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THE IMPACT OF CUSTOMER SATISFACTION ON THE HOSPITALITY INDUSTRY IN UGANDA A CASE STUDY OF BRISK HOTEL

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**A RESEARCH REPORT SUBMITTED TO BUSITEMA UNIVERSITY FACULTY OF
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DECLARATION

I **ADONGO GORRET** do hereby declare that this research proposal has been my own original work and it has not been submitted to any other University/Institution by anybody else for any other degree award.

Student's Signature:

Date:

APPROVAL

This research proposal has been submitted for examination with the approval of my supervisor and is for the award of a Bachelor of Business Administration of Busitema University.

Supervisor: **Mr. EMOJONG RONALD**

Signature:

Date:

DEDICATION

This research project is dedicated to my loving and caring mum MRS.NABUTONO LAKERI and Dad MR. WAFULA JAMES for their endless support and care they have accorded to me throughout my entire life.

I also dedicate this research to the staff members of Busitema University. On a special note I also dedicate this research to my supervisor, Mr. Emojong Ronald for his endless guidance and lastly, to my friends and fellow researchers at Busitema University especially Ochedeke Peter, Apio Sandra and Tufeyo Robson.

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May God bless you ALL

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ABSTRACT

The study was carried out with the purpose of examining the impact of customer satisfaction on hospitality industry in Uganda the case study of Brisk hotel in Jinja. The objectives of the research was, to establish the strategies used by Brisk hotel to enhance customer satisfaction, to determine the factors that affect customer satisfaction in Brisk hotel, to examine barriers to satisfaction in Brisk hotel. The researcher applied both qualitative and quantitative techniques in designing the research. A total of 80 respondents participated in the study and were selected using random sampling method. The data was collected using questionnaires and interviews and presented using tables, graphs and pie charts for easy analysis.

The research findings revealed that the hotels have adapted to the strategies used to enhance customer satisfaction like holding existing customers, benchmarking which calls for adopting new ways in which other hotels perform their services in order to satisfy customers. The study also found out the factors affecting customer satisfaction are reliability, assurance, price and assurance and in that way, hotels have to make steady assurance and reliability and revise the prices of their services in order to enhance customer satisfaction. The findings also highlighted some of the barriers that have been registered as hindrances to customer satisfaction the major ones being lack of understanding customers' needs which leads to under delivering of services, overworked staff which tend not to prioritize customers' needs due to too much then having a non-caring culture which doesn't consider the relevance of the customers.

It was however recommended that for the case of overworked staff the hotel should consider employing new able bodied and experienced staff to cater for too many tasks being assigned to the small number of employees of the hotel. The management of Brisk hotel should also consider making the working environment empowering to boost them and gain a feeling of caring about their customers and thus make them happy. The lack of incentives, the hotel management should always motivate their employee staff so as to influence them to go that extra mile for their customers, and thus they should always provide rewards, both monetary and non-monetary to ensure its staff is motivated and empowered. For the case of lack of understanding about customer

needs, the hotel management should always make sure that there is availability or data to ensure that there it's easy to make claims that the hotel is customer centric.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

1.1 Background of study

Customer satisfaction is the perceived feeling of a customer for which he or she has set standards if his expectations match with the standard he is satisfied (Eggert& Ulaga,2002). However other scholars put it that customer satisfaction is an evaluation of difference between prior expectations about product and its actual performance. Customer satisfaction is a measure of how products or services supplied by a company meet customer expectations. It refers to the extent to which customers are happy with the products and services provided by a business. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are likely to be loyal, make repeated orders and use a wide range of services offered by a business. The income of all commercial enterprises is derived from the payments received for the products and services to its external customers. For customer satisfaction, it is necessary to establish and maintain certain important characteristics like quality, fair prices, good customer handling skills, efficient delivery and serious consideration of customer complaints

Globally, the hotel industry has been one of the most competitive industries especially in the 21st century. For this reason, enhancing customer loyalty is one of the key aspects of enhancing competitiveness in the industry as well as ensuring business continuity. Lake Kivu Serena Hotel is one of the major players in the hospitality industry in East Africa in Rwanda. The hotel has the advantage of operating under the prosperous Serena group of hotels that enables global marketing of the brand and developing universal strategies to improve its competitiveness globally. However, operating under the Serena Group of hotels is not a guarantee that Lake Kivu Serena Hotel will remain prosperous forever. This is where the question of customer satisfaction and customer loyalty comes in (Sward, 2005).

Nieminen (2007) discovered that cost is not the main reason that causes dissatisfaction of customers. Basically, customer dissatisfaction is mostly caused by offering low quality products and services to customers. Customer satisfaction assumes an imperative part of your business. Not only is it the main pointer to quantify

client unwaveringness, but also a key purpose of separation that helps you to draw in new clients in focused business situations (Nieminen, 2007).

Consumer loyalty is a good measure of the quality of services offered to customers. Hotels can create strategies to improve the quality of their services and products by measuring the level of their customers' loyalty. In most cases, customer satisfaction lays out a blueprint that can be used to improve services. It gives the hotel management a reason to understand the needs of their customers and keep on offering quality services.

This study is based on the expectancy disconfirmation theory (Barsky, 1992; Oh, and Parks, 1997; McQuay, Finn and Wiley, 2000). The theory was developed by Oliver (1980), which states that satisfaction level is a result of the difference between expected and perceived performance. Satisfaction (positive disconfirmation) occurs when product or service is better than expected. On the other hand, a performance worse than expected results with dissatisfaction (negative disconfirmation)

According to Mathews (2008), the main difficulty facing most industries is the ability to continue satisfying their customers while at the same time making huge profits. Competition puts pressure on many hotel services providers to provide quality services. Moreover, competition enhances many innovations that are focused on satisfy-in customers. Along these lines, it is important for hotels to come up with their own unique ways to meet the needs of their customers while at the same time making ample profits.

Mithai (2011), in similar also believes that customer satisfaction is an important element of hotel strategy in today's increasingly competitive environment. According to the author, in the globalized, highly competitive environment, building more unique relationships with customers is vital for Hotels. When failing to build relationship with customers satisfaction will not represent the foundation. Based on this, customer loyalty can be built in order to develop a stable, mutually profitable and long-term relationship. The way customers develop the feeling of satisfaction is commonly explained by the confirmation/ disconfirmation paradigm. Customer satisfaction is built upon the basis of services encounters (Hartanto, D. 2010).

1.2 Statement of the problem

Brisk hotel being a service-oriented industry has tried to provide quality service to its customers like; keeping records correctly, caring and individualized attention to customers (Gruen et al, 2010). Despite all efforts to satisfy its customers the hotel has continued to register increasing numbers of dissatisfied customers in respect to slow service since customers don't want to wait for long, and low levels of responsiveness to customers' complaints. Thus, ensuring customer satisfaction can potentially lead to increased customer retention, thereby increasing customer loyalty and thus sales and profitability of the hotel at large. Its therefore due to this background that has enticed me to engage into this study.

1.3 Purpose of the study

The purpose of the study is investigating the impact of customer satisfaction on hospitality industry in Uganda

1.4 Objectives of the Study

To establish the strategies used by Brisk hotel to enhance customer satisfaction.

To determine the factors that affect customer satisfaction in Brisk hotel.

To examine barriers to satisfaction in Brisk hotel.

1.5 Research questions

What are the strategies used by Brisk hotel to enhance customer satisfaction?

What are the factors that affect customer satisfaction in Brisk hotel?

What are the Barriers to Customer care in Brisk Hotel?

1.60 Scope of the study

1.61 Content scope

The study is focused on customer care as the independent variable and customer satisfaction as dependent variable and effect of customer care on customer satisfaction.

1.62 Geographical scope

The study will be conducted at Brisk recreation hotel triangle located on Nile crescent road in in Jinja town

1.63 Time scope

The study focused on the operations between 2016-2020, a period of 5 years

1.7 Significance of the study

The study will help to build on my knowledge and understanding of the study variables. It will also help me to gain more skills of conducting research and this will be important to me while in office or pursuing further studies.

The study will help me as a partial fulfilment of the requirements for the award of the degree of Bachelor of Tourism and Travel Management of Busitema University.

It will also help me to appreciate the concept of service quality.

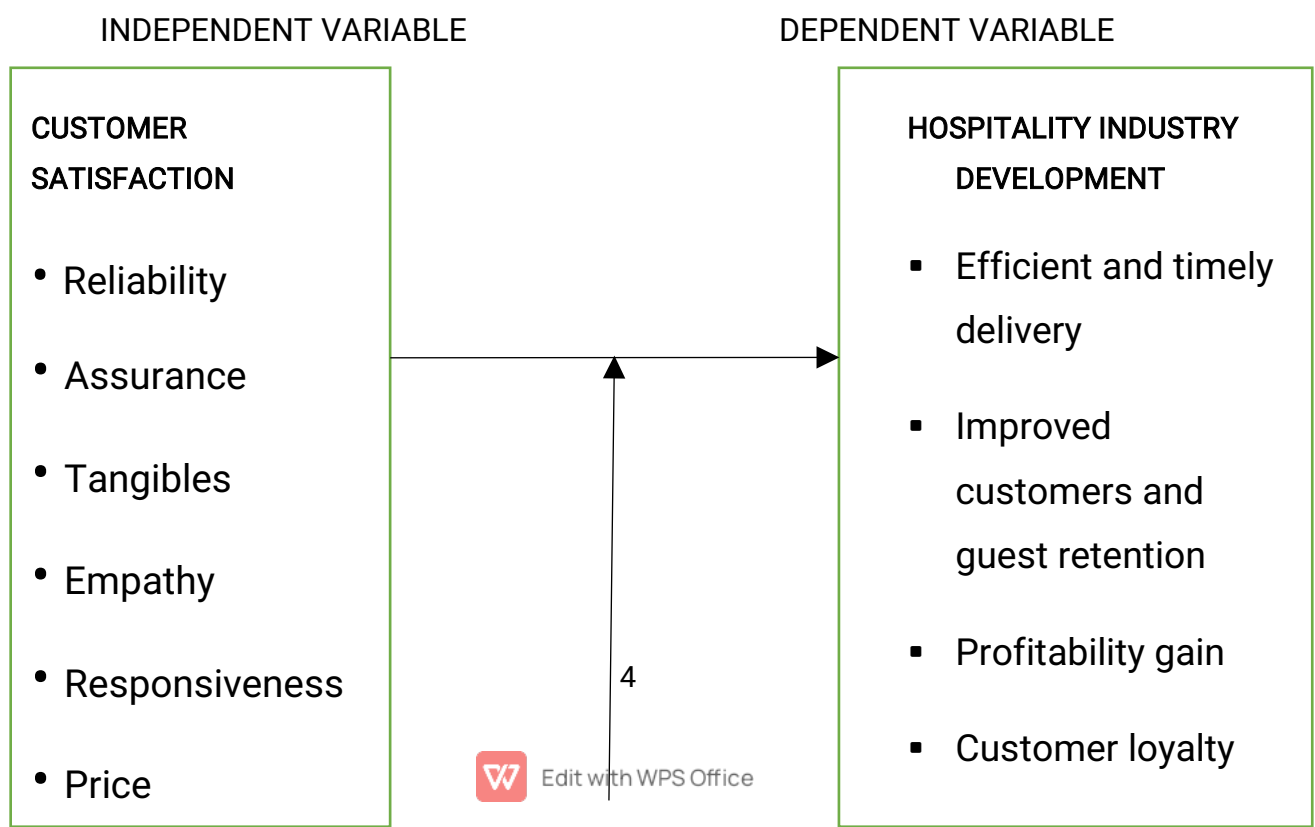
The study will also add knowledge on the existing knowledge about customer care services to the public. This therefore helped the public recognize and appreciate customer care services.

The public especially customers of the hotels were able to recognize certain customer care services they are supposed to receive from services provided.

To related companies, the study will help to always provide better quality services since it's directly related to customer satisfaction

To the hotel industry, the study informs efforts to increase the effectiveness of training on staff training at any hotel in Uganda and Africa at large. Therefore, the suggested recommendations will go a long way in assisting management of Brisk Hotel to make strategic decisions as to how to restructure their training programs to match the needs of the dynamic hotel industry.

1.8 Conceptual framework



EXTRANEOUS VARIABLES

- o Fluctuation in dollar rates
- o Political environment

Source: (Oliver, 2009)

Explanation of the Conceptual framework

The figure above explains the relationship between variables i.e. independent and dependent variables, in relation to the impact of customer satisfaction on hospitality industry in Uganda. It therefore shows that customer satisfaction is the independent variables which is determined by factors like; Reliability , Assurance, Tangibles , Empathy , Responsiveness and Price while the dependent variable Hospitality Industry Development which is measured in terms of Profitability gain Efficient and timely delivery , Improved customers and guests retention , customer loyalty , fair prices , good customer handling , efficient delivery. However, both variables are intervened by moderating factors like fluctuation in dollar rates, Political environment and many others.

1.9 Definition of key terms

Customer; Is a person or company that receives, consumes or buys a product and can choose between different goods and suppliers. They are always the ultimate users and usually but not always the end users of any good or service that they have paid for.

Customer care; this means how well customers are taken care of while they interact with the brand or service. It is the caring of customers, listening to their needs, and finding the right solution and build an emotional connection.

Customer satisfaction; Is a measurement that determines how well a company's products or services meet customer expectations.

Service quality; is the measurement of how well a service is delivered, compared to

their employee staff so as to influence them to go that extra mile for their customers, and thus they should always provide rewards, both monetary and non-monetary to ensure its staff is motivated and empowered.

For the case of lack of understanding about customer needs, the hotel management should always make sure that there is availability or data to ensure that there it's easy to make claims that the hotel is customer centric.

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