Customer Care and Sales Volume of Miami Hotel in Kabale District, South Western Uganda

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Abstract: The study examined the effect of customer care on sales volume of enterprises. It was guided by the following objectives; to find out the customer care strategies; to establish the level of sales volume; and to assess the relationship between customer care and sales volume. A descriptive research design was used which comprised of both quantitative and qualitative approaches. Out of 50 was a study population from which a sample size of 44 respondents was determined using Krejcie and Morgan (1970) table. The findings indicate that the main customer care strategies applied are customer orientation, customer after-sale service and Service Quality. The findings reveal that sales volume measures include growth in market size, number of customers and sales revenue. It is concluded that there is a strong relationship between customer care and sales volume and accounts for about 89.9% of the variation in financial performance. Any improvement in customer care strategies would improve sales volume. This means that effective customer care strategies will significantly improve sales volume. The management should provide accurate services to its customers in order to reduce on the losses and tarnishing the name of company.

Keywords: Customer, Care, Sales, Volume, Hospitality, Enterprises

SECTION ONE

INTRODUCTION

Background to the Study
This section gives the background of the study in terms of; historical, theoretical, conceptual and contextual perspectives.

Historical Perspective

Globally, the hotel industry has been one of the most competitive industries especially in the 21st century. For this reason, enhancing customer care is one of the key aspects of enhancing competitiveness in the industry as well as ensuring business continuity (Szwarc, 2005). Every hospitality institution's performance depends on how it keeps customers satisfied with the services it offers, yet most executives tend to view the customer service function of their businesses as little more than a necessary nuisance. When the customers are satisfied; then the institution will increase and boost sales and achieve the core objective of making high returns on Investment. Hospitality institutions have to make it easier to create possible ways to reach the customer (Mike, 2012).

In this century, hotel service institutions not only need to compete on a product and price, but they also need to sell an experience that is appreciated by customers and difficult for competitors to copy; no matter which business you are in; being a public servant or working for private institutions, good customer care is a need (Kariuki, 2012). The need to provide quality customer care is not a new challenge. What is new; is the power brandished by today's customer power (loyalty) facilitated and enhanced by the internet. Today's customers have the power to not only take their individual business elsewhere, but to start/join/engage in openly published and easily accessible forums. For hospitality institutions to perform; they must treat customers with honesty, integrity and fairness while respecting their intelligence (Buchichi, 2013).

Fox and Beier (2010) indicated that, the quality of customer service plays a crucial role in the context of sustained business growth. The relationship between the Hotel and its customers must be a permanent and enduring one, which needs to be maintained with good quality of services. In this regard, hotels should find and try various customer retention strategies including provision of specialist advice and ensuring effectiveness and customer friendly services. Fitzegelad, (2010) believes that as a way of matching customer need, Hotel services have to solve some customer services challenges such that whenever customers arrive at a service facility, some of them have to wait before they receive the desired service. This suggests that the customer has to wait for his/her turn, may be in a line and increasing queues hurts customers or dissatisfies them. It is through such customer service challenges that many of them opt to move from one Hotel to another seeking for better services.

Indeed, customer care service has for many years been perceived as key in determining why customers leave or stay with an organization (Kotler *et al*., 2010). Many organizations as well as financial institutions need to know how to keep their customers, even if they appear to be satisfied. suggests that unsatisfied customers may choose not to defect, because they do not expect to receive better service elsewhere. Additionally, satisfied customers may look for other providers because they believe they might receive better service elsewhere (Hill, 2008).

Theoretical perspective

The study was based on the theory of customer care by Rizal (2002), which states that any attempt to develop viable strategic ways of improving customer care cannot be completely divorced from the existing general philosophies and theories of planning. According to Rizal (2002) reflection of theory and practice, customer care is increasingly being seen as an important managerial issue. It has also been acknowledged as a key factor in increasing sales volume. The theory further reflects that existing customer are among the most important assets of airline business as they have already chosen them instead of their competitors. Keeping their custom costs far less than attracting new ones, so it is worth taking steps to ensure that they are satisfied with the service they receive. Existing customer relationships are opportunities to increase sales volume because customers will already have a degree of trust in the recommendations.

Conceptual Perspective

Kotler (2013) defines customer care as a service that one can offer to another which is essentially intangible and does not result in the ownership of anything but brings about customer delight and satisfaction. In other words, customer care is a service that seeks to acquire new customers, provide superior customer satisfaction and build customer loyalty. Kotler (2013) argued that customer care service is doing more than just enough. Welcoming personnel with proper communication, delivering prompt and timely service, ensuring, managing and aiming for customer satisfaction and service quality at every encounter, training staff in customer care and use of right technologies including conducive environment are all indicators of customer care services.

The perception of the care that a customer receives depends on expectations. If the care the customer receives is better than the expectation, then this is termed as good care. But if it exceeds the expectations then it is termed excellent customer care. However, if care is less than the expectation, this constitutes to bad care (Tony, 2011).

Contextual Perspective

Miami Hotel is a fully-fledged restaurant specializing in delivering a relaxed and memorable dining experience. To make customers feel more at home, Miami has carefully selected a unique theme. Miami has over 300 carefully selected, mouthwatering menu items. Whatever customer taste, it's well catered for. They value customers. That's why customers always be served with excellence by each member of its highly skilled team members. The company is selected because it is experience challenges related to customer care services which affects its sales volume (Miami Report, 2020/21).

Problem Statement

There has been low sales volume which has been identified as a central area of concern at the hotel (Miami Report, 2020/21). Besides the so many innovations by the management to recruit hard working staff, the sales volumes are still low. This is as a result of poor customer care services, which is a determinant of any organization to thrive. The staffs are not empowered to provide a quick response to customer function, customer complaints are not adequately resolved, and customer employee interaction is constrained. This has resulted to loss of the competitive advantage.

Specific Objectives
    (i)   To examine customer care strategies undertaken.
    (ii)   To investigate the level of sales volume.
    (iii)   To examine the relationship between customer care and sales.

SECTION TWO

RESEARCH METHODOLOGY

Research Design

A descriptive research design was used. The objective of descriptive research is to describe the characteristics of various aspects. The researcher analyzed the role of customer care on sales volume. Both quantitative and qualitative approaches were used. Qualitative approach was used in form of statements assigned to variables that was adequately measured using statements. Whereas the latter was used in form of numbers and statistics. unstructured interviews and semi-structured questionnaires were also used.

Study Population

The target population of this study was derived from Quality Supermarket's Human Resource Manual (2020) and these included 50 respondents comprised of 2 managers, 3 administrators, 2 cashiers, 5 cooks, 3 supervisors, 5 marketers and 30 waiters and waitresses.

Sample Size

A sample of 44 respondents was selected using Krejcie & Morgan (1970) table of population distributing as illustrated below;

Table 3.1: Study population and Sample Size

Category	Population	Sample Size	Sampling Techniques
Managers	2	2	Purposive sampling
Administrators	3	3	Purposive sampling
Cashiers	2	2	Purposive sampling
Cooks	5	5	Purposive sampling
Supervisors	3	3	Simple Random sampling
Marketers	5	5	Simple Random sampling
Waiters and waitresses	30	24	Simple Random sampling
Total	**50**	**44**	

Source: Krejcie and Morgan (1970)

Data Collection Methods

Questionnaire Method

A questionnaire is a set of questions for gathering information from individuals/ respondents. It was used to gather data about knowledge, beliefs, attitudes, and behaviors and It was self-administered to collect data from staff relating to customer care and sales volume. Self-administered questionnaires were used to collect data from the respondents.

Interview Method

Interviewing method is the verbal conversation between two people with the objective of collecting relevant information for the purpose of research. Structured interviews were carried out. This method was used because it gave an opportunity to probe and obtain detailed information on an issue. Key informants were interviewed to provide insight into events.

Data Analysis

Data from the questionnaires was coded and captured in the Statistical Package for Social Scientists (SPSS Version 20) programme for statistical processing and analysis. Descriptive statistical analyses involving the use of tables, frequencies, and other descriptive statistical measures such as mean, standard deviation among others were used. The cause-effect relationship between the independent and the dependent variables was established through frequency analysis, correlation matrices and multiple regression analysis.

SECTION THREE

DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

The customer care strategies

Table 4.1: Descriptive statistic (n=44)

	Mean	Std. Deviation
Customer orientation		
Our hotel has clear idea its customers and their needs	3.88	0.83
Meeting our customers' needs is a priority compared to meeting our own internal needs	3.86	0.70

Our hotel encourages our customers to get involved in the process of defining service targets and standards	3.84	0.75
Knows exactly what aspects and characteristics of our service our customer value the most	3.89	0.72
Customers are encouraged to regularly give our café feedback about our business performance	3.70	0.79
Average Mean and Stand Deviation	**3.83**	**0.76**
Customer after-sale service		
We ask our customers rate the services offered to them	3.79	0.66
We offer cash discount to our frequent customers	3.80	0.63
Our hotel is involved in corporate social responsibility activities	3.61	0.75
Offer are provided during off peak seasons	3.87	0.79
We reward customer of the year based on the number of times visited	3.89	0.19
Average Mean and Stand Deviation	**3.79**	**0.60**
Service Quality		
offers the best services to its customers	3.68	0.88
Our customers are satisfied with the quality of services provided to them	3.89	0.69
The quality of service we offer to our customers makes them loyal to	3.70	0.63
The major factor customers consider before making choice of service is the quality of service rendered	3.89	0.87
We make sure our customers encourage our services to others	3.81	0.72
Average Mean and Stand Deviation	**3.79**	**0.75**
Overall Mean and Stand Deviation	**3.80**	**0.70**

Source: Primary Data (2019)

Customer orientation

The results (Table 4.1) indicate that majority of respondents with (mean, 3.88) agreed that Miami Hotel has clear idea. Majority of respondents with (mean, 3.86) agreed that meeting customers' needs is a priority compared to meeting own internal needs. Respondents with (mean, 3.84) agreed that the hotel encourages its customers to get involved in the process of defining service targets and standards of the café. Respondents with (mean, 3.89) agreed that the hotel knows exactly what aspects and characteristics of the service customers value the most. Others with (mean, 3.70) agreed that customers are encouraged to regularly give feedback about the performance. The study findings are in line with Yueh et al., (2010) who argued that any organization that adopts the customer orientation approach is more likely to establish the required customer quality, increase customer satisfaction and achieved the desired organizational objectives more efficiently than its competitors. The main determination of customer-oriented behaviour is to increase customers' long-lasting satisfaction leading to customer loyalty in the organization.

Customer after-sale service

The results (Table 4.1) indicate that respondents with (mean, 3.79) strongly agreed that the hotel ask its customers to rate the services offered to them. (Mean, 3.80) agreed that the hotel offer cash discount to its frequent customers. Others with a (mean, 3.61) agreed that the it is involved in corporate social responsibility activities. Majority of respondents with (mean, 3.87) agreed that the hotel provide offers during off peak seasons. Majority of respondents with (mean, 3.89) agreed that the hotel always reward customer of the year based on the number of times visited its café.

Service Quality

The results (Table 4.1) respondents with (mean, 3.68) agreed that Miami offers the best services to its customers, (mean, 3.89) agreed that the customers are satisfied with the quality of services provided to them, (mean, 3.70) agreed that the quality of service makes customers loyal, (mean, 3.89) agreed that the major factor customers consider before making choice of service is the quality of service rendered. other (mean, 3.81) agreed that Miami Hotel make sure its customers enjoy its services.

The Level of Sales Volume
    Table 4.2: Descriptive statistics on the level of sales volume (n=44)

	Mean	Std. Deviation
Growth in market size		

Our hotel has big market share	3.86	0.67
Out market is growing every time	3.84	0.78
There is good market for our services	3.68	0.88
The demand of our services in the market is good	3.61	0.78
We have capacity to compete well in the market	3.79	0.86
Average Mean and Standard Deviation	**3.76**	**0.79**
Growth in number of customers		
Our customers have increased over the last five years	3.70	0.76
The number of customers coming to our hotel on daily basis has increased	3.75	0.97
Our good service attracts many customers	3.61	0.72
Increase in the number of customers increases the sales of our hotel	3.77	0.80
We normally receive new customers in our hotel.	3.87	0.73
Average Mean and Standard Deviation	**3.74**	**0.80**
Sales revenue		
Our volume of sales is always improving in the last two years	3.75	0.84
Our café always makes reasonable sales on every business day	3.73	0.76
The demand of our services is high	3.80	0.76
We normally meet the target our daily sales	3.73	0.76
Our overall sales revenue is good	3.81	0.72
Average Mean	**3.76**	**0.77**
Overall Mean	**3.75**	**0.79**

Source: Primary Data (2019)

Growth in market size

The results (Table 4.2) indicate that majority of respondents with (mean, 3.86) strongly agreed that there has been big share in the market, (mean, 3.84) agreed that the market is growing every time, (mean, 3.68) agreed that there is good market for the services, (mean, 3.61) agreed that the demand for services in the market is promising. Majority of respondents with (mean, 3.79) agreed that Miami has the capacity to compete well in the market.

Growth in number of customers

The results (Table 4.2) indicate that respondents with (mean, 3.70) agreed that customers have increased over the last five years. Those with a (mean, 3.75) agreed that the number of customers coming on daily basis have increased. Others with a (mean, 3.61) agreed that Miami has good service that attracts many customers and (mean, 3.87) agreed that increase in the number of customers increases the sales.

Sales revenue

The results (Table 4.2) indicate that more of the respondents with (mean, 3.75) agreed that the volume of sales is always improving in the last two years, (mean, 3.73) agreed that there are always reasonable sales on every business day, (mean, 3.80) agreed that the demand for services is high, (mean, 3.73) agreed that Miami normally meet its daily sales target. Majority of respondents with (mean, 3.81) agreed that the overall sales revenue is good.

The relationship between Customer care strategies and financial performance

Table 4.3: Pearson correlation

		Customer care strategies	Sales volume
Customer care	Pearson correlation	1	0.948**
	Sig.(2-tailed)		0.000
	N	44	44

Sales volume	Pearson correlation	0.948**	1
	Sig.(2-tailed)	.000	
	N	44	44

*. Correlation *is Significant at 0.05 Level (2-Tailed)*
Source: Primary Data (2019)

The results in Table 4.3 above shows that there is a statistically strong relationship between customer care and sales volume (r = 0.948, p<.01) which indicates that customer care contributes 94.8% to sales volume. The results clearly indicate that when there is effective customer care, the sales volume will be high. It is thus important to examine whether the relationship is predictive or not by running simple regression model below.

Table 4.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.948	0.898	0.896	3.28114

a. Predictor: (Constant), Customer care
Source: Primary Data, (2021)

Table 4.3 gives the findings of the Model Summary of the regression analysis. The value of R Square is 0.898 which represents 89.8%. This means that 89.8% change in financial performance is explained by these Customer care strategies that include customer orientation, customer after-sale service and service quality. The implication of this finding to the current study is that apart from customer care (customer orientation, customer after-sale service and service quality), there are other factors that influence sales that is recommended for further studies to be done. More specifically, these other factors explain 10.2% change in financial performance.

Table 4.4: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3993.718	1	3993.718	370.960	.000
	Residual	452.168	42	10.766		
	Total	4445.886	43			

a. Predictor: (Constant), Customer care
b. Dependent Variable: Sales Volume
Source: Primary Data, (2019)

Table 4.4 gives the findings on the Analysis of Variance (ANOVA) that was conducted at 5% level of significance. The ANOVA results show that there is significant strong relationship Customer care and sales volume (F = 370.960, P< 0.00). This means that when customer care (customer orientation, customer after-sale service and service quality) is effective, sales volume will be high.

Table 4.4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.651	1.293		2.050	0.047
	Customer care strategies	0.881	0.046	0.948	19.260	0.000

a. Dependent Variable: Sales Volume
Source: Primary Data, (2021)

From the overall regression coefficient Table 4.5, the findings indicated that when customer care is kept constant, sale volume would be at 2.651. The finding also indicated that an increase in customer care (customer orientation, customer after-sale service and service quality) would in increase sale volume by 0.881. The regression model generated was: Y = 2.651+ 0.881X (where: Y= Sales Volume and X = Customer care).

SECTION FOUR

CONCLUSION AND RECOMMENDATIONS

Conclusion

There is a strong relationship between customer care and financial performance and customer care accounts for about 89.8% of the variation in sales volume. The regression model indicates that any improvement in customer care (customer orientation, customer after-sale service and service quality) would improve sales volume by a factor of 2.651. This means that effective customer care will significantly improve sales volume.

Recommendations

- Management needs to adhere to courtesy ideas when handling customer's complaints in company.
- Management needs to provide accurate services to its customers in order to reduce on the losses and tarnishing the name of company.

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Appendix I: Table of Determining Sample Size from a Given Population According to Krejcie & Morgan (1970)

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Source: Krejcie & Morgan (1970)