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Evaluation of Customer Satisfaction on Customer Retention in Hotels in Adamawa State, Nigeria

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Abstract

Due to severe competition in both the domestic and international markets, providing exceptional quality service to clients is critical in today's business environment. This paper examined the impact of customer satisfaction on customer retention in terms of quality service employed by several carefully selected hotels in Jimeta, Adamawa, Nigeria. Descriptive Survey research design was adopted for the study. Primary and secondary sources of data were used. The primary data included a structured questionnaire used to elicit information from the target respondents of 384 through purposive sampling technique while the secondary data was review of extant related literatures, journals and periodicals. The Data collected was analysed using Pearson's correlation coefficient which showed the relationships between the variables. The Correlation results

show that there was a significant and positive nexus between customer satisfaction and customer retention by the coefficient (r), which was what the study sought to establish. Furthermore, a rho value of 0.635 also showed this relationship and is significant at $p < 0.000 < 0.05$. Correlation coefficient represents high correlation and shows a strong relationship. It was established that effective customer satisfaction will allow for customer retention. More importantly, there was a link between customer satisfaction and customer retention. The study therefore recommended that Organizations should embrace and implement the marketing strategy that allows them to be more effective than competitors in generating, delivering, and conveying higher customer value to their chosen target markets.

Keywords: Customer Satisfaction, Customer Retention, Business Loyalty, Hotel

1. Introduction

In today's fierce and competitive market, it is not enough for organizations to satisfy their customers, but it is imperative to retain them. According to Laut *et al.*, (2018) ^[19], Customer satisfaction has been recognized as an essential component of every company's marketing strategy, ensuring market price and serving as the primary driver of long-term profit. Every customer ensures a satisfied feeling after comparing the product or service acquired with the level of expectation that they had before to purchasing the product or service. Odunlami and Matthew (2015) ^[22] also stressed that Customer satisfaction and retention is key in the achievement of organizational objectives. The authors went further to explain that customers are valuable asset that must not only be properly kept satisfied but also to retain them. In Alkitbi *et al.*, (2020) ^[5] satisfaction is said to be an emotional reaction to what customers expect and what they receive, including the fulfillment of requirements and aspirations. Customer satisfaction specifies a desired consequence in the future to retention, demonstrating a long-term relationship. Although customer satisfaction does not guarantee repurchase, it still plays a vital role in ensuring customer retention (Chetioui *et al.*, 2017) ^[10].

Thus, customer satisfaction is critical to addressing the diverse needs of customers, businesses, and society (Ayoola & Ibrahim, 2020) ^[7]. It is also critical to accurately measure customer satisfaction in order to design an effective marketing plan. This can be accomplished through obtaining trustworthy customer input, which is critical for building effective management methods. Managers may also be given the authority to execute satisfaction enhancement projects. In a similar study by Rita *et al.*, (2019) ^[24], customer satisfaction was stated as an important indication of corporate performance since it leads to repurchase behavior. Generally, it has been reported that there is a positive correlation between customer satisfaction and retention. (Ayoola & Ibrahim, 2020) ^[7].

Furthermore, previous studies shed light on impact of customer satisfaction and loyalty, effect of customer satisfaction on customer patronage, factors affecting customer retention and so on. However, very few of them examined the relationship between customer satisfaction and customer retention in Jimeta, Adamawa which necessitated the need for this study. It has

also been confirmed that customer retention is a product of customer satisfaction as the role of customer satisfaction seems to be more critical than ever, a trend which will most probably continue well into the future. Karunaratne & Jayawardena (2011) opined that Customer satisfaction has over the years become a key performance indicator for the hotel business (Berezan *et al.*, 2013, 2014; Odunlami, 2015; Rita *et al.*, 2019; Yu, 2017) ^[8, 22, 24, 28]. As more and more hotels experience customer turnover in the study area, the hotels have made several efforts to attract and retain their customers however, these customers do not always remain loyal. Therefore, a closer look at the relationship between customer satisfaction and customer retention in the selected hotels in Jimeta Adamawa is needed.

Alipour *et al.*, (2019) ^[2] noted that “customer satisfaction is critical for hotels’ business survival” and several theories have dealt with the construct of “satisfaction,” for instance, expectancy disconfirmation theory, equity theory, attribution theory, and motivation-hygiene theory. Although a lot of studies (Fida *et al.*, 2020; Jeronimo Viana *et al.*, 2021; Laut *et al.*, 2018) ^[12, 17, 19] have established that customer satisfaction is a key factor in customer retention, there seems to be unsatisfying outcomes regarding what actually retains hotel customers in Jimeta, Adamawa state. Hence the need for this study.

The study would examine the nexus between customer satisfaction and customer retention in Hotels in the Adamawa, Nigeria.

2. Literature Review

2.1 Conceptual Review

2.1.1 Customer Satisfaction

The concept of customer satisfaction refers to the perception of how happy, delighted or pleased customers are with a given company's products or services.

Çavusoglu *et al.*, (2021) ^[9] define satisfaction as the reactive response to fulfillment of expectations regarding interactions. Satisfaction has also been recognized as one of the most important theoretical and practical issues for most marketers and customer. Similarly, in Nasse (2021) ^[21] customer satisfaction is defined as a post consumption evaluation of a product or a service which maybe high or low depending on the customers need have been met or not.

Chigozie, Mbah, Ekechukwu (2019) ^[11] also define Customer Satisfaction as customer’s perception of the degree to which the customers’ expectations have been fulfilled and how well a firm’s products, service, support and engagement are able to meet the customer expectations. This includes responding to customer queries and issues.

Radojević *et al.*, (2014) defined Customer satisfaction as a post-consumption evaluative judgment concerning a specific product or service. It is the result of an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after the consumption experience. Studies show that customer satisfaction may have direct and indirect impacts on business results (Rita *et al.*, 2019) ^[24]. The subject has gained a lot of attention from researchers as well as practitioners across the globe. Customer satisfaction is seen as a necessity that must be put in place for any profit-making organisation to achieve its stated objective. The issue of consumer satisfaction cannot be over emphasized because it is a factor that must be considered in order to give room for consumer retention (Alkitbi *et al.*, 2020) ^[5].

In the service industry, strong emphasis is placed on the

significant importance of service quality perceptions and association between service quality and customer satisfaction. It is therefore presumed that some researchers concluded that service quality is an important indicator of customer satisfaction. In essence, customers will be loyal to a hotel if the services rendered are satisfiable to them. Faizan *et al.*, (2011) were of the opinion that satisfaction is a critical scale of how well a customer’s needs and demands are met while customer retention is a measure of how likely a customer is to repeat the purchase and engage in relationship activities. They further mentioned that customer satisfaction has a positive significant relationship with customer retention. They concluded saying it is impossible to have retention without satisfaction.

Magueta *et al.*, (2018) stated that customer satisfaction is a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product or service. Customer satisfaction is regarded as how consumers can get more benefits than their cost (Lin and Yen 2010). Customer satisfactions positively affect customer retention. Providing high quality services and improving customer satisfaction are widely recognized as fundamental factors boosting the performance of companies in the hotel and tourism industry

Olya *et al.*, (2021) also argued that, satisfaction emerges as the most widely investigated attitudinal trait by hospitality researchers. The satisfaction of the needs of the respective customers therefore gives room for an opportunity to retain the customer and create customer loyalty for continuous patronage (Jeronimo Viana *et al.*, 2021) ^[17]. In a similar manner, customer retention is a strong indicator of organizational objectives. The level of customer retention dictates to some extent the level of achievement of organizational, objectives. In other words, if customers fail to patronize or repeat the purchase of the products of the organization, definitely sales and profitability of the organization will drop which will adversely affect the entire performance of the firm (Alkitbi *et al.*, 2020) ^[5]. In a nut shell, the degree at which organization retain their customers depends to a large extent the degree of satisfaction derived from the products of the organizations.

Cicerali *et al.*, (2017) viewed customer satisfaction as “a person’s feeling of pleasure or disappointment which resulted from comparing a product’s perceived performance or outcome against his/her expectations”, satisfaction has been examined by many scholars in relation to a number of factors including company profits and market share, customer repeat purchase intention and positive word-of-mouth behavior (Yuniati, 2020) ^[29]. While it represents an important construct in the mainstream management literature, in the hotel research domain satisfaction is of particular importance due to the specific characteristics of hotel products. Indeed, considering the perishable, tangible and intangible elements of hotel products, satisfaction emerges as the leading criterion for determining customer retention.

Samantha & Almalik (2019) opined that customer satisfaction is a major performance indicator for service industries particularly the hospitality industry, as it shows the strength of relationship between the customer and the service provider. Kandampully, (2000) ^[18] in his opinion argued that it is essential for any hospitality organization to seek opportunities to gain a competitive advantage by adopting various strategies so as to retain customers

(Hamenda, 2018) ^[15]. However, researchers and practitioners agree that developing customer loyalty has proved to be the most favored strategy, as price can have negative impact on the hotel's medium-term and long-term profitability, consequently affecting the firm's image (Silva *et al.*, 2021) ^[26]. It is thus imperative that hospitality firms develop proactive strategies to gain customer retention, as opposed to relying on pricing strategies to attract new customers (Fida *et al.*, 2020) ^[12]. Although price continues to play a role in maintaining customer loyalty, competitive pricing alone does not create long-term customer retention. Implicit in the above definitions is the fact that customer retention can be a product of customer satisfaction with proper checks and balance from service companies.

2.1.2 Customer Retention

Customer retention refers to the activities and actions companies and organizations take to reduce the number of customer defections (Owusu-mintah, 2018) ^[23]. The goal of customer retention programs is to help companies retain as many customers as possible, often through customer loyalty and brand loyalty initiatives (Rita *et al.*, 2019) ^[24]. It is important to remember that customer retention begins with the first contact a customer has with a company and continues throughout the entire lifetime of the relationship. Luke & Stephen (2020) described customer retention as the procedures used by businesses to keep clients by offering them goods and services that make their lives better. According to this definition, the company's goal is to consistently offer clients long-lasting products. Client retention is frequently faster and, on average, costs up to seven times less than customer acquisition, despite the fact that most businesses usually invest more money in it. This is because they see it as a quick and efficient way to increase income (Chigozie, Mbah, Ekechukwu, 2019) ^[11]. According to Laut *et al.*, (2018) ^[19], selling to customers with whom you already have a relationship is often a more effective way of growing revenue because companies don't need to attract, educate, and convert new ones. The importance of customer retention in the hospitality sector has also risen. Sim *et al.*, (2006) found that an increase in customer retention of 5% resulted in a 25 to 125 percent improvement in the profitability of nine selected service companies. Long-term clients spend more money, refer more clients, demand less of service providers' time, and are less price-sensitive (Chetioui *et al.*, 2017) ^[10]. It has been demonstrated that increasing customer retention will boost profits because the cost of acquiring new consumers is seven times higher than that of keeping existing ones. Similarly, (Fida *et al.*, 2020) ^[12] argued that in order to enhance the retention of customers, it is essential for hotel managers to understand the relationship between customer satisfaction and customer retention.

According to Blattberg *et al.* (2001), customer retention occurs when a customer consistently purchases the same product over time. Customer retention is defined as taking place when "the customer continues to purchase the product or service over a set time period" for goods with short purchase cycles (Chigozie, Mbah, Ekechukwu, 2019) ^[11]. Customers are said to be retained for products with lengthy buy cycles when they express a desire to make a subsequent purchase of the good or service (Nasir, 2017). The percentage of customers who were customers at the beginning of a period and were still customer at the end of

the term is known as the customer retention rate. However, some study Abubakar, (2021) ^[4], Gebremichael & Singh (2019) ^[14] caution that in situations where clients use multiple businesses at once, alternative, more complex definitions may be more applicable (Arabia & Region, 2019) ^[6].

Measuring the rate of client retention over time, the rate of customer retention by market segment in terms of the various services or goods provided, and the proportion of the customer's wallet earned. According to Alkitbi *et al.*, (2020) ^[5], a crude customer retention rate or a weighted one can be used to calculate the customer retention rate, which must be measured and controlled. Based on the drop or escalation in the number of customers over a certain time period, Owusu-mintah (2018) ^[23] mentioned that a crude customer retention rate calculates the overall proportion of customers that the company keeps. By weighing clients based on the amount of their purchases, the weighted retention rate is calculated.

2.1.3 Relationship between Customer Satisfaction and Customer Retention

Customer satisfaction and retention are incredibly important for growing a sustainable business in an extensively competitive environment. Marketers are becoming more aware that it is more cost effective to make sure customers never get on the exit path to competitors in the first place and are implementing retention strategies (preemptive and proactive) Tsai and Hsu (2014) mentioned that customer satisfaction was caused by the comparison between customers' pre-expectation of products or services through past purchase experiences and the current purchase experience (Abubakar, 2021) ^[4]. The authors argued that if a business cannot satisfy customers efficiently and proficiently against its competitor(s), it can lose its market share. Jere and Mukupa, (2018) ^[16] also found that improving customer satisfaction greatly contributes to customer retention and customer loyalty as well as customer's willingness to pay, and positive reviews for a particular brand lead to customer satisfaction and retention.

The term customer satisfaction is used for evaluation of either a good or service provided by any business (Fitria & Yuliati, 2020) ^[13]. Han and Ryu (2012) verified the significance of the relationship between satisfaction and behavioral intentions. In their research they found that customer satisfaction, which is a positive function of diverse cognitive variables, exerts a significant impact on intentions, and satisfaction mediates the influence of its antecedents on behavioral intentions. In Abu-alhaija *et al.*, (2019) ^[1] opinion, customers determine if they are satisfied or not by comparing the discrepancies between their expectations and the product or services they receive. Similarly, customer's satisfaction with the current product is highly correlated with the person's desire/intention to buy one of the other models manufactured under the same brand name Kwon, Kang and Han (2014) also asserted that patrons' pleasurable/satisfactory experience at a restaurant within a hotel helps them build intentions to revisit the restaurant, and elevates a positive attitude toward the hotel's other food-service operations. For Sharma (2020) ^[25] "The first step to surpassing customer expectations is to know those expectations."

Therefore, service providers need to understand their customers and provide services that will increase potential

satisfaction. This can create opportunities to retain them and also have them spread positive reviews about the company's products or services. Abu-alhaija *et al.*, (2019) ^[1].also argued that dissatisfied customers on the other hand, may switch to other service providers or prevent their associates from purchasing a certain product or services.

This led to the formulation of the hypothesis:

HO₁: There is no significant nexus between customer satisfaction and customer retention in Hotels in Jimeta, Adamawa state.

HI₁: There is a significant nexus between customer satisfaction and customer retention in Hotels in Jimeta, Adamawa state.

2.2 Theoretical framework

The following theories were used to underpin the study.

2.2.1 The Dissonance Theory

The Dissonance Theory advocates that a person who anticipated a high-value product and received a low-value product would identify the difference and experience a mental dissonance. That is, to say the disconfirmed expectations create a state of dissonance or a psychological discomfort. This idea contends that the presence of dissonance creates pressures for its elimination, which might be accomplished by modifying the apparent disparity. This theory also holds that "Because recognizing disconfirmation is thought to be a psychologically painful activity, post exposure ratings are predominantly a function of expectation level. Customers are therefore assumed to perceptually misrepresent performance that differs from expectations in order to match their past expectation level" (Chigozie, *et al.*, 2019) ^[1] For instance, if there is a disconnect between customer expectations and product performance, customers may feel psychological pressure and attempt to relieve it by altering how they view the product. Similarly, when a product is expensive for an individual, buyers may give it higher ratings. Consider a scenario when a customer enters a restaurant expecting a fantastic experience only to be met with an unpleasant meal as an illustration, if there is a disconnect between product expectations and product. According to this theory, the existence of dissonance produces pressures for its reduction, which could be achieved by adjusting the perceived disparity. The consumer, who had driven a long distance and paid a high price for the meal in order to reduce the dissonance, might say that the food was not really as bad as it appeared or she likes overcooked meal, etc. The researchers pursued this approach implicitly with the assumption that consumers would generally find that product performance deviated in some respect from their expectations or effort expenditures would instigate cognitive repositioning.

2.2.2 The loyalty business theory

The customer loyalty theory, based on the consideration of some variable demographics, has been developed to study consumers' habits. The theory attempts to define what promotes customer loyalty and can represent an effective tool for gaining and retaining your hard-earned customers. Business owners who witness repeat customers know on an intuitive level that customer loyalty is an irreplaceable asset. Incorporating the principles of customer loyalty theory into

your day-to-day operations can impact the creation of more business. A typical example of this type of model is: The quality of a product or service leads to customer satisfaction, which leads to customer loyalty, which leads to customer retention and profitability in the long run. Customer loyalty is determined by three factors: strength of relationship recognized alternatives and critical episodes. Mbah, Ekechukwu, and Ugochukwu (2019) ^[1] claim that a 5% increase in customer retention can cause an increase in profitability by 25% and 85% (at net present value). However, Carrol and Reichheld, (2013) dispute these calculations, claiming that they result from faulty cross-section analysis. Chigozie, Mbah, Ekechukwu, (2019) ^[1] further say that the higher profitability brought on by customer retention initiatives happens because: The cost of acquisition only occurs at the start of a relationship; the lower the amortized cost, the longer the connection. The percentage of total costs devoted to account maintenance decreases (or as a percentage of revenue). Long-term clients are frequently less price sensitive and less likely to switch providers. This may lead to both increases in sales volume and stable unit sales volume. Long-term clients are more likely to start free referrals and word-of-mouth campaigns. Long-term customers are more inclined to buy supplemental goods and high-margin peripheral goods. Long-term customers are more likely to be content with their business relationship and transfer brands. Increased customer retention and loyalty makes the employees' jobs easier and more satisfying. In turn, happy employees feed back into higher customer satisfaction in a virtuous circle.

Implicit in the above theories is the fact that businesses can leverage on the knowledge that customers can only be retained when their expectations are met and this can be achieved through quality service as postulated by the loyalty business theory. Furthermore, businesses can have a repeat visitation when there is no disconnection between customer's expectation and product performance as postulated by the dissonance theory.

2.3 Empirical Review

Chigozie, Mbah, Ekechukwu, (2019) ^[1] evaluated the relationship between customer satisfaction and customer retention in Enugu state, Nigeria. The study examined the relationship between service quality and customer trust and evaluated the relationship between customer's involvement and customer loyalty. It was found that a positive and significant relationship exist between customer satisfaction and retention. The study concluded that customer satisfaction has independently contributed immensely to the retaining of respective customers, and recommended that managers should always aim at creating deep and long term relationships with its customers

Han *et al.*, (2018) investigated the impact of customers' image congruity and their satisfaction on customer retention at luxury restaurants. Their valuation of the measurement model revealed acceptable levels of reliability and construct validity. Findings from the structural model assessment show that both image congruity and customer satisfaction has a significant impact on customer retention. Additionally, results proved that customer satisfaction was conspicuous in influencing customer retention.

Samantha & Almalik, (2019) also investigated customer satisfaction in the hotels of the Kashmir valley. The study provided various suggestions to the customers so as to make

their services more efficient and effective. Results show a high customer satisfaction level in the hotel. Result also proved that there is a significant relationship between customer satisfaction and retention. (Trang *et al.*, 2019)^[27] In Magueta *et al.*, (2018) study, a multi-level and hierarchical model was used as a framework to identify and capture the links between customer satisfaction, service quality, brand image and loyalty of customers in the Portuguese traditional trade. The results revealed that service quality is the main determinant of customer satisfaction and corporate image. Furthermore, customer satisfaction, corporate image and service quality significantly affect customer retention.

3. Methodology

The study used cross-sectional survey research technique through the instrumentality of structured questionnaire to illicit data from the respondents in Jimeta, Adamawa. Descriptive statistics was used to analyse the research question. Hypothesis was tested using Pearson’s Product Moment Correlation Coefficient. The correlation coefficient(r) is a measure of linear correlation (association) between variables; it is used to determine the correlation between dependent and independent variables.

3.1 Study Population

The study’s population comprises customers of large hotels in Jimeta, Adamawa, Nigeria. This study’s population is infinite because a sampling frame of large hotels in Jimeta, Adamawa could not be obtained. As a result of this, the study adopted Cochran’s (1963) formula to determine the sample. The adopted formula examines the sample’s representativeness on certain essential parameters at an appropriate level of probability. The formula is thus given as:

$$n = \frac{Z^2 pq}{e^2}$$

Where:

e = the desired level of precision (i.e., the margin of error) = 0.05

p = the (estimated) proportion of an attribute present in the population = 0.5

$$q = 1 - p$$

$$= 1 - 0.5 = 0.5$$

$$Z = 1.96$$

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.05)^2}$$

$$n = \frac{3.8416 \times 0.5 \times 0.5}{0.0025}$$

$$n = \frac{0.9604}{0.0025}$$

$$n = 384$$

$$n = 384 \text{ (sample size)}$$

Therefore, the sample size of this study is 384 customers of large hotels in Jimeta, Adamawa, Nigeria. The study employed convenience sampling technique to generate the respondents for the research.

3.2 Analytical Techniques

Collected data were analysed using both descriptive and inferential statistics. Descriptive statistics was used to analyse the research questions while inferential statistics on the other hand was used through Pearson’s moment correlation to test the relationship between the predictor variable which is customer satisfaction and the criterion variable which is customer retention. These were done with the aid of SPSS version 23.0.

4. Results and Discussions

Univariate Analysis

Table 1: Response Rates and Descriptive Statistics for Customer Satisfaction

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|-----|---------|---------|------|----------------|
| The efficiency of customer service brings about customer satisfaction | 343 | 1 | 5 | 3.52 | 1.319 |
| Customer satisfaction is a function of the physical appearance of the hotel | 343 | 1 | 5 | 3.50 | 1.359 |
| Prices of services enhances customers’ satisfaction | 343 | 1 | 5 | 3.70 | 1.249 |
| Valid N (listwise) | 343 | | | | |

Source: Research survey, 2022

The data in table 1 illustrates the response rates and frequency for customer satisfaction measured on a 3-item instrument and scaled on a 5-point Likert scale. From the data, the first question item shows a mean score of 3.52 which is on the agree range of the scale. The 2nd and 3rd question items with 3.50 and 3.70 mean scores (x) respectively also implies that the respondents are more inclined to the agree range of the scale used in measurement.

Table 2: Response Rates and Descriptive Statistics for Customer Retention

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--|-----|---------|---------|------|----------------|
| I prefer the hotel to other because of their use of ICT | 343 | 1 | 5 | 3.52 | 1.319 |
| The hotel have branches in other states and they offer the same quality of service | 343 | 1 | 5 | 4.10 | .836 |
| I am satisfied with the security, equipment and protective devices in the hotel. | 343 | 1 | 5 | 3.92 | .986 |
| Valid N (listwise) | 343 | | | | |

Source: Research Survey, 2022

Table 2 illustrates the response rates and frequency for customer retention measured on a 3-item instrument and scaled on a 5-point Likert scale. From the data, the first

question item shows a mean score of 3.52 which is on the agree range of the scale. The 2nd and 3rd question items with 4.10 and 3.92 mean scores (X) respectively.

Bivariate Analysis

The data analysis was carried out using the Pearson Product Moment Correlation at a 95% confidence interval. Specifically, the tests cover hypotheses H_{01} which were bivariate and stated in the null form. We have relied on the Pearson Product Moment Correlation statistic to undertake the analysis. The 0.05 significance level is adopted as criterion for the probability of either accepting the null hypotheses at ($p>0.05$) or rejecting the null hypotheses at ($p<0.05$).

Table 3: Correlation Matrix between Customer Satisfaction and Customer Retention

| | | Customer Retention | Customer Satisfaction |
|--|---------------------|--------------------|-----------------------|
| Customer Retention | Pearson Correlation | 1 | .635** |
| | Sig. (2-tailed) | | .000 |
| | N | 343 | 343 |
| Customer Satisfaction | Pearson Correlation | .635** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 343 | 343 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Source: Research survey, 2022

The table above illustrates the test for the previously postulate bivariate hypothetical statements.

H_{01} : There is no significant nexus between customer satisfaction and customer retention in Hotels in the Northeast, Nigeria.

H_{11} : There is a significant nexus between customer satisfaction and customer retention in Hotels in the Northeast, Nigeria.

The correlation coefficient (r) shows that there is a significant and positive nexus between customer satisfaction and customer retention. The ρ value 0.635 indicates this relationship and it is significant at $p\ 0.000<0.05$. The correlation coefficient represents a high correlation indicating a strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant nexus between customer satisfaction and customer retention in Hotels in the Northeast, Nigeria.

5. Discussion of Findings

The results show that there is a strong, positive and significant relationship between customer satisfaction and customer retention using Pearson's Product Moment Correlation. Consequently, this result supports the view of Odunlami, (2015) ^[22] whose findings prove that there is a significant and positive relationship between customer satisfaction and customer retention. The findings of this study is also consistent with Rita *et al.*, (2019) ^[24] whose result show that customer satisfaction is a key factor for retaining customers. A position that was accepted by (Alkitbi *et al.*, 2020 ^[5] and Ayoola & Ibrahim, 2020) ^[7]. This study is also consistent with Chigozie (2019) ^[11] whose

study established a strong and positive relationship between customer satisfaction and retention. Therefore, the study concluded that a 1% change in customer satisfaction results in a 61.7% change in customer retention. This finding also supports the views of Rahman, (2013) who found a significant relationship between customer satisfaction and retention. Similarly, the study also agrees with Bassey *et al.*, (2013) whose study identified customer satisfaction as a viable tool for customer retention. The result is also consistent with those of Amoako *et al.*, (2019), whose results show that customer retention and satisfaction are reciprocal so each variable actively supports the other. This position is also accepted by Arabia and Region, (2019) ^[6] who demonstrated that customer satisfaction is certainly an important predictor of customer retention. To this end, this study concludes that customer retention is a function of customer satisfaction.

5.1 Conclusion

In addition to the theoretical implications, the results of this study will help managers to investigate customer satisfaction in more detail and understand the explicit impact on customer satisfaction for customer retention. In contrast to the general survey on customer satisfaction, the questions used in this survey, did not provide information on customer behavior after purchase.

Second, based on the results obtained, this study also showed that customer retention is a function of customer satisfaction. From these findings, customers can only be bound by a product or service if they are satisfied with the product or service.

Third, the study also found that there are factors that determine customer satisfaction such as price, location, quality service and value for money among others as mentioned earlier in this study, but the most influential are quality service and value for money, Therefore, managers of hotels in the study area and particularly the selected hotels in Jimeta should ensure customer expectations are met by these experiences. This will increase the overall satisfaction and increase the potential of customer retention.

5.2 Recommendations

1. Hotel owners /managers should always be ready to build deep and long-term relationships with their customers for increased customer retention.
2. Hotels in the study area need to improve the quality of service and ensure that customers get value for their money by creating and delivering high- quality products and services.
3. Customer retention is a function of customer satisfaction, so frontline employees need to ensure that their customers are provided with quality service in all respects.

5.3 Limitations and Suggestion for Further Studies

The first limitation of this study is that it covers only one state in Northeastern, Nigeria. Therefore, these results cannot be generalized to all the remaining five states in northeast.

Second, the sample size was too small ($N = 384$) to draw conclusions from an infinite population. Future studies will need to collect more samples from more states in northeastern, Nigeria.

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