towards the establishment, development and maintenance of exchange relationships. The main dimensions of relationship marketing are trust, commitment, social bonding, empathy, promise, fulfilment and communications. Oliver (1997) defines customer satisfaction as a strong emotional reflection to keep re-purchase behaviors and to maintain a long-term relationship with the customers among classified star hotels. The successful adoption

of relationship marketing lies in building customer satisfaction in dynamic business environments among classified star hotels in Nairobi with the purpose of building commitment, enhancing mutual communication, service quality and responsive conflict handling.

Ryals (2002) states that relationship marketing focuses on customer retention as well as on the management of customer relationships over the lifetime of the customer. Relationship marketing serves as a foundation for building and improving relationships with customers Claycomb and (2001) and stronger relationships with customers result in competitive advantage over competitors. Retaining customers and building customer relationship have become the key factors in the implementation of relationship marketing for many organizations Nasir & Nasir (2005) were of the opinion that the ability of an organization to build positive relationships leads to success in the long run and that relationship marketing is becoming a key issue in hospitality marketing both in theory and practice. Palmer (2001) enumerates the components of relationship marketing practices as being, a focus on customer retention, long term orientation, tracing identifiable buyers, distinguishing different levels of relationship between the buyer and the seller, high levels of customer dedication and service quality as being the responsibility of every employee.

### **2.2.3 Concept of Commitment**

Commitment appears to be one of the most important variables for understanding the strength of a marketing relationship. It is a useful construct for measuring the likelihood of customer satisfaction as well as for predicting future purchase frequencies Morgan and Hunt (1994). While commitment is the most common dependent variable used in buyer-seller relationship according to studies by Wilson (1995) Morgan and Hunt (1994) regard relationship commitment as the key aspect of

relationship marketing. They define commitment as an on-going relationship with one another that is so important that it warrants maximum efforts to maintain it. Morgan and Hunt (1994) conceptualize trust as the willingness to rely on an exchange partner in whom one has confidence. The level of trust between exchange partners is an important criterion for understanding the strength of marketing relationships and has been defined in a variety of related ways. As Wilson, (1995) suggests that trust is a fundamental relationship model building block and is included in most relationship models. Trust has been defined in diverse ways in the relationship marketing literature. Morgan and Hunt (1994) also identify trust as a key construct in their model of relationship marketing. For operationalization purposes, the definition of Morgan and Hunt is used in this study because it considers the exchange and confidence which are important in relationship marketing.

Relationship commitment strategy exists when a partner believes the relationship is important enough to warrant maximum efforts in maintaining it over the long term. (Moorman, Zaltman, & Deshpande, 1992) define relationship commitment as an enduring desire to maintain a valued relationship. Commitment is of critical importance among classified star hotels and can lead to important outcomes such as increased customer turnover and higher motivation. Commitment is positively related to loyalty and repeat purchase, because relationship performance is critical to repurchase decisions in relational exchanges. Business loyalty is similar to relationship commitment in the context of classified star hotels. Such hotels must adjust to meet customer needs, create personalized service and flex their services to meet the changing needs. Commitment and loyalty are two concepts connected but different. Indeed, commitment exceeds the framework of a favorable attitude towards

a brand, commitment has a stronger solidity, robustness and stability than the general concept of long-term loyalty Morgan and Hunt (1994).

#### **2.2.4 Concept of Communication**

The relationship marketing process is usually described as one of establishing, developing and maintaining successful relational exchanges Morgan and Hunt (1994).

The essence of these activities is to decrease exchange uncertainty. To create customer collaboration is communication through gradual development, on-going adjustment of mutual norms and shared routines. Several relationship marketing scholars agree that communication is a fundamental aspect of relationship development. Communication is the essence of coordinating behaviour in any hotel setting, and marketing relationships are no exception Cummings (1984). Communication is said to be the glue that holds the service provider, customer relationship and satisfaction together Mohr and Nevin (1990). Communication is defined as the human act of transferring a message to others and making it understood in a meaningful way. This definition focuses on the efficacy of communication in producing the desired effect rather than on the frequency or modality of the information exchange in the buyer-seller relationship. In marketing relationships, communication plays a central role in providing an understanding of the exchange partner's intentions and capabilities, thus forming the groundwork for relationship development. Communication is a prerequisite for building trust among exchange partner. The quality and sharing of information influence the success of relationships Mohr and Nevin (1990) and are a central part of the relationship atmosphere.

According to Bruhn and Grund (2000) explicitly consider the construct customer dialoguea conceptual proxy, but not strictly equivalent to communication. Dialogue is two-way, which is a useful way to conceptualize communication. The definition of

communication in the study deals with communication from the service provider to the consumer and vice versa. The study included some two-way aspects of communication in complaint handling, but the construct of communication is essentially one-way. In essence, good communication should affect all aspects of the relationship, but largely trust, satisfaction, and loyalty. Therefore it has direct impact to communication among classified star hotels based on trust customer satisfaction findings.

Research on RMP suggests that hotels implement RMP and ICT to strengthen their ability to communicate with customers, provide them with feedback in a timely manner, analyze customer information and customize offerings. Therefore, the implementation of RMP strategies takes place to enhance the smooth dissemination of customer information throughout the hospitality industry, the purpose being to enhance the quality of decision-making (Krasnikov, Jayachandran & Kumar, 2009). RMP is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers. While customer segments unites the potential of relationship marketing strategies and ICT to create profitability and long-term relationships with customers and other key stakeholders.

### **2.2.5 Concept of Conflict Handling**

Conflict refers to the level of disagreement between both parties acting in an exchange which can be perceived in a relationship. It reduces the possibility of creating and maintaining a long-term relationship Amin *et al.*, (2011). Also it is the Hotel's ability to minimize the negative consequences of manifested and potential conflicts. Conflict-handling includes the hotel's ability to avoid potential conflicts, to solve manifested conflicts before they create problems, and to discuss solutions when

problems arise. How conflicts are handled influences customer satisfaction and loyalty directly Ndubisi (2007). It is also defined as the degree to which the different parties in the relationship engage in conflict-handling depend on their prior satisfaction with the relationship. The magnitude of the investment in the relationship and the alternatives that the parties have Sauers (2008). Hotels encourage disappointed customers to complain and empower employees to remedy the situation at the time and place of its occurrence to solve the problem and retain the customer, this contributes to higher revenues and greater profits Kotler and Keller (2006). Also when Mornay *et al.*, (2012) measured the influence of trust, commitment and conflict handling on customer loyalty used descriptive research design method and probability sampling method that was self-developed and previous measuring instrument used by Ndubisi (2005) as the results showed that conflict handling is a critical factor in building customer satisfaction and loyalty.

Yeji (2012) posits that service attitude of the employee's when handling conflict between customers plays a critical role in maximising customer satisfaction. Therefore employee's ability to solve problems efficiently and accurately is the most important factor in maintaining customer satisfaction level. As Carson Research Consulting (2013) suggested that companies including hotel's establishes the need to provide customers with the tools to be heard, because their concerns will be used to avoid recurrence of similar experience to another client. The hotel employees need to accept, apologise to the client's then attend to the faults at the earliest time possible, but not to argue with the customer's by addressing complaints effectively hence can turn a client into a supporter who will tell others the good experience offered.

### 2.2.6 Concept of Service Quality

Service quality is a way of managing business processes in order to ensure total satisfaction to the customer on all levels both internal and external. The approach leads to an increase of competitiveness, effectiveness and flexibility of the entire hospitality. Benefits arising from a high quality services are reflected in a more competitive positioning on the market, but also in a better business result. The efficiency of the whole system is possible only if we monitor and analyze the demands of the customers, as well as define and control the process and implement constant improvements. Service quality is a complex term, made up of several elements and criteria asserts Jasmina (2007).

Services qualities are defined as some characteristics or services that are intangible in nature like services offered at hotels which cannot be measured by some instrument. Services are said to be inseparable that is production and consumption usually takes place at the same time. Moreover services are variable in nature, they do not follow the same or some kind of linear pattern. Very often than not is also seen in services that services are simple as well as complex. Kheng *et al.*, (2010): Ograjenšek, (2008) indicates that Empathy, reliability, responsiveness and tangibility are the dimensions of service quality. They further stated that they are positively related to customer satisfaction. Tangibility is one of the most important forecaster of customer satisfaction Al-Rousan *et al.*, (2010). Research depicts that improvement made to service quality in hotels will automatically increase the customers satisfaction. Research has also proved that tangibles, assurance and empathy have significant effect on customer satisfaction as notes Ahmed *et al.*, (2010).

The importance of measurement of service quality offered by hotels has been recognized as one of the most important area of study for professionals of marketing with the purpose to understanding the service quality performance from the customer perspective Al Khattab and Aldehayyat (2011). Customers are the most important element for any business and keeping them satisfied is the result of fulfilling and delighting their expectations to exceed them and delivering service quality to customers is a core factors for success. It needs to be continuously evaluated and focus on continues improvement on hotels as the current situation necessary to observe Mohd, *et al.*, (2013).

Further, Mohd *et al.*, (2013) found out that the quality of service will be recognized as being the key strategic value for hotels and can impact in satisfaction and retention of customers. Its an opportunity for cross selling, reduction of cost, increase of profit margin and business performance. Also the development of customer relationship life time value Adil, (2012). The hospitality industry has been facing increased numbers of competitor and a pressure environment, as a consequence of the combined effect of the current worldwide economic situation, technological advancement and globalization. The competitive environment in hospitality industry has modified the way the hotels delivery the quality of service to customers and has made them adopt new approaches to maximaze the customer satisfation based in a service quality Murasiranwa, *et al.*, (2010). The players in the hospitality industry will definately direct their efforts to change the way they act in this industry, focusing in undestarding customer's needs and set out strategies to meet or exceed these needs. The way to achieve this strategy is to raise the attention to service quality from the customer's perspective Al Khattab and Aldehayyat (2011).

### **2.2.7 Concept of Information Communication Technology Utilization**

Many hotels use ICT to ease their tasks, such as making reservations, managing rooms, telecommunicating and accounting for guests. DiPietro, (2010) asserts that ICT has been rapidly changed or enhanced from time to time and many hotels invest a lot of resources to ensure that they have the latest technology. Many Hotels have gradually increased their investment in information technology in order to boost the efficiency of their business processes, support management decision-making, and improve productivity (Kim, Lee & Law, 2006). Moreover improving productivity is the main role of information technology in the hotel industry, as information resources have long played an important role in conducting successful hotel operations. Effects of a new system or technology could include changes in stress, job satisfaction, quality of work life, and other work related outcomes with important consequences for the productivity and efficiency of operations.

ICT adoption is a critical success factor in enhancing hotel relationship and performance in terms of productivity, revenue, as well as customer satisfaction (Sirirak, Islam, & Khang, 2011). ICT is also viewed as a strategic resource and asset Aziz *et al.*, (2012) and a core competence in the hospitality and hotel industry. This is because it has the potential of providing business value and enhancing competitiveness Bethapudi, 2013; Richard, 2013; Sirirak *et al.*, (2011). Research has further demonstrated that implementing ICT in the hotel industry has resulted in decreased costs, greater productivity, increased revenues, improved service quality delivery and improved customer satisfaction Aziz *et al.*, (2012), Well use of ICT is universally regarded as an essential tool in enhancing the competitiveness of the economy of a country.

## **2.3 Theoretical Framework**

This study was anchored on the following theories Expectancy theory and social exchange theory, models the Kano model and Technology Acceptance model.

### **2.3.1 Expectancy Theory**

Expectancy theory Bandura (1977) proposes that an individual will behave or act in a certain way because is motivated to select a specific behavior/choice over others due to what they expect the result of that selected behavior will be. In essence, the motivation of the behavior selection is determined by the desirability of the outcome. However, at the core of the theory is the cognitive process of how an individual processes the different motivational elements. This is done before making the ultimate choice. The outcome is not the sole determining factor in making the decision of how to behave. Expectancy theory is about the mental processes regarding choice or choosing. It explains the processes that an individual undergoes to make choices.

Expectancy theory explains that a person expects a high-value product or service and receives one that is low in value then there is disparity and experiences a cognitive dissonance. If disparity between service expectations and service performance exists among classified star hotels then consumers may have a psychological tension and try to reduce it by changing their perception of the product Yi (1993). It is expected that satisfaction results when a service meets the expectations of the customer. If the reasoning behind the theory is true, then hotels should strive to substantially raise expectations and provide high quality services so as to increase the level of satisfaction. This theory expresses and portrays the relationship between the study variables on how customers make better informed decision on the services they receive, expect and experience from performance or service delivery disparity to actual negative performance among classified star hotels and make comparatives. A

customer is either satisfied or dissatisfied as a result of positive or negative differences between expectations and perceptions. The theory contains perceptions, comparisons, and cost elements that have major implications on the services qualities on foods, prices and hotel environment, commitment and ICT among classified star hotels in Nairobi Kenya. The study confirms the theory has value to the study and contributes to existing knowledge both in theory and practice.

### **2.3.2 Social Exchange Theory**

Social exchange theory Homans (1958) is a [social, psychological](#) and [sociological perspective](#) that explains social change and stability as a process of negotiated exchanges between parties that include activities, tangible or intangible, which are more or less rewarding and which involve a cost. Social exchange theory posits that human [relationships](#) are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. Social exchange process brings satisfaction when people receive fair returns for their expenditures. This process may be accelerated by joint training and role playing of the partners as well as fostering organizational similarities, particularly in terms of goals, exchange behaviors, control procedures and strategic horizons (Brock and Barclay,1993).

As businesses continue to develop, to manage and maintain ongoing relationships with their customers, hotels will have to learn to bond with their customers. There are gaps when theories propose and suggest some implications for service providers seeking to develop and strengthen their customer's commitment, communication, conflict handling, service quality and moderating effects of ICT on a relationship. First, managers have to orient their bonding strategies towards building trust with their customers. Service providers should move from arm's-length and often-adversarial relationships to trusting relationships with customers for trust develops

over time. The theory has direct implications to commitment, buying behavior, attitudes, communications and the handling of conflicts. The theory is very appropriate when testing and confirming the link between the relationship marketing variables and other variables considered in this study. The study confirms the theory has value by explaining how people feel about are relationship and how it is relevant to service quality conflict handling and commitment and contributes to existing knowledge both in theory and practice.

### **2.3.3 The Kano Model**

The Kano Model of Customer or Consumer Satisfaction classifies service attributes based on how they are perceived by customers and their effects on customer satisfaction. These classifications are useful for guiding decision making. It is a relatively simple approach to use as it asks simple questions to customers on how they rate a number of attributes and how customer satisfaction can be achieved. Conversely, an absent or weak performance attribute reduces customer satisfaction Kano *et al* (1984). When the needs customers verbalise, most fall in the category of performance attributes. The Kano model offers some insights into the product attributes that are [perceived](#) to be important to customers. The purpose of the model is to describe service specifications and to provide a better understanding. Kano's model focuses on differentiating product/service features as opposed to focusing initially on customer needs. Kano also provides a methodology for mapping consumer responses to questionnaires onto the model. The model is relevant to service quality and commitment variables and moderating effect thus provides measuring guidance.

### **2.3.4 Technology Acceptance Model**

The Technology Acceptance Model (TAM) proposed by Davies (1989) is an [information systems](#) theory that models how users come to accept and use a

technology. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it. These factors include perceived usefulness and the perceived ease of use. Davis (1989) defines perceived usefulness (PU) as the degree to which a person believes that using a particular system would enhance his or her job performance. He also defines perceived ease-of-use (PEOU) as the degree to which a person believes that using a particular system will make transactions faster and easier. The model explains how users come to accept and use a technology, demonstrates factors that influence their decisions and assists in interpreting what kind of communication device technology that can be used and customers will use according to their perceived usefulness.

## **2.4 Empirical Literature Review**

This section reviews what other studies have revealed on relationship marketing practices, customer satisfaction, commitment, communication, conflict handling, service quality and information communication technology in relation to customer satisfaction.

### **2.4.1 Relationship Marketing Practices and Customer Satisfaction**

According to Ndubisi and Way (2005) who studied the impact of relationship marketing practices on customer satisfaction using a questionnaire derived from previous studies and the relevant literature on bank customers in Malaysia. The findings indicated that the four variables have a significant effect and predict a good proportion of the variance in customer satisfaction. Moreover, they are significantly related to one another. The research recommends that the relationships be further investigated in a different contexts. The reason being the data was collected and analysed from one sector of the service industry in one country, more studies are

required on other sectors and context before general conclusions can be drawn. However the research concluded that based on this evidence, customer satisfaction can be created, reinforced and retained by marketing plans aimed at building trust. Further demonstrating commitment to service quality, communicating with customers in a timely, reliable proactive manner and handling conflict efficiently. The study is in agreement with the study findings that there is significant relationship effect of relationship marketing practices and information communication technology utilization on customer satisfaction among classified star hotels in Nairobi.

Further Mohammadreza and Mohammad (2010) asserts that any successful adoption of relationship marketing lies in the building of client loyalty in dynamic business environments among the classified star hotels with the purpose of building commitment, mutual communication, service quality and responsive conflict handling. The research revealed that the changing landscape of global marketing is making global marketers to shift their focus from transaction based marketing. This will aim at aggressive selling to more interactive relationship strengthening marketing based on commitment, communication, conflict handling and service quality to build and nurture lasting close associations with customers. This is in agreement with Mohammadreza and Mohammad's, (2010) study which revealed a positive relationship between Relationship Marketing Practices and customer satisfaction. The relationship was established to be statistically significant meaning that a unit change in Relationship Marketing Practices variables affects customer satisfaction. This is further in agreement with the study which reveals that there is significant relationship effect of relationship marketing practices and information communication technology utilization on customer satisfaction among classified star hotels in Nairobi.

#### **2.4.2 Customer Satisfaction and ICT**

According to findings from Cool *et al.*, (2007) studies demonstrate that customer satisfaction is based on behaviors that are multidimensional, while the best predicts favourable, affordable and convenient behaviors that are associated with customer satisfaction. Hotels must balance and manage different aspects of the customer experience in ICT use simultaneously if they are to optimize the customer satisfaction behaviors they desire from their customers. The study revealed that holistic models of customer satisfaction were to be developed to model the impact of ICT changes on various dimensions of customers' satisfaction behavior on hotel industry. Also the result of the same study showed the impact of these dimensions were likely to vary by industry and customer characteristics. Further it implies that each dimension is likely to be affected by different aspects of the customer experience and usage.

Further the study conducted by Cool *et al.*, (2007) found out that customer satisfaction is the most common dependent variable on relationship marketing practices when moderated by ICT which is an essential ingredient for successful long-term relationships that matter on customer satisfaction. The research has revealed that hotels should accommodate and adjust to customer needs, be committed to meet customer's requirements and flexible in their ICT utilization and create an environment that is in good atmosphere for the customers. The two studies confirm that customer satisfaction and ICT are important variables strengthening the relationship. It's a useful construct of measuring relationship which is in agreement with study revealings that there is significant relationship effect between information communication technology (ICT) utilization on customer satisfaction among classified star hotels in Nairobi.

A research that was done by Kenexa Institute found out that there was a strong positive relationship between employee and customer satisfaction when using ICT Wiley (2012) and this is because employee behaviour is defined as consequences of their actions in delivering hotel services. Knowing what the customer expects is the first and possibly most critical step in delivering good quality service, but being wrong about what customers wants can mean losing a customer's business when another hotel hits the target exactly using appropriate technology.

Findings by Natuhwera (2011) showed that a satisfied customer is the one whose expectations are met through use of ICT and spreads the benefits through positive word of mouth which is an important factor in the hotel industry because with excellent customer satisfaction, customers are more likely to recommend such high services to their friends, relatives and colleagues which will be consequently make the hotel business thrive on credible and positive image. However, according to Litrin (2006) negative word of mouth creates an overwhelming impact upon a hotel image and since dissatisfied visitors spread unflattering comments related to their experience through technological devices which will lead to negative sales and performance of the hotel. All this findings points to this study revealings that there is signifant and positive relationship between customer satisfaction and ICT.

#### **2.4.3 Commitment and Customer Satisfaction**

Previous research conducted by Mornay *et al.*, (2012) measured the influence of trust, commitment and conflict handling on customer loyalty that was researched through the use of descriptive research design method and probability sampling method. This was self-developed and adopted questionnarre from previous measuring instrument used by Ndubisi, (2005) were used as the results showed that Commitment is a critical factor in building customer loyalty. That both life and non-life insurance organizations

should accommodate customer needs and should tailor their products to meet the requirements of their respective customer groups. They should also be flexible in their relationships with customers. Life insurance organizations can identify the needs of different customers and satisfy them through customer segmentation. Financial products can then be developed to address the needs of the target market. The following segmentation criteria were considered that is relationship revenue and relationship cost, relationship volume and profitability. This is in agreement with this study revealing that there is positive and statically significance relationship between commitment and customer satisfaction. The relationship is further enhanced when moderated by ICT. The relationship was established to be statistically significant meaning that a unit change in Relationship Marketing Practices on commitment will cause effect on customer satisfaction.

#### **2.4.4 Communication and Customer Satisfaction**

Results from (Krasnikov.,*et al*, 2009) research shows that Hotels needs to implement ICT to strengthen their ability to communicate with customers, provide them with feedback in a timely manner, analyze customer information and customize offerings. The study reveals that the implementation of ICT communication strategies takes place to enhance the smooth dissemination of customer information throughout the hospitality and hotels. The study also revealed that there was enhanced quality and ease of communication. ICT communication is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. Further the study revealed a created link between the potential of relationship marketing strategies and ICT to create profitable, long-term relationships with customers and other key stakeholders. The research is not in harmony with the study findings revealings that there was no

positive relationship between communication and customer satisfaction however the relationship was established to be statistically significant meaning that a unit change in communication will cause effect on customer satisfaction.

According to Cvent (2013) findings that word of mouth and ICT communication are ways of communication between people regarding a product of service and it is among the first three sources of information through experiences of friends and relatives. It is a powerful tool that provides inquirer with an indirect experience about the product or service through friends and relatives. Also is tailored to people that have same interests and is not limited by money or any other constraints as social, time, family or physical features. Which contributed that the social network offers an appealing context to study word of mouth because it provides easy tools for current users to invite others to join the network and build relationships online. In the hotel industry the best word of mouth comes from high service quality and good customer experience this will make the customer talk about the hotel services in a positive way.

#### **2.4.5 Conflict Handling and Customer Satisfaction**

When Amin *et al* (2011) measured the influence of trust, commitment and conflict handling on customer loyalty. The results showed that conflict handling is a critical factor in building customer loyalty. The major findings of the study indicated that trust, commitment, communication, and competency customer relationship marketing practices all contributed positively on the effort of Commercial banks in Ethiopia in customer satisfaction. While conflict handling practices in Commercial banks in Ethiopia was identified as a one constraints for customer satisfaction. The study also recommended the bank to design and provides continuous training sessions, which emphases on customer service handling on customer relationship marketing for employees to develop skill, attitude, abilities gap and to fill customer handling gaps

identified under this study. The study was not in conformity with this research finding which reveals that hotels' efforts to avoid potential conflict, solve manifest conflict before, have ability to discuss solutions, have mechanism of solving disputes and have styles of solving disagreement had no positive relationship between conflict handling and customer satisfaction however has a statistically significant effect on customer satisfaction.

Kazimoto (2013) analyzed the elements of a conflict handling process leadership organizational change and the benefits of managing conflict. The author concludes that leadership approaches are the key important factors for conflict management. The study recommends that managers in various organizations including hotels should encourage open communication policy, so that all employees get the right information at the right time and mandated to solve promptly any conflict arising for purposes of customer satisfaction.

While (Mukolwe *et al*, 2014) investigated the effect of interpersonal conflict on organizational performance of selected hotels in Kisii town. The study employed both descriptive survey and explanatory research designs and targeted a population of 368 employees of purposively selected hotels. The data was analyzed using descriptive and inferential statistics while multiple regression was used to test the hypotheses. The results indicated that interpersonal conflict strategies, relationship conflict and task conflict significantly affect organizational performance respectively, while outcomes of interpersonal conflict does not significantly affect organizational performance.

Customer complaints reflect customer dissatisfaction and service deficiencies and this require great attention and care. Carson Research Consulting, (2013) found out that customers are twice as likely to speak to others when things go wrong or bad

experience than when things are right. This requires that the hotel employees attend to problems immediately not to leave issues and problems unresolved because solving them at the earliest time creates good impression to the customer about the type of establishment they are in. An unresolved issue encourages negative talks and a bad impression of management inability to manage the organization. It is not in order to disappoint a golden customer because it is them that they bring in more customers because their earlier issues are solved and satisfied the more they will talk about the hotel service to others.

#### **2.4.6 Service Quality and Customer Satisfaction**

According to (Rizwar *et al*, 2014) from their studies on determinant of customer satisfaction and impact on customer satisfaction in Nokia brand, the study acknowledges service quality positively affecting customer satisfaction with perceived price acting as a moderating variable. In addition to that service quality also has a significant positive influence on trust. Customer satisfaction is a strong variable effecting customer satisfaction and trust positively. Therefore it could be postulated that customers with high rated perception of service quality and satisfaction also generally exhibit repurchase intent and strong customers towards the services. Furthermore, the study also adds up that the moderating variables positively influence the relationship. Increase in the customer's perception on the reasonableness of price also tends to increase the impact of service quality on customer satisfaction.

A study carried by Haq and Muhammad (2012) to investigate the service quality and its relationship to customer satisfaction among the customers of hotels a survey was carried using a modified SERVQUAL scale to 200 customers conveniently drawn. The study used regression analysis and identified five service quality dimensions namely; empathy, service architecture, convenience service encounter, employee

service, customer focus and five customer satisfaction dimensions: responsiveness, competency, safe transaction, competitive services and knowledge on overall hotel. The study showed that customers' satisfaction varies according to the nature of services .

Also a study conducted by (Rizwar *et al*, 2014) asserts that the hotel industry needs to take a proactive stance in implementing service quality, while continually striving to build levels of use of technological advances customer satisfaction. The same Study conducted by the National Restaurant Association stated that 70% of a business base comes from repeat customers due to good service quality offered. The same survey shows it is getting more difficult to maintain customer satisfaction without good quality service. The three studies findings confirms with this study that there is positive and statically significance relationship between service quality and customer satisfaction, meaning that a unit change in service quality will cause effect on customer satisfaction.

Studies conducted by Dominici & Guzzo (2010) In the hospitality industry showed high standard of quality and improve customer satisfaction are recognized as a crucial factors responsible to push up the performances of players in this hotel industry and also can improve their profitability. It also showed that hotel managers are facing the challenge in the hotel industry to provide and maintain the customer satisfaction. The management approach is based in providing service with high standard of quality focusing in customer satisfaction to result in positive brand image, loyalty, reduce the price perception by customers and increase profitability as well. Also research from Suneeta & Koranne (2014) has identified the relation of service quality and customer satisfaction in the hospitality industry and the strong positive correlation between those constructs is a very important for those hotels which have objectives to develop

good marketing strategies, provide competitive advantage and build loyal customers base.

#### **2.4.7 Information Communication Technology and Customer Satisfaction**

Information communication technology such as Internet, central reservations systems and other electronic distribution systems can be seen as a relatively new competitive resource forming part of competitive advantage theories and models. Interestingly the conventional research identify information technology as a critical success factor for attaining exceptional good relationship between RMP and customer satisfaction (Praničev *et al.*, 2011). As also researcher Breznik, (2012) argue that ICT can be a competitive resource while its competitiveness has the potential. Further researchers claim that IT and the Internet in particular can create a competitive advantage and improve performance and competitiveness (Sirirak *et al*, 2011). In the hotel industry information technology investments are often made to improve performance (Tsai *et al.*,2009) which is the main reason for managers to install information and communication technology. This confirms the empirical evidence support the logic behind such expectations that ICT paradox that investing in computers and information systems will have a positive impact on a firm's productivity or performance. This confirms with this study findings that ICT has moderated relationship between commitment strategy and customer satisfaction and moderated relationship between service quality and customer satisfaction.

ICT plays a major role in tourism, travel, hospitality and the hotel industry. The integration of ICT in the hotel industry is very essential for the success of hotels Bethapudi (2013). In fact, some scholars believe that ICT can lead to economic development of nations (Aziz *et al.*,2012); (Kamel, Rateb & El-Tawil, 2009). The strategic goal by most hotel administrators is to integrate ICT with tourism in an effort

to enable more accessibility, availability of a wide variety of products and services, visibility of information, and generation of customer satisfaction Bethapudi (2013). This effort involves the use of computer hardware, software and telecommunication devices to store, manipulate, convert, protect, send and receive data Oliner and Oliner (2006). The growth in the use of networked computers is one of the most significant trends to date (Ansah, Blankson, & Kontoh, 2012). Based on this development, hotels are using the technology to forecast guest demand for reservation, management of guest services, accounting for guests, data management, revenue management, reservation management and yield management (Ansah et al., 2012). Yield management, for example, can provide a better control of room inventory and provide hotels with a wealth of data and information that could increase room occupancy and revenue Knowles (1998). This confirms with study findings with on both moderation effect of ICT on commitment, service and customer satisfaction. There exist intense competition and high customer expectation that has led many hotel's to explore innovative means to achieve competitive advantage (Sirirak *et al.*, 2011). Some of the responses by hotels include investment in the latest technology in room reservation, room management, procurement and inventory systems, wireless internet, telecommunication, email, electronic transactions, hotel websites, and guest experiences (Aziz *et al.*, 2012); (Sirirak *et al.*, 2011).

Many hotels in developed countries are taking advantage of ICT to achieve superior performance and competitive advantage Li (2012). For example, networking the centralized reservation system CRS can enhance cost effectiveness, faster communication, effective exchange of information, and efficient management of data Lucey (2005). The hotel's CRS can be linked to airline CRSs to form a global reservation system in an effort to allow travel agents and potential guests to make

direct reservations. ICT has been transforming the hotel industry globally by developing a whole suite of software applications in an effort to gain superior performance in revenue, room occupancy rates, seat turnover rate, reduced operational cost, improved customer satisfaction, and excellent guest experience (Sirirak *et al.*, 2011). However, in the midst of these successes, there are some threats according to Bethapudi (2013). Chief among these are the realization by hotel administrators that a brand by itself is not enough, coupled with the fact that many new destinations have emerged which are challenging the traditional ones. Furthermore, customers are more sophisticated and are more demanding by requesting high-quality products and services and value for dollar spent. It is also stated that the hotel industry is the most under-automated segment of the international travel industry. In addition, there is a notion in the hospitality community that the hotel sector needs to speed up ICT implementation Mihalic and Buhalis (2013). This findings confirms with this study findings that there is significant relationship effect of relationship marketing practices and information communication technology ICT utilization on customer satisfaction among classified star hotels in Nairobi.

## **2.5 Study Gaps**

Many past studies have focused on separate elements of RMP such as trust, commitment service quality and satisfaction (Mornay *et al*, 2012). However, (Ashley *et al*, (2011) points out that marketing might be conceptualised as involving different types of relationship and associated meanings in the relationship process. Bruhn (2003) argues that RMP should represent an integrated approach under whose umbrella all the hotels marketing activities can be pursued. Eiriz and Wilson (2006) further indicates that the concept of RMP still lacks clarification and depending on the theoretical background adopted. This study therefore builds on previous attempts

to clarify various aspects of RMP in the marketing literature to address both the richness and completeness of the phenomenon. The second gap concerns what is at the heart of this research, namely the need for conceptualisation and empirical findings to address relationship creation, development, Maintenance and customers satisfaction among or within classified star hotels in Nairobi kenya. The third gap is that there are no customerized and contextual studies carried out to investigate the various RMP dimensions as moderaterated by ICT that are vital to customer satisfaction among classified star hotel services Nairobi kenya.

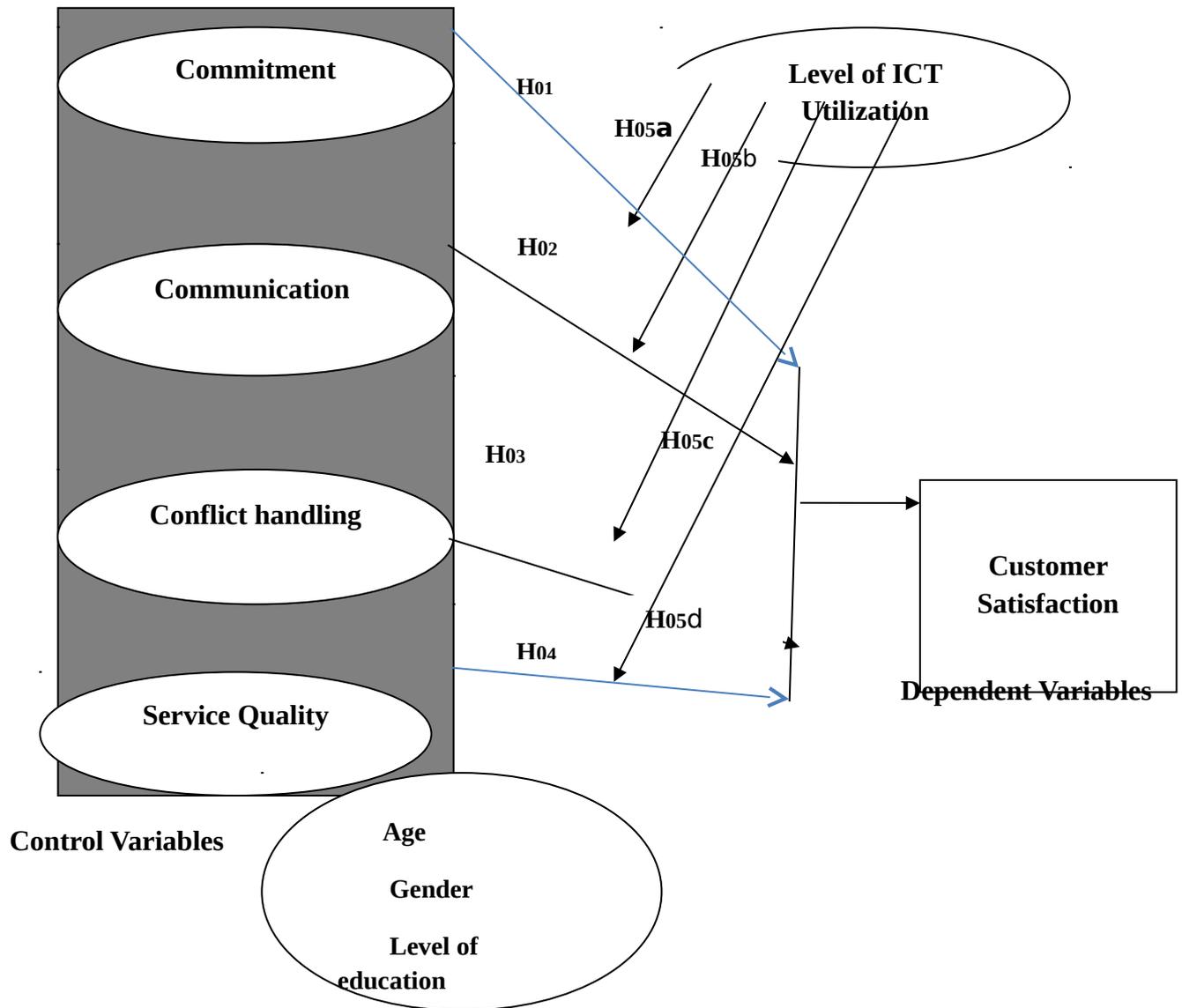
## **2.6 Conceptual Framework**

Out of this literature this study hypothesizes a relationship between relationship marketing practices and customer satisfaction as moderated by the utilization of information technology. Figure 2.1 is a model that shows the relationship between variables. Customer satisfaction is considered a dependent variable while relationship marketing practices is the independent variable with the constructs of commitment, communication, conflict handling and service quality.

**Figure 2.1: Conceptual Framework**

**Moderating variable**

### Relationship marketing practices-Independent Variables



Source: Developed for this Research, 2016

## **2.7 Operationalization Framework**

This operationalization shows how relationship marketing practices as the independent variables affects customer satisfaction as the dependent variable as ICT is introduced as the moderating variable.

### **2.7.1 Customer Satisfaction**

According to Oliver (1980) the customer satisfaction model explains how customers satisfaction, perceptions of actual services performance and expectations are measured they include any discrepancies between the expectations and the performance that create the disconfirmation. Customer satisfaction in the context refers to acceptable feelings, overall evaluation and achievement of what customers want from classified hotels. Customer satisfaction was measured through a tailored questionnaire to answer the research questions that sought to find out how customers felt or responded to the quality of service, environmental ambience, quality of food, service price and hotel choice.

### **2.7.2 Commitment**

The customer's commitment to relationship marketing practices are measured using a five item scale adapted from Anderson and Weitz (1992). These items tap the multiple facets of commitment that are incorporated in our definition which is favourable attitude to a brand or a service with strong solidity, stable and long-term loyalty, positive intention on the service and the organization. While Commitment was measured in terms of the adjustment the hotel made to customized needs, personalized needs, emotional support and the flexibility of its service.

### **2.7.3 Communication**

Morgan and Hunt (1994) and Ndubisi (2006) assert that Communication is information provision and antecedent of trust with shared value. It's a two way dialogue and is measured to test the timeliness, trustworthiness, provision of

information, fulfilment of promises and accuracy of sharing new services, and the ability to communicate or disseminate information

#### **2.7.4 Conflict Handling**

The measuring instruments that were used in the study were based on items from measuring instruments used in previous research by Ndubisi and Wah (2005). Suitable scale items considered reliability and validity in line with the recommendations of (Bruner *et al.*, 2005). Scale items were adapted for use in the research instrument to measure the conflict handling. The research instruments were pre-tested and in the format of a five-point Likert scale. Descriptive information from the respondents were asked in the form of fixed-alternative questions were asked such as avoid potential conflict, solve manifest conflict before, have ability to discuss solutions, have mechanism of solving disputes and have styles of solving disagreement, where the respondents were given specific limited-alternative responses and asked to choose the one closest to their viewpoints.

#### **2.7.5 Service Quality**

(Parasuraman *et al.*, 1988) defines service quality as a set instrument for measuring consumers' perception of service quality. The dimensions were tangibles physical facilities, appearance of personnel and equipment, reliability which was the ability to perform the promised service dependably and accurately, responsiveness which was the willingness to help customers and provide prompt service, and assurance which was the combinations of items designed originally to assess competence, courtesy, credibility, and security. This research measured constructs on how more effective assured service quality, hotel service responsiveness, hotel tangible appearance, quite a range of service and accuracy and reliability of service. Back translation techniques

were used to translate the content of the questionnaire in order to increase the validity and reliability of the instrument asserts Wright (1996).

### **2.7.6 Information Communication Technology Utilization**

For investigating the who, where, when, and what questions, customers were required to indicate how the ICT application systems were used for information acquisition, storage, retrieval and dissemination, the type of information hotels gather through ICT ( Park and Kim, (2003) and the integration of their ICT systems with hotel guest data. The research measured hotels utilization of through information accessibility and convenient, use of restaurant management information systems, the quality of the rooms, use of front office systems and use of e-booking and reservations.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the research design, target population, sample and sampling technique, data collection processes and instrument, validity and reliability, ethical considerations, data analysis, model equation, tests of regression, limitations and operationalization.

#### **3.2 Research Design**

The study adopted a combination of descriptive and predictive research designs. Descriptive design is used to describe characteristics of the population or phenomenon being studied. Prediction research predicts future events or outcomes based on patterns within a set of variables specifically it explained the effect of relationship marketing practices and information communication technology (ICT) on customer satisfaction among classified star hotels. As (Zikmund *et al.*, 2011) observes that predictive research looks at the relationship between variables and interactions, it also provides enough understanding on the relationship between study variables and interactions to predict what is likely to happen next with some certainty. Descriptive research was conducted in a quantitative manner that was simple and comprehensive to examine and measure the level of usage of ICT moderation application among classified star hotels in Nairobi, Kenya.

#### **3.3 Target Population**

The target population of this study comprised of customers served among classified star hotels in Nairobi- Kenya. This is because Nairobi is the regional conference hub and international-regional center where international bodies are based; it is also an upcoming tourism city and Kenya's capital as extracts from Ondicho (2000); Tourism

strategy (2013). Nairobi classified star hotels host high profile and niche customers. The target population were customers served among classified hotels in Nairobi and there are 28 hotels gazetted by the Government of Kenya in Nairobi as of the year 2003, However there are many more hotels operating due to change of gazette ment mode and classification system. However, the number of classified hotels are more than half in Nairobi and this gives a fair representation of the sample. The target population was 6,067 presumed customer accommodated among classified hotels in Nairobi based on bed capacities from all Nairobi classified hotels extracts from Kenya Gazette, 2003 Appendix III on page 152.

<b>Type of Hotel</b>	<b>No. of Hotels</b>	<b>Hotel Bed Capacity</b>
Five star	8	3089
Four star	1	167
Three star	9	2066
Two star	5	311
One star	5	434
<b>Total</b>	<b>28</b>	<b>6067</b>

**Table 3.1: Target Population**

**Source: Kenya Gazette 2003**

### **3.4 Sample Design and Sampling Technique**

#### **3.4.1 Sample Size**

The population was divided into strata of star hotels namely from five star to one star hotels and then some clusters were drawn from each group randomly and to ensure that the samples were true representations of the entire population. Afterwards, a stratified sampling method split the population into the 5 strata that were proportionately selected from each strata, that is, from five star hotels to one star hotels Cooper and Schindler (2003). The study further adopted the formula by Yamane (1967) to obtain the sample size as follows.

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

Where:

$n$  = sample size

$N$  = the population size

$e$  = is the level of precision ( $\pm 5\%$ )

Based on the formular above, a sample size of 375 was obtained as shown below.

$$\begin{aligned} n &= \frac{6067}{1 + 6067(0.05^2)} \\ &= 375 \end{aligned}$$

Further, proportional sampling was used to compute the sample size for each category of star hotels using the formular: For example, determining the sample for five star category, it was computed as below;

$$n/N * 375$$

Where: Computation of sample size population for each category

$n$  = sample size

$n$  = 5 star population size

$N$  = the population size

$$\frac{3089 \times 375}{6067}$$

$$191$$

$$= 191$$

**Table 3.2: Sample Size**

Type of Hotel	No. Hotels	Hotel Bed Capacity	Sample Size
Five star	8	3089	191
Four star	1	167	10

Three star	9	2066	128
Two star	5	311	20
One star	5	434	22
<b>Total</b>	<b>28</b>	<b>6067</b>	<b>375</b>

---

**Source: Developed for this research, 2016**

### **3.4.2 Sampling Procedure**

According to Cooper and Schindler (2003) Proportionate sampling is a method of sampling in which the investigator or researcher divides a finite population into subpopulations and then applies random sampling techniques to each subpopulation. Proportionate sampling gives every unit in the population a chance of being selected in the sample, and this probability can be accurately determined. The combination of strata's makes it possible to produce unbiased estimates of population. Proportionate strata implies that the sample size of each stratum is proportionate to the population size of the strata. This means that each strata has the same [sampling fraction](#). Sekaran and Bougie (2010) further state that a strata is homogenous from within but heterogeneous with other strata. The population frame was classified star hotel while stratified proportionate method was used to obtain the target population based on secondary data from Kenya Gazette.

### **3.5 Data Collection Instruments and Procedures**

The study used primary data, collected using a questionnaire appendix1 on page 130. The questionnaire was divided into two sections. The first section sought general information while the second section sought information on the following variables: customer satisfaction, commitment strategy, communication strategy, conflict handling, service quality and moderated ICT. Primary data was collected through semi-structured questionnaires with a 5-point Likert-style scale, ranging from strongly disagree (SD) to strongly agree (SA). Questionnaire items were adapted from

previous studies by (Law, To and Goh, 2008); (Meng, Namkung and Jang, 2008) for all variables used in the study. A questionnaire was used for ease of control of variables and had full detailed information required, simple to understand, administer and less costly. The questionnaires were self-administered, the hotel management staff helped to drop and pick it from the respondents as also monkey survey was used. The questionnaires were collected and received from the respondents and also through email for analysis. The selection of the tool were guided by the nature of the data collected and the objectives of the study.

### **3.5.1 Reliability and Validity**

In order to test for internal consistency and reliability the Cronbach's alpha was used.

### **3.5.2 Reliability**

Reliability refers to consistency of measurement and takes several forms which include whether a construct is measured in a manner that is stable over time, if items in a test congruent with each other notes. Further Bhattacharjee (2012) defined reliability as the degree to which the measure of a construct is consistent or dependable. Reliability implies consistency, but not accuracy. (Cohen *et al.*, 2007) stated that alternative measure of reliability as internal consistency is the Cronbach alpha, frequently referred to as the alpha coefficient of reliability or simply the alpha. The Cronbach alpha provides a coefficient of inter-item correlations, that is, the correlation of each item with the sum of all the other relevant items, and is useful for multi-item scales.

### **Pre-Testing**

Pre-testing is used as a small scale version or trial run in preparation for a major study Pilot, Baker (1994); Beck and Hungler (2001) noted that a pilot study is used to pre-test or try out a research instrument and found out that a sample size of 5% of the

sample size for the actual study is a reasonable number of participant to consider enrolling in a pilot. A pilot study addresses a number of logistical issues which include checking whether instructions are comprehensible, investigators and technicians are sufficiently skilled in the procedures, the wording of a questionnaire, check the reliability and validity of results, the statistical and analytical processes to determine if they are efficacious. Prior to actual questionnaire issuance, the questionnaire was administered to 10 respondents from one five star classified hotel in Nairobi, Kenya for pre- testing. However the same respondents were not included in the final sample size. Pilot testing is viewed very important to show the extent if the scale would produce consistent results if repeated.

According to Cronbach (1951) Cronbach's alpha is a widely used method where its value varies from 0 to 1 but, satisfactory value is required to be more than 0.7 for the scale to be reliable or acceptable. Cronbach's Alpha is used to measure the internal consistency of the items used. George and Mallery (2003) provides the following rules of thumb: >0.9-Excellent, >0.8-Good, >0.7-Acceptable, >0.6-Questionable, >0.5-Poor, and <0.5-Unacceptable. Data was analyzed to check if there was consistency on constructs, ensure adequate coverage of the topic and collect representation of the sample and the ability to predict the outcome. Also to check consistence of results and quality of reliability if the same instrument was used. From table 3.3, reliability analysis showed that all the study variables had a Cronbach's Alpha values of 0.7 and above. This shows that and the research instrument used to collect data was reliable thus the data to be obtained was to be reliable.

**Table 3.3: *Item-Total Statistics***

	Number of Cronbach's Alpha if Item	
	items	Deleted
Customer Satisfaction	6	.845

Commitment	7	.783
Communication	6	.789
Conflict Handling	5	.824
Service Quality	6	.806
Information Technology Utilization	7	.792
Overall	38	.834

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**Source: Developed for this research, 2016.**

### 3.5.3 Validity

Validity is the degree to which a variable actually measures what it has intended to measure. For the purpose of this study two forms of validity were utilized, namely content and construct validity. Content validity refers to the adequacy of indicators to measure the concepts. The extent scale items measure the domain of content enhances greater validity according to Bollen (1989) while assessment of content validity is required to attest the content validity of each instrument. All aspects of the questionnaire were tested including question content, wording, sequence, form and layout, question difficulty and instructions. The feedback obtained was used to revise and amend any changes in the questionnaire before administering it to the study respondents.

Construct validity is the degree to which a scale measures what it was intended to measure. Factor analysis was used to assess construct validity. Construct validity was assessed by examining items by principal components extraction with varimax orthogonal rotation. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, approximate Chi-Square and Bartlett's test of Sphericity findings. An important aspect of increased rigor in conducting scientific research in the modern positivist paradigm was the testing for content and convergent validity. The content validity ensures that the measure included an adequate and representative set of items that tap the domain of the concept (Zikmund *et al.*, 2011). A wide review of literature was carried out to ensure the content validity of both constructs. Convergent validity was measured

through inter correlation value and factor analysis. Since inter correlation was more than 50% it showed strong evidence of convergent validity. Furthermore the questionnaire was administered before testing to check the validity. Homogeneity test of variances findings on each group to check independent of variables and whether they have same variance on an interval dependent.

### **3.6 Data Analysis**

According to (Zikmund *et al.*, 2011) data analysis is a procedure that include the process of packaging information and structuring its main components in a way that the findings can be easily and effectively communicated. Descriptive statistics was used, that is, measures of central tendency and dispersion, measures of skewness and kurtosis. In addition Pearson's correlation analysis was done. This provided simple and summarized data in a meaningful way that shows patterns that may have emerged from the data. Further, inferential statistics were used to and allow the study make or reach into conclusions related to the hypotheses formulated. The magnitude of the eigen values or the number of eigen values greater than 1.0, the factor loadings of the individual items, and the number of items in correctly loading on a factor were recorded. In order to assess accuracy as a function of sample size, the research computed average error in eigen values and average error in factor loadings. Both extraction methods produced identical eigen values after extraction. However, Principal component analysis resulted in a significantly higher total variance accounted for. Item loadings were also higher for PCA with both orthogonal varimax and oblique rotations. This happens because PCA does not partition unique variance from shared variance so it sets all item communalities at 1.0, where as [Maximum likelihood](#) estimates the level of shared variance communalities for the items, which ranged from .39 to .70.

Tabachnick and Fidell (2001) states that 0.32 as a good rule of thumb for the minimum loading of an item, which equates to approximately 10% overlapping variance with the other items in that factor. Across loading item is an item that loads at .32 or higher on two or more factors. The researcher decides whether a cross loading item should be dropped from the analysis, which may be a good choice if there are several adequate to strong loaders .50 or better on each factor. If there are several cross loaders, the items may be poorly written or the a priori factor structure could be flawed. This means that any item that fails to meet the criteria of having a factor loading of greater than 1.0 or loading on one but less than  $>0.32$  loadings were dropped from the study. Exploratory factor analysis is a widely utilized and broadly applied statistical technique in the social sciences that analyses structure of data vulnerable extractions and validation. Most principal components analysis with varimax rotation as a method used for data analysis and researchers chose their criteria for deciding the number of factors to be retained for rotation, a majority use the Kaiser normalization criterion all factors with eigen values greater than one. Components analysis is only a data reduction method. Principal components analysis extraction is transformed using orthogonal and oblique rotation. Multiple hierarchical regression analysis was used in determining the regression model suitable for predicting the dependent variable given the independent variables. Data was analyzed using multiple regression and Hierarchical Linear Models analysis aided by SPSS version 20. In addition regression models were tested for linearity, normality, multi correlation and homoscedasticity.

### **3.6.1 Analytical Models**

Hypothesis testing using moderated regression analysis was to determine the extent that the moderator variable affected the relationship between the moderating effect of

ICT utilization on the relationship between relationship marketing practices and customer satisfaction among classified star hotels in Nairobi, Kenya. The moderator effect was examined using regression analysis procedures as described by Baron and Kenny (1986). In the regression model commitment, communication, conflict handling, service quality and ICT moderation variable were included and their interaction effects. These interaction terms were included in the regression analysis as additional predictors as stated also by Baron and Kenny (1986). The study considers a moderator effects to exist if the interaction terms explains a statistically significant amount of variance of criterion variable. To test for moderator effect, the main effect of commitment, communication, conflict handling and service quality were included in the regression model. The following regression models were used in data analysis:

$$Y^1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \text{ (DirectRelationship)} \dots \dots \dots (3.1)$$

$$Y^2 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_1 M + \beta_6 X_1 * M + \beta_7 X_2 * M + \beta_8 X_3 * M + \beta_9 X_4 * M + \epsilon$$

(Moderation.....)(3.2)

Where: Y= Customer satisfaction

X<sub>1</sub>= Commitment strategy

X<sub>2</sub>= Communication strategy

X<sub>3</sub>= Conflict Handling

X<sub>4</sub>= Service Quality

M= Levels of Information communication technology utilization( Moderation)

α = Constant

β<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub>, β<sub>4</sub> = Coefficients of Commitment strategy, Communication strategy,

Conflict Handling and Service Quality respectively

$\varepsilon$  = Error term

### 3.6.2 Tests Statistical Assumptions

Statistical tests assumptions were carried on the variables used in the analysis of data to ensure that the results were trustworthy and did not result in a Type I or Type II error, or over or under-estimation of the level of significance or size of effects. The tests are carried to ensure that the violations of assumptions do not lead to any serious bias or whether they are of little consequence and are of essential to meaningful data analysis asserts Pedhazur (1997).

#### 3.6.2.1 Normality Test

Thode (2002) Regression assumes that variables have normal distributions. There are two main methods of testing for normality, that is, descriptive such as skewness, kurtosis, plots and statistical methods such as Kolmogorov-Smirnov (K-S) test, Lilliefors corrected K-S test, Shapiro-Wilk test, Anderson-Darling test, Cramer-von Mises test, D'Agostinoskewness test, Anscombe-Glynn kurtosis test, D'Agostino-Pearson omnibus test, and the Jarque-Bera test. Kurtosis and skewness test were carried out in order to compare the shape of the sample distribution to the shape of a normal curve which shows as a [goodness of fit](#) test. Also Q-Q plots were used. In the special case of testing for [normality](#) of the distribution, samples were standardized and compared with a standard normal distribution.

#### 3.6.2.2 Multicollinearity Test

Multicollinearity is a phenomenon in which two or more predictor variables in a multiple regression model are highly [correlated](#) and multicollinearity was tested using tolerance and VIF, meaning that one can be linearly predicted from the others with a non-trivial degree of accuracy. It is a situation in which two or more explanatory variables in a multiple regression model are highly linearly related and

also checks whether there is perfect multicollinearity in the equation or the correlation between two independent variables is equal to 1 or -1 asserts O'Brien (2007). The coefficient shows how estimates of the multiple regression change erratically in response to small changes in the model or the data and when it does not reduce the predictive power or reliability of the model. It further shows how correlated predictor indicators are and how well the entire bundle of predictors predicts the outcome variables.

### **3.6.2.3 Linearity Test**

Regression analysis is a linear procedure, and the relationship between dependent and independent variables, and it is only applicable when the relationships are linear in nature (Osborne and Waters, 2002). If a nonlinear relationship is presented, the regression R-square will underestimate the variance explained overall and the betas will underestimate the importance of the variables involved in the non-linear relationship (Pedhazur, 1997). This may cause the regression result to be unusable for the researcher (Garson, 2008). Hair (2006) suggests that examining the residual scatter plots is the most common way to identify any nonlinear patterns in the data.

### **3.6.2.4 Homoscedasticity Tests**

Homoscedasticity checks whether the variance of errors is the same across all levels of the Independent Variable and whether the variance of errors differed at different values of the Independent Variable according to (Berry & Feldman, 1985) and (Tabachnick & Fidell, 2001) further whether any slight heteroscedasticity had little effect on significance tests that could have lead to serious distortion of findings and seriously weaken the analysis by increasing the possibility of a Type I error. This assumption can be checked by visual examination of a plot of the standardized residuals of the errors by the regression standardized predicted value. The assumption

of homoscedasticity simplifies mathematical and computational treatment. Homoscedasticity also checked consistent and whether the result could over estimate the [goodness of fit](#) as measured by the [Pearson coefficient](#). Further the assumption ensured that the least-squares estimators are each a [best linear unbiased estimator](#) of the respective population parameters and whether the standard deviations of the error terms are constant and do not depend on the independent value and whether probability distribution for dependent variable has the same standard deviation regardless of the independent value predictor. Since factors are linear functions of measured variables, homoscedasticity of the relationship is assumed. The researcher should test to assure that the residuals are dispersed randomly throughout the range of the estimated dependent variable. The lack of homoscedasticity may mean (1) there is an interaction effect between a measured independent variable and an unmeasured independent variable not in the model; or (2) that some independent variables are skewed while others are not.

### **3.7 Ethical Consideration**

Respondents were assured of confidentiality to any information gathered, filled and shared or disclosed to any other party other than for study purposes and anonymity of the respondents was also assured. There was no name writing on the questionnaires. Courtesy and appreciation was incorporated and no leading or private questions were asked. Permission to conduct research was sought from the relevant authorities. In addition, informed consent was obtained from individual respondents.

### **3.8 Limitation of the Study**

This study offers insight findings, conclusions and recommendations in regard to the effective of ICT utilization moderation on the relationship between relationship

marketing practices and customer satisfaction among classified star hotels in Nairobi however limitations could not be ruled.

### **3.8.1 Study Scope Area**

The limitation of this study area was that the findings cannot be generalized beyond the population studied as the research was constrained in terms of the scope area, time, context and size of sample covered. Therefore, further study is recommended in the broader hotel industry to include all hotels of metropolitan cities, regions and other service sectors in Kenya. It would be valuable to conduct further research on other customer's attitudes on related dimensions on hotels and hospitality businesses industry such as restaurants, travel agencies and airlines.

### **3.8.2 Model**

In the future, it may be more applicable to model these attributes as formative indicators. However, this decision would have to be made based on theoretical considerations, study objectives and empirical issues.

### **3.8.3 Sample and Opinion**

Despite the researcher's effort to keep flawless or eliminate errors in the sampling process, some limitations cannot be ruled out like such it is not possible to verify the extent to which samples are representative. And if someone might have not expressed his/her heartfelt opinion, the same is also beyond scrutiny. However, the research intended to be neutral and was conducted in a proper manner.

## **3.9 Operationalization of Study Variables**

This study had five variables whose indicators were measured using 5 point likert scale. Composite continuous measure for the variables was computed using SPSS. The composite measures were obtained by transforming data into composite index by getting an average of all the indicators measuring each of the five variables of the

study. Customer satisfaction was measured using 6 indicators while commitment was measured using 7 variables. Communication was measured using 6 indicators while conflict handling was measured using 5 indicators and service quality was measured using 6 indicators. Information technology utilization was measured using 7 indicators.

### **3.9.1 Customer Satisfaction**

Customer satisfaction is perception of actual services performance and expectations which is measured by any discrepancies between the expectations and the performance that create the disconfirmation esserts (Cool *et al.* , 2007); Oliver (1980) who demonstrates also that customers' satisfaction is based on behaviors that are multidimensional and operationalized predicts all behaviors that are associated with customer satisfaction like customers feel or perceive quality of service, quality of food, ambience, service price and hotel choice which the study adopted.

### **3.9.2 Commitment**

Commitment is an intention to continue a course of action or an activity or a desire to maintain a relationship to relationship marketing practices that is measured and operationalized using a five item scale adapted from Anderson and Weitz (1992). Previous research by Mornay *et al* (2012); Ndubisi (2005) measured the influence of trust, commitment and conflict handling on customer satisfaction developed and adopted questionnarre from previous measuring instrument which the study adopted also.

### **3.9.3 Communication**

Communication is a two way dialogue measured to test the timeliness, trustworthiness, provision of information and the ability to communicate which the study adopted and operationalized from (Krasnikov *et al.*, 2009) research.

### 3.9.4 Conflict Handling

conflict handling is the ability to discuss solutions, have mechanism of solving disputes and have styles of solving disagreement just like (Amin *et al*, 2011) measured the influence of trust, commitment and conflict handling on customer loyalty. The results showed that conflict handling is a critical factor in building customer loyalty, relationship marketing practices which contributed positively on the effort of Commercial banks in Ethiopia in customer satisfaction which the study adopted and operationalized.

### 3.9.5 Service Quality

Service quality are dimensions that are both invisible and tangibles physical facilities, appearance of personnel and equipment. Information communication technology is the application of systems used for information acquisition, storage, retrieval and dissemination electronically which other reseachers have adopted such as Ndubisi and Wah (2005) which the researcher has also operationalized.

**Table 3.4: Operationalization *of study variables***

<b>Variables</b>	<b>No items measured</b>	<b>Measurement levels</b>
Customer Satisfaction	How customers feel or perceive quality of service, quality of food, ambience, service price & hotel choice	Through a questionnaire - customers were to rate the level of service at hotels
Commitment	The extent of the level of commitment in adjustment, customized needs, personalized, flexible & emotional support	Through a questionnaire -customers were to rate the level of commitment at hotels
Communication	To test the level of communication – timeliness, trustworthiness, provision of information, fulfillment of promises, accuracy, and ability to disseminate information	Through a questionnaire customer’s were to rate on the level of communication at hotels
Conflict Handling	To test the perceived difference on conflict handling on potentiality and ability to solve problems	Through a questionnaire customers were to rate on the level of conflict handling at hotels

Service Quality	How customers feel or perceive service quality effectiveness, assurance, accessibility, product range, price, accuracy & reliability of hotel service	Through a questionnaire customers were to rate the level of service quality at hotels
Information Communication Technology Utilization	To test the level ICT utilization on information accessibility, convenient, use of RMIS, quality of rooms, use of front office systems , e-booking & reservations	Through a questionnaire customers were to rate the level of ICT utilization at hotels

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**Source: Developed for this Research, 2016**

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION AND PRESENTATION

#### 4.1 Introduction

This chapter covers the preliminary data analysis, descriptive statistics and interpretation, Testing of regression assumption tests, explanatory factor analysis, correction analysis and regression analysis. It also presents the general information on the respondents as well as the key information relating to the study variables.

#### 4.2 Response Rate

The study sampled 375 respondents as shown on table 4.1. Questionnaires that were filled correctly and analyzed were 281. This translates to 75% response rate for the study while 25% was non response. The response rate was considered suitable for analysis. According to Babbie (2002), a response rate of 50% and above is adequate for analysis and making conclusion. These table presents response rate arising from the study.

**Table 4.1: *Response Rate***

Item	Figure
Sample	375
Response	281
Response Rate	75%

**Source: Developed for this research, 2016.**

#### 4.3 Demographic Characteristics

This section analyses demographic such as gender, age, level of education, hotel bookings and hotel rating as shown in table 4.2. From Table 4.2 the majority of the respondents 60.3% were male as compared to 39.7% who were female. The respondents were asked to indicate their age bracket. Respondents aged 31-40 years were 42.4% while those aged 41-50 years were 31%. Respondents aged 21-30 years were 19% while those above 50 years were 7.4% and there were no respondents aged

below 21 years. Forty per cent (40%) of the respondents were holders of masters degrees while 25.7% had bachelors degrees. Respondents with doctorate degrees were 19.3% while those with diplomas and secondary education were 12.5% and 1.8% respectively. The respondents were asked to indicate the platform used in hotel booking. Respondents who used laptops were 48.4%, while those who used IPod's were 36.3%, WIFI 24.6%, and online booking 13.5%. Majority of the respondents (53%) who responded to this study were in five star hotels while 34.5% were in three star hotels. Respondents in one- star, two- star and four- star hotels were 5%, 4.3% and 3.2% respectively. From the demographic information it implies that men gender are the most customers served among classified hotels, persons between the age of 31-40 were served most while persons below the age of 20 were not served among the hotels. On the level of education demographic shows that persons with the level of masters were served most followed by doctorate level properly showing the level of informedness and ease use of technology. While laptop was most used as an instrument of booking hotels as 5 star hotel served great portion of customers, this can be concluded that most customers have formal education and are able to use various technology devices. While their behavior pattern can be used to make customer satisfaction decisions.

**Table 4.2: *Respondents profile***

Variable		Frequency	Percentage
Gender	Male	169	60.3

	Female	112	39.7
	<20	0	0
Age	21-30	53	19
	31-40	119	42.4
	41-50	88	31.2
	≥50	21	7.4
	Level of Education	Secondary	5
	Diploma	35	12.5
	Degree	72	25.7
	Masters	112	40
	Doctorate	56	20
Hotel booking	Online booking	38	13.5
	WIFI	69	24.6
	IPAD	102	36.3
	Laptop	72	25.6
Hotel rating	1 Star	14	5
	2 Star	12	4.3
	3 Star	97	34.5
	4 Star	9	3.2
	5 Star	149	53

**Source: Developed for this research, 2016.**

#### **4.4 Descriptive Statistics**

This section analysis descriptive statistics which are in line with study objectives to determine the moderating effect of information communication technology utilization on relationship marketing practices and customer satisfaction among classified star hotels in Nairobi, Kenya.

##### **4.4.1 Customer Satisfaction**

This section shows and explains how Customer satisfaction was measured using six items that were adapted from previous study questionnaires statements to measure customer satisfaction. A five-point likert scale was used with score ranges assigned as follows: with 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree. Mean standard scores were used to rank responses where respondents on average indicated they agreed with all statements. The research developed the following rating scale to measure the level of customer satisfaction i.e 1= SD strongly disagree between 0-1.5, 2= DS disagree 1.6-2.5, 3= N neutral 2.6-3.4 ,

4= AG agree 3.5-4.4 and 5 SA strongly agree 4.5- 5 where respondents agreed with the statements ‘This hotel provide excellent service quality Compared to others’(n=281, M=3.99, SD=.734),‘I am delighted with this hotel environment more than others’ (n=281, M=4.22, SD=.899),‘the quality of food in this hotel is tasty and delicious’ (n=281, M=4.22, SD=.729), I am satisfied with the hotel’s service prices and value for services’ (n=281, M=4.22, SD=.954‘I consider this hotel as first choice among other hotel’s in the area’ (n=281, M=4.05, SD=.889),‘I am pleased with overall services of this hotel compared to others’ (n=281, M=4.15, SD=.963). The composite mean for customer satisfaction was 3.99 which showed that the respondents agreed that customers were satisfied with service offered a mong classified star hotels in Nairobi. There was goodness fit which explains how well the model fits aset of observation. The table 4.3 shows descriptive statistics for dependent variable customer satisfaction.

**Table 4.3: *Customer Satisfaction***

**Descriptive Statistics**

<b>Customer Satisfaction</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
This hotel provide excellent service quality compared to others	281	3.99	.734
I am delighted with this hotel environment more than others	281	4.22	.899
The quality of food in this hotel is tasty and delicious	281	4.22	.729
I am satisfied with the hotel’s service prices and value of services	281	4.22	.954
I consider this hotel as first choice among other hotel’s in the area	281	4.05	.889

I am pleased with overall services of this hotel compered to others	281	4.15	.963
N = 281	281	3.99	

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**Source: Developed for this research, 2016.**

#### **4.4.2 Commitment Strategy**

Commitment strategy as independent variable was also measured using seven items adapted statements to measure the level of commitment strategy. A fire-point likert scale was used of 1-5 where one was strongly disagree, two disagree, three neutral, four agree and five strongly agree. The actual rating scale was 1= SD strongly disagree between 0-1, 2= DS disagree 1.5-2.5, 3= N neutral 2.6-3.4 , 4= AG agree 3.5-4.5 and 5 SA strongly agree 4.5- 5 On average, respondents agreed with all statements in regards to commitment which includes ‘the hotel makes adjustments to suit my needs’ (n=281, M=3.78, SD=.691) ‘the hotel offers personalized services to meet customer needs’ (n=281, M=4.43, SD=.851), ‘the hotel is flexible when its services are changed to meet customer’s needs’ (n=281, M=3.88, SD=.598), ‘the hotel is flexible in serving my needs’ (n=281, M=4.49, SD=.793), ‘I feel emotionally attached to this hotel compared to others (n=281, M=3.83, SD=.698). ‘I have a strong sense of identification to this hotel’ (n=280, M=4.40, SD=.929). Further, ‘this hotel’s environment and atmosphere is advantages compared to others’ (n=281, M=3.91, SD=.755). The composite mean for commitment strategy was 3.78 which showed that the respondents agreed with the level customers committed with the relationship among classified star hotels in Nairobi showing goodness fit model and how well it fits a set of observation. The table 4.4 shows descriptive statistics for independent variable committment.

**Table 4.4: *Commitment Strategy***

<b>Commitment Strategy</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
The hotel makes adjustments to suit my needs	281	3.78	.691
The hotel offers personalized services to meet customer's need	281	4.43	.851
The hotel is flexible when its services are changed to meet customer's needs	281	3.88	.598
The hotel is flexible in serving my needs	281	4.49	.793
I feel emotionally attached to this hotel compared to other Hotel's	281	3.83	.698
I have a strong sense of identification to this hotel	281	4.40	.929
This hotel environment and atmosphere is advantages compared to others	281	3.91	.755
N = 281	281	3.78	

**Source: Developed for this research, 2016.**

#### **4.4.3 Communication Strategy**

Furthermore six items adapted statements which were used to measure communication strategy. A five-point likert scale was used of 1-5 where one was strongly disagree, two disagree, three neutral, four agree and five strongly agree. However the actual rating scale was 1= SD strongly disagree between 0-1, 2= DS disagree 1.5-2.5, 3= N neutral 2.6-3.4, 4= AG agree 3.5-4.4 and 5 SA strongly agree 4.5- 5. On average, respondents agreed with the statements that the hotel provides timely and trustworthy information' (n=281, M=3.99, SD=.681), 'the hotel provides information when there is new or change of services' (n=281, M=4.43, SD=.781), 'the hotel makes and fulfills promises' (n=281, M=3.99, SD=.717), 'the information provided by the hotel is always accurate' (n=281, M=4.30, SD=.947). Also, this hotel shares its information and moderates to its customers' (n=281, M=3.94, SD=.674). 'The hotel has the ability to communicate and disseminate information' (n=281,

M=4.40, SD=.759). The composite mean for communication strategy was 3.99 which showed that the respondents agreed to the kind of communication classified among star hotels in Nairobi. It had goodness fit model. These results of descriptive statistics for communication strategy are shown in table 4.5.

**Table4.5: *Communication Strategy***

<b>Communication Strategy</b>	<b>N</b>	<b>Mean</b>	<b>Std.de</b>
The hotel provides timely and trust worthy information	281	3.99	.681
The hotel provides information when there is new or change of services	281	4.43	.781
The hotel makes and fulfils promises	281	3.99	.717
The information provided by the hotel is always accurate	281	4.30	.947
This hotel shares its information and moderates to its customers	281	3.94	.674
The hotel has the ability to communicate and disseminate information	281	4.40	.759
N = 281	281	3.99	

**Source: Developed for this research, 2016.**

#### **4.4.4 Conflict Handling Strategy**

The research used five items adapted statements that were used to measure conflict handling strategy. A five-point likert scale was used of 1-5 where one was strongly disagree, two disagree, three neutral, four agree and five strongly agree. The actual

rating scale was 1= SD strongly disagree between 0-1, 2= DS disagree 1.5-2.5, 3= N neutral 2.6-3.4 , 4= AG agree 3.5-4.4 and 5 SA strongly agree 4.5- 5 On average, respondents agreed with the statement that ‘the hotel tries to avoid potential conflict’ (n=281, M=3.82, SD=.966). ‘the hotel tries to solve manifest conflicts before they create problems’(n=281, M=4.22, SD=.994), ‘the hotel has the ability to openly discuss solutions when problems arise’ (n=281, M=3.95, SD=.680). ‘I like this hotels mechanism of solving disputes’ (n=281, M=4.30, SD=.816), and ‘I like the hotels styles of solving disagreement’ (n=281, M=4.01, SD=.737). The composite mean for conflict handling was 3.83 which showed that the respondents agreed with the level or extent on how conflicts are handled among classified star hotels in Nairobi. These showed goodness fit model and how well it fits a set of observation. These results of descriptive statistics for conflict handling are shown in table 4.6.

**Table4.6: Conflict Handling**

<b>Conflict Handling Strategy</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
The hotel tries to avoid potential conflict	281	3.82	.996
The hotel tries to solve potential conflicts before they create problems	281	4.22	.994
The hotel has the ability to openly discuss solutions when problems arise	281	3.95	.680
I like this hotels mechanism of solving disputes	281	4.30	.816
I like the hotels styles of solving disagreement	281	4.01	.737
N = 281	281	3.82	

**Source: Developed for this research, 2016.**

#### **4.4.5 Service Quality**

Also Service quality was measured using six items adapted statements that were used to measure service quality. A fire-point likert scale was used of 1-5 where one was strongly disagree, two disagree, three neutral, four agree and five strongly agree.

While the actual rating scale was 1= SD strongly disagree between 0-1, 2= DS disagree 1.5-2.5, 3= N neutral 2.6-3.4 , 4= AG agree 3.5-4.5 and 5 SA strongly agree 4.5- 5 On average, respondents agreed with the statements that ‘this hotel provides more effective assured service quality compared to others’ (n=281, M=3.90, SD=.722), ‘I am delighted with this hotel’s service responsiveness, willingness that are available and convenient service more than others’ (n=281, M=4.38, SD=.871) ‘I am satisfied with this hotel’s tangible appearance, equipment and communication materials or utilities’ (n=281, M=3.96, SD=.643), ‘this hotel offers a quite arrange of service that customers need’ (n=281, M=4.49, SD=.762), ‘I appreciate the accuracy and reliability of services of this hotel compared with other hotels in the area’ (n=281, M=3.94, SD=.681), ‘I am satisfied with this hotel’s empathy, caring and attention to customers’ (n=281, M=4.42, SD=.842). The composite mean for service quality was 3.90 which showed that the respondents were satisfied with service quality offered among star hotels in Nairobi. There was goodness fit which explains how well the model fits a set of observation. These results of descriptive statistics for conflict handling are shown in table 4.7.

**Table 4.7: Service Quality**

Service Quality	N	Mean	Std. Dev
This hotel provides more effective assured service quality compared to others	281	3.90	.722
I am delighted with this hotel's service responsiveness, willingness that are available and convenient service more than others	281	4.38	.871
I am satisfied with this hotel's tangible appearance, equipment and communication materials or utilities	281	3.96	.643
This hotel offers a quite range of service that customers need	280	4.49	.762
I appreciate the accuracy and reliability of services of this hotel compared with other hotels in the area	281	3.94	.681
I am satisfied with this hotel's empathy, caring and attention to customers	281	4.42	.842
N = 281	281	3.90	

**Source: Developed for this research, 2016.**

#### **4.4.6 Information Communication Technology Utilization**

The researcher used seven items adapted statements to measure information communication. A five-point likert scale was used of 1-5 where one was strongly disagree, two disagree, three neutral, four agree and five strongly agree. While also the actual rating scale was 1= SD strongly disagree between 0-1, 2= DS disagree 1.5-2.5, 3= N neutral 2.6-3.4 , 4= AG agree 3.5-4.5 and 5 SA strongly agree 4.5- 5 On average, respondents agreed with the statements that 'I am impressed with the hotel's ICT utilization in making reservations' (n=281, M=3.86,SD=.741), 'I am delighted

with this hotel's room management and information system than I am with others' (n=281, M=4.40, SD=.826), 'the quality of the room division and intercom information system in the hotel is fantastic' (n=281, M=3.90, SD=.676), 'I am satisfied with hotel's telecommunication service it offers' (n=281, M=4.34, SD=.860), 'I consider the hotel's e-booking and reservation system of information technology convenient' (n=281, M=3.98, SD=.806) 'I am delighted with this hotel's e-cash/payment and electronic systems' (n=281, M=4.35, SD=.873), the respondents were neutral on three statements that included 'I like this hotel's food and beverage ICT menu and service utilization systems' (n=281, M=3.88, SD=.790). The composite mean for ICT utilization was 3.86 which showed that the respondents were satisfied with ICT utilization offered among classified star hotels in Nairobi. It had goodness fit model which explains how the model fits a set of observation. These results of descriptive statistics for ICT utilization are shown in table 4.8.

**Table 4.8: Information Communication Technology****Utilization**

<b>Information Communication Technology Utilization</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
I am impressed with this hotel's ICT utilization	281	3.86	.741
in making reservations			
I am more delighted with this hotel's room management	281	4.40	.826
information systems than am with others			
The quality of the room division and intercom	281	3.90	.676
information system in the hotel is fantastic			
I am satisfied with hotel's telecommunication service	281	4.34	.860
the hotel offers			
I consider the hotel's e-booking and reservation system	281	3.98	.806
of information technology convenient			
I am delighted with this hotel's e-cash/payment and	281	4.35	.873
electronic systems			
I like this hotel's food and beverage ICT menu and	281	3.88	.790
service utilization systems			
N = 281	281		

**Source: Developed for this research, 2016.**

**4.5 Testing Statistical Assumption**

Assumptions testing were carried carefully to check and avoid incorrect assumptions that could generate to wildly in accurate conclusions and in particularly statistical assumptions of independence of observations from each other or common error, independence of observational error from potential confounding effects, exact or approximate normality of observations, linearity, multicollinearity and Homoscedasticity. Data for all study variables which included customer satisfaction, commitment, communication, conflict handling, service quality and ICT were measured in a 5 point likert scale. Each variable comprised of many indicators used to measure it. To obtain the composite values of each variable, an average of all

indicators used to measure that specific variable is obtained. It is these composite values that were used in further analysis. This was computed using SPSS version 20.

#### **4.5.1 Test of Data and Normality Test Assumption Results**

Both kurtosis and skewness test were carried out in order to compare the shape of the sample distribution of which were within the criterion of +2 to -2 range as data normally distributed as a rule of thumb which states that should run descriptive statistics to obtain both kurtosis and skewness. Also a quantile by quantile Q-Q plot showed normality plots within tests. The results of kurtosis and skewness tests for the variables, namely customer satisfaction, commitment, communication, conflict handling, service quality and information technology utilization revealed that data relating to the study variables were normally distributed as shown in table 4.9. The fact that data on the key variables did not deviate significantly from normal distribution can be translated to mean that it is appropriate to use statistical tests such as correlation and regression that assume normality of these variables.

***Table 4.9 Testing Statistical Assumption***

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Min	Max	Mean	.Std. Dev	Skewness	Kurtosis
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	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Std. Error
Customer	2.50	5.00	4.2047	.48724	-1.165	.145	.290
Satisfaction							
Commitment	2.43	5.00	4.1398	.51936	-1.520	.146	.290
Communication	1.83	5.00	4.1961	.51641	-1.387	.145	.290
Conflict	2.40	5.00	4.0797	.56333	-.987	.145	.290
Handling							
Service	2.50	5.50	4.2544	.47391	-1.100	.145	.290
Quality							
Information	2.43	5.00	4.1566	.46824	-.955	.145	.290
Technology							
Utilization							

**Source: Developed for this research, 2016.**

#### 4.5.2 Test of Data and Linearity Test Assumption Results

Linearity Test was done to model the relationship between [dependent variable](#) customer satisfaction and other independent variables, that is, commitment, communication, conflict handling and service quality. It was also to model in which the conditional mean is given the value of relationship and are used to the goal of prediction, or forecasting, or error reduction. More so are used to fit a predictive model to an observed data variable and a number of variables asserts (Berry & Feldman, 1985); (Cohen & Cohen, 1983); (Pedhazur, 1997). The major assumptions on standard linear regression models with standard estimation techniques checked the weak exogeneity which essentially means whether the predictor variables had fixed values, rather than [random variables](#) and whether linearity had the mean of the response variable is a linear combination of the parameters regression coefficients and the predictor variables. Garson, 2008; Hair, (2006) suggests that examining the residual scatter plots is the most common way to identify any nonlinear patterns in the data.  $R^2$  was used in measuring regression or fit indexes or simple inspection of scatter

PP plots to determine the relationship which indicated that there was linear relationship as shown on Appendix II Figure A7 page 141.

#### **4.5.3 Test of Data and Multicollinearity Test Assumption Results**

Multicollinearity Test was carried to measure the multiple items and the average score of multi-items for a construct to compare and multiple regression analysis was used to test the hypotheses and analyze the relationship between a single dependent variable and several independent variables. Variance inflation factor (VIF) and Tolerance were used to test for multi-collinearity among the predictor variables. The multicollinearity statistics show that the tolerance indicator for Commitment, Communication, Conflict Handling, Service Quality and Information Technology Utilization are all greater than 0.1 and their VIF values are less than 10 Brian (2007). The results indicate that no multicollinearity problem occurred.

**Table 4.10: Multicollinearity Statistical Test Results**

Study variable	Tolerance	VIF
Commitment	.401	2.497
Communication	.387	2.584
Conflict Handling	.687	1.456
Service quality	.861	1.162

**Source: Developed for this research, 2016.**

#### **4.5.4 Test of Data and Homoscedasticity Test Assumption Results**

Homoscedasticity was carried to test variance of errors at both levels of the Independent and dependent Variable to see whether the errors differed at different values. Further investigation was carried to find whether any slight heteroscedasticity had little effect on significance tests that could have lead to serious distortion of findings and seriously weaken the analysis by increasing the possibility of a Type I error. This assumption was checked by residual plot, that is, the plot of the

standardized residuals the errors by the regression standardized predicted value Garson, (2008). If residuals plots are randomly scattered around the horizontal line, this indicates a relatively even distribution. However, heteroscedasticity is present when the residuals are not evenly scattered around the line, and it usually take the shape of a bow-tie or fan Osborne and Waters, (2002) In the study the residuals are randomly scatted around the horizontal line and they assume the shape of rectangular as illustrated on Appendix II figure A6 page 140.

#### **4.6 Factor Analysis**

Factor analysis was conducted on commitment strategy, communication strategy, conflict handling, service quality and information technology as follows.

##### **4.6.1 Factor Analysis for Commitment Strategy**

The results for rotated component matrix on commitment showed Kaiser-Meyer-Olkin (KMO) had a measure 0.814 which is above the threshold of 0.5. The Bartlett's test was significant for commitment with Chi-Square = 1089.394 (p-value < 0.05). The KMO value of 0.814 and significance of Bartlett's statistic confirm the appropriateness of the factor analysis for commitment. According to the results, the first factor exhibited heavy loadings for four items. This factor consists of factor loadings for 'the hotel offers personalized services to meet customer needs (0.704), the hotel is flexible in serving my needs (0.754), I feel emotionally attached to this hotel to others (0.669) and 'I have a strong sense of identification to this hotel' (0.893). This factor could be called 'Attachment' because most of the items explain why customers have a special attachment to their hotel. The second factor consists of factor loadings for 'the hotel makes adjustments to suit my needs' (0.865), 'the hotel offers personalized services to meet customer needs' (0.615), and 'the hotel is flexible when its services are changed to meet customer's needs' (0.548). This factor could be

called 'Flexibility' as most of the items relate to making adjustments to suit customer's needs. The third factor consists of factors for 'the hotel is flexible when its services are changed to meet customer's needs (0.601), 'I feel emotionally attached to this hotel (0.565) and 'this hotel environment and atmosphere is advantages compared to others' (0.863). This factor could be called 'Environment' as items regarding environment had heavy loadings.. A good fit between commitment data and the proposed model. This shows goodness-of-fit statistic an indication that the model is acceptable and statistically significant. The results are shown on the table 4.11

**Table 4.11: Results for Rotated Component Matrix on Commitment**

	Component		
	1	2	3
<b>Eigen</b>	4.143	819	.721
<b>%</b>	59.182	11.693	.10.295
The hotel makes adjustments to suit my needs		.865	
The hotel offers personalized services to meet customer needs	.704	.615	.

The hotel is flexible when its services are changed to meet customer's needs	.548	.601
The hotel is flexible in serving my needs	.754	
I feel emotionally attached to this hotel to others	.669	.565
I have a strong sense of identification to this hotel	.893	
This hotel environment and atmosphere is advantages compared to others		..863

### **KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.814
	Approx. Chi-Square	1089.394
Bartlett's Test of Sphericity	Df	21
	Sig.	.000
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
Rotation converged in 8 iterations.		

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**Source: Developed for this research, 2016.**

The section shows results of 7 items for commitment are sorted and clustered into three components. The results of principal component analysis indicate that there are three factors whose Eigen value exceeds 1.0. The Eigen value of a factor represents the amount of total variance explained by that factor. For commitment, the first factor has Eigen value of 4.143 and the second factor has Eigen value of .819 while the third factor has Eigen value of .721. The first factor identified in this study explains 34.587% and the second factor explains 23.426% while the third factor explains 22.887%. The percentage of variance combines for succeeding items to make up 81.170% variance. The results also show the extracted sum of square loading for the factors. Any item that fails to meet the criteria of having a factor loading of greater than 1.0 or loading on one but less than  $>0.32$  loadings were dropped from the study. The results show that explanatory factor analysis presented a good fit between commitment data and the proposed model. The goodness-of-fit statistic indicates that the model is acceptable and statistically significant. The Chi-Square value of

1089.394 and  $p\text{-value} < 0.05$  indicates a good fit between the model and data on commitment and there exists an adequate correlation among the extracted variables.

The results are shown on the table 4.12.

**Table 4.12 Factor analysis for Commitment strategy**

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% of Variance	Cumulative %	Total	Loadings		Total	Loadings	
					% of Variance	Cumulative %		% of Variance	Cumulative %
1	4.143	59.182	59.182	4.143	59.182	59.182	2.440	34.857	34.857
2	.819	11.693	70.875	.819	11.693	70.875	1.640	23.426	58.283
3	.721	10.295	81.170	.721	10.295	81.170	1.602	22.887	81.170
4	.493	7.042	88.212						
5	.430	6.141	94.353						
6	.246	3.521	97.874						
7	.149	2.126	100.000						

**Source: Developed for this research, 2016.**

#### 4.6.2 Factor Analysis for Communication

The results of rotated component matrix on communication shows the average result (KMO) has a measure of 0.700 which is above the threshold of 0.5. The Bartlett's significant for communication with Chi-Square = 706.613 ( $p\text{-value} < 0.05$ ). This confirms the appropriateness of the factor analysis for communication. The results shows that 6 items for communication are sorted and clustered into three components. First factor exhibited heavy loadings for three items that consisted of the hotel provides information when there is new or change of services (0.850), the information provided by the hotel is always accurate (0.816), the hotel has the ability to communicate and disseminate information (0.824). This factor can be called 'information dissemination' because the factor loadings are heavy on items related to information dissemination. The second factor loads heavily on three items which consists of the hotel provides timely and trustworthy information (0.856), the hotel

makes and fulfills promises (0.869). The third factor loads heavily on the hotel shares its information and moderates to its customers (0.869). This factor can be called 'trustworthiness' because items that the factor heavily loads on are related to trust. This results shows goodness-of-fit statistic an indication that the model is acceptable and statistically significant as depicted on table 4.13.

**Table 4.13: Rotated Component Matrix for Communication**

	Component		
	1	2	3
Eigen	3.1595	1.198	0.68
%	52.647	19.961	10.80
<hr/>			
The hotel provides timely and trustworthy information		.749	.428
The hotel provides information when there is new or change of services	.850		
The hotel makes and fulfills promises		.869	
The information provided by the hotel is always accurate	.816	.326	
This hotel shares its information and moderates to its customers		.383	.869
The hotel has the ability to communicate and disseminate information	.824		.448
<b>KMO and Bartlett's Test</b>			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.700
	Approx. Chi-Square	706.613	
Bartlett's Test of Sphericity	Df		15
	Sig.		.000
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			

**Source: Developed for this research,2016.**

The results of principal component analysis for communication strategy indicate that there are three factors whose Eigen values exceed 1.0. The Eigenvalue of a factor represents the amount of total variance explained by that factor. For communication, the first factor has Eigen value of 3.159 and the second factor has Eigen value of 1.198 and the third factor had Eigen value of 0.648. The three factors identified for the independent variable 'communication' explain 83.409% of the total variance. The first factor explained 35.948% of the total variance and the second factor explained 28.140% while the third factor explained 19.321% of the total variance. The percentage of variance combines for succeeding items to make up 83.409% variance. The results also shows the extracted sum of square loading for the factors. The values are calculated on the basis of the common variance, which is smaller than the total

variance incorporating 83.409% of the variance. Rotated sum of square loadings depict the distribution of the variance after varimax rotation. Varimax rotation tries to maximize the variance of each of the factors, so the total amount of variance accounted for is redistributed over the extracted factors. Principal component analysis with varimax rotation is widely adopted as a reliable method of factor analysis. For any items that fails to meet the criteria of having a factor loading value of greater than 1.0 or loading on one but less than  $>0.32$  loadings the minimum threshold were dropped from the study. The results show that exploratory factor analysis presented a good fit between commitment data and the proposed model. The goodness-of-fit statistic indicates that the model is acceptable and statistically significant. The Chi-Square value of 706.613 and  $p\text{-value} < 0.05$  indicates a good fit between the model and data on communication and there exists an adequate correlation among the extracted variables. The results are shown on the table 4.14.

**Table 4.14: Factor analysis for Communication Strategy**

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% of Variance	Cumulative %	Total	Loadings % of Variance	Loadings Cumulative %	Total	Loadings % of Variance	Loadings Cumulative %
1	3.159	52.647	52.647	3.159	52.647	52.647	2.157	35.948	35.948
2	1.198	19.961	72.608	1.198	19.961	72.608	1.688	28.140	64.089
3	.648	10.801	83.409	.648	10.801	83.409	1.159	19.321	83.409
4	.466	7.765	91.174						
5	.313	5.219	96.393						
6	.216	3.607	100.000						

**Source: Developed for this research, 2016.**

#### 4.6.3 Factor Analysis for Conflict Handling

(KMO) results for conflict handling has a measure of 0.543 which is above the threshold of 0.5. Bartlett's is significant with Chi-Square = 575.076 (p-value < 0.05). The results from table 4.15 show that 5 items for conflict handling are sorted and clustered into three components. First factor exhibited heavy loadings for three items that consisted of the hotel tries to avoid potential conflict (0.921), the hotel tries to solve manifest conflicts before they create problems (0.553), and the hotel has the ability to openly discuss solutions when problems arise (0.774). This factor can be called 'conflict management' as the factor loadings are heavy on items related to conflict management. The second factor loads heavily on two items which consists of the hotel tries to solve manifest conflicts before they create problems (0.763), and I like this hotels mechanism of solving disputes (0.907). This factor can be called 'dispute resolution' because items that the factor heavily loads on are related to resolving disputes. The third factor loads heavily on two items which consists of the hotel has the ability to openly discuss solutions when problems arise (0.470), and I like the hotels styles of solving disagreement (0.944). This factor can be called 'fairness' as the factor loadings were heavy on items demonstrating fairness as depicted on table 4.15.

**Table 4.15: Rotated Component Matrix for Conflict****Handling**

	Component		
	1	2	3
<b>Eigen</b>	2.531	1.256	0.721
<b>%</b>	50.612	25.113	14.411
The hotel tries to avoid potential conflict	.921		
The hotel tries to solve manifest conflicts before they create problems	.553	.763	
The hotel has the ability to openly discuss solutions when problems arise	.774		.470
I like this hotels mechanism of solving disputes		.907	.324
I like the hotels styles of solving disagreement			.944
<b>KMO and Bartlett's Test</b>			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.543
	Approx. Chi-Square	575.076	
Bartlett's Test of Sphericity	Df		10
	Sig.		.000
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

**Source: Developed for this research, 2016.**

The results of principal component analysis indicate that there are three factors whose Eigenvalues exceed 1.0. The Eigen value of a factor represents the amount of total variance explained by that factor. For conflict handling, the first factor has Eigen value of 2.531 and the second factor has Eigen value of 1.256 and the third factor has Eigenvalue of 0.721. The three factors identified for the independent variable 'conflict handling' explain 90.137% of the total variance. The first factor explained 35.162% of the total variance and the second factor explained 29.822% while the third factor explained 25.153% of the total variance. The percentage of variance combines for succeeding items to make up 90.137% variance. Further results also show the extracted sum of square loading for the factors. The values are calculated on the basis

of the common variance, which is smaller than the total variance incorporating 90.137% of the variance. Rotated sum of square loadings depict the distribution of the variance after varimax rotation. Varimax rotation tries to maximize the variance of each of the factors, so the total amount of variance accounted for is redistributed over the extracted factors. Principal component analysis with varimax rotation is widely adopted as a reliable method of factor analysis. The goodness-of-fit statistic indicates that the model is acceptable and statistically significant. The Chi-Square value of .575 and p-value  $< 0.05$  indicates a good fit between the model and data on conflict handling and there exists an adequate correlation among the extracted variables. Results are shown on table 4.16.

**Table 4.16: Factor analysis for Conflict Handling**

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% of	Cumulative	Total	Loadings % of	Cumulative	Total	Loadings % of	Cumulative
	Variance		%	Variance		%	Variance		%
1	2.531	50.612	50.612	2.531	50.612	50.612	1.758	35.162	35.162
2	1.256	25.113	75.726	1.256	25.113	75.726	1.491	29.822	64.984
3	.721	14.411	90.137	.721	14.411	90.137	1.258	25.153	90.137
4	.323	6.457	96.594						
5	.170	3.406	100.000						

**Source: Developed for this research, 2016.**

#### 4.6.4 Factor Analysis for Service Quality

Service quality has a measure of 0.765 which is above the threshold of 0.5. The Bartlett's is significant for service quality with Chi-Square = 1168.322 (p-value  $< 0.05$ ). This confirms the appropriateness of the factor analysis for service quality. Items that fail to meet the criteria of having a factor loading value of greater than 1.0 and loads on only one factor were dropped from the study. The first factor exhibited heavy loadings for three items that consisted of 'I am delighted with this hotel's service responsiveness,' willingness that are available and convenient service more

than others (0.830), this hotel offers with quite a range of service that customers need (0.875), and I am satisfied with this hotel's empathy, caring and attention to customers (0.870). This factor can be called 'responsiveness' as the factor loadings are heavy on items related to its response to customer needs. The second factor loads heavily on two items which consists of this hotel provides more effective assured service quality compared to others (0.869) and I am satisfied with this hotel's tangible appearance, equipment and communication materials or utilities (0.798). This factor can be called 'environment or ambience' because items that the factor heavily loads on are related to its capability as informed by surroundings and physical facilities. The third factor loads heavily on two items which consists of I appreciate the accuracy and reliability of services of this hotel compared with other hotels in the area (0.860). This factor can be called 'reliability' as the factor loadings were heavy on items demonstrating ability to offer reliable service as depicted on table 4.17.

**Table 4.17: Rotated Component Matrix for Service Quality**

	Component		
	1	2	3
<b>Eigen</b>	3.809	0.999	0.617
<b>%</b>	63.483	16.433	10.278
This hotel provides more effective assured service quality compared to others		.869	
I am delighted with this hotel's service responsiveness, willingness and convenient service more than others	.830		
I am satisfied with this hotel's tangible appearance, equipment and communication materials		.798	
This hotel offers arrange of services that customers need	.875	.907	

I appreciate the accuracy and reliability of services of this hotel compared with other hotels in the area .860

I am satisfied with this hotels empathy, care and attention to customers .870

#### **KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy. .765

Approx. Chi-Square 1168.322

Bartlett's Test of Sphericity Df 10

Sig. .000

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

**Source: Developed for this research,2016.**

Results showed that 6 items for service quality are sorted and clustered into three components. The results of principal component analysis indicate that there are three factors whose Eigen values exceed 1.0. The Eigenvalue of a factor represents the amount of total variance explained by that factor. For service quality, the first factor has Eigen value of 3.809 and the second factor has Eigen value of 0.999 and the third factor had Eigenvalue of 0.617. The three factors identified for the independent variable 'service quality' explain 90.404% of the total variance. The first factor explained 39.993% of the total variance and the second factor explained 29.703% while the third factor explained 20.709% of the total variance. The percentage of variance combines for succeeding items to make up 90.404% variance. The results also show the extracted sum of square loading for the factors. The values are calculated on the basis of the common variance, which is smaller than the total variance incorporating 90.404% of the variance. Rotated sum of square loadings depict the distribution of the variance after varimax rotation. Varimax rotation tries to maximize the variance of each of the factors, so the total amount of variance accounted for is redistributed over the extracted factors. Principal component analysis with varimax rotation is widely adopted as a reliable method of factor analysis. The

goodness-of-fit statistic indicates that the model is acceptable and statistically significant. The Chi-Square value of 1168.322 and  $p\text{-value} < 0.05$  indicates a good fit between the model and data service quality and there exists an adequate correlation among the extracted variables as demonstrated on table 4.18.

**Table 4.18: Factor analysis for service quality**

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% of Variance	Cumulative %	Total	Loadings		Total	Loadings	
					% of Variance	Cumulative %		% of Variance	Cumulative %
1	3.809	63.483	63.483	3.809	63.483	63.483	2.400	39.993	39.993
2	.999	16.643	80.126	.999	16.643	80.126	1.782	29.703	69.695
3	.617	10.278	90.404	.617	10.278	90.404	1.243	20.709	90.404
4	.261	4.349	94.753						
5	.189	3.155	97.907						
6	.126	2.093	100.000						

*Source: Developed for this research, 2016.*

#### 4.4.5 Factor Analysis Results for Information Technology Utilization

The results show that 7 items for Information Technology Utilization are sorted and clustered into four components. First factor exhibited heavy loadings for three items that consisted of I am delighted with this hotel's room management and link (0.854), I am satisfied with hotel's telecommunication service the hotel offers (0.885), and I am delighted with this hotel's e-cash/payment and electronic systems (0.902). This factor can be called 'communication systems' as the factor loadings are heavy on items related the hotels' telecommunication capability in their offering. The second factor loads heavily on two items which consists of I am impressed with this hotel's ICT reservations technology and devices utilization (0.771) and the quality of the room division and intercom information system in the hotel is fantastic (0.831). This factor can be called 'information system' because items that the factor heavily loads on are related to hotels' ICT capability. The third factor loads heavily on one item which is I consider the hotel's e-booking and reservation system of information technology

convenient (0.948). This factor can be called ‘convenience’ as the factor loadings were heavy on an item demonstrating convenience as shown on table 4.19

**Table 4.19: Rotated Component Matrix for Information Technology Utilization**

	Component			
	1	2	3	4
<b>Eigen %</b>	3.820	1.220	0.632	0.527
	54.577	17.477	9.033	7.530
I am impressed with this hotel’s ICT reservations technology and devices utilization		.771	.330	
I am delighted with this hotel’s room management and link	.854	.362	.098	
The quality of the room division and intercom information system in the hotel is fantastic		.831		
I am satisfied with hotel’s telecommunication service the hotel offers	.885			
I consider the hotel’s e-booking and reservation system of information technology convenient				.948
I am delighted with this hotel’s e-cash/payment and electronic systems	.902			
I like this hotel’s food and beverage ICT menu and service utilization systems			.928	

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.828
	Approx. Chi Square	1025.158
Bartlett's Test of Sphericity	Df	21
	Sig.	.000

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

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**Source: Developed for this research,2016.**

Information Technology Utilization has a measure of 0.828 which is above the threshold of 0.5. The Bartlett's is significant for service quality with Chi-Square = 1025.158 (p-value < 0.05). This confirms the appropriateness of the factor analysis for service quality. Items that fail to meet the criteria of having a factor loading value of greater than 1.0 and loads on only one factor were dropped from the study. The results of principal component analysis indicate that there are four factors whose Eigen values exceed 1.0. The Eigen value of a factor represents the amount of total variance explained by that factor. For Information Technology Utilization, the first factor has Eigen value of 3.820 and the second factor has Eigen value of 1.220. The third factor had Eigen value of 0.632 while the fourth factor had Eigen value of 0.527. The four factors identified for the independent variable 'Information Technology Utilization' explain 88.568% of the total variance. The first factor explained 54.577% of the total variance and the second factor explained 17.427%. The third factor explained 9.033% of the total variance while the fourth factor explained 7.530% of the total variance. The percentage of variance combines for succeeding items to make up 88.568% variance. The results also show the extracted sum of square loading for

the factors. The values are calculated on the basis of the common variance, which is smaller than the total variance incorporating 88.568% of the variance. Rotated sum of square loadings depict the distribution of the variance after varimax rotation. Varimax rotation tries to maximize the variance of each of the factors, so the total amount of variance accounted for is redistributed over the extracted factors. Principal component analysis with varimax rotation is widely adopted as a reliable method of factor analysis. As for any item that fails to meet the criteria of having a factor loading value of greater than 1.0 and loads on one while other factors falling less than  $>.32$  were dropped from the study.

**Table 4.20 Factor analysis for information technology**

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% of	Cumulative	Total	Loadings % of	Cumulative	Total	Loadings % of	Cumulative
		Variance	%		Variance	e %		Variance	%
1	3.820	54.577	54.577	3.820	54.577	54.577	2.509	35.850	35.850
2	1.220	17.427	72.005	1.220	17.427	72.005	1.608	22.974	58.824
3	.632	9.033	81.038	.632	9.033	81.038	1.054	15.050	73.874
4	.527	7.530	88.568	.527	7.530	88.568	1.029	14.694	88.568
5	.396	5.664	94.231						
6	.229	3.273	97.505						
7	.175	2.495	100.000						

**Source: Developed for this research,2016.**

#### 4.7 Correlation Analysis of Study Variable

Data for all study variables was measured in a 5 point likert scale. Each variable comprised of many indicators used to measure it. To obtain the composite values of each variable, an average of all indicators used to measure that specific variable was obtained. It is these composite values that were used in further analysis. Which was computed using SPSS version 20. A single construct in the questionnaire was measured by multiple items and the average score of multi-items for a construct was

compared and used in further analysis such as correlation analysis and multiple regression analysis. Pearson correlation analysis was done to determine the relationship between study variables. From table 4.21 below, A correlation coefficient value ( $r$ ) in the range of 0.1 to 0.29 is considered weak, 0.3 to 0.49 is considered moderate while 0.5 to 1.0 is considered strong extracts from O'Brien, 2007. The relationship between commitment and customer shows ( $r= 0.402$ ), Communication and customer satisfaction indicates ( $r= 0.341$ ), service quality and customer satisfaction showed ( $r= 0.343$ ) and information technology utilization and customer satisfaction showed ( $r= 0.409$ ) which were all significant; This implies that commitment, communication, service quality, ICT and customer satisfaction are positively moderate related to customer satisfaction indicating a positive change in the four variables noted above will lead to a positive change in customer satisfaction but such change will be moderate. While conflict handling and customer satisfaction showed a statistical significant weak relationship ( $r= 0.226$ ).

Also the relationship between communication and committed indicates positive strong relationship ( $r= 0.784$ ), conflict handling and commitment showed ( $r= 0.545$ ), service quality and commitment indicates ( $r= 0.469$ ) and information technology utilization and commitment shows ( $r= 0.491$ ) are strong which implies that the communication, conflict handling, service quality, ICT and customer satisfaction are strongly related. Further the interaction between conflict handling and communication indicates ( $r= 0.583$ ), ICT and communication showed ( $r= 0.501$ ), ICT and service quality and shows ( $r= 0.783$ ) and ICT and commitment indicates ( $r= 0.491$ ) have positively strong relationship which means the four variables are strongly related to customer satisfaction thus any change of any variables will lead to a positive change and significant customer satisfaction. While the relationship between service quality and

conflict handling showed moderate relationship and significant relationship as illustrated on table 4.21.

**Table 4.21: Pearson Correlation Coefficients of Study**

**Variables**

	Customer Satisfaction	Commitment	Communication	Conflict Handling	Service Quality	Information Technology Utilization
Customer Satisfaction	1					
Commitment	.402**	1				
Communication	.341**	.784**	1			
Conflict Handling	.226**	.545**	.583**	1		
Service Quality	.343**	.469**	.437**	.325**	1	
Information Technology Utilization	.409**	.491**	.501**	.396**	.783**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed). N= 281

**Source: Author computation in assistant of SPSS Reseachr, 2016.**

#### 4.8 Regression Analysis

Multiple regression and Hierarchical Linear Models were analysed aided by SPSS version 20 and in addition regression models were tested for linearity, normality, multi correlation and homoscedasticity.

#### 4.8.1 Tests of Hypotheses

Eight hypotheses were set to guide the study. In order to establish the statistical significance of the respective hypotheses, multiple linear regression was used to test control variables direct relationships and moderated multiple regression used to test moderating effect of information communication utilization on the relationships. To establish the effect of direct on relationship marketing practices on classified star hotel's on customer satisfaction, the study had set the following null hypotheses: **Ho<sub>1</sub>**: Commitment strategy has no significant effect on customer satisfaction **Ho<sub>2</sub>**: Communication strategy has no significant effect on customer satisfaction **Ho<sub>3</sub>**: Conflict handling has no significant effect on customer satisfaction **Ho<sub>4</sub>**: Service quality has no significant effect on customer satisfaction. While moderated relationship included; **Ho<sub>5a</sub>**: There is no significant moderating effect of ICT utilization on commitment and customer satisfaction **Ho<sub>5b</sub>**: There is no significant moderating effect of ICT utilization on communication and customer satisfaction **Ho<sub>5c</sub>**: There is no significant moderating effect of ICT utilization on conflict and customer satisfaction **Ho<sub>5d</sub>**: There is no significant moderating effect of ICT utilization on service quality and customer satisfaction.

#### 4.8.2 Regression Analysis of Direct Relationship

Multiple regression analysis was used to test the hypotheses. This type of analysis is employed to analyze the relationship on a single dependent variable and several independent variables. After testing critical regression assumptions captured in table 4.22, the regression was therefore found relevant to explain the relationships between study variables. The F-statistics produced ( $F = 15.917$ ) was significant at 0 per cent level (Sig.  $F$ , 0.00), thus confirming the fitness for the model. This implies that there is a statistically significant relationship between the relationship marketing practices

and customer satisfaction. The coefficient of determination  $R^2$  was 19.5 per cent. Thus, the adoption factors can significantly account for 19.5 per cent in the customer satisfaction.

**Table 4.22: Summary of Regression Analysis of Direct Relationship – Model I**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	Change statistics	Sig F. Change
1	.081 <sup>a</sup>	.007	-.004	.48882	.007	.610	3	276	.609
2	.442 <sup>b</sup>	.195	.174	.44325	.188	15.917	4	272	.000

**Source: Author computation in assistant of SPSS, 2016.**

#### **4.8.3 Ho1: Commitment Strategy has no significant effect on Customer Satisfaction**

The results of Table 4.23 indicate that Commitment had ( $\beta$  0.191  $p < 0.05$ ) the study rejected the null hypothesis since the P-values was less than  $\alpha = 0.05$  which implies that the relationship on commitment and customer satisfaction was significant; an indication that a positive change in commitment will lead to a positive or negative change in customer satisfaction.

#### **4.8.4 Ho2: Communication Strategy has no significant effect on Customer Satisfaction**

The results from Table 4.23 shows that Communication had ( $\beta$  0.100  $p > 0.05$ ) the study accepted the null hypothesis since the P-values was greater than  $\alpha = 0.05$  which means that the relationship on communication and customer satisfaction was

insignificant; an indication that any positive or negative change in commitment will insignificantly lead to a positive change in customer satisfaction.

#### 4.8.5 Ho3: Conflict Handling has no significant effect on Customer Satisfaction

The results also on Table 4.23 shows that Conflict handling had ( $\beta=0.013$   $p > 0.05$ ) the study accepted the null hypothesis since the P-values was greater than  $\alpha = 0.05$  which means that the relationship between conflict handling and customer satisfaction was insignificant an indication that any positive or negative change in conflict handling will insignificantly lead to a moderate change in customer satisfaction.

#### 4.8.6 Ho4: Service Quality has no significant effect on Customer Satisfaction

Further results of Table 4.23 shows that Service quality had ( $\beta 0.259$   $p < 0.05$ ) the study rejected the null hypothesis since the P-values was less than  $\alpha = 0.05$  which implies that the relationship between service quality and customer satisfaction was significant which means that a positive or negative change in commitment will lead to a positive or negative significant change in customer satisfaction.

**Table 4.23: Relationship Marketing Practices and Customer Satisfaction**

Model	Unstandardized		Standardized		Sig.	Tolerance	VIF
	Coefficients B	Std. Error	Coefficients Beta	T			
1 (Constant)	4.030	.175		23.097	.000		
Age	.036	.037	.062	.962	.337	.873	1.145
Gender	-.003	.060	-.003	-.056	.955	.988	1.012
Level of education	.017	.032	.035	.536	.592	.864	1.157
2 (Constant)	1.810	.335		5.408	.000		
Age	.069	.034	.119	2.013	.045	.846	1.182
Gender	-.023	.055	-.023	-.412	.681	.973	1.028
Level of education	-.015	.029	-.030	-.510	.610	.837	1.195
Commitment	.191	.081	.203	2.360	.019	.401	2.497
Communication	.100	.083	.106	1.217	.225	.387	2.584
ConflictHandling	-.013	.057	-.015	-.225	.822	.687	1.456
ServiceQuality	.259	.060	.252	4.296	.000	.861	1.162

Dependent Variable: Customer Satisfaction

**Source: Author computation in assistant of SPSS, 2016.**

#### **4.8.7 Moderating effect of ICT on Relationship between Marketing Practices and Customer Satisfaction**

Moderated effect were tested in series of hierarchical blocks using a line regression analysis. The independent variables were standardized to z-score. In model 1 control variable were standandized, the independent variables Commitment, Communication, Conflict Handling and Service Quality were included in Model II, commitment, communication, conflict handling service quality and ICT moderation variable was added in Model III as interaction was added to model IV. The dependent variable was customer satisfaction and relationship marketing practices as an independent variable in classified star hotels. Table 4.25 summarizes the regression results.

#### **4.8.8 Ho<sub>5a</sub>: There is no significant moderating effect of ICT utilization on commitment and customer satisfaction**

The results of Table 4.25 indicate that moderated effect of ICT on Commitment and customer satisfaction had ( $\beta$ -.224  $p < 0.01$ ) the study rejected the null hypothesis since the P-values was less than  $\alpha = 0.05$  which implies that the relationship on moderated effect of ICT commitment and customer satisfaction was significant; an indication that a positive change in ICT commitment will lead to a positive or negative change in customer satisfaction.

#### **4.8.9 Ho<sub>5b</sub>: There is no significant moderating effect of ICT utilization on communication and customer satisfaction**

The results from Table 4.25 shows that moderated effect of ICT on Communication and customer satisfaction had ( $\beta$ -.037  $p > 0.709$ ) the study accepted the null hypothesis since the P-values was greater than  $\alpha = 0.05$  which means that the

relationship on moderated effect of ICT communication and customer satisfaction was insignificant; an indication that any positive or negative change in commitment will insignificantly lead to a positive change in customer satisfaction.

**4.8.10 Ho<sub>5c</sub>: There is no significant moderating effect of ICT utilization on conflict handling and customer satisfaction**

The results also on Table 4.25 shows that moderated effect of ICT utilization on Conflict handling had ( $\beta=0.039$   $p > .537$ ) the study accepted the null hypothesis since the P-values was greater than  $\alpha= 0.05$  which means that the relationship on moderated effect of ICT of conflict handling and customer satisfaction was insignificant an indication that any positive or negative change in conflict handling will insignificantly lead to a moderate change in customer satisfaction.

**4.8.11 Ho<sub>5d</sub>:: There is no significant moderating effect of ICT utilization on service quality and customer satisfaction.**

Further results of Table 4.25 shows that moderated effect of ICT utilization on Service quality had ( $\beta=0.194$   $p < 0.000$ ) the study rejected the null hypothesis since the P-values was less than  $\alpha=0.05$  which implies that the relationship on moderated effect of ICT relationship between service quality and customer satisfaction was significant which means that a positive or negative change in commitment will lead to a positive or negative significant change in customer satisfaction.

**Table 4.24 Summary of Moderated Regression Analysis - Model II**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	.093 <sup>a</sup>	.009	-.002	1.01195804	.009	.784	3	271	.504
2	.437 <sup>b</sup>	.191	.170	.92100727	.182	15.042	4	267	.000
3	.460 <sup>c</sup>	.212	.188	.91077387	.021	7.034	1	266	.008
4	.540 <sup>d</sup>	.292	.259	.86998208	.080	7.382	4	262	.000

**Source: Author computation in assistant of SPSS Reseachar, 2016.**

From table 4.24 with Moderated interaction relationship and holding other factors constant from interaction  $R^2$  explains improvement in the moderated relationship from 19.1%, 21.2% and 29.2% while also from table 4.25 commitment explains -.224 units or 22.4% in change in every 1 unit on customer satisfaction while moderated communication explains -.037 units/ 3.7% in change in every 1 unit on customer satisfaction. Also holding other factors constant from moderated conflict handling explains -.039 units 3.9% in change in every 1 unit in customer satisfaction. Further, holding other factors constant from moderated service quality explains 0.194 units 19.4% in change in every 1 unit in customer satisfaction. Moderated commitment and service quality were significant while communication and conflict handling were insignificant.

**Table 4.25: Regression Analysis *of Moderator and Moderated Relationship***

Model		Unstandardized Coefficients		Standardized coefficients	
		B	Std. Error	Beta	Sig
1	(Constant)	-.009	.061		.880
	Zscore: Age	.093	.066	.091	.157
	Zscore: Gender	-.030	.062	-.029	.631
2	Zscore: Level of education	-.015	.066	-.014	.825
	(Constant)	-.001	.056		.979
	Zscore: Age	.142	.061	.138	.021
	Zscore: Gender	-.049	.057	-.048	.392
	Zscore: Level of education	-.080	.061	-.078	.188
	Zscore(Commitment)	.265	.089	.267	.003
	Zscore(Communication)	.074	.094	.074	.427
3	Zscore(ConflictHandling)	-.011	.070	-.011	.879
	Zscore(ServiceQuality)	.180	.062	.180	.004
	(Constant)	.002	.055		.971
	Zscore: Age	.129	.060	.126	.034
	Zscore: Gender	-.015	.058	-.014	.800
	Zscore: Level of education	-.069	.060	-.067	.254
	Zscore(Commitment)	.258	.088	.260	.004
	Zscore(Communication)	.042	.093	.041	.656
	Zscore(ConflictHandling)	-.035	.070	-.034	.620
	Zscore(ServiceQuality)	.014	.088	.014	.873
4	Zscore(InformationTechnologyU tilization)	.244	.092	.244	.008
	(Constant)	-.012	.059		.838
	Zscore: Age	.144	.058	.140	.014
	Zscore: Gender	-.009	.055	-.009	.870
	Zscore: Level of education	-.071	.058	-.069	.221
	Zscore(Commitment)	.166	.086	.167	.055
	Zscore(Communication)	.067	.090	.067	.453
	Zscore(ConflictHandling)	-.096	.068	-.095	.160
	Zscore(ServiceQuality)	.168	.092	.168	.070
	Zscore(InformationTechnologyU tilization)	.152	.093	.152	.103
	Commitment * ICT	-.224	.069	-.389	.001
	Communication *ICT	-.037	.098	-.061	.709
	Conflict Handling *ICT	-.039	.063	-.071	.537
Service Quality * ICT	.194	.052	.414	.000	

Dependent Variable: Zscore(Customer Satisfaction)

**Source: Author computation in assistant of SPSS, 2016.**

**Table 4.26: Hypothesis Testing Summary**

PROXY	HYPOTHESIS	Beta	P-	Results
	<b>(Direct Relationship)</b>		<b>values</b>	
HO <sub>1</sub>	Commitment strategy has no significant	.191	0.05	Rejected

effect on customer satisfaction.

<b>HO<sub>2</sub></b>	Communication strategy has no significant effect on customer satisfaction	.100	0.05	Accepted
<b>HO<sub>3</sub></b>	Conflict handling strategy has no significant effect on customer satisfaction	-0.013	0.05	Accepted
<b>HO<sub>4</sub></b>	Service quality strategy has no significant effect on customer satisfaction	.259	0.05	Rejected
<b>HO<sub>a</sub></b>	<b>(Moderated Relationship)</b> ICT Utilization* Commitment strategy has no significant effect on customer satisfaction.	-.224	0.01	Reject
<b>HO<sub>5b</sub></b>	ICT Utilization* Communication strategy has no significant effect on customer satisfaction.	-.037	.709	Accepted
<b>HO<sub>5c</sub></b>	ICT Utilization* Conflict handling has no significant effect on customer satisfaction.	-.039	.537	Accepted
<b>HO<sub>5d</sub></b>	ICT Utilization *service quality strategy has no significant effect on customer satisfaction.	.194	0.000	Rejected

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**Source: Author computation in assistant of SPSS, 2016**

## CHAPTER FIVE

### SUMMARY CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter covers the summary of the study findings, conclusions and recommendations. This study sought to determine the effect of commitment strategy on customer satisfaction, effect of communication strategy on customer satisfaction, effect of conflict handling on customer satisfaction and the effect of service quality on customer satisfaction among classified star hotels in Nairobi- Kenya. The study also sought to establish the moderating effect of ICT utilization in the relationship between

relationship marketing practices and customer satisfaction by classified star hotels in Nairobi-Kenya.

## **5.2 Summary of Finding**

### **5.2.1 Effect of Commitment Strategy on Customer Satisfaction**

The study revealed that there is positive relationship between commitment strategy and customer satisfaction at ( $\beta .191$   $p < 0.05$ ), the study rejected the null hypothesis since the P-values was less than  $\alpha = 0.05$  which implies that the relationship on commitment strategy and customer satisfaction was significant which means that a positive change in commitment strategy will lead to a positive or negative change in customer satisfaction. This is in agreement with Ndubisi and Wah, (2005) who state that commitment is one of the important variables for understanding the strength of a marketing relationship. It is a useful construct for measuring the likelihood of customer satisfaction. It stipulate that this virtue has not been explored to the same extent as trust and commitment, but is as important in the establishment and maintenance of long-term relationships with customers. Nguyen and Mutum, (2012) are in agreement that commitment is the most common dependent variable used in a buyer-seller relationship which is an essential ingredient for successful and long-term relationships. Commitment arises from trust, shared values and the belief that partners will be difficult to replace. Commitment motivates partners to co-operate in order to preserve the relationship investments Morgan & Hunt, (1994). While Kaur, Sharma and Mahajan, (2012) also established that the creation of trust in the mind of the customer is important for organizations because from previous studies it was concluded that trust along with commitment are important antecedent of loyalty. The results showed that commitment is a critical factor in building customer loyalty.

The research reveals that hotels should accommodate and adjust to customer needs, be committed to meet customer's requirements and flexible in their relationships with customers and create an environment with good ambience. The study confirms with social exchange theory that commitment is an important variable strengthening market relationship. It's a useful construct of measuring relationship, motivates partners to cooperate to preserve relationship, promotion of efficiency productivity and effectiveness. The theory further confirms the mutual relationship together with practical findings that a unit change in Commitment strategy would result into a statistical significant change in Customer Satisfaction.

### **5.2.2 Effect of Communication Strategy on Customer Satisfaction**

The study established that Communication strategy has no positive relationship with customer satisfactions at ( $\beta .100$   $p > 0.05$ ), the study accepted the null hypothesis since the P-values was greater than  $\alpha = 0.05$  which means that the relationship on communication strategy and customer satisfaction was insignificant meaning that any positive or negative change in communication will be insignificantly lead to a positive change in customer satisfaction. However, it has a statistical significant to customer satisfaction among classified hotels in Nairobi-Kenya. This means that a unit change in communication would result to a change in customer satisfaction. Pearson Correlation coefficient shows a weak positive relationship between customer satisfaction and communication. Five star hotels are continually competing for IT skilled employees, recently information about customers by use of Internet and there is a high amount of information that is being captured on web server logs (Garver, Michael & Gagnon, (2002). The hotel industry needs to take a proactive stance in implementing technological advances, while continually striving to build levels of communication to service quality and customer satisfaction.

However the study does not agree with Morgan and Hunt (1994) and Ndubisi (2006) asserting that Communication is information provision and antecedent of trust with shared value. It's is measured in scale of 5 items in descriptive information from the respondents to test the timely trustworthy, provision of information, fulfilment of promises and accuracy of sharing new services or of information given and ability to communicate and disseminate information. The results showed that Communication is a critical factor in providing timely, trustworthy, new service, fulfill promises, accurate information and shares information with customers, ability to communicate and disseminate information. Therefore the study confirms with the Technology Acceptance Model (TAM) how [information systems](#) theory models users come to accept and use a technology communication. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it, as they believe that using a particular system would enhance transaction efficiency.

### **5.2.3 Effect of Conflict Handling on Customer Satisfaction**

The study established that there is no positive relationship between Conflict Handling and customer satisfaction at ( $\beta -0.13$   $p > 0.05$ ) the study accepted the null hypothesis since the P-values was greater than  $\alpha = 0.05$  which means that the relationship between conflict handling and customer satisfaction was insignificant an indication that any positive or negative change in conflict handling will insignificantly lead to a moderate change in customer satisfaction. However has a statistically significant effect on customer satisfaction. This study is not in agreement with Amin et al. (2011) who asserted that the Hotel's ability to minimize the negative consequences of manifested and potential conflicts. Conflict-handling includes the hotel's ability to avoid potential conflicts, to solve manifested conflicts before they create problems,

and to discuss solutions when problems arise. While Ndubisi (2007) also found out that the way conflicts are handled will influence customer satisfaction and loyalty directly while Sauers (2008) found out that the degree to which the different parties in the relationship engage in conflict-handling processes will depend on their prior satisfaction with the relationship, the magnitude of the investment in the relationship, and the alternatives that the parties have. However, the relationship was established not to be statistically significant. This means that a unit change in conflict handling would not result to a change in customer satisfaction. Thus the study confirms the expectancy theory which states that a person who expected a high-value product/service and received a low-value product or service would recognize the disparity and experience a cognitive dissonance

#### **5.2.4 Effect of Service Quality on Customer Satisfaction**

The study revealed that there is positive relationship between service quality strategy and customer satisfaction at ( $\beta .259$   $p < 0.05$ ) the study rejected the null hypothesis since the P-values was less than  $\alpha=0.05$  which implies that the relationship between service quality and customer satisfaction was significant which means that a positive or negative change in commitment will lead to a positive or negative significant change in customer satisfaction. This is in agreement with Garzinc, (2007) on his study that shows the importance of service quality in the hotel industry from both the conceptual standpoint and from the standpoint of service quality measurement. The research recommends that there was need for the application of SERVQUAL model in the hotel industry, and this is confirmed by the fact that hotel managers do not know the expectations of their guests because the dimensions of service quality they consider most important do not match those that are considered most important for the clients. Thus the study confirms with expectancy theory which states that a person

who expected a high-value product or service and received a low-value product or service would recognize the disparity. Also the study confirms with social exchange theory which posits that human [relationships](#) are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. Social exchange process brings satisfaction when people receive fair returns for their expenditures. This confirms the study revealing that hotels should provide more effective assured service quality, service responsiveness, convenience, have tangible appearance, equipment and communication materials, offer a wide range of services, provide accurate and reliable services with care, empathy and attention to customers.

### **5.2.5 Effect of ICT moderation utilization on Customer Satisfaction**

The study revealed that there is positive moderation effect of ICT utilization in the relationship between moderated commitment strategy and customer satisfaction at ( $\beta = -0.224$  ( $p > 0.01$ )) the study accepted the null hypothesis since the P values were less than  $\alpha = 0.05$  which implies that the interaction between commitment strategy and ICT will lead to an increase to customer satisfaction. Moderated communication strategy and customer satisfaction at ( $\beta = -0.037$  ( $p < 0.709$ )) the study accepted the null hypothesis since the P values were greater than  $\alpha = 0.05$  which means that the interaction between communication strategy and ICT will not lead to insignificant increase to customer satisfaction. Moderated conflict handling on customer satisfaction at ( $\beta = -0.039$  ( $p > 0.537$ )) the study accepted the null hypothesis since the P-values were greater than  $\alpha = 0.05$  meaning that the interaction between conflict handling and ICT will not lead to a significant increase to customer satisfaction. Moderated Service quality and customer satisfaction at ( $\beta = 0.194$  ( $p > 0.000$ )) the study rejected the null hypothesis since the P-values were less than  $\alpha = 0.05$  which means

that the interaction between service quality and ICT will lead to an increase to customer satisfaction.

This is in agreement with Kim *et al.* (2006) who assert that many hotels have gradually increased their investment in information technology in order to boost the efficiency of their business processes, support management decision-making, and improve productivity. Moreover, improving productivity is the main role of information technology in the hotel industry, while information resources have long played an important role in conducting successful hotel operations (Ham *et al.*, 2005). Effects of a new system or technology could include effectiveness, job satisfaction, quality of work life, and other work-related outcomes with important consequences for the productivity and efficiency of operations. This confirms with the study revealing that the interaction between commitment strategy and ICT will lead to an increase to customer satisfaction and the interaction between service quality and ICT will lead to an increase to customer satisfaction.

### **5.3 Conclusions of the study**

In conclusion, the study revealed there is significant relationship effect of relationship marketing practices and information communication technology ICT utilization on customer satisfaction among classified star hotels in Nairobi. This study concluded that commitment strategy as an element of relationship marketing practices that affects on customer relationship and the relationship was established to be statistically significant. It is therefore important to consider commitment as a valuable asset in enriching relationship marketing practices in line with study objectives and rejected the hypothesis which implies that a positive change in commitment will lead to a positive or negative change in customer satisfaction. The study concluded that communication strategy is an important element of relationship marketing practices

and the relationship however was established to be insignificant. This is because it has been shown to affect customer satisfaction in hotels. The study also concluded that both Communication strategy and conflict handling strategy were not significant in both with and without moderation and their hypotheses were accepted meaning either positive or negative change could lead to minimum change on customer satisfaction. However Service quality was significant element of relationship marketing practices that affects customer satisfaction. Service quality is therefore an important sub-variable to consider when making decisions in regard to the effect of relationship marketing and customer satisfaction. Therefore the study concluded that there were effects of relationship marketing practices and ICT on customer satisfaction among classified star hotels in Nairobi kenya. In addition the study has buld literature from empirical studies in areas of hospitality.

#### **5.4 Implication of the study findings**

##### **5.4.1 Contribution to Theory**

The study has contributed enormously to the body of knowledge as it provides a comprehensive framework that is used for explaining the impact of the marketing relationship practices on four dimensions of commitment strategy, communication strategy, conflict handling and service quality on hotel performance. The study has contributed to the concept of relationship marketing practices and customer satisfaction on moderation by ICT utilization which had not fully verified, nor adequately empirically assessed to determine the strength and effect of the relationship between dimensions of RMP and customer satisfaction performance. The research has addressed and revealed several significant findings which demonstrates the link between conceptual frame work and social exchange theory on RMP and ICT moderation on customer satisfaction and reflection of empirical review.

The study also applied a unique regression hierarchical approach that deeply and analysed test of hypotheses and moderated by ICT. There were direct and indirect relationship while both hypotheses were tested using a series of hierarchical linear regression analyses to minimize the effects of multi-collinearity. Three models were used in the analytical models that is the direct relationship, moderator added and interaction. The research's unique approach addressed lumping of togetherness of variables and demonstrated separation of direct variables, moderation and several different interactions carried out. Moreover, this study uniquely extends the body of knowledge by explaining and linking the theoretical and practical possibilities of the relationship between the independent and dependent variables as moderated by ICT.

#### **5.4.2 Contribution to Practice**

The study introduced the moderation effect that other studies or research had not introduced and revealed that it is more significant and statistically significant. The study also localized the context of the study because most of the previous studies had been carried elsewhere, such as in Malaysia and other Asian countries. The study also used a different study methodology like both descriptive and predictive designs which are deep and comprehensive while advanced regression method was applied to separate both direct and indirect variables in different interactions. The relationship between dimensions and hotel performance will provide practical management and application models to be used in both hotel and service industry which were supported by both the kano and TAM models. The mixing of variables and its moderation had not been adequately and comprehensively researched thus the study introduced new knowledge in the field of academic and management practices.

### **5.4.3 Contribution to Policy**

The study has contributed in assisting policy makers of Government of Kenya, other public and private stakeholders such as investors and tourism marketing bodies to formulate appropriate policy, management application, data and information based from the results findings on commitment and service quality on customer satisfaction. It will enable policy makers to draw better strategies to market Kenya as a tourism destination to earn the country more income to improve the country's GDP. The study findings will be implemented to attract and retain customers and provide better understanding of customer satisfaction that determine relationship marketing practices and customer satisfaction.

## **5.5 Recommendations**

### **5.5.1 Management practice**

Based on the study findings it recommends that managers should develop high levels of affective commitment strategy in building strong relationships with customer's high levels for hotels to make adjustment to suit customers' needs, offer personalized services, be flexible on service changes and needs, make customer emotionally attached and have a sense of identification and create a good environment, ambience and atmosphere. While on service quality the study recommends that hotel management should pay attention to all service quality dimensions of assurance, reliability, responsiveness, convenience and empathy while ICT utilization should be used to moderate the relationship between relationship marketing and customer satisfaction. The marketing managers should invest in elements of relationship practices that yield significantly to customer satisfaction. The study also recommends for Managerial implementation in terms of practice on marketing relationship practices

dimensions on customer satisfaction that affect marketing capabilities and will assist in improving hotel performance, profit and competitiveness.

### **5.5.2 Management policy**

The study provides to hotel managers, the Government of Kenya and other stakeholders in the hotel industry with the study findings that are likely to be used in policy, management application, data and information for possible formulating to appropriate policies based on results on commitment and service quality on customer satisfaction. This is partially because the study revealed that there is a positive relationship between relationship marketing practices strategy and customer satisfaction and the relationship was established to be statistically significant while both commitment strategy and service quality have significant effect on customer satisfaction. The study also contributes to a better appreciation and understanding of relationship marketing practices and customer satisfaction related factors.

### **5.5.3 Theory implication**

This study contributes to theory by considering the effect of Relationship Marketing Practices and ICT on customer satisfaction particularly Commitment, service quality and ICT moderation on customer satisfaction significant implications. This study was initiated with the intention of making a modest and current contribution to the relevant body of knowledge and it stimulates further research in relationship marketing practices and ICT on customer satisfaction in the hospitality industry.

### **5.5.4 Suggestion for further research**

This study has contributed and enriched to body of literature in Relationship Marketing Practices, ICT on customer satisfaction by adding to at least some

meaniful knowledge. Further future research could follow the longitudinal approach to other areas hotels, hospitality and in defferant contexts.

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## **APPENDIX I: RESEARCH QUESTIONNAIRE**

### **SECTION A: GENERAL QUESTIONS**

**Kindly please tick where appropriate**

**Age**

Below 20 Years  20-30 Years  30-40 Years  40-50 Years  Above 50Years

**Gender**

Female  Male

**Level of education**

Secondary  Diploma  Degree  Masters  Doctorate

**What technology and devices do you use when transacting with this hotel's services**

Online booking  WIFI  Ipad  Laptop  Intercom

**SECTION B:**

**Key:** 1=Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree

<b>Customer satisfaction</b>	1	2	3	4	5
This hotel provides excellent service compared to others					
I am delighted with this hotel's environment more than others					
The quality of food in this hotel is tasty and delicious					
I am satisfied with the prices and value for services					
I consider this hotel as first choice among other hotels in the area					
I am pleased with overall services of this hotel compared to others					

<b>Commitment</b>	1	2	3	4	5
The hotel makes adjustments to suit my needs					
The hotel offers personalized services to meet customer needs					
The hotel is flexible when its services are changed to meet customers needs					

The hotel is flexible in serving my needs					
I feel emotionally attached to this hotel compared to other hotels					
I have a strong sense of identification with this hotel					
This hotel's environment and atmosphere is advantageous compared to others					

<b>Communication</b>	1	2	3	4	5
The hotel provides timely and trust worthy information					
The hotel provides information when there is new or change of services					
The hotel makes and fulfils promises					
The information provided by the hotel is always accurate					
This hotel shares its information and moderates to its customers					
The hotel has the ability to communicate and disseminate information					

<b>Conflict handling</b>	1	2	3	4	5
The hotel tries to avoid potential conflict					
The hotel tries to solve potential conflicts before they create problems					
The hotel has the ability to openly discuss solutions when problems arise					
I like this hotel's mechanism of solving disputes					
I like the hotel's styles of solving disagreement					

This hotel provides more effective assured service quality compared to others					
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<b>Service Quality</b>	1	2	3	4	5
This hotel provides more effective assured service quality compared to others					
I am delighted with this hotel's service responsiveness, willingness and convenient service more than others					
I am satisfied with this hotel's tangible appearance, equipment and communication materials					
This hotel offers arrange of services that customers need					
I appreciate the accuracy and reliability of services of this hotel compared with other hotels in the area					
I am satisfied with this hotels empathy, care and attention to customers					

<b>Information technology utilization</b>	1	2	3	4	5
I am impressed with the hotel's ICT utilization in making reservations					
I am more delighted with this hotel's room management information system than I am with others					
The quality of the room division and intercom information system is fantastic					
I am satisfied with hotel's telecommunication service it offers					
I consider the hotels e-booking and reservation system convenient					
I am delighted with this hotel's e-cash/payment and electronic system					
I like this hotel's food and beverage ICT utilization system					

## APPENDIX II: ANALYSIS RESULTS

### Results of inferential statistics on the relationship of study variables

**Table A 1: Reliability analysis: Commitment**

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% of Variance	Cumulative %	Loadings			Loadings		
				Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.143	59.182	59.182	4.143	59.182	59.182	2.440	34.857	34.857
2	.819	11.693	70.875	.819	11.693	70.875	1.640	23.426	58.283
3	.721	10.295	81.170	.721	10.295	81.170	1.602	22.887	81.170
4	.493	7.042	88.212						
5	.430	6.141	94.353						
6	.246	3.521	97.874						
7	.149	2.126	100.000						

**Extraction Method: Principal Component Analysis.**

Figure A1: Normality and linearity of commitment

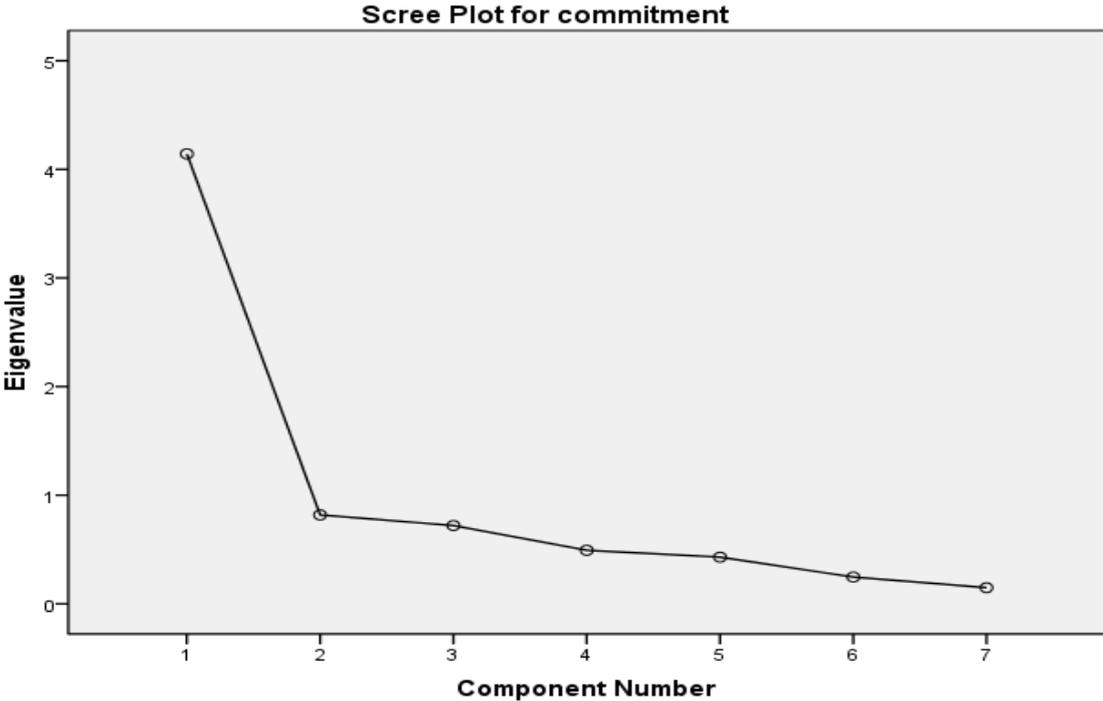
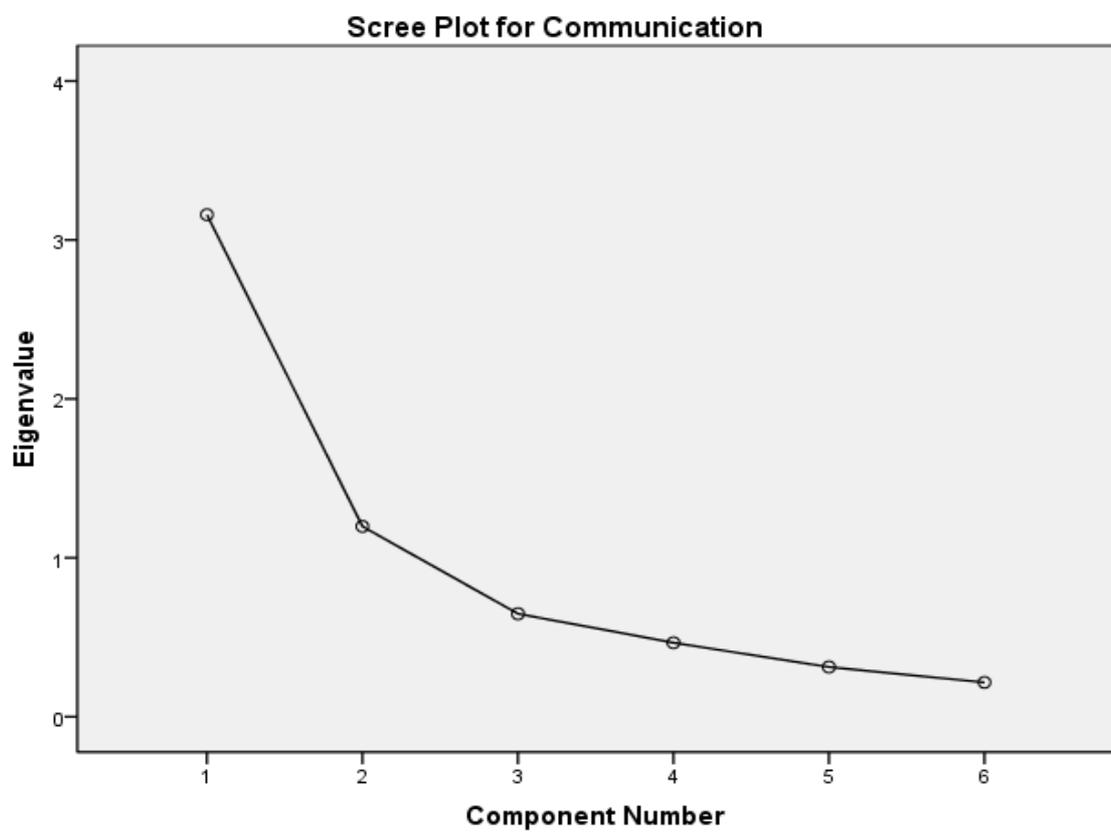


Table A 2: Reliability analysis: Communication

Component	Total Variance Explained		
	Initial Eigenvalues	Extraction Sums of Squared Loadings	Rotation Sums of Squared Loadings

	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.159	52.647	52.647	3.159	52.647	52.647	2.157	35.948	35.948
2	1.198	19.961	72.608	1.198	19.961	72.608	1.688	28.140	64.089
3	.648	10.801	83.409	.648	10.801	83.409	1.159	19.321	83.409
4	.466	7.765	91.174						
5	.313	5.219	96.393						
6	.216	3.607	100.000						

Extraction Method: Principal Component Analysis.

**Figure A2: Normality and linearity of Communication****Table A 3: Reliability analysis: Conflict Handling**

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.531	50.612	50.612	2.531	50.612	50.612	1.758	35.162	35.162
2	1.256	25.113	75.726	1.256	25.113	75.726	1.491	29.822	64.984
3	.721	14.411	90.137	.721	14.411	90.137	1.258	25.153	90.137
4	.323	6.457	96.594						
5	.170	3.406	100.000						

Extraction Method: Principal Component Analysis.

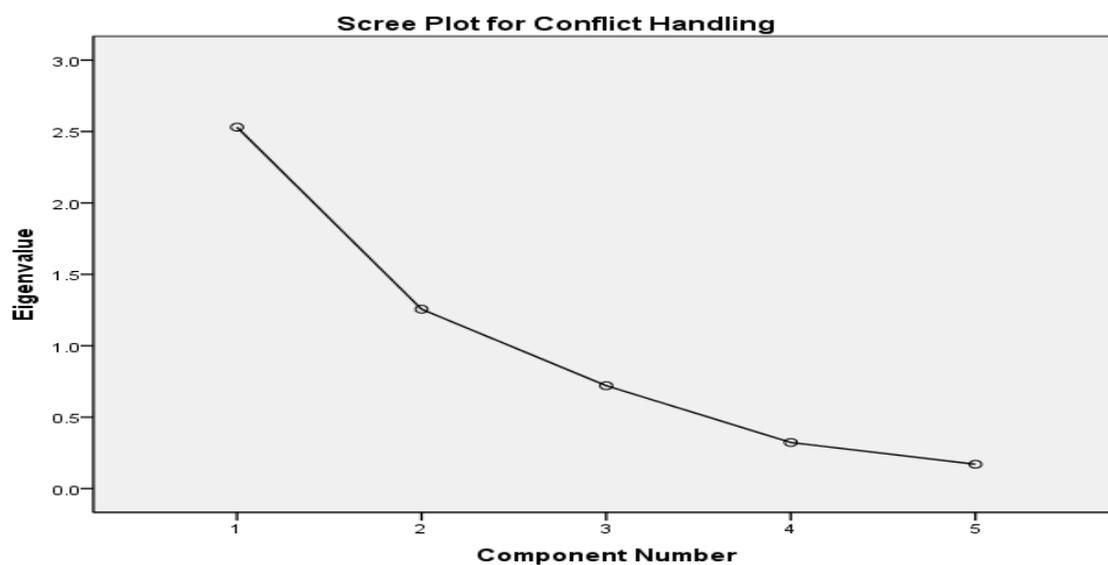


Figure A3: Normality and linearity of conflict handling

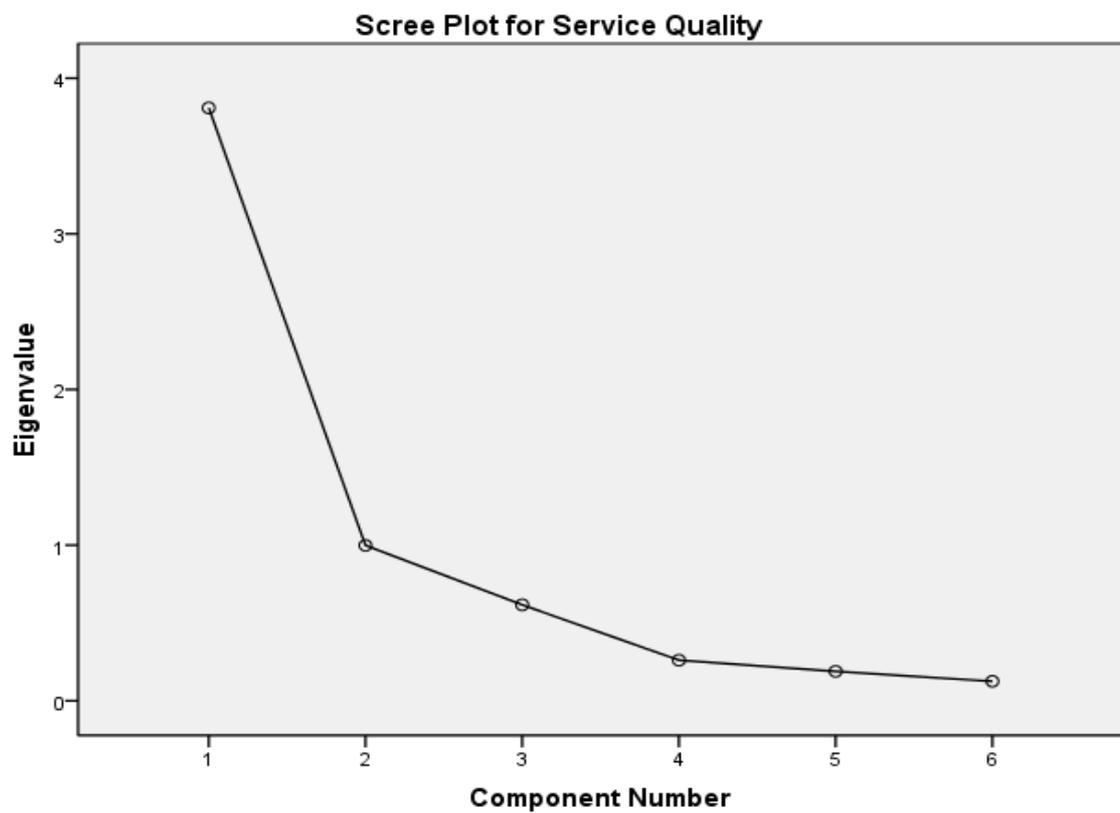
Table A 4: Reliability analysis: Service Quality

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.809	63.483	63.483	3.809	63.483	63.483	2.400	39.993	39.993
2	.999	16.643	80.126	.999	16.643	80.126	1.782	29.703	69.695
3	.617	10.278	90.404	.617	10.278	90.404	1.243	20.709	90.404
4	.261	4.349	94.753						
5	.189	3.155	97.907						
6	.126	2.093	100.000						

**Extraction Method: Principal Component Analysis.**

**Figure A4: Normality and linearity of service quality**



**Table A 5: Reliability analysis: Information Technology Utilization**

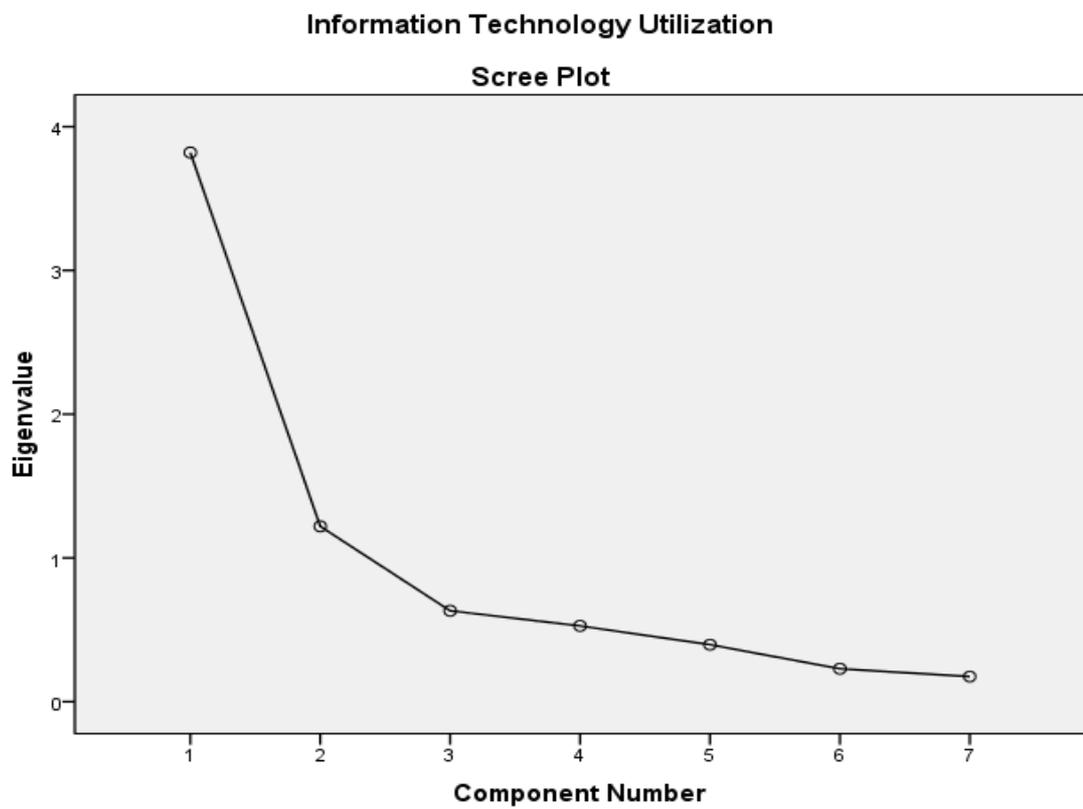
**Total Variance Explained**

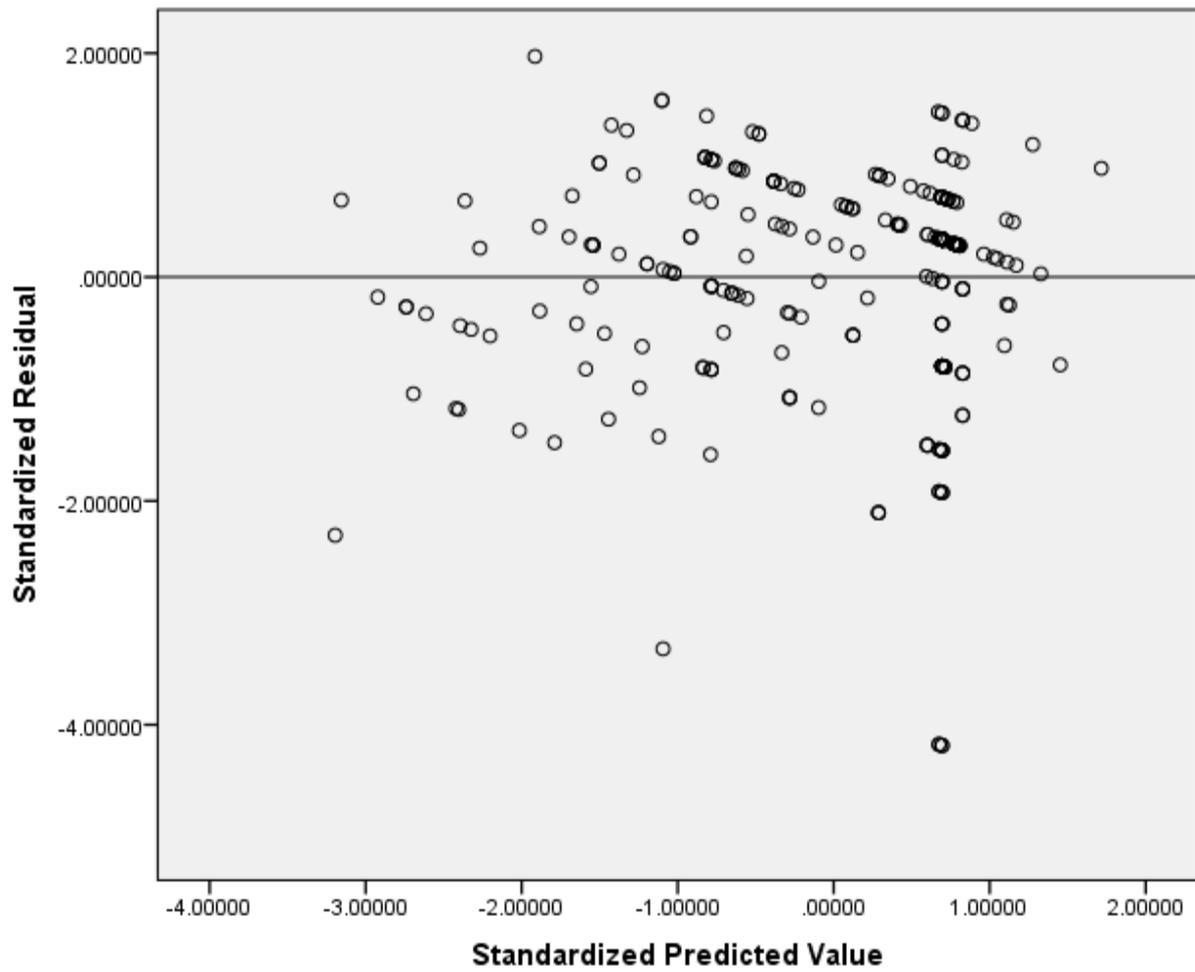
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.820	54.577	54.577	3.820	54.577	54.577	2.509	35.850	35.850
2	1.220	17.427	72.005	1.220	17.427	72.005	1.608	22.974	58.824
3	.632	9.033	81.038	.632	9.033	81.038	1.054	15.050	73.874

4	.527	7.530	88.568	.527	7.530	88.568	1.029	14.694	88.568
5	.396	5.664	94.231						
6	.229	3.273	97.505						
7	.175	2.495	100.000						

**Extraction Method: Principal Component Analysis.**

**Figure A5: Normality and linearity of information technology utilization**



**Figure A6: PP Plot of Linear Relationship**

**Figure A7: Normal P-P Plot of Regression**

## Normal P-P Plot of Regression Standardized Residual

Dependent Variable: CustomerSatisfaction

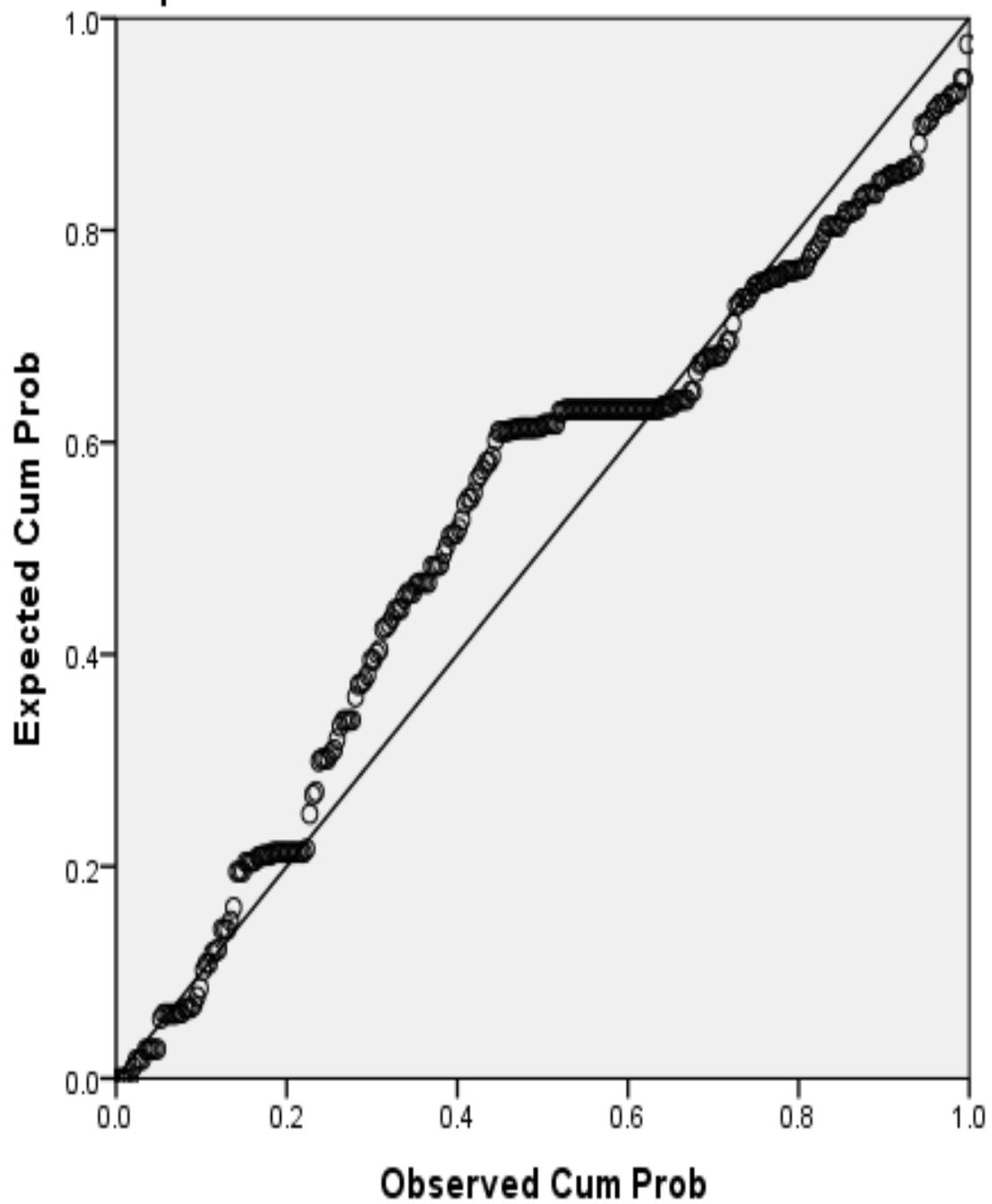
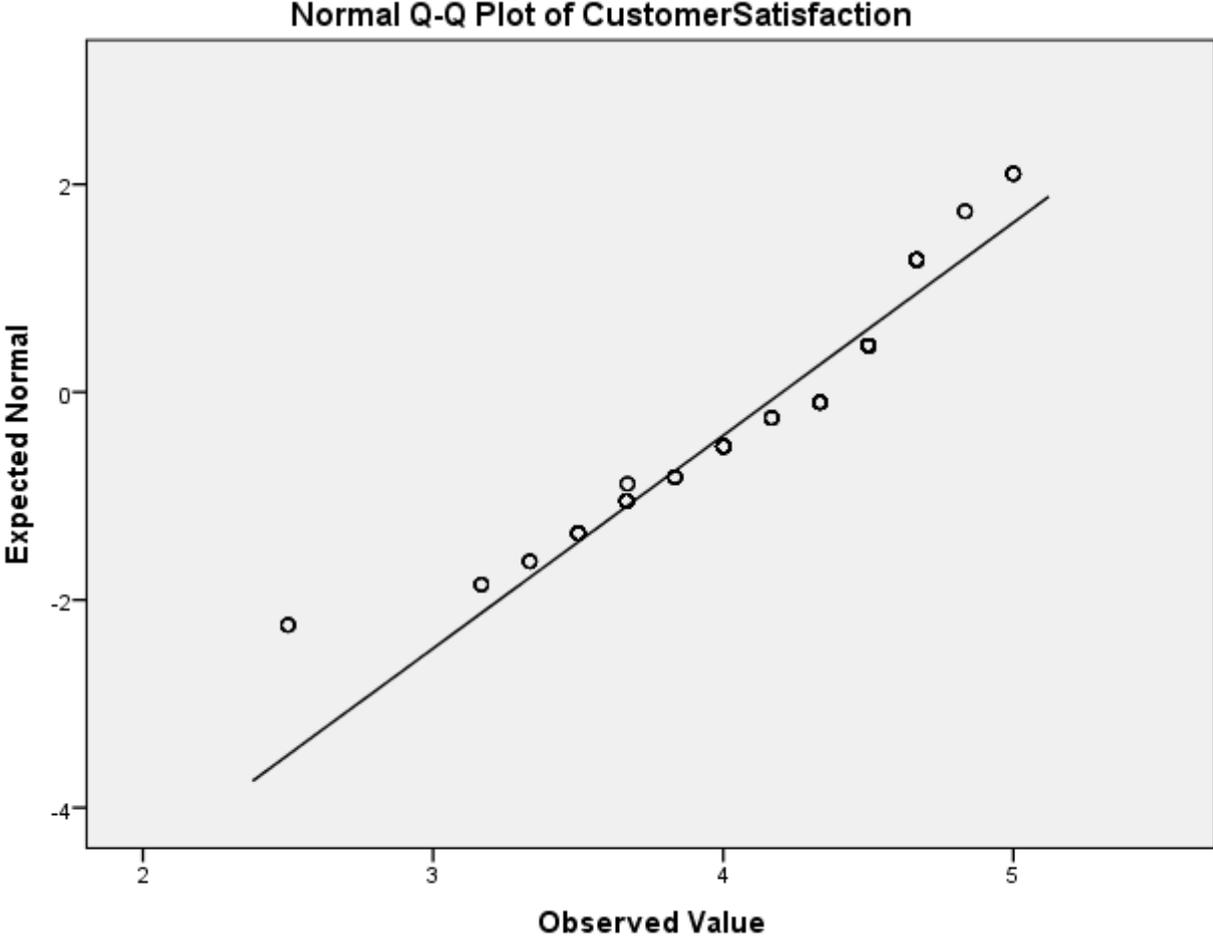
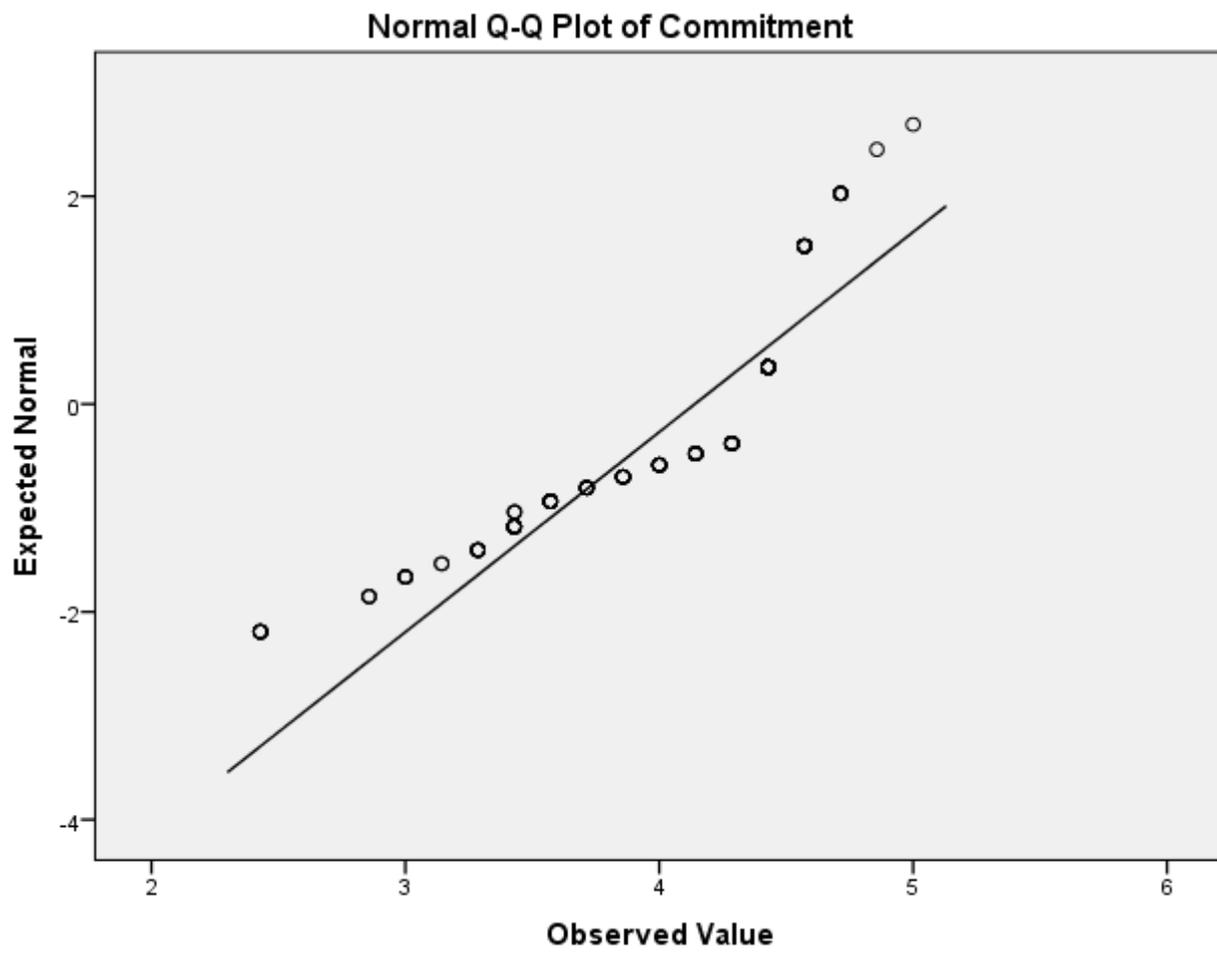
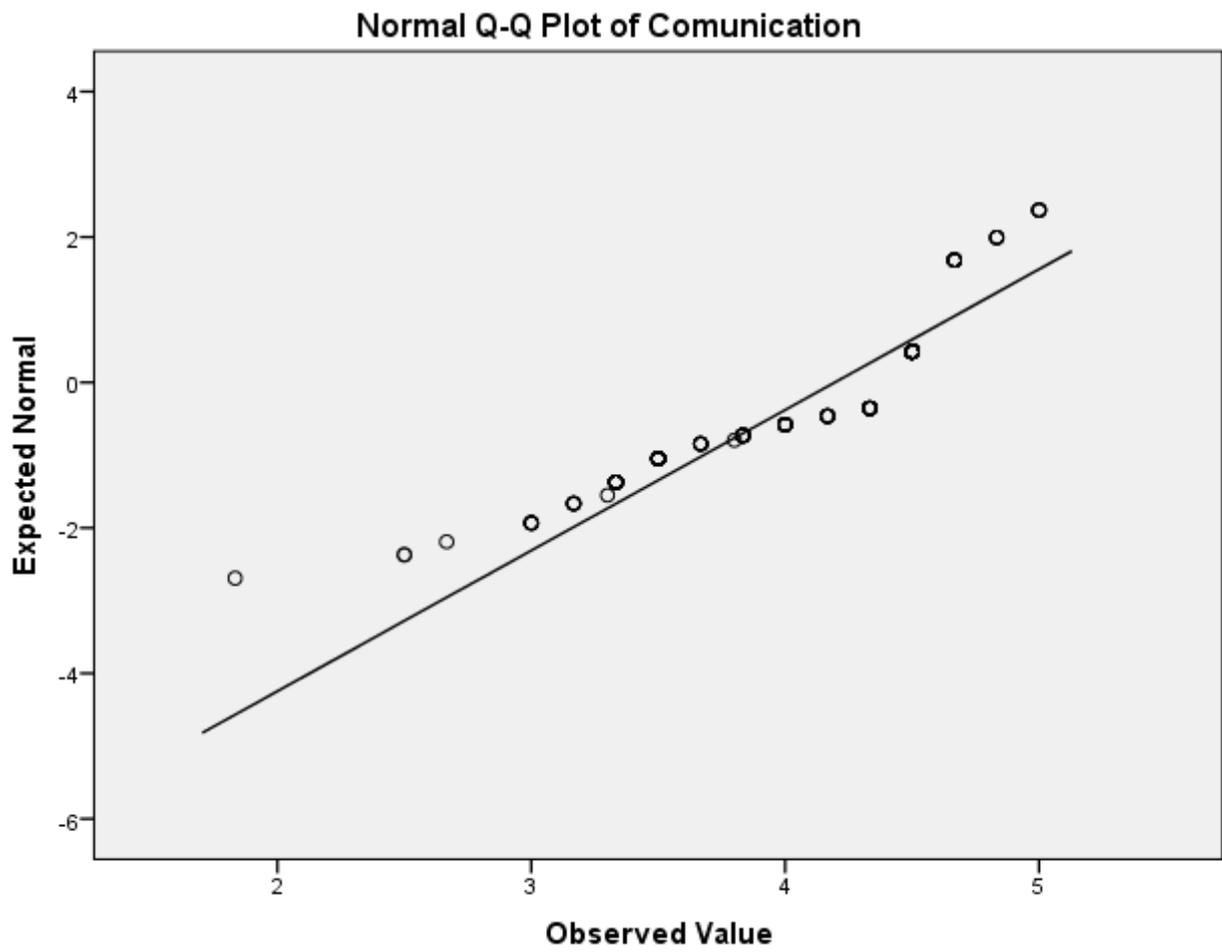
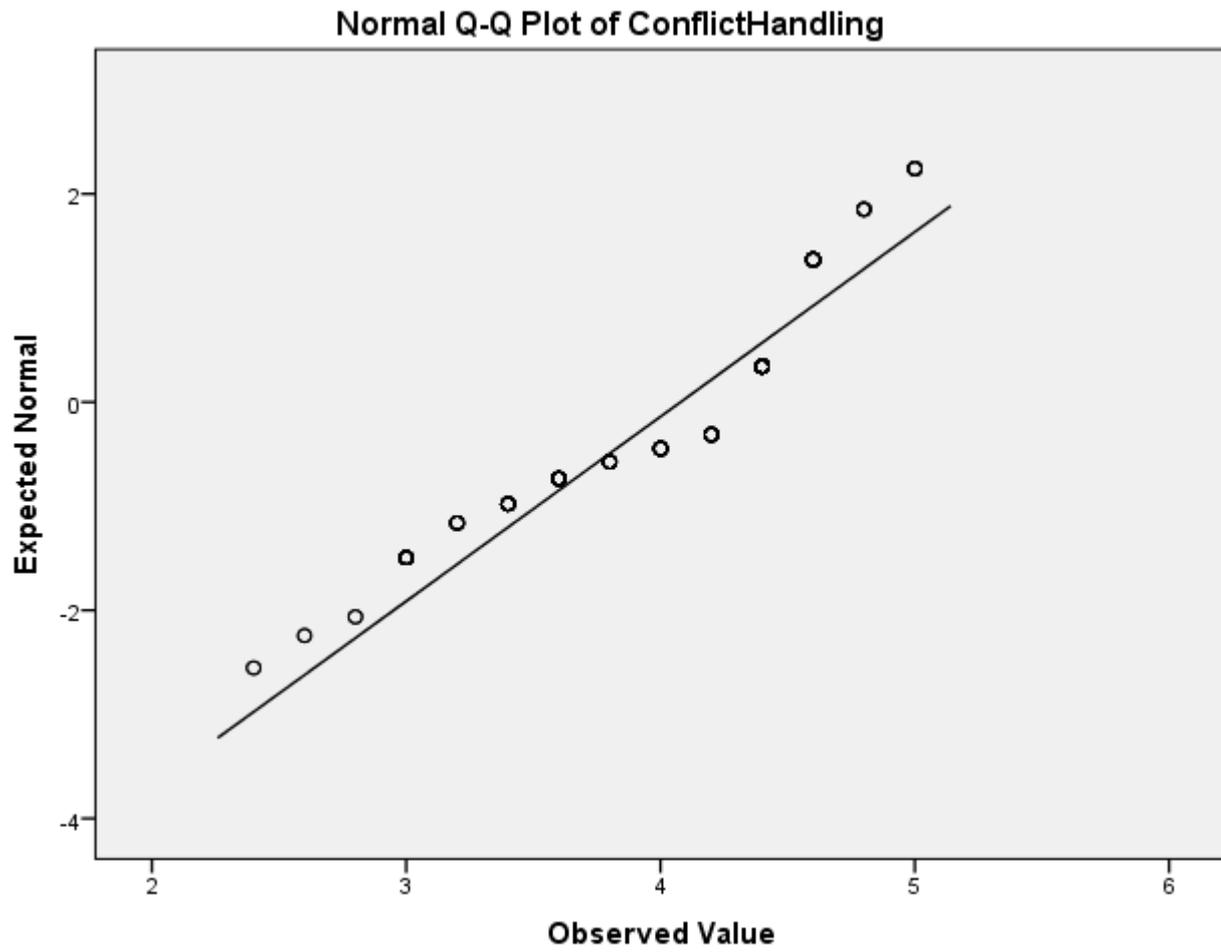


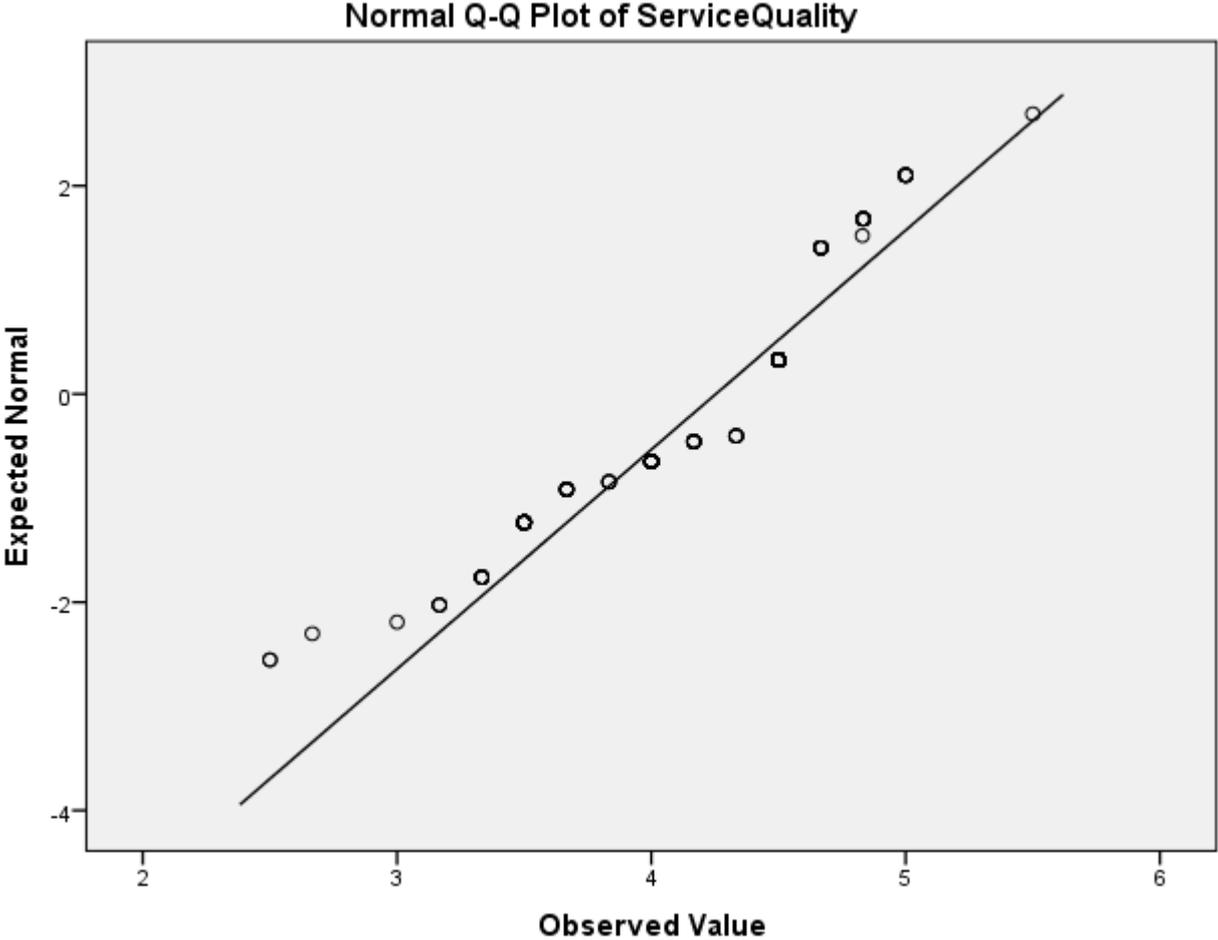
Figure A8: Normal Q-Q Plot of Customer Satisfaction

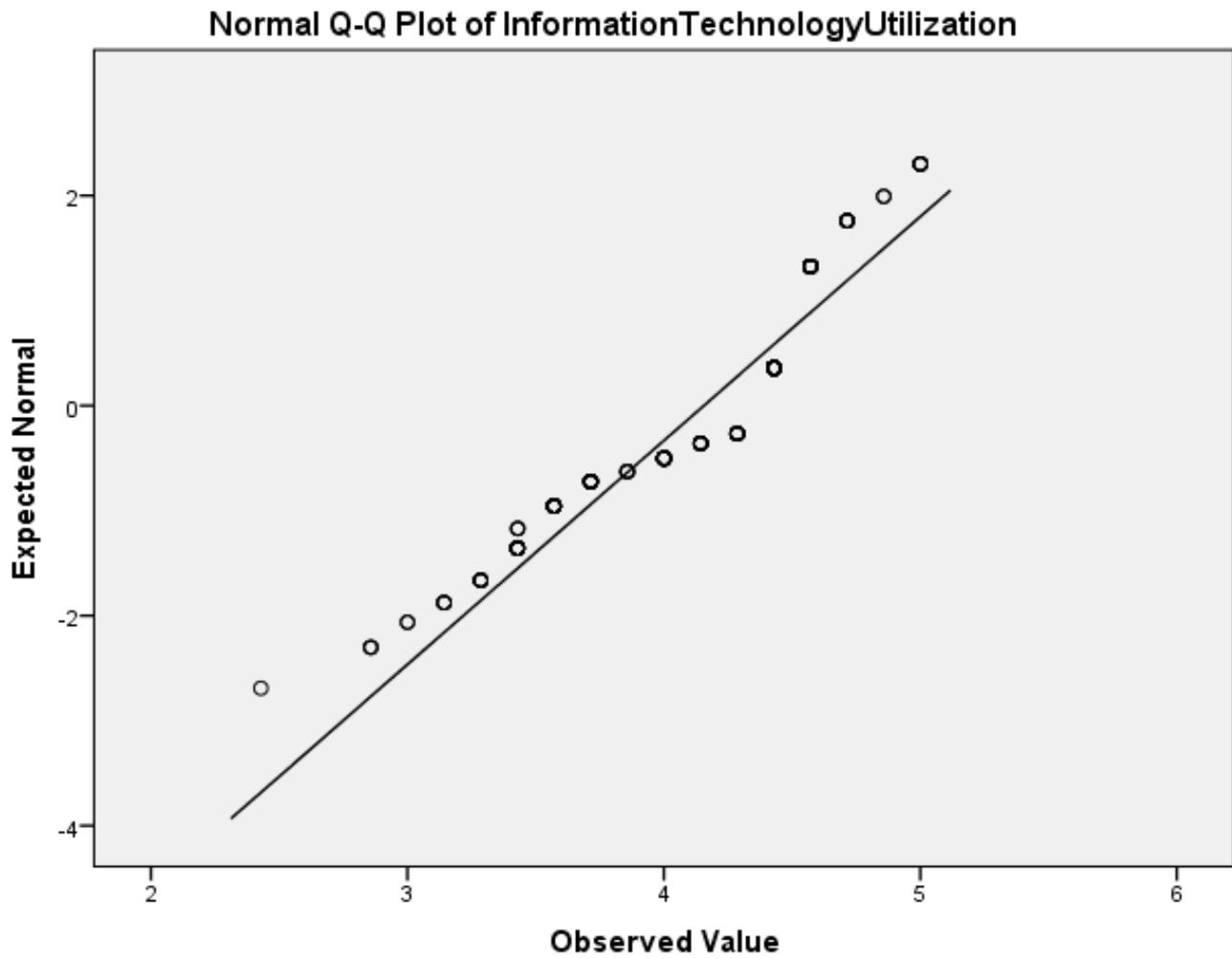


**Figure A9: Normal Q-Q Plot of Commitment**

**Figure A10: Normal Q-Q Plot of Communication**

**Figure A11: Normal Q-Q Plot of Conflict Handling****Figure A12: Normal Q-Q Plot of Service Quality**



**Figure A13: Normal Q-Q Plot of ICT****Table A6: Model 1**

## Relationship Marketing Practices and Customer Satisfaction

Model		Unstandardized		Standardized		Sig.	Tolerance	VIF
		Coefficients B	Std. Error	Coefficients Beta	t			
1	(Constant)	4.030	.175		23.097	.000		
	Age	.036	.037	.062	.962	.337	.873	1.145
	Gender	-.003	.060	-.003	-.056	.955	.988	1.012
	Level of education	.017	.032	.035	.536	.592	.864	1.157
2	(Constant)	1.810	.335		5.408	.000		
	Age	.069	.034	.119	2.013	.045	.846	1.182
	Gender	-.023	.055	-.023	-.412	.681	.973	1.028
	Level of education	-.015	.029	-.030	-.510	.610	.837	1.195
	Commitment	.191	.081	.203	2.360	.019	.401	2.497
	Communication	.100	.083	.106	1.217	.225	.387	2.584
	ConflictHandling	-.013	.057	-.015	-.225	.822	.687	1.456
	ServiceQuality	.259	.060	.252	4.296	.000	.861	1.162

Dependent Variable: CustomerSatisfaction

**Table A8: Regression Analysis Summary of Moderator and Moderated Relationship**

Model		Unstandardized Coefficients		Standardized coefficients	Beta	Sig.
		B	Std. Error			
1	(Constant)	-.009	.061		-.151	.880
	Zscore: Age	.093	.066	.091	1.421	.157
	Zscore: Gender	-.030	.062	-.029	-.481	.631
	Zscore: Level of education	-.015	.066	-.014	-.221	.825
2	(Constant)	-.001	.056		-.027	.979
	Zscore: Age	.142	.061	.138	2.327	.021

	Zscore: Gender	-.049	.057	-.048	-.858	.392
	Zscore: Level of education	-.080	.061	-.078	-1.319	.188
	Zscore(Commitment)	.265	.089	.267	2.990	.003
	Zscore(Comunication)	.074	.094	.074	.796	.427
	Zscore(ConflictHandlin g)	-.011	.070	-.011	-.153	.879
	Zscore(ServiceQuality)	.180	.062	.180	2.901	.004
3	(Constant)	.002	.055		.037	.971
	Zscore: Age	.129	.060	.126	2.135	.034
	Zscore: Gender	-.015	.058	-.014	-.254	.800
	Zscore: Level of education	-.069	.060	-.067	-1.143	.254
	Zscore(Commitment)	.258	.088	.260	2.943	.004
	Zscore(Comunication)	.042	.093	.041	.445	.656
	Zscore(ConflictHandlin g)	-.035	.070	-.034	-.497	.620
	Zscore(ServiceQuality)	.014	.088	.014	.159	.873
	Zscore(InformationTec hnologyUtilization)	.244	.092	.244	2.652	.008
4	(Constant)	-.012	.059		-.205	.838
	Zscore: Age	.144	.058	.140	2.476	.014
	Zscore: Gender	-.009	.055	-.009	-.164	.870
	Zscore: Level of education	-.071	.058	-.069	-1.227	.221
	Zscore(Commitment)	.166	.086	.167	1.928	.055
	Zscore(Comunication)	.067	.090	.067	.751	.453
	Zscore(ConflictHandlin g)	-.096	.068	-.095	-1.409	.160
	Zscore(ServiceQuality)	.168	.092	.168	1.819	.070
	Zscore(InformationTec hnologyUtilization)	.152	.093	.152	1.634	.103
	MX1 (Commitment)	-.224	.069	-.389	-3.257	.001
	MX2 (Communication)	-.037	.098	-.061	-.374	.709
	MX3 (Conflict handling)	-.039	.063	-.071	-.618	.537
	MX4 (Service Quality)	.194	.052	.414	3.694	.000
Dependent Variable: Zscore(CustomerSatisfaction)						

Table A9: Model 2 Summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.093 <sup>a</sup>	.009	-.002	1.01195804	.009	.784	3	271	.504

2	.437 <sup>b</sup>	.191	.170	.92100727	.182	15.042	4	267	.000
3	.460 <sup>c</sup>	.212	.188	.91077387	.021	7.034	1	266	.008
4	.540 <sup>d</sup>	.292	.259	.86998208	.080	7.382	4	262	.000

a. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore: Age

b. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore: Age,

Zscore(ServiceQuality), Zscore(ConflictHandling), Zscore(Commitment),

Zscore(Comunication)

a. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore:

Age,Zscore(ServiceQuality), Zscore(ConflictHandling), Zscore(Commitment),

Zscore(Comunication), Zscore(InformationTechnologyUtilization)

b. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore: Age, Zscore(ServiceQuality), Zscore(ConflictHandling), Zscore(Commitment), Zscore(Comunication), Zscore(InformationTechnologyUtilization), MX3, MX4, MX1, MX2

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.410	3	.803	.784	.504 <sup>b</sup>
	Residual	277.520	271	1.024		
	Total	279.930	274			
2	Regression	53.446	7	7.635	9.001	.000 <sup>c</sup>
	Residual	226.484	267	.848		
	Total	279.930	274			
3	Regression	59.280	8	7.410	8.933	.000 <sup>d</sup>
	Residual	220.649	266	.830		
	Total	279.930	274			
4	Regression	81.630	12	6.803	8.988	.000 <sup>e</sup>

	Residual	198.300	262	.757		
	Total	279.930	274			

a. Dependent Variable: Zscore(CustomerSatisfaction)

b. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore: Age

c. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore: Age, Zscore(ServiceQuality), Zscore(ConflictHandling), Zscore(Commitment), Zscore(Comunication)

d. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore: Age, Zscore(ServiceQuality), Zscore(ConflictHandling), Zscore(Commitment), Zscore(Comunication), Zscore(InformationTechnologyUtilization)

e. Predictors: (Constant), Zscore: Level of education, Zscore: Gender, Zscore: Age, Zscore(ServiceQuality), Zscore(ConflictHandling), Zscore(Commitment), Zscore(Comunication), Zscore(InformationTechnologyUtilization), MX3, MX4, MX1, MX2

### **APPENDIX III: LIST OF CLASSIFIED HOTEL**

