EFFECT OF CUSTOMER SERVICE PRACTICES ON PERFORMANCE IN THE HOSPITALITY INDUSTRY: A CASE STUDY OF HOTELS IN NAIROBI COUNTY

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Abstract

The hospitality industry in Kenya has been growing due to high demand of the services and increased number of both domestic and international tourism. The increase in demand has led stiff competition among the Hotels within the cities and outside the cities to attract the most number of customers. Managers in the Service delivery organizations including Hotels have opted for strategies to improve customer services as key tool for competing in the market. PWC reported that many hotels within Nairobi are operating in losses due poor customer delivery services, and other external factors such as traffic congestion, noise among others. However other hotels in Kenya experience a similar problem with customers complaining of poor services delivery. Therefore this study sought to find out the effect of customer service practices on performance in the hospitality industry. The study was specifically focus on customer relations and customer care services and how they influence market performance of hotels in Nairobi County. The study used descriptive research design with a case study method in attempting to describe and explain the mentioned objectives of the study. The population of interest was the three star, four star and five star Hotels within Nairobi County. Data was analysed using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) IBM 2015 version. In addition linear regression model was used to assist in the determination of the relative importance of each objective on performance of the firm. The study revealed that the customer relations and customer care services had positive and significant effect on performance of the hotels in Nairobi County. The finding s on the correlation of the variables indicated that Customer relations has the highest strong positive relationship on performance followed by Customer care services which also had a strong positive relationship on performance Hotels in Nairobi County. The two variables were found to be statistically significant and with a positive constant implying that increase in Customer relations and customer care services increases the performance of the hotels positively. The study concluded that customer relations and Customer care services increases the market performance of the Hotels in Nairobi County. Based on the finding the study recommended that Managers in the Hotels to consider introducing and enhancing Customer relations and customer care services in the Hotels as this will enhance customer retention and improved market performance.

Keywords: *Customer relations, Customer care services, Hotels Performance*

1.1 Introduction

The rapid changes surround organizations have changed ways of doing business in totality. The service sector face a major challenge caused by consumers increased awareness and exposure to more information. The service companies have to differentiate themselves and strive to be as close as possible to the customers for the business survival through transformations service delivery strategies. This has led to come up with

strategies on customer relations, customer care, and development of service strategies to respond to the market situations (Kariuki, 2012).

A service strategy is a distinctive approach employed by a firm to deliver valuable services to its customers (Kinoti, 2012). Service strategies includes differentiation, cost leadership, management of human resource to enhance resource capabilities and competence; effective customer care; service standardization to deliver superior value to customers and better technologies; strategic positioning; and general response tactics to counteract internal and external forces such as service diversification to widen geographical coverage and spread risks, market promotion, strategic alliances and partnerships (Kinoti, 2012). Today, many organizations are faced with significant challenges in the area of customer service and service delivery, both internally and externally. The constant change in demographics coupled with high customer expectations is making organizations rethink its customer service strategies (Buchichi, 2013). Management needs to carefully and critically assess how their companies have performed at developing and implementing a customer-focused service strategy.

In most industries, customers have become more sophisticated and demanding of their supply chains. Suppliers that offer the most in customer-defined quality products, pricing and quick order turnaround will outperform their competitors and easily gain more market share in the future as customers clamor for more. For management, a high level of customer service must become a measurable result. Customer service is the provision of service to customers before, during and after a purchase. According to Turban et al. (2002) customer service is a series of activities designed to enhance the level of customer satisfaction that is, the feeling that a product or service has met the customer expectation. Customer service plays an important role in an organization's ability to generate income and revenue (Selden, 1998). From that perspective, customer service should be included as part of an overall approach to systematic improvement. A customer service experience can change the entire perception a customer has of the organization. The improvement of service delivery has matched with adoption of new technology in the organizations. Innovation and technology focus ha been a key tool for competitive advantage among service delivery firms. Every firms is working toward efficiency and effectiveness as well as cost reduction.

1.1.1 Hospitality Industry in Kenya

The hospitality industry is a broad category of fields within the service industry that includes lodging, event planning, theme parks, transportation, cruise line, and additional fields within the tourism industry. It has been estimated that over 600 million international tourists travel to different parts of the world annually, and the need for hospitality services is ever increasing. Kenya is one of the countries that has adopted tourism as a major economic sector and the need for hospitality services is rapidly increasing. The industry has grown steadily over the years and, currently, tourism is a major foreign exchange earner for the country, and it contributes over 12% to the Gross Domestic Product (GDP). The development of Hospitality industry in different parts of the world has shown that the industry presents both opportunities for the economic growth particularly in the development, and generation of employment opportunities for local communities. The growth in the hospitality has be due to Government and management focus to enhance service delivery in the sector. According to Arendt (2008) on quality practices implementation in Malaysian hotels suggest the application of service quality management as a key for customer retention. Albrecht and Zemke (2004), gives three ingredients of an effective service strategy: market research: the business mission; and the driving values of the organization. The three elements complement each other in the development of service strategies that that are meaningful to deliver value to customers.

1.2 Statement of the problem

The increasing competition in the business environment has called for all firms to embark on strategic management practices in order to remain relevant in the market. Managers in the Service delivery have embarked on service delivery strategies to improve customer services. The hospitality industry in Kenya has experienced a rapid growth globally providing a new perspectives with increased number of classified hotels. The positive growth has been attributed to the strategic position and the aspect of tourist sites in the country (PWC report 2012). Ths growth has been brought bay entry of new players in the market, hence competition of quality service derived. However the aspect of strategic management and quality of services has been a key internal factor. PWC (2015) noted that many hotels within Nairobi are operating in losses due poor service delivery, traffic inconvenience among other factors. Therefore this has poised a point of interest on manager to embark on service strategy to revive the industry to its initial place in the market.

Several studies have been carried out in respect to effect of service strategies on performance of a firms , among them: Mwangi (2010), on strategic responses to competition among large fast food restaurants; Halimi *et al.,* (2011) stated that organisations should focus on customers and take advantage of their personal information in order to perform personalization. Personalization is the procedure of collecting customers' information which helps the firm to create products and services that perfectly provide the customer's desires and needs in order to maintain a long-term relationship between the company and its customers. According to Wangari (2007), hair salons that employed competitive strategies recorded high performance. The strategies of cost leadership and differentiation influenced the performance positively. The existing research has focused on completive strategies and strategic management practices without specifically reflecting on the aspect of customer service practices. This study sought to bridge the existing gap by reviewing the effects of customer service practices on performance of the hotels in Kenya.

1.3. General objective

The general objective of the study will be to find out the effects of customer service practices on performance in the hospitality industry.

1.3.1 Specific objectives

1. To determine the effect of customer relations on performance of hotels in Nairobi County

2. To establish the effect of customer care service on performance of hotels in Nairobi County

1.4 Research questions

1. What is the effect of customer relation on performance of hotels in Nairobi County?

2. How does customer care service affect the performance of hotels in Nairobi County?

2.0 LITERATURE REVIEW

2.2 Theoretical review

This study adopted three theories; Relationship marketing theory and Social Exchange Theory

2.2.1 Relationship marketing theory

The study was informed by the relational marketing theory (RM) that builds on the transactional approach to marketing which is defined by Keefe (2004) as "…process of planning and executing the conception, pricing, promotion and distribution of ideas goods and services to create exchanges that satisfy individual and

organisational objectives." This definition is centered on the concept of the marketing mix that includes product/service, price, promotion and distribution to ensure customer satisfaction. However, the customer is considered as a passive entity that should either accept or reject the product or service. In turn, Gummessons (2008) defines relationship marketing as the "interaction in the network of relationships," which is a paradigm shift from transactional to relational marketing. Transactional marketing is focused on individual transactions based on finding out customer needs and offering the relevant services. Relational marketing, on the other hand, provides a new approach to communication with customers or a loyalty programme. It emphasizes users or customers rather than products/services. According to the relational marketing theory, every employee has a marketing role as its role is focused on the way the organisation deals with its user community.

2.2.3 Social Exchange Theory

Social exchange theory also seeks to explain what motivates actors to behave as they do (Thibaut & Kelley, 1959; Blau, 1964; Kelley & Thibaut, 1978). The Social Exchange Theory views interpersonal interactions from a cost-benefit perspective, much akin to an economic exchange except that a social exchange deals with the exchange of intangible social costs and benefits (respect, honour, friendship, and caring) and is not governed by explicit rules or agreements. Like economic exchange, social exchange assumes that individuals take part in an exchange only when they expect rewards from it to justify the costs of taking part in it (Bailey, 2008). The theory assumes that the ultimate goal of a relationship is intimacy. The variable customer orientation is based on this theory because the theory is clearly based on intimacy on social cost benefit of each customer.
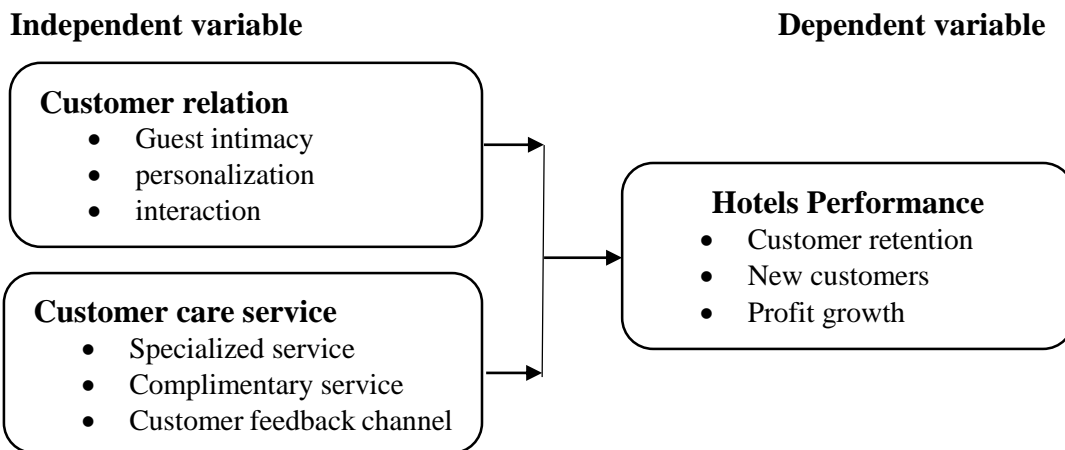
2.3 Conceptual framework

Independent variable   **Dependent variable**

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┌──────────────────────────┐
│ Customer relation        │
│   • Guest intimacy       │────────┐
│   • personalization      │        │        ┌──────────────────────────┐
│   • interaction          │        │        │ Hotels Performance       │
└──────────────────────────┘        ├──────▶ │   • Customer retention   │
                                     │        │   • New customers        │
┌──────────────────────────┐        │        │   • Profit growth        │
│ Customer care service    │        │        └──────────────────────────┘
│   • Specialized service  │        │
│   • Complimentary service│────────┘
│   • Customer feedback channel│
└──────────────────────────┘
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Figure 2.1 conceptual framework

2.4 Empirical review

2.4.1 Customer relation

Mohammed and Rashid (2012) define Customer Relation Management (CRM) as a strategic approach that enables organizations to use internal resources (i.e. Technology, people, and process) to manage the relationship with customers in order to create a competitive advantage and improve an organization's performance. Being close to your customers has undoubtedly been one of the key successes of relationship management. Konusuke Matsushita, the legendary founder of the Matsushita electronics group, counselled his sales team to take the customer's skin temperature every day (Bhote, 1996). The bonds of trust that build up between a company and its core customers are based mainly on the close and personal relationship.

According to Buttle (2004) a company should build long-term mutually-beneficial relationships with its strategically-significant customers. Some customers are merely expensive to acquire and service. Organizations need to segment their customers in order to determine which of customers are most profitable. The result the companies should seek is realizing their target customer base. They should rate and segment their clients into groups that are most desirable to do business with, and then they meet their criteria for what a desirable customer is. This is called the Customer Portfolio Analysis (Stevenson, 2007). The organization then needs to deal with the customer intimacy. Having found the segments the firms want to pursue, they need to get to know the ones in that segment very well and better than their competition know them.

Jayachandran, and Kumar (2010) using a large sample of United States Commercial Banks show that there is no clear relationship between customer relationship implementation and organizational efficiency, a measure of how well a firm uses its resources in producing outputs. One of the requirements of competitiveness is the ability of the organizations to adjust themselves with the customer needs quickly. Increasingly, competition makes the organizations have more contacts and have relationships with the customers in the world of markets. The competition among the hospitality industry emphasizes on retaining customers as much as possible. Hotels are often eager to look for effective and efficient activities that can identify, select, acquire, develop, and keep increasing loyal and profitable customers (Yi & Ku, 2008).

2.4.2 Customer care service

Customer care is activity that ensures that products, services and aftercare associated with serving customer needs at least meets and in most cases, exceeds expectations (Jobber, 2003). Jobber further explains that customer care is a way of improving an organization by allowing customers to give comments on the products and their use. In the light of the above, customer care is an important issue for library and information managers. Keeping existing customers is easier than finding new ones and satisfied customers will promote the use of the library. Dissatisfied customers spread the bad news and undermine the library. Therefore, a library should provide the highest standard of customer care possible and always aim for excellence. Accordingly, customer care is a customer service that comprises a series of activities designed to enhance the level of customer satisfaction – that is, feeling that the product or service has met customer expectations (Dlamini, 2006).

Customer satisfaction is the degree to which an organization's product or service performance matches up to the expectations of its customers (Bernedt and Brink, 2008). The two authors further explain that the level of satisfaction depends on the degree to which the expectations are matched, that is, a high level of satisfaction is achieved if the results exceed customer expectations. This implies that satisfaction involves customer evaluation of a service/product to determine if it measures up to a desired standard. For example, in a public library, customer satisfaction starts from the moment a customer seeks to park his/her car or makes a connection through the telephone network, to the moment the customer leaves the library with appropriate information, documents or leisure experience.

2.4.3 Hotel performance

Performance can also be defined in terms of effectiveness and efficiency or examined through the perspectives presented in different frameworks, such as the Balanced Scorecard (financial, customer, internal process, and learning and growth) or Performance Prism comprising stakeholder satisfaction, strategies, processes, capabilities and stakeholder contribution.

According to Ukko (2009), performance may relate to actual results or outputs of certain activities, how the activity is carried out or the potential for the activities. Performance can be divided into three domains: financial performance, business performance and organizational effectiveness. Firm performance includes measures such as the financial criteria in the short-run or in the short and long-term, financial and qualitative criteria (strategic, marketing and social) and the comparative evaluation (Dornier and Selmi, 2012). The performance outcomes vary depending on how a firm's performance is defined for instance return on investment, enhancing sales, market share and the settings studied for instance, service firms, industrial firms and manufacturing firms

Today, the performance of hospitality industry is subjective of customer focus and provision of an excellent service responding to customer needs, and creating greater customer value. Deloitte (2010) stated that, consumers are increasingly environmentally aware, which present further challenges for hospitality industry. The rationale for service strategy development centres on creation of sustainable competitive advantage. According to Kotler (2003), firms that operate according to the marketing concept create profits through customer satisfaction. The marketing concept as a business philosophy is where superior business performance is considered to be the outcome of being more effective in anticipating and satisfying customer needs better than competitors

2.5 Critique of existing literature and Research gap

The problem of customer service practices in various organizations has become rampant recently, creating an area of interest to many scholars. There are several researches conducted to sort out the problem of effective strategic service practice among the various organizations. Mwangi (2010), on strategic responses to competition among large fast food restaurants; Mukwa (2005), on differentiation of strategies used by classified hotels industries in major cities in Kenya. Kiange (2011) investigated managers' perception of customer expectations in hotel industry in Kenya. The results showed that assurance, empathy and tangibles were regarded as the most important factors affecting service quality. This research was however limited to managers' perception of customer expectations and failed to take into account customer's expectations.

Kangogo et al., (2013) studied effect of customer satisfaction on performance of the hotel industry in the western tourism circuit of Kenya. The customers reported to be satisfied with reservation, reception, food quality and beverage quality. A study by Krishna et al., (2010), established that customers have the highest expectations on promptness of service, accuracy of transactions and security issues. The researcher advised managers to prioritize on attention to details and promptness in addressing customer complaints. The researcher noted that customers' expectations and perceptions are subjective and the findings can only be generalized to a pre-defined market and economic scenarios. None of these research has focused on customer service practices and how they affect performance in the hospitality industry.

Several studies conducted in the hospitality industry include; Mukwa (2005), on differentiation of strategies used by classified hotels industries in major cities in Kenya. Halimi *et al.,* (2011) stated that organisations should focus on customers and take advantage of their personal information in order to perform personalization. Wangari (2007) did a study on hair salons that employed competitive strategies recorded high performance. The strategies of cost leadership and differentiation influenced the performance positively. The existing research has mentioned that the major challenges hospitality industry in Kenya is based on how they conduct marketing. A knowledge gap therefore exists and this study seeks to bridge the inherent knowledge gap service delivery practices in Hotel industry in Kenya.

3.0 RESEARCH METHODOLOGY

The study applied a descriptive research design with survey method to establish the characters in explaining the effects of customer service practices on performance in the hospitality industry in Kenya. The population of interest for the study consisted of all three star, four star and five star hotels in Nairobi County. Nairobi is the Capital City of Kenya and the largest City in Eastern African. Nairobi City has been run among the top ten business hubs in Africa. A census of these registered hotels was obtained from the ministry of tourism. There were 68 (3statr-5star) registered hotels in Nairobi County in the year 2017. The study used the old classification of the hotels as this would provide response based on experience. The study targeted respondents from all level of management. However majority of respondent came from the lower level as they are much involved in direct customer conduct.

Emphasis was given to primary sources by use of structured questionnaires. The respondents in each of the hotels involved the Managers. Subordinate Employees were much involved as they have more encounter with the customers.

Data was analysed using descriptive statistics. Data was presented by use of, tables, percentages and frequencies to provide a visual presentation of the data, for ease of understanding and analysis. The analysis was done with the aid of the statistical package for social sciences (SPSS) software. The study also used multiple regression analysis to establish the relationship between the dependent and the independent variables. The regression model is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where:

Y = Hotels performance,

β_0 = Constant Term,

β_1 = Beta coefficients,

X_1 = customer relations,

X_2 = customer care service

ε = Error Term

4.0 RESULTS AND DISCUSSION

4.1 Response Rate

Table 4.1 Response rate

	Number	Percentage
Responded	57	84
Did Not Respond	11	16
Total	68	100

Table 4.1 indicates that out of the 68 questionnaires administered, only 57 were returned. The overall response rate was thus found to be 84 % which was very high. The 16 % of the respondents did not respond. The interpretation was that the high response rate was essential to obtain sufficient observations for further analysis.

4.2 Descriptive statistics

4.2.1 Customer relations

Table 4.2 Customer Relations

Opinion Statement	Mean	Std. Deviation
We offer new insights into consumer behaviour surroundings price-quality trade offs	4.16	1.110
Customers considering a purchase in a particular product or service category scan their product/service options and develop a consideration set.	4.19	1.146
Customer are provided with sessions to engage with the management of the hotel.	4.10	1.132
The privacy of our customers is not intruded into under any circumstances	4.19	1.093
Personalization of services leads to improved customer loyalty.	4.12	1.112
TOTAL average	4.15	1.12

The study sought to examine the respondent's level of agreement or disagreement on the various measures of customer relations. Table 4.2, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; We offer new insights into consumer behavior surroundings price-quality tradeoffs 4.16, Customers considering a purchase in a particular product or service category scan their product/service options and develop a consideration set 4.19, Customer are provided with sessions to engage with the management of the hotel 4.10, The privacy of our customers is not intruded into under any circumstances 4.19 and Personalization of services leads to improved customer loyalty 4.12. The implication of these findings is that customer relations is a key determinant of hospitality industry performance. The respondents were mostly to the same opinion on the various measures of customer relations.

4.2.2 Customer care services

Table 4.3 Customer care services

Opinion Statement	Mean	Std. Deviation
Our employees provide prompt services to our customers	4.10	1.195
When our customers have a problem, the hotel shows a sincere interest in solving it	4.13	1.258
Our customers are given importance, cared and looked after sincerely	4.15	1.246
The hotel strongly meets the customers' expectations in order to retain them and refer to others.	4.18	1.264
Total average	4.12	1.24

The study sought to examine the respondent's level of agreement or disagreement on the various measures of Customer care services offered in the hotels. Table 4.3, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; Our employees provide prompt services to our customers 4.10, When our customers have a problem, the hotel shows a sincere interest in solving it 4.13, Our customers are given importance, cared and looked after sincerely 4.15 and the hotel strongly meets the customers' expectations in order to retain them and refer to others 4.18. The implication of these findings is that customer relations is a key determinant of hospitality industry performance.

4.2.3 Performance

Table 4.4 Performance

Opinion Statement	Mean	Std. Deviation
We have frequent identified customers	4.10	1.137
New customers in the hotel are referred by existing customers	4.19	1.114
The hotel capacity has increased over the last five years	4.16	1.118
The hotels sales have recently increased	4.19	1.088
The profit margin have increased due to increase numbers of customers	4.18	1.121
Total average	4.16	1.115

The study sought to examine the respondent's level of agreement or disagreement on the various measures of organizational leadership. Table 4.4, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; we have frequent identified customers 4.10, new customers in the hotel are referred by existing customers 4.19, the hotel capacity has increased over the last five years 4.16, the hotels sales have recently increased 4.19 and the profit margin have increased due to increase numbers of customers 4.18.

4.3 Correlation Analysis

Table 4.5 Correlation Analysis

		Customer relation	Customer Care service	performance
Customer relation	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	57		
Customer Care service	Pearson Correlation	0.473**	1	
	Sig. (2-tailed)	.000		
	N	57	57	
	Sig. (2-tailed)	.000	.000	
	N	57	57	
performance	Pearson Correlation	0.789**	0.748**	1
	Sig. (2-tailed)	.000	.000	
	N	57	57	57

From table 4.5 it can be observed that the correlation between the independent variables and the dependent variable was high and positive at 0.789 and 0.748 for customer relation and customer Care service,

respectively. The interpretation was that the level of collinearity between the independent variable was not very high. This shows that the level of association between the independent and dependent variables can be identified uniquely. The finding further show that Customer relations had the strongest effect on hotels performance, followed by customer care service.

4.5 Regression Analysis

Table 4.6 Regression Result

	Unstandardized Coefficients		Standardized Coefficients	t-statistic	p-value
	Beta	Std. Error	Beta		
(Constant)	2.629	0.430		6.114	0.000
Customer relation	0.291	0.078	0.282	3.594	0.001
Customer care service	0.282	0.070	0.291	4.145	0.000
F=> 74.541	P-value => 0.000			Adjusted R Square	0.84

4.6.1 Customer Relations

From table 4.6, the regression coefficient of Customer Relations was found to be 0.291. This value shows that holding other variables in the model constant, an increase in Customer Relations by one unit causes the hotels performance to increase by 0.291 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship between Customer Relations and hotels performance.

The coefficient was positive and also statistically significant with a t-statistic value of 3.594. The p-value was found to be 0.001. These finding support those of Dominici and Guzzo (2010) who found that Customer Relations had effect on performance. Dominici and Guzzo (2010) said that, to be successful in the market is not only sufficient to attract new customers but also to concentrate on the existing customers by implementing effective policies of customer satisfaction and loyalty. Customer Relationship Management helps companies identify customer needs, manage relationships more intelligently and help predict the future.

4.7.2 Customer care service

From table 4.6, the regression coefficient of Customer service was found to be 0.282. This value shows that holding other variables in the model constant, an increase in Customer service by one unit causes the hotels performance to increase by 0.282 units. The value of the coefficient is also positive the positive effect shows that there is a positive relationship between Customer service and hotels performance.

The coefficient was positive and also statistically significant with a t-statistic value of 4.145. The p-value was found to be 0.001 which confirms the level of significant of customer service. These finding support those of Jobber (2003) who found that Customer service had effect on performance. Customer care is activity that ensures that products, services and aftercare associated with serving customer needs at least meets and in most cases, exceeds expectations. Customer care is a way of improving an organization by allowing customers to give comments on the products and their use.

The fitted regression model is

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

$$Y = 2.629 + 0.291 X_1 + 0.282 X_2 + \varepsilon$$

Standard Error	0.430	0.078	0.070
t-Statistics	6.114	3.594	4.145
p-value	0.000	0.001	0.000

Where; Y = Performance, X1 = Customer relation, X2 = Customer care service, ε = Error Term

From the results, the value of value of the adjusted R square was 0.84.This indicates that all the variables considered causes a variation of 84 % on performance of hotels. The reaming 16% is explained by other Customer service delivery practices which were not covered in this study.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of the findings

The measurers of Customer relation were found to have effect on the hotels performance as shown by the various responses from the respondents that were presented using table where the response was also presented in percentage for. This variable was found to have a positive effect on hotel performance. This meant that increase in Customer relation   facilitated the increase in hotel performance in hotels in Nairobi County. The findings therefore showed that for hotels in Nairobi County to perform better they should improve their Customer relation   .

The measurers of Customer care service were found to have effect on the hotels performance as shown by the various responses from the respondents that were presented using table where the response was also presented in percentage form This variable was found to have a positive effect on hotel performance. This meant that increase in Customer service facilitated the increase in hotel performance in hotels in Nairobi County. The findings therefore showed that for hotels in Nairobi County to perform better they should improve their Customer service capacity.

5.2 Conclusion

The study noted that customer relation in Kenya has influence on hotels performance. The findings that, customer relation had a positive effect on hotel performance were good indications that increase in motivate better performance of the hotels in Nairobi. This meant that enhancing customer relation would have a positive effect on hotel performance. This variable was found to have a statistically significant effect on hotel performance. The influence of this variable was the third most influential variable in hotel performance among hotels in Nairobi. From the findings it was found that the variables were key in the management process as depicted by the high number of respondents who agreed with the statements. The study thus concluded that the customer relation was efficient in setting strategic goals, the management possessed inspirational skills, the customer relation foster innovation and that customer relation motivate workers through rewards.

The study noted that customer care service in Kenya has influence on hotels performance. The findings that, customer service had a positive effect on hotel performance were good indications that increase in motivate better performance of the hotels in Nairobi. From the findings it was found that the variables were key in the management process as depicted by the high number of respondents who agreed with the statements. The study thus concluded that the customer service network in hotels support achievement of strategic goals, the hotels had clear customer service channels, the customer service channels helped in better delivery of services and finally, the customer service network was multi-directional.

5.3 Recommendation

Since this customer relations was found to be a determinant of hotels performance, the owners of the hotels in Nairobi should keep a keen eye on improving customer relation. Hotels in Kenya should therefore come up with more innovative ways of enhancing their customer relation among hotels' management teams. Since the results showed that customer relation facilitated the cause for the hotels to perform better, these hotels should come up with ways and measurers that help them to perform better. The government authorities should come up with proper ways of ensuring that the hotels have managers who are qualified to manage by setting standards such as making sure that these managers have the relevant courses such as hospitality and catering training.

Customer care service variable was found to be a determinant of hotels performance, the stakeholders of the hotels in Nairobi should keep track on improving customer service. hotels in Kenya should therefore come up with more innovative ways of enhancing their corporate customer service among hotels' stakeholders. since the results showed that customer service cause the tendency for the hotels to perform better, these hotels should come up with ways and measurers that help them to perform better in terms of customer service platform. The management should apply their effort in making sure that customer service in the organization is efficient and effective by eliminating any barriers that may impend customer service.

5.4 Area for further research

Future research should be directed towards identifying more management factors that affect hotel performance. From the regression model it was noted that the variables included were only able to explained 84% of the variation in hotel performance. This study therefore recommends the improvement of this model by including more variables that are relevant in explaining the variation some of which have been mentioned above. This paper also recommends further research to include studies in other organizations apart from the hospitality industry.

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