INFLUENCE OF CUSTOMER RELATIONSHIP MANAGEMENT DIMENSIONS ON PERFORMANCE OF CLASSIFIED ACCOMMODATION FACILITIES IN COAST REGION OF KENYA

CHARLES GACHERU MWANGI

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE DOCTOR OF PHILOSOPHY DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT (MARKETING OPTION) OF KENYA METHODIST UNIVERSITY.

JULY, 2020

DECLARATION

I declare that this thesis is my original work and has not been presented in any other University for examination or any other institution of higher learning.

Signature.....

Date.....

Charles Gacheru Mwangi

BUS-4-1127-01/2009

Supervisors' declaration

This thesis has been submitted for examination with our approval as University supervisors.

Signature.....

Date.....

Dr. Rayviscic Ndivo Mutinda, PhD

School of Hospitality, Travel & Tourism

Mount Kenya University

Signature.....

Date.....

Prof. Evangeline Gichunge, PhD

School of Business & Economics

Kenya Methodist University

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DEDICATION

I dedicated this thesis to the Almighty God. He is the Alpha and Omega; the beginning and the end. God co-partnered projects never stall.

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ABSTRACT

Customer Relationship Management (CRM) is an expanded domain of Relationship Marketing with an information technology component which enables a firm to manage its customers' data with an aim of improving the firm-customer relationship. Though implementation of CRM has the potential to transform organizational performance, this is not well known and understood in Kenya's hospitality industry where some performance indicators have shown that the hospitality industry is not doing well. Although CRM strategy has promised to offer remedy, not much is known on how hospitality industry in Kenya has embraced CRM as a strategy. Thus this study was inspired by the desire to establish how hospitality industry in Kenya has implemented CRM. The general aim of this study was to assess how CRM measurements influence the performance of classified accommodation facilities in the Kenya Coast region. The study's basic aims were: to determine the relationship between Customer Orientation (CO) and the performance of classified accommodation facilities in Kenya's Coast region; to determine whether Customer Relationship Management Organization (CRMO) has an influence The performance of classified accommodation facilities in the Kenya Coast region; the relationship between knowledge management (KM) and the performance of classified accommodation facilities in the Kenya Coast region; the relationship between technology-based customer relationship management (TB-CRM) and the performance of classified accommodation facilities in the Kenya Coast region;. The study was anchored on three theories: Resource based view, knowledge based view and dynamic capabilities based view. This study utilized a descriptive research design with cross-sectional sample survey approach. A questionnaire with structured-undisguised questions was used for data setting. The study's target population comprised of 36 classified accommodation facilities out of which 33 classified facilities were included in the sample. Ten departmental functional managers were used as respondents. The study employed various statistical tools which included descriptive statistical analysis, correlation analysis, and multiple regression analysis and moderated multiple regressions for data analysis. The results showed that each aspect of the CRM has a positive and important impact on the performance of classified accommodation facilities in Kenya's Coast area. The results also indicated that there is no significant moderating effect of the organizational size on the relationship between CRM dimensions and performance. Based on the findings, the CRM measurements have a major effect on the efficiency of classified accommodation facilities in the Kenya Coast area and that the organization's size has no major impact on the relationship between the CRM measurements and the performance of classified accommodation facilities in the Kenyan coastal region. Therefore the study recommended that accommodation facilities in Kenya should embrace CRM for by so doing, they will be assured of performance improvement; this benefit will be realized by all accommodation facilities regardless of their size.

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LIST ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
B2B	Business to Business
B2C	Business to Consumer
BSC	Balanced Score Card
CO	Customer Orientation
CRM	Customer Relationship Management
CRMO	Customer Relationship Management Organization
FSOs	Financial Service Organizations
GDP	Gross Domestic Product
IT	Information Technology
KAHC	Kenya Association of Hoteliers and Caterers
KBV	Knowledge-Based View
KCF	Key Customer Focus
KeMU	Kenya Methodist University
KM	Knowledge Management
K-R20	Kunder Richardson
MBA	Master of Business Administration
MTPIII	Third Medium Term Plan
PBC	Perceived Behaviour Control
PhD	Doctor of Philosophy
RBV	Resource Based View
RM	Relationship Marketing
ROA	Return on Assets
ROI	Return on Investment
RoK	Republic of Kenya
SCA	Sustainable competitive Advantage
SDGs	Sustainable Development Goals
SEM	Structural Equation Modeling
SMEs	Small and Medium Enterprises
SRI	Stanford Research Institute
SPSS	Statistical Package for Social Science
TAM	Technology Acceptance Model
TBCRM	Technology-Based Customer Relationship Management
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action
TUM	Technical University of Mombasa
UK	United Kingdom
UNWTO	United Nations World Tourism Organization
VRIO	Valuable, Rare, Inimitable and Organization

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The hotel industry has indeed been described as a global sector, highly flourishing, lucrative and aggressively competitive (Mohammed et al., 2014; Chadha, 2015). Customers of hotel industry are more price-sensitive and less brand loyal while demanding higher quality and greater customization (Sigala, 2005). Competition and demand in hospitality industry creates a challenge for hotels and other types of hospitality facilities. Thus their ability to survive and to thrive in the contemporary business environment has become increasingly challenging. Despite the challenges faced by hospitality industry and by extension tourism industry, most of the governments have recognized the importance of hospitality industry, which has a correlation with tourism, it is one of the leading indicators of economic growth that contributes importantly to the overall Gross Domestic Product (GDP). It is also evident that due to the multiplier effect nature of tourism industry, improving its performance would not only improve the GDP but also reduce the unemployment level in the economy and generate foreign exchange.

Tourism has been recognized internationally as a crucial force for positive progress toward achieving sustainable development between developed and developing nations. United Nations World Tourism Organization (UNWTO) (2016) identified tourism as the third export earner having earned US$1522 Billion in 2014. In the same year, tourism generated 10% of the global GDP and also created one out of every eleven jobs (UNWTO, 2016). Since tourism is one of the major sectors in the international trade and a main wealth and job creator, tourism has been earmarked as a vehicle in promoting and achieving most of the agendas in United Nation's

Sustainable Development Goals. The Sustainable Development Goals (SDGs) is a set of 17 goals which are within a 15-year global framework which is christened as 2030 Agenda for Sustainable Development. More specifically, tourism is explicitly included in three of the 17 universal Goals: Goal 8 on decent work and economic growth; Goal 12 on responsible consumption and production and Goal 14 on life below water. However due to the size and crosscutting nature of tourism sector, tourism has the potential of contributing to all 17 Goal, either directly or indirectly (UNWTO, 2016).

Regionally, tourism has been endorsed as a sector that plays a significant role in the attainment of African Union Agenda 2063 and specifically agenda on continental integration, prosperity and peace. In 2017, Africa received more than 62 million international arrivals from whom the region earned 38 Billion US dollars and it is expected by 2030 Africa will host 134 million arrivals. In 2018, the value of tourism stood at over 165 billion US dollars, which accounted for 7.8% of the continents GDP; accounted for more than 6.2% of total investments valued at 28.5 billion US dollars and employed over 20 million people which is 6.5% of the total continental total workforce.

Kenya Vision 2030 is anchored on three pillars. These pillars are Economic, social and political governance. Under economic pillar, the GDP growth rate is supposed to increase to an average of 10% annually over the vision horizon. After conducting a comprehensive analysis on the Kenya's global competitive position, tourism was earmarked as one of the main economic sectors to achieve the 10 per cent annual economic growth rate mooted under the economic pillar (Fourty Years of Progress Kenya, 2012). Further, the Government came up with four critical

pillars, christened, the Big Four Agenda. These agendas are affordable healthcare, food security, affordable housing and job creation through manufacturing. The priority areas have been incorporated in the Third Medium Term Plan (MTPIII) 2018-2022 of the Kenya 2030 vision. At the National level, challenges that hospitality industry faces include insecurity that arise from groups such Al-Shabaab, political unrest during electioneering periods and some foreign countries released negative travel advisories. However, owing to the potential benefits that accrue from hospitality industry to the economy, the government has to come up with ways meant to improve the performance. These measures include improvement in security and aggressive marketing in both domestic and international markets.

As the Kenyan government does its part, the firms within the hospitality industry need to come up with strategies that are aimed at improving the performance. Among the strategies available for managers to choose from, Customer Relationship Management (CRM) has been recommended as a crucial strategy (Khan et al., 2014). CRM is ideally suitable for hospitality facilities since hospitality facilities access a lot relevant data from guests; these data are useful as they have been identified as part of the factors that drive CRM (Kangu et al., 2013; Kanchan & Sharma, 2015).

1.1.1 Customer Relationship Management

Relationship marketing preceded CRM and exploded as a field of marketing enquiry in the late 1980's as a new paradigm because the emphasis changes from customer acquisition to customer retention (Sheth et al., 2000; Berry, 1983). Jagadish and Kellstadt (2002) had predicted that Relationship Marketing was to transform into CRM.

Although some scholars use the two terms interchangeably, CRM can be conceived as a process that caters for the overall dimension of customer identification, managing the insight of the customers and developing relationships with customers (Srivastava et al., 1999); with its roots in Relationship Marketing and its focus being customer retention and relationship enhancement (Berry, 1983; Agnes, 2009); emphasizing the process of integration throughout the organizations multiple sections (Boulding et al., 2005). Thus CRM is an expanded domain of Relationship Marketing with an information technology component which enables a firm to manage its customers' data with an aim of improving the firm-customer relationship (Godson, 2009; Xu, Yen, Lin, & Chou, 2002; Ryals & Payne, 2001; Tiemo, 2013).

Customer relationship management has not been clearly and consistently defined. This is attributed to the diverse academic backgrounds of CRM scholars, which qualifies CRM to be a multidisciplinary concept, and to the fact that CRM is still an emergent perspective (Rabah et al., 2011). In reference to Richards and Jones (2008), lack of a clear and consistent definition has led to difficulty in measuring positive implementation of the CRM and also recognized as a factor that contributes to the downfall of its adoption and implementation.

Thus different scholars view CRM from different perspectives. Wang et al. (2010) and Lun et al. (2008) consider CRM as market theory Hung et al. (2010) and Payne and Frow (2005) and Karakostas et al. (2005) view CRM as business strategy while others such as Bose (2002) and Campbell (2003) view CRM as a technological tool. The analysis of CRM definitions by Rabah et al. (2011) indicate that 43 per cent of the definitions, define it as a strategy of doing business, 17 per cent as a philosophy while 22 per cent define it as a technology

In an attempt to get an explanation of the link between the three outlooks; namely; philosophy, strategy and Information Technology (IT), Pedron and Saccol (2009) claimed that CRM is, as a theory, the basis of any approach, while IT is the framework. Further, Pedron and Saccol (2009) conceptualized philosophy as a guide to strategies while the strategies serve to guide the IT applications for CRM. While putting the three perspectives into consideration, CRM is a culture geared towards the customer, with approaches created and enabled by an IT application for customer acquisition, retention and overall achievement that the customers and organization both benefits from (Rabah et al., 2011).

The concept of CRM is not only a multi-disciplinary concept but it has also been hypothesized as a multi-dimensional construct. Sin et al. (2005) invented CRM as a definition that has four behavioural dimensions, these are: Core Customer Focus (KCF), Customer Relationship Management Organization (CRMO), Knowledge Management (KM), and TBCRM.

Abdullateef et al. (2010) describe customer orientation (CO) as some of the most detailed dimensions of CRM than KCF.Several other studies which include Wang et al. (2010) and Wu and Lu (2012) have supported Abdullateef et al. (2010) perspective by highlighting the importance of customer orientations Function on Customer Relationship Management elements. Customer orientation is seen as the way workers rely on their customers to meet their needs (Mohammed & Rashid, 2013). It is a more centred on focusing on the customers by targeting key customers whose needs the company can satisfy (Mukerjee, 2009; Sheth et al., 2000; Vandermerwe, 2004; Sin et al., 2005). The main purpose CO behaviours are to elevate the

unending satisfaction of the customers by making them more loyal thereby affects profitability of a firm (Allen, 2010; Mohammed & Rashid, 2013).

Customer Relationship Management Organization comprises the considerations a firm need to put in place for successful implementation of CRM. Management of human resource, the structure of the firm and a firm's overall commitment of resources were identified Sin et al., (2005) as primary CRM implementation specifications. In addition, Gupta and Lehmann (2005) identified other requisites to include appropriate incentive system to reward the employees, employee selection and training, and customer- based costing.

Knowledge Management is a concept that acknowledges that knowledge is one of economic resources within an organization and can result into an avenue of an organizations competitive advantage if managed well (Godson, 2009). Knowledge management consists of five key facets; new knowledge acquisition and generation, locating knowledge that is existing and coding, knowledge storage and retrieval, apportioning and disseminating knowledge throughout organization and finally utilizing and implanting knowledge in the procedures, services and products (Bessant & Tidd, 2011; Sin et al., 2005).

CRM Technology Based is the component that looks at the technology aspect of CRM (Payne & Frow, 2005). Abdallah and Assabil (2011) noted that most activities focused on customer relationship management, can never be fully utilized without aligning them with the up to date technology. Customer relationship management relies on accurate data on customers to be

successful in its performance; this makes technology to be crucial in its role in providing intelligence to the organization (Boyle, 2004).

1.1.2 Organizational Performance

Organizational performance is a reflection of how effectively and efficiently a firm makes use of its capital in achieving the targeted goals (George, 2011). According to Li et al. (2006) and Daft (2012) an organizations performance is defined by the level at which a firm is capable to attain goals that are both financial and market focused. It is argued that business performance is multifaceted in nature; and also CRM is inherently cross-functional in nature therefore no simple indicator can adequately capture business performance (Sin et al., 2005; Sin et al., 2002). Marketing and financial performance are two broad categories of business performance that are commonly used. However, the satisfaction of customers has been utilized to measure performance especially in significant studies that involve CRM (Sin et al., 2005; Keramati et al., 2010). Both subjective and objective approaches performance assessments are available for use but the choice depends on obtainability of the financial data and the discretion of the customers to avail these data which are usually considered as highly confidential information by most companies. It is argued that the correlation between objective and subjective measures is strong (Sin et al., 2002; Sin et al., 2005).

Indicators of financial performance include the Return on Assets (ROA), the Return on Investment (IR),profit margin on sales and overall profitability while marketing performance indicators include indicators such expansions of sales, market slice, share of the growing market, Customer retention, customer recruitment and customer satisfaction (Nwokah, 2009; Li et al.,

2006; Sin et al., 2005; Gupta & Lehmann, 2005). In hotel industry, market-oriented goals can be measured by use of indicators such as the number of guests who visit the hotel, the average amount each visitor spends, the average number of bed-night stays and the guests' repeat visits (World Bank, 2010). In addition to two categories of indicators, overall performance is considered a market performance measure (Agnes, 2009; Sin, et al., 2005).

1.1.3 Organizational Size

Organizational factors are the elements that are inherent to an organization. These include such factors like, size, age, ownership, type of management and the market that an organization targets. These myriad of endogenous factors are said to affect the company's performance in terms of its effectiveness and efficiency. Organizational size which is one of the organizational factors has varied definitions depending on the measure that has been used. Amah et al. (2013) have defined organizational size as the magnitude as determined by the number of people in an organization. Organizational size as defined by the number of employees is said to affect the organizational design, structure and shape (Amah, et al., 2013)

For instance, Schilling (2010) identified the size of the firm as one of the factors that determines whether a firm will adopt innovation or not. Adoption of an innovation is not only costly but also a risky venture. Large firms have greater resources which can be invested into these costly innovations, and also take risk related with fluctuating innovations (Wu & Lu, 2012). According to Zhu et al. (2003), it is more likely for large organizations to attain scales of economies that achieve a quick (ROI). Baum and Olive (1991) argued that larger firms have greater market

power or positional advantage compared to their smaller rivals. Coltman et al. (2011) reiterated that performance can be influenced by the size of a firm.

However, Schilling (2010) pointed that the size of a firm may on other hand be associated with disadvantages which include inertia and governance problems. Thus the success of an organization does not depend on how large or small it is but depends on its ability to combine the benefits that accrue form big companies with the benefits that accrue from smallness such as flexibility and responsiveness (Amah et. al., 2013).

For banking industry the size of an organization is measures by assessing the net book value of total assets and total sales (Olawale et al., 2017) while Thuo (2012) used number of employees; for hotel industry, size is measured in terms of number of rooms available (Bresciani et al., 2015); the size of the small and medium-sized enterprises is determined by the number of full-time employees (Mwangi, 2016); for a manufacturing company, production capacity is normally used as a proxy measuring the size of a firm while a service company variety of services offered can be used as a measure of the size of a firm (Kartikasari & Merianti, 2016). Bed capacity has also been used in hotel industry (Hassan, 2018).

1.1.4 Classified Accommodation Facilities

The Kenyan government has identified tourism as a key source of economic growth and poverty alleviation. In 2009, tourism was earmarked as a cornerstone of the Vision 2030 (Republic of Kenya, 2009). The Government has demonstrated the importance of tourism sector through different ways; key among them is budget allocation. During the financial year 2014/2015 and

year 2015/2016 the treasury allocated tourism sector Kenya Shillings 5.6 Billion and Kenya Shillings 10.7 Billion respectively. This represented an increase of approximately 91 per cent (Republic of Kenya, 2016). According to UNWTO report of 2017, travel and tourism sector in Kenya made a total contribution of Kenya Shilling 561.8 Billion to GDP and a total contribution of 543,700 jobs to employment; 10.5% of GDP and 9.4% of total jobs, respectively (World Travel & Tourism Council [WTTC], 2015). Tourism and transport industry efficiency in Kenya was above the African average; which was a GDP of 4.2 per cent and employment of 435,800 jobs.

Although Kenya's travel and tourism sector seem to be doing better than most of the African countries' travel and tourism sectors, some performance indicators in this sector are depicting a downward trend. For instance the performance of 2014 and 2015 has indicated that the foreign exchange declined by 2.96 per cent, number of visitors by 12.6 per cent and bed occupancy by 6.4 per cent (Republic of Kenya, 2016). According to Republic of Kenya (2014, 2015, 2016, 2017 & 2018), the total number of beds available for occupancy had been increasing steadily. From 18,292,200 beds in 2013 to 22,987,100 in 2017; an increase of 4,694,900 beds which represent an increase of 25.7%. The average hotel bed-nights occupancy rate for the period of five years (the period between 2013 and 2017) was 31.7% and therefore the average hotel bed-nights unoccupied for the same period were 63.3% which reflects a relative poor performance in terms of utilization of available resources. Within the same period, the occupancy rate declined from 36.1% in 2013 to 31.2% in 2017; a decline of 4.9% (Appendix vi).

An increase in bed available for occupancy is an indication that one of the strategies hospitality and tourism industry is focussing on is expansion. Bed availability for occupancy is one of the indices that is used in measuring the size of a hospitality facility. As more beds are made available for occupancy, more employees become a necessity. Whilst bed available for occupancy represents the supply side of the equation, the hotel bed occupancy represents the demand side of the equation with hotel bed-nights unoccupied representing the surplus; that is the difference between supply and demand. The perishability nature of accommodation as a service, poses a challenge since the surplus cannot be stored for future use. Consequently, the revenue which could have been generated from this un-utilized bed capacity is revenue lost forever. Kotler and Keller (2012) suggested that one of the strategies for dealing with this challenge is continuous study of the demand patterns so as to synchronise demand and supply. Any strategy that promises an increase in the number of customers addresses this challenge; CRM is one of such strategies. However, does the size of the hospitality facility work as an impediment or a facilitator to CRM strategy?

1.2 Statement of the Problem

Market Tourism was identified as a cornerstone of the Kenya's Vision 2030 (Republic of Kenya, 2009). This economic sector is one of the country's major contributors to Gross Domestic Product (GDP) and a primary source of employment. There is more, the business contributes positively to foreign exchange earnings and also fosters enterprise development. The sector acts as a catalyst for investment in other sectors and also stimulates economic diversification across sectors.

Hospitality industry has a positive correlation with tourism (Kangu, 2017) and therefore factors that impact on hospitality industry also impact on tourism in the same direction. Hospitality industry has continued to report a mis-match between total bed available for occupancy and occupancy rate. For instance for a period of five years starting from 2013 to 2017, the total bed available for occupancy was 18,293,000 in 2013 and 22,987,000 in 2017; an increase of 25.66%. Within the same period, the bed occupancy rate moved from 36.1% in 2013 to 31.2% in 2017; a decline of 4.9% (Appendix VI). The mismatch between the total bed availability for occupancy and the actual beds occupied translates to under-utilization of assets. Due to inherent nature of a service, this surplus cannot be stored and only leads to high direct costs which if allowed unchecked for a long time, and no corrective measures are put in place, can lead to the closure of these facilities. If these facilities are closed, the closure may lead to employee layoffs, and all the benefits that accrue from tourism may not be realized.

General service industry studies have shown that implementation of Customer Relationship Management has a substantial impact on efficiency. For instance studies done in telecommunication sector (Gitonga, 2017) and banking sector (Mwirigi, 2018; Kiplimo, 2018) have conclusively demonstrated that implementation of customer relationship management improves company performance. Although it has been argued that there are a small number of studies relating to performance of hotels of customer relationship management aspects (Chadha, 2015), a variety of studies have been carried out on the application of customer relationship management in the hospitality industry done to many places of the world. For instance, studies have been done in Ghana (Klutse, 2016), in Jordan (Al-Azzam, 2016), in Egypt (Eldesouki &

Wen, 2018) and in Malaysia (Mohammed & Rashid, 2017). All these studies have shown that CRM dimensions affect performance of hotel industry positively.

In case of Kenyan context, similar studies have also been carried out (Kangu, 2017; Ng'ang'a & Waiganjo, 2015; Malonza & Lucy, 2016). Kangu (2017) measured performance based on customer loyalty which is a narrow way of measuring performance, Ng'ang'a and Waiganjo (2015) did a case study which cannot be generalized while Malonza and Lucy (2016) analyzed data using only descriptive statistics. The current study, measured performance using both financial and marketing metrics and methodology used allowed generalization of results.

The hospitality industry enjoy easy data access as guest submit their bio-data at the check-in stage and also are likely to share their personal preferences with hospitality staff to make their stay more enjoyable. This makes hospitality industry suitable for CRM implementation. As some academics and practitioners contend that CRM is necessary in the survival and success of business firms, others have noted that mere implementation of CRM does not ensure success (Khan et al., 2014). Rather, a clear understanding of what constitutes CRM, how each of these constituents contributes to the firm's performance is critical in optimization of CRM implementation process. Another critical aspect scholar have identified for optimization of CRM implementation is the interaction of CRM components and factors inherent to the organizations (Mohammed & Rashid, 2017).

The challenges that inspired this study are: First, the limited research on the correlation between dimensions of customer relationship management to performance of hotels (Chadha, 2015).

Second, the need to examine the role played by size for the study speculated that organizational size influences the association between CRM dimensions and performance of ranked accommodation facilities in Kenya Coast region.

This study therefore addressed both conceptual and contextual gaps. The Conceptual gap was addressed since no study has been done on the moderating role of organizational size has in association between CRM dimensions and performance. The contextual gap was addressed since very few studies related to performance in the hospitality industry to customer relationship management have been done in Kenya.

1.3 Objectives of the Study

The ultimate aim of this study was to determine how the dimensions of customer relationship management influence the performance of classified accommodation facilities in the Kenya Coast region. The specific study aims were as follows:

i. To determine the impact of Customer orientation on the performance of classified accommodation facilities in the Kenya Coast region;
ii. To assess the impact of Customer Relationship Management Organization on the performance of classified accommodation facilities in Coast region of Kenya;
iii. To test the impact of Knowledge Management on the performance of classified accommodation facilities in Coast region of Kenya;
iv. Ascertaining whether Technology-Based Customer Relationship Management has an influence on the Production of graded accommodation facilities in Kenya Coast region;

v. Examine if the organizational structure (size) has an influence on the relationship between Customer Relationship Management dimensions and the performance of classified accommodation facilities in Coast region of Kenya.

1.4 Research Hypotheses

This study was guided by five hypotheses which were derived from the Common Research goals. Conventionally, the researcher states the null hypothesis as opposed to alternative hypothesis. Null hypothesis is a negative declaration of what is expected (Abramson & Abramson, 2001).

H_{O1}: There is no important customer orientation relationship with results of classified accommodation facilities in Coast region of Kenya

H_{O2}: There is no meaningful correlation between the organization of customer relationship management and the performance of classified accommodation facilities in the Kenya Coast region

H_{O3}: There is no considerable Knowledge Management relationship and the performance of classified accommodation facilities in Coast region of Kenya

H_{O4}: There is no strong relationship between customer relationship management based on the technology and the performance of classified accommodation facilities in Coast region of Kenya

H_{O5}: There is no significant influence of organizational size on the relationship between CRM elements and performance of ranked accommodation facilities in Kenya Coast region.

1.5 Significance of the Study

The research uptake activities which entail the process of accessing and utilizing research outputs will benefit several parties. These parties include policy makers, managers of the accommodation facilities, investors and owners, and finally academicians and researchers

Some of the policy-making agencies and associations include Tourism Regulatory Authority, Kenya Tourism Board, Kenya Association of Hotel Keepers and Caterers (KAHC) and Kenya Utalii College. The research output will benefit these agencies and associations to come up with strategies that will promote the tourism sector towards the stated goal.

One of the challenges the accommodation facilities are facing is the stage at which most of them are. According to Kieti and Akama (2007), these facilities are at maturity or saturation stage. If nothing is done, the next obvious stage is decline stage which is characterised by dose-diving of the sales and hence profitability. This study sought to establish whether the dimensions of CRM are systematically implemented for enhanced performance by classed accommodation facilities in Kenya Coast, Study finding will informs the managers on how to harness the potential of each dimension and eventually take appropriate decisions and actions which will lead to a competitive business performance. Since the investors and owners are interested in wealth maximization, Financial measures such as capital return (ROI), asset return (ROA) and profitability inform both the investors and owners on whether their interest is being achieved or not.

Research output is also supposed to have inter-generational benefits in terms of knowledge transfer through researchers and academicians. This can happen in a number of ways. First, the

output can be replicated by varying the environment, the perspective and even the time span for the study. The environment can be varied by expanding the geographical scope or carrying the same study outside Kenya. The perspective can be changed from top management to customers or even employees at operational level managers. As far as time span is concerned, longitudinal type of study can be adopted. In addition this study addresses the need for more knowledge and insights by expounding on the study in relation to customer relationship management and performance of accommodation facilities. Knowledge regarding the connection between CRM dimensions and performance is further modified by demonstrating how the correlation between dimension of the management and efficiency of the customer relationships is influenced by the organizational capacity.

1.6 Limitations of the Study

According to Mugenda and Mugenda (2012), limitations of a study are influences, shortcomings or conditions that the researcher cannot control. They are said to place some restrictions on the methodology and the level at which generalization of results can occur.

Since the target population is drawn from the accommodation facilities which are classified, the findings of the study can only be generalized on accommodation hospitality facilities. The classified accommodation facilities are assumed to differ in characteristics with those accommodation facilities that are not classified since classification offers a standard of service that should be met before a facility can qualify for a certain star rating.

1.7 Delimitations of the Study

Delimitations are characteristics that limit the scope of the study and also describe the boundaries that have been set for the study by the researcher (Mugenda & Mugenda, 2012). Thus these are conscious inclusions and exclusions. Delimitation can also be described as a statement of factors that will make the study successful.

The target population of this study are accommodation facilities which are in Coast region of Kenya and are in the classification list of accommodation facilities in the Gazette Notice no. 6111 of August 2016 (Republic of Kenya, 2016). Coast region of Kenya refers to Mombasa County, Kwale County, Kilifi County, Tana River County, Lamu County and Taita Taveta County (see appendix VII). Thus the accommodation facilities which are in Coast region and are not on the classification list be excluded from the study. In addition, all the accommodation facilities outside the defined geographical boundaries are not included in the study. Tourism activities are skewed with more activities taking place in Coast Region. Kingi (2013) reported that 63 per cent of tourism activities take place with Coast region. Thus a study done at Coast region was more representative of the whole country and therefore stakeholders in hospitality industry, including the Government, which can use the findings of this study to inform their policies and strategies.

The analysis is a kind of cross-sectional study. The responses represented what was happening at the time the respondents were surveyed. This time-snapshot makes it difficult to understand fully how the variables are interacting within a long period of time; thus this can only be inferred in cross- sectional study.

This study was from the management perspective as opposed to customer perspective. It was assumed that it is only management which was familiar with the information on the strategies the organization was undertaking so as to remain competitive. Thus the respondents were middle level managers managing the functional departments in the respective hospitality facilities they work for.

Apart from the conceptual scope and geographical scope, the scope of the study entails the time wise scope. The time-wise focus of this project was limited to the period given by the National Science, Technology and Innovation Commission (NACOSTI). The period for data collection had to be between 8th of December 2016 and 7th of December 2017. Specifically, the data collection exercise was between 1st January 2017 and 30th April 2017.

1.8 Assumptions of the Study

First, all the hotels in Kenya have adopted CRM to some degree and that they are reaping some benefits. Second, the study assumed that although CRM scale generalizability originally developed by Sin et al. (2002) and Sin et al. (2005) has never been examined in Kenya and that it will work because it has been examined in countries like Jordan and Egypt (Al-Azzam, 2016; Elkordy, 2014) which are middle level economies like Kenya. Third, the paper assumes that the hotels were functioning at the time of the data collection at a level that allowed the exercise to go on and the targeted key informants voluntarily gave the needed data.

1.9 Operational Definition of terms

Customer Orientation (CO) is an extent to which a firm collects & utilizes customer's information, manages approaches that meet needs of customers & executes these approaches by responding to wants and needs of the customers (Ruekert, 1992).

Knowledge Management (KM) is the method of obtaining preferences information in the CRM context and needs of the customers, either through direct or indirect means, developing appropriate mechanism for sharing that information to all departments of an organization and effectively utilizing knowledge about the customers (Sin et al., 2005; Stefanou et al., 2003; Schulz, 2001).

Classified accommodation facilities are also referred to as star rated hospitality facilities: These are establishments that provide lodging, meals and other services for travellers and other guests. In this study, these establishments are on the list of classified hospitality facilities in the Kenya Gazette Notice No. 6111 of August, 2016 (Republic of Kenya, 2016); see appendix XV

Customer Relationship Management: Customer Relationship Management is a management approach of creating focus on the culture of the customer by crafting approaches, increasing and maintaining their customers, meaning utilizing information technology for client and company advantage (Rabah et al., 2011).

Association for Customer Relationship Management (CRMO) is a commitment demonstrated by an organization in aligning the organizational structure and management

functions, allocating and using resources and effort in identifying and satisfying customer needs (Yim et al., 2005; Nykamp, 2001, Ahmed & Rafiq, 2003; Sin et al., 2005).

Organizational factors are characteristics of an organization that may enhance or hinder its performance. In this study, size of the establishment in terms of employee numbers and the bed capacity, was the organizational factor under consideration.

Organizational Performance is defined as achievement of organizational goals, which are both financial and non-financial, trailing approaches of business that result in tenable competitive advantage (Gephardt & Van Buren, 1996).

Technology-Based Customer Relationship Management (TB-CRM) is the application of Information Technology (IT) in CRM to analyse patterns within data on customers, manage forecasting models & provide to individual customers customized offering, with an aim of obtaining improved rates of acquiring new customers while retaining them and subsequently improving performance of the organization (Peppard, 2000; Yim et al., 2005).

Size of a firm: Is an inherent factor within a company that is established through the number of staff a hospitality facility has and also the bed capacity which determines the number of guests that can be accommodated.

CHAPTER TWO

LITRATURE REVIEW

2.1 Introduction

This segment deals with analysis of existing body of knowledge in customer relationship management dimensions. Specifically, the chapter covers the introduction, the theoretical review, Customer Relationship Dimensions, theoretical framework, empirical review, summary of the literature review and the research gap, conceptual framework and operationalization of the variables.

2.2 Theoretical Review

A theory is a concept, perspective or principle which people use to make sense of the experiences they go through in the world they live. A theory can also be described as a formal, testable explanation of some events and how things relate to each other (Zikmund et al., 2013). According to Zikmund et al. (2013), a theory can help a researcher to offer an explanation as to why variables behave the way they do in a research situation.

Srivastava et al. (2001) have attempted to integrate RBV to marketing. Relational and intellectual have been identified as market-based assets and capabilities which support each other (Srivastava et al., 2001). Examples of relational assets include relationship with customers while examples of intellectual assets include different types of knowledge, how to interact with customers with an aim of obtaining data and also process-based capabilities such as CRM skill. From a foregoing discussion, in this integration of RBV and market-based assets and skills the three Elements of CRM are well established, including customer focus, information management

and CRM related technology. The existing studies on CRM practice that have been anchored on theory of Resource Base View include. Wang and Feng (2012), Keramati et al. (2010), Coltman (2007) and Halawi et al. (2005). Additionally, some studies on CRM practice to include those by Geigenmüller et al. (2012), Plakoyiannaki and Saren (2006), Jayachandran et al. (2005), Shrivastava and Kale (2003) and Berry (1995) have also used Marketing Relationship Theory.

A few researched attempted to incorporate more than one principle in order to explore the elements of CRM action. Examples include Mohamad et al. (2014) who used two theories. These were: Resource Based View and Relationship Marketing Theory; Alamgir and Shasuddoha (2015) used resource based view and knowledge management. It is important to remember however that most CRM research have at least used Resource Based View. Table 2.1 describes the ideas widely employed in the CRM research studies.

Table 2.1

Customer Relationship Management studies and the theories used

Author(s) & Date	Topic	CRM Components	Moderators/ Mediators	Theories
Keramati et al. (2010)	A process oriented perspective on CRM and organizational performance: An empirical investigation	-Technological CRM resources -Infrastructural CRM resources	-CRM processes -CRM process capabilities	-Resource-Based View -Process-oriented approach
Alamgir and Shasuddoha (2015)	CRM success model: A conceptual framework	-Customer orientation -Customer centric management system -CRM technology -CRM people	-Customer knowledge -Social capital -Relationship maintenance	-Resource-Based View Knowledge-Based View
Mohammed et al. (2014)	CRM technology and organizational performance: Is marketing know-how a missing link? An observational research into Malaysia's hotel industry	CRM technology	-marketing planning capability -marketing implementation capability	Resource-Based View
Mohamad et al. (2014)	The impact of CRM on small and medium enterprises performance	-Key customer focus - Knowledge management -Relationship Marketing	Market orientation	-Resource-Based View -Relationship Marketing Theory

Wang and Feng (2012)	CRM capabilities measurement, antecedents and consequences	-Technological CRM resource -Customer orientation -Customer-centric organizational system -CRM technology	-Customer interaction management capability -CRM upgrading capability -Customer win-back capability	Dynamic Capabilities-based View
Mohammed et al. (2014)	Assessing the effect of CRM dimensions on the success of organizations: An empirical analysis in the hotel sector	-Customer orientation -CRM Organization -Knowledge management -CRM built on technology		Resource- based view
Schilke and Thomas (2010)	CRM and firm performance: the mediating role of business strategy	CRM generally	Differentiation and cost leadership	Industrial economic theory and Sources, Positions Performance framework
Coltman et al., (2010)	Customer relationship management and firm performance	-Information technology and infrastructure capabilities -human analytic-based capabilities -Business architecture and structural capabilities	Human analytics and business architecture	Resource-based view
Mohammed and Rashid (2012)	Customer Relationship Management (CRM) in Hotel industry: A Process Proposal on CRM Definitions Relationship, Sales Capacities and Hotel Output	-Customer Orientation -CRM organization -Knowledge Management -Technology Based CRM	-Marketing planning -Marketing implementation capabilities	Resource based view theory
Ngo et al. (2018)	Customer Relationship Management in small and medium tourism enterprises: a dynamic capabilities perspectives	CRM	-Dynamic capabilities - Marketing capabilities	-unifying framework based on resources-based view, Hunt and Morgan's RA theory and Sources, Position and Performance (SSP) framework
McPake, (2015)	Mediating impact of customer satisfaction on the relationship between customer experience management activities and cell phone usage retention at selected public universities in Kenya	-Network quality -perceived value -customer relational experience -loyalty program	Customer satisfaction	Social Exchange Theory
Alamgir and Shasuddoha (2015)	Managing Customer Relationships (CRM) factors: An exploratory study.	-Customer knowledge -Social rapport -CRM success		Resource-based view

2.2.1 Resource Based View

Theoretically, Central to resource-based theory is founded on very basic queries of why organizations are different & why these organizations attain the sustainable competitive advantage (SCA) proper utilization of its resources. The theory articulates the relationship among firm resources, capabilities and competitive advantage (Hart, 1995b). According to Makadok (2001), a capability, which is the organization's capacity to distribute and incorporate the various tools to achieve the desired end, is firm-specific while resources are not firm-specific. Thus, based on Makadok (2001) argument, the organizations main predicament is to pinpoint the source of resources and strengths that will determine and increase the organizations ability to maintain its competitive advantage (SCA). Competitive advantage it the ability of one organization to do better than other organizations because it achieves its desired goals more efficiently and effectively (George, 2011).

RBV is based on two assumptions namely resources heterogeneity and resource immobility. Resource heterogeneity holds that different firms may have different resources while resource immobility holds that it may be costly for a firm that does not have a certain resource to acquire it and develop it and that some resources may not spread from firm to firm easily. Otherwise if the resources were homogenous and perfectly mobile, no firm will have a competitive advantage over the other within an industry.

The Resources Based View (RBV) has an ‘inside-out’ view of a firm. This view is described as firm-specific and attempts to explain why firms’ performances vary from one to the other (Madhani, 2010). Although it is somehow widely recognized that RBV began with Barney (1991), the content analysis of RBV evolution and development indicates that this is not entirely

true and Amit and Shoemaker (1993) have contributed a lot in conceptualization of RBV as the main theoretical framework for understanding the growth and performance of firms (Bozic & Cvelbar, 2016).

Neoclassical economists' focus was mainly on price, output and demand. However, Penrose challenged the thinking of neo-classical economists by introducing a new perspective in directing the field of economics to pay more attention to the firm (Nair et al., 2008). Penrose main concern was what principles govern the growth of firms, and how fast and for how long can they grow (Nair et al., 2008). According to Bozic and Cvelbar (2016), Penrose acknowledged that resources that a firm possesses and how effectively and innovatively a firm is managed would result to economic value and growth. The study of Penrose resonated with strategic management scholars (Nair et al., 2008). Penrose has been described as the one who laid the foundation of resource based view (Nair et al., 2008).

Penrose work was followed by Andrew (1971) who identified the sources of firms' competitive advantages as coming from the firms' ability to align themselves to the changes emanating from the external environment of the firm. Lippman and Rumelt (1982) shaped the RBV further by their main contribution on the aspects of inimitability and causal ambiguity. Wernerfelt (1984) invented and formally instituted the resource-based view emphasizing that firms should pay more attention to resources development rather than products. Resources of an organization are defined by Wernerfelt (1984) as assets that are both tangible and intangible which semi-permanently held by the organization and competence as an activity a firm carries out. Barney (1991) articulated the characteristics of resources which qualify as sources of sustainable

Competitive Profit. The characteristics which Barney articulated were valuable, rarity, imitability and substitutability. Apart from defining the main features of resources, which Barney considered as important potential drivers of the firm's performance; Barney drew a link between these resources and sustainable competitive advantage. Amit and Shoemaker (1993) recognized that in addition to resources, capabilities are also generators of firm's competitive advantages. The study clarified the difference between tools and resources capabilities.

Resource-based business view has both characteristic of economic theories and organizational theory. Characteristics of economic theories is evident for it attempts to explain and predict the reason why some Companies can gain a sustainable competitive advantage and hence realize superior returns while the characteristics of organizational theory are evident in that it has an "inside-out" approach and in such approach, firm structure has to be considered. Development of resource-based view was as a result of academics and practitioners trying to understand how a firm can realize above-normal performance (Bozic & Cvlbar, 2016). A major breakthrough for the RBV achievement was achieved in 1991 by Barney. His achievements were in three areas. The first area was the definition of the main attributes for resources to be able to realize sustainable competitive advantage. The second area was the identification of the connection between the resources and sustained competitive advantage. The third and final area was differentiating the various types of resources which can be termed as essential and potential drivers of performance.

Three concepts: namely; competitive advantage, ability to maintain the competitive advantage and an organization's resources are mostly used in describing the resource–based model. Firm

resources include all tangible and intangible assets, capabilities, all processes within an organization, firm attributes, information, knowledge that the firm is in control of and which the firm can use to formulate and execute strategies. The formulated and executed strategies improve the effectiveness and efficiency in the realization of the objectives of the firm. The attributes of firm resources enable a firm to formulate and execute strategies that create value and can be categorized into resources such as organizational capital, human capital and physical capital (Williamson, 1975)

Resources categorized as physical capital includes the organizations physical technologies, its plants and machineries, its geographical location and ability to source for raw materials. Resources considered as human capital encompasses staff experience, the training, the discernment, the intelligence, the relationships and the insights of the organizations workers and individual managers. Resources categorized as organizational capital encompasses the organizations organogram, its systems for the planning, monitoring and organization of as intra and interpersonal relationships within and outside the firm. In a firm, not all aspects of physical capital, human capital and organizational capital would enhance the formulation and execution of strategies that would improve its effectiveness and efficiency (Wernerfelt, 1984) some may hinder or even reduce the impact on a firm's strategizing process. Competitive advantage is realized when a firm implements a strategy which creates value and is not equivalent to another strategy created by an existing or potential competitor. Sustainable Competitive advantage should not have just two competitive advantage features; that is, implementing strategy which creates value and also which is not similar to another one created by a current and potential competitor but in addition has a third feature of other firms not able to duplicate it. According to

Barney (1991), the attributes that enable a firm resource to have a potential of offering sustainable competitive advantage are four. These four attributes are: one, the resource must be valuable. Two, it should not be common but rather rare among the existing and the potential competitors of a firm. Three, it requires to be imperfectly exemplary and four, there should be no replacement of resources equivalently.

Not all resources owned by a firm are strategically valuable; a firm resource can only be described as valuable to a firm when it has a potential of offering a sustainable competitive advantage. Valuable resources enable a firm to formulate and execute strategies that it achieves its objectives effectively and efficiently (Barney, 1991). Despite the robustness of RBV, RBV like other any other theory has attracted criticism Clegg et al. (2011) have identified eight areas which have formed a bases of considerable debate. Some critics have not only offered skepticisms but have also offered suggestions on how to improve RBV as a tool for doing strategy.

The first problematic area is that RBV treats knowledge as an entity. This mechanical view of knowledge has been disputed. Some scholars such as Sillince (2006) have suggested that knowledge should be conceptualized as a process which consists of people with their expertise and also interaction with technology in an organizational structure. The second problematic area is that RBV is said to lack a theory of a firm. According to industrial economists, RBV is unable to explain why firms exist in economic terms. Although RBV explains the reason why firms are different, critics state that this is not sufficient to make it a theory. The third problem with RBV as a tool for strategy is that RBV uses a self-referential, to prove that it is a theory of which it is

impossible to dispute. For instance on one hand, the competitive advantage as regards performance is clarified and rarity while on the other hand, value and rarity which are resources characteristics are used to clarify where the competitive advantage lies. The tautological argument that RBV uses to justify itself does not go well with its critics.

According to Clegg et al. (2011), the forth problem with RBV is difficulty the scholars face when trying to separate cause from effect. This causality ambiguity is seen when one tries to explain the impact of a particular resource on the performance of a firm. Still on the issue of the resource and performance relationship, RBV has failed to explain the actual amount of resources that is required for a certain amount of performance. The fifth area of weakness is that RBV appear to be a deep-seated post hoc perspective. This retrospective perspective is evident in the RBV for the value of a resource is established after it has been used. This is described as hindsight which will always be accurate. The sixth danger with RBV is seen on how it defines what is in the organization and around it. According to RBV, everything in and around an organization is seen as a valuable resource. This all-embracing concept of resources presents some challenges with respect to boundaries (Priem & Butler, 2001). The seventh area of weakness is from the premise on which RBV is based. Resource Based View is based on the premise that a successful strategy is a product of sustainable competitive advantage; thus establishment of sustainable competitive advantage is a precursor any successful strategy.

Commentators argue that this aspiration may not be realistic. Fiol (2001) argued that attainment of sustainable competitive advantage based on the core competencies is due to constant changes. The RBV has an inside out approach and suggests that an organization has bundles of resources

and capabilities are embedded within the firm. A resource is something that a firm possesses while capability is something a firm is able to perform (Hart & Dowell, 2011). Thus from this argument, the performance of a firm depends fully on what comes from within it. This is considered a very serious omission since RBV does not consider the interaction between the firm and its external environment. This weakness of RBV has been addressed by the Company's natural-resource view which was first established by Hart (1995b). Finally, the eighth weakness arises from the question of the practical usability of RBV. The critics of RBV argue that RBV does not have practical application. Clegg et al. (2011) summarized this as follows "if the central elements of the theory cannot be controlled in practice, then its predictive ability will be limited…"

In addition the weaknesses identified by Clegg et al. (2011) and Wojcik (2015) explored terminology involving both capital and power and identified the ambiguous and flimsy weaknesses associated with these terms. This limitation has resulted into confusion when drawing the relationship between the two terms (Priem & Butler, 2001). Therefore, interchangeable use of terminology such as tool, capability and competence communicate comparative ideas. Confusion is further added to RBV when competencies are viewed as key construct for sustainable competitive advantage (Ljungquist, 2007; Ray & Ramakrishnan, 2006; Smith, 2008).

Assets and resources are defined as follows: Assets are defined as the sum of assets and capacities (Barney, 1991; Day 1994; Hooley et al., 1998); assets are defined as the sum of

resources and capacities (Amit & Schoemaker, 1993; Peteraf, 1993; Foss, 1996; Helfat & Peteraf, 2003) while resources are defined as the sum of qualified assets and competences (Hall, 1993).

Over time, resource based theory has evolved and developed into three branches. These branches are natural-based view, Dynamic view of the capabilities and knowledge based view. Over time, resource-based theory have evolved and developed into three new areas: knowledge-based view, nature-focused view and a view of dynamic potential (Bozic & Cvelbar, 2016). Each of these branches arose to fill a certain conceptual gap and the three complement each other in some situations of study. The three views have each identified a source of sustained competitive advantage. Knowledge-based view recognised knowledge as the generator of sustained competitive advantage, nature-based view recognized natural environment as a major driver of sustained competitive advantage while dynamic capabilities view recognized that the firms' ability to adapt to the changes from the changing external environment can be the origin of maintaining competitive environment.

The company's natural-resource view can be accredited to Hart (1995a) as he was the first person to create it. The natural-resource-based view arose to address an omission Resource-based view has. RBV is firm-specific and hypotheses that an organization benefits from competitive advantage through creation of capabilities and utilization of resources. However the natural-resource-based view agrees with the position held by RBV but goes further to suggest that natural environment could create a constraint on a firms' endeavor to achieve sustainable competitive advantage (Hart & Dowell, 2011). Dynamic capabilities perspective emerged as a complement to resource based theory. The dynamic capabilities explain how firms adjust capabilities in response to rapid changes in markets (Hart & Dowell, 2011). The Knowledge-

Based View emerged when its proponents realized that competitive advantage benefits from knowledge yet it was not receiving the necessary attention under Resource-based view.

2.2.2 Knowledge-based-View

Knowledge Based Viewpoint (KBV) has been identified as subset of Resource Based View (Sijtsema & Postma, 2004). Within RBV, knowledge has not only gained popularity as an important source of competitive advantage (Amit & Shoemaker, 1993) but has been identified as the most strategic important resource a firm can utilize (Grant, 1996). Although KBV theorists appreciate the fact that RBV has recognized the role knowledge plays in firms in achieving competitive advantage, they still feel that RBV has not given knowledge enough attention it deserves. Thus KBV theorists have a problem with the way RBV treats knowledge as any other resource, thus making it very generic rather than treating it as a resource with special properties (Kaplan et al., 2001). The Knowledge- focused theory of the organization considers the superior theory which embraces knowledge through an objective view. In effect, this theory represents the mainstream perspective on knowledge (Hislop, 2009). Hislop (2009) posits that the foundational assumptions of the objectivist perspective are that much of the knowledge possessed by the organization is basically considered as being impartial in nature and that it is possible to isolate the said knowledge from people to form the explicit knowledge. According to this assumption, McAdam and McCreedy (2000) opine that basically knowledge can be developed and an individual be allowed to free themselves through understanding in perspective referred to as 'knowledge is truth'. Objectivist epistemology is the third major dimension that categorizes

explicit knowledge above tacit knowledge. In so far as explicit knowledge is considered as knowledge that is objective, tacit knowledge is considered as informal in nature, more subjective and less rigorous (Siu, 2006). The last major presumption is that knowledge is considered as a key insight and intellectual component (but which is ultimately modifiable).

The two types of knowledge can be converted from one form to another (See Table 2.3). The conversion modes are through socialization, externalization, combination and internalization (Vaiman & Vance, 2008). Experience is shared in socialization as individual employees gain tacit knowledge by emulation, practicing and observation. Externalization involves use of models, narratives, metaphors, concepts and analogies as a way of converting tacit knowledge into explicit knowledge. Internalization uses oral stories, graphical representations; manuals and literature in assisting people express explicit knowledge into the technical knowhow and shared experiences. Combination on the other hand utilizes automated networks, phone discussions, literature and meetings to come up with various kinds of explicit knowledge.

Abdallah and Assabil (2011) maintained that a business cannot be customer-focused without understanding the customer's needs. Knowledge management, a discipline developed in the 1990's, is defined as a series of steps and approaches focused towards developing, securing and utilizing knowledge resources to disseminate knowledge to the right individuals in a timely manner so that the recipient of those assets can create value for the enterprise (English & Baker, 2006). The elements of knowledge management according to Sin et al. (2005), are essential in enabling the learning of knowledge and its creation, dispersion and sharing of knowledge as well as being aware of the knowledge.

Smith and McKeen (2005) created a conceptual framework that links the CRM with knowledge management by identifying four critical components: First is knowledge of customers where transactions of customers as well as basic data such as demographic profile and customer contacts are captured. Second is knowledge for customers where customers are provided additional knowledge that is useful to them. Third is knowledge from customers which is gained through employee-customer interactions. Finally is knowledge co-creation in which case the customers become partners with the firm in the knowledge development process. As firms enhance their customer centric approach through knowledge management, with an aim of obtaining SCA over their competitors, different firms are at different points due to their differences in responding to innovations and/or strategies such as CRM.

Table 2.2

Modes of transformation (Conversion) of knowledge

Knowledge Conversion	**Tacit**	**Explicit**
Tacit	Socialization *Empathizing*	Externalization *Articulation*
Explicit	Internalization *Embodying*	Combination *Connecting*

Table 2.2 this shows how tacit knowledge is passed to express knowledge and to turn explicit knowledge into implicit knowledge.

2.2.3 The dynamic Capabilities Based View

Capability-based dynamic view has evolved from resource-based view in response to the critique of this classic resource-based view. The two frameworks have different focus. The resource-based view focuses on achieving sustainable competitive advantage while the dynamic capabilities-based view focuses more on the issue of competitive survival in the face of rapidly changing business environment. The Resource based view has failed to address how resources should be matched with the dynamic market environment and therefore termed as a weakness of RBV is what specifically the Dynamic capabilities-based view addresses. It is argued that resources which are valuable, rare, inimitable and non-substitutable cannot lead to superior performance unless these resources are deployed in a way that reflects the environmental changes within the market place (Priem & Butler, 2001). Thus Dynamic Capabilities perspective postulates that it is not the possession of resources which are important, unique, inimitable and non-replaceable and qualify a company to have superior performance but how a firm uses these resources by aligning itself to the changes within the marketplace is what matters (Teece et al., 1997; Makadok, 2001).

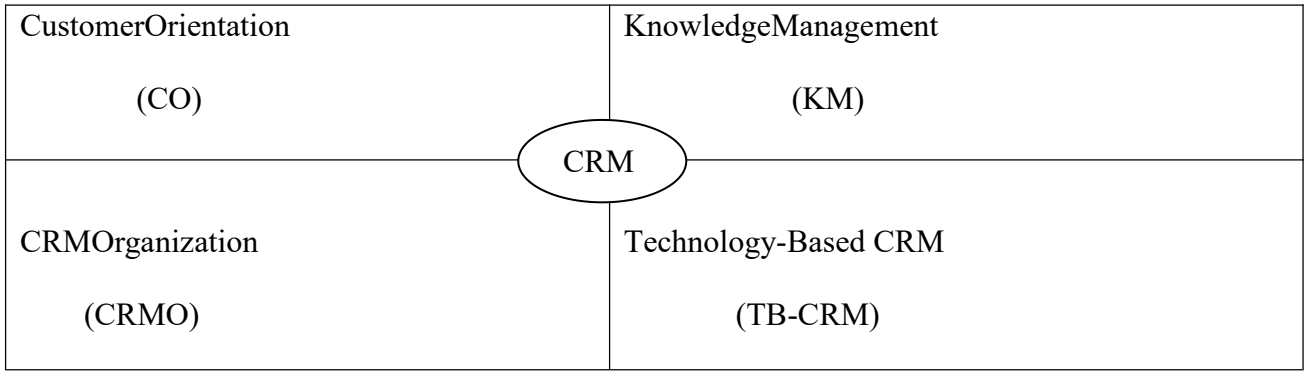
2.3 Customer Relationship Management Dimensions

Customer Relationship Management is both a multi-disciplinary concept but also a multi-dimensional framework (Sin et al., 2005). Customer relationship management's four-dimensional principle is: Key Customer Focus (KCF), Customer Relationship Management Organization (CRMO), Knowledge Management (KM), and Technology-based management. Customer Relationship Management (TBCRM). Customer Orientation (CO) has been identified as a more comprehensive dimension compared to KCF (Abdullateef et al., 2010). Several studies

have supported Abdullateef et al. (2010) argument by highlighting the customer orientations capacity as a crucial aspect of CRM and also relating the origin of CRM to customer orientation concept (Wang et al., 2010; Wu & Lu, 2012). Thus CRM was conceptualized in this study as a multi-dimensional framework Customer Orientation (CO), CRM Organization (CRMO), Knowledge Management (KM) and CRM (TB-CRM) related technology. That is shown in Figure 2.1.

Figure 2.1

CRM Dimensions



2.3.1 Customer Orientation

Customer orientation is willingness for workers to reach the interests of their clients (Mohammed & Rashid, 2013). This involves concentrating on reaching specific consumers whose needs can be fulfilled by the company (Mukerjee, 2009; Sheth et al., 2000; Vandermerwe, 2004; Sin et al., 2005). The main purpose of CO behaviours is enhancing the satisfaction of customers in the long run which assists in building the loyalty of customers and in return affects profitability of a firm (Allen, 2010; Mohammed & Rashid, 2013).

2.3.2 Customer Relationship Management Organization

CRMO is the focal point towards organizing the entire organization around customer relationship management which involves the structure of the organization, overall commitment of resources by the organization and management of human resource (Sin et al., 2005). Gupta and Lehmann (2005) identified the following requisites for customer-based organization: change in the organizational structure, appropriate incentive system to reward the employees, employee selection and training, and customer- based costing. Sin et al. (2005) also established the organisation's structure, management of human resources and an organizations entire commitment of resource as key requisites to achieving CRM organization.

The organizational structural designs should be in such a way that the overall firm works towards achieving the goal of creating and maintaining strong customer relationships. Designs that would achieve the best customer relations involves creating teams that are focused on customers, cross functional and whose disciplines cuts across the segments team (Ryals & Knox, 2001). Organizational culture should be compatible with CRM adoption; the employees' philosophy of focusing on customer relationship rather than product should be upheld (Agnes, 2009). The organizational culture should also encourage the sharing of information as well as coordination across products and departments; and this should be supported by incentive systems within the organization (Gupta & Lehmann, 2005).

Customer-based costing as opposed to activity-based costing should be adopted. Activity-based costing identifies individual activities as the fundamental cost- objects (Horngren et al., 2009). Service companies are the most ideal candidates for activity-based accounting for most costs in

service organizations are indirect (Drury, 2010). However, as the focus on profitability moves from activity to customer, the costs should be allocated to individual customers with an aim of assessing each customer's profitability (Gupta & Lehmann, 2005).

Strategy, advances in technology procedures and human resources are all crucial to Customer relationship management when the client relationship is built on individual employees. Krauss (2002) pointed out that it is not technology which acts as the strongest towards CRM-orientation but the people. Gronroos (1990) noted that marketing and employees first interact within an organizations internal marketing. This instils the employees with the values of service and customer orientation. Internal marketing involves efforts put by the organization in staff training, development and motivation in order to ensure better services are provided to the customers (Havaldar, 2008). Gupta and Lehmann (2005) asserted that unless a company pays appropriate attention to the training and incentives of its front-line employees, even the most carefully designed customer-based strategies are likely to be ineffective. According to Gupta and Lehmann (2005), there is a reciprocity kind of relationship between customers and employees. Demotivated employees tend to affect the customers negatively while motivated employees will affect the customers positively.

2.3.3 Knowledge Management

Often, there is an interchangeable use of the three words; knowledge, information and data, even though they have different meaning within KM context. Data are basic observations of world states, information is important and purposeful while knowledge is information that has been thought through and therefore has increased in value (Pearlson & Saunders, 2009). Pearlson and

Saunders (2009) illustrated that human contribution and value increase as one move conceptually from data through information to knowledge.

Specifically, Capon (2009) defined knowledge as the information, skills and understanding acquired through learning and experience. Explicit knowledge and implicit knowledge can be divided into two; although the two types of knowledge have different characteristics, both can contribute to competitive advantage. Explicit knowledge is normally codified and within the public domain and therefore can be exploited by all the competitors in an industry. However, organizations can develop explicit knowledge that is tailor-made and seek to protect it for organization own benefit. Examples of explicit knowledge include patents and legal contracts, training and development programs for staff, new product development process. Tacit knowledge resides inside people and since it is unrecorded, it is described as vague. Since Competitors often find it difficult to grasp and copy tacit knowledge; then it can become a significant source of competitive advantage to an organization. Examples of tacit knowledge include identification and dealing with dissatisfied customers, use of informal contacts to identify potential new customers. Tacit knowledge if recorded can change to explicit knowledge.

Knowledge management is a concept that acknowledges that knowledge is one of economic resources within an organization and can result into a source of competitive advantage if well managed (Godson, 2009). Intellectual capital which includes human capital, social capital, organizational capital, and customer capital has been described as already identified knowledge, documented and utilized in an organizations competitive advantage through production of superior goods and services (Pearlson & Saunders, 2009; Capon, 2009). However, for

competitive advantage to be achieved, effective management of different components of intellectual capital is essential.

Knowledge management consists of five key facets; knowledge production and acquisition, pinpointing new knowledge coding current knowledge, securing and availing knowledge, knowledge dissemination and sharing across the organization and finally utilizing and making the knowledge part of the organization services, process and goods (Bessant & Tidd, 2011; Sin et al., 2005). "Knowledge has to progress to remain knowledge" (Drucker, 2011); thus the importance of knowledge keep on shifting and therefore the organization has to strive to have the right knowledge.

2.3.4 Technology Based Customer Relationship Management

Technology was not only identified as one of the components of CRM but technology has also been identified as one of the mostly used in CRM than in other functional area in an organization (Daft, 2012). George (2011) has defined CRM as a technique that uses Information Technology (IT) and that enhances customer service. Thus information technology helps the organization to remain close to the customers and to collect and manage large amounts of data from customers. After analysis the collected data, the results help the employees and managers act on customer insights and subsequently make better decisions, and serve customers better (Daft, 2012).

Pearlson and Saunders (2009) have qualified Information Technology (IT) as critical resource in a business operating in a turbulent and an unpredictable environment. Pearlson and Saunders (2009) opined that most of the resources of an organization are actually supported and utilized by

information technology. Due to the benefits that accrue from usage of IT on one hand and the huge cost involved. Thus IT needs to be managed wisely. Technology Based-CRM is the component that looks at the technology aspect of CRM (Payne & Frow, 2005). Abdallah and Assabil (2011) noted that most activities focused towards CRM, including management of knowledge, can never be fully utilized without connecting them with the latest technology. Customer relations management relies on accurate data on customers and therefore Technology has an important role to play in ensuring CRM is successfully accomplished also in addition to firm's intelligence (Boyle, 2004).

2.4 Theoretical Framework

Theoretical framework is an underlying theory or theories that guide a study (Mugenda & Mugenda, 2012). Mugenda and Mugenda (2012) further stated that the theoretical framework brings out values and beliefs that the current study and existing studies have in common. Grant and Osanloo (2014) used a metaphor of the "blueprint" of a house to underscore the importance of a theoretical framework to a research study just like a blueprint is in the process of constructing a house. A blueprint or a map guides the constructor write from the foundation level to completion of the house. Likewise, a theoretical framework is supposed to guide the research work right from the initial stage of proposal development up to the conclusion of thesis writing.

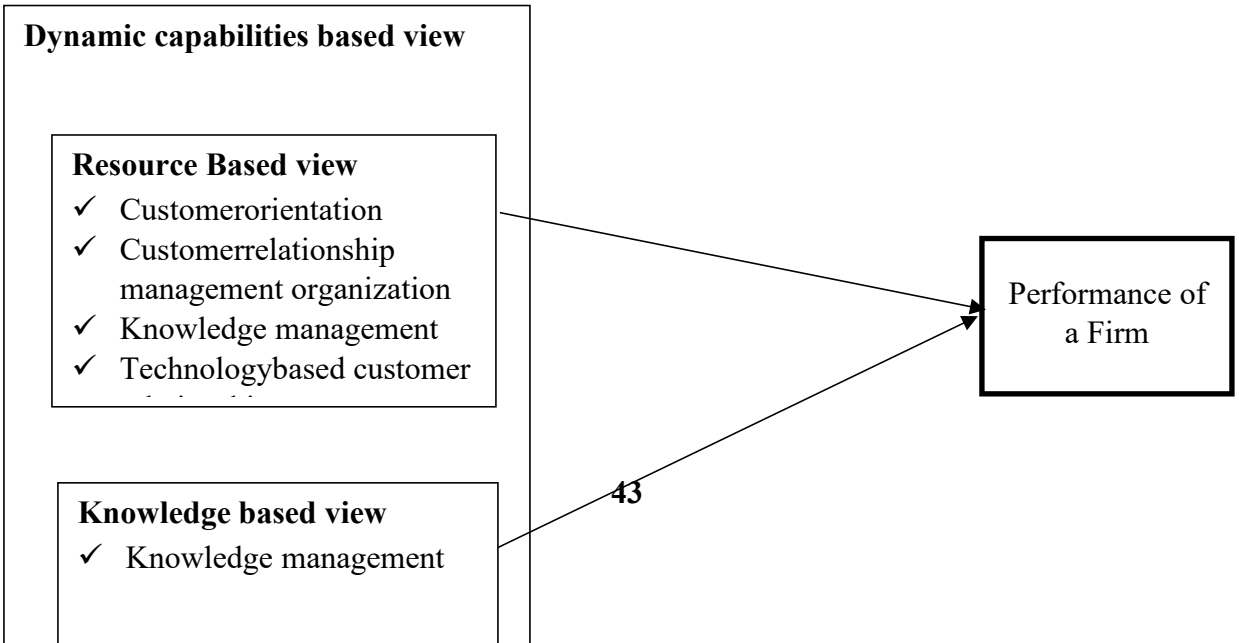
According to Grant and Osanloo (2014), theoretical framework is not only the foundation upon which the whole study is built but it tightly aligns and intricately interwove the constructs of the study; these constructs are the problem, purpose, significance, and the research questions. Theoretical framework situates and contextualizes formal theories into the study that is being

undertaken (Adom et al., 2018). Grant and Onsaloo (2014) accentuated that there is no one perfect or right theory for the study. This makes the selection of a suitable theoretical framework a challenging task. Adoption or adaptation of a theory or theories which are popular in a certain area of study is a possible option of selecting the right theory. However with this approach, the researcher must have a clear understanding regarding the research undertaken and how it relates with the research from where the theory or theories are adopted or adapted (Simon & Goes, 2011). However, selection of an appropriate theory depends on the discipline or the field of study within which the research is carried. The specific theory or theories selected must not only be in line with the field of study the research is from but must also resonate with the area of inquiry (Adom et al., 2018).

For this current research the description of the material was used to establish the theories which are first and foremost popular in the performance of a firm. Second is to establish among the popular theories which ones are applied in the field of marketing. Finally, to establish which ones are utilized in the Customer Relationship Management (See Table 2.1).

Figure 2.2

Theoretical framework



2.5 Empirical Review

In this section, analysis of the past studied were conducted. These studies covered three general areas. First, studies on each of Dimensions of Customer relationship management and performance management. Second, studied On Customer Relationship Management components combined with performance and finally studies that have moderating variable Managing Customer Relationship and performance.

On CRM and performance parameters of a firm, the specific past studies that were analysed were on Customer Orientation and performance of a company, managing customer relationships Organization and performance of a firm, Knowledge Management and performance of a firm and finally Technology Based-Customer Relationship Management and performance of a firm.

Each analysis entailed the aim or the objectives of the study, the context within which the study was done, methodology used in the study and the findings after the data analysis was done. The strengths and weaknesses of the study are also established; then an opinion was given. The main aim of the whole empirical review exercise was to establish a gap. This gap was either conceptual or contextual gap.

2.5.1 Customer Orientation and the Performance of the firm

Appiah-Adu and Singh (1998) did a study on small and medium enterprises (SMEs). The research goal was to establish the relationship between consumer orientation and performance and possibly how this relationship could be affected by contextual factors such as intensity of competition, dynamism of the market and orientation of innovation. Concerning performance

measurements, the research recognized the fact that performance is multi-faceted in nature and therefore varied indicators of performance were used. Three indicators were used and these included successful performance of new products, return on investment (ROI) and growth on sales. The geographical scope for the SMEs under study was United Kingdom (UK). The SMEs under consideration were those SMEs with the number of employees ranging between 50 and 200. Self-administered questionnaires were mailed to the marketing executives/ managers responsible of marketing functions within the firms under study. The questions were Likert scale type of questions which were anchored on a seven point scale. The study results showed that consumer orientation has a strong and positive impact on all performance indicators used in the study. In the study by Appiah-Adu and Singh (1998) two strengths are identifiable. First is the use of a Likert scale anchored on a seven point scale. It is argued that although a scale of five points is often used, a scale of seven points is better (Jaccard & Wan, 1996). Second is the recognition of the fact that business performance is not just affected by CRM dimensions but also by other aspects such as innovation, intense competition and dynamic market.

The study by Appiah-Adu and Singh (1998) informed the current study in three areas. First, Customer Orientation which Appiah-Adu and Singh (1998) used in their study as an independent variable is one of the four dimensions used in the current study. Second, return on investment (ROI) which was used by Appiah-Adu and Singh (1998) as a measure of performance was used together with Revenue growth and Return of Assets (ROA) in the present investigation to measure financial performance. Third, the results Appiah-Adu and Singh (1998) reported On the Customer orientation feedback and Success relationship were compared with findings the current study.

Pekovic and Rolland (2016) did a study on Customer Orientation and firm's business performance. However, Pekovic and Rolland (2016) offered a more comprehensive perspective on how and why the firm's performance would be affected by Customer Orientation. The study included customer innovation environment as a mediator and contextual factors (such as market growth, competitive intensity and market uncertainty) as moderators in the link between customer orientation and performance of the business firm. The researchers used a three-stage least square model on a sample of 3720 from firms within France context with employee population of not less than 20. The study found that the relationship between customer focus and company results had a positive impact and a varying degree of significance when the association between Customer Orientation and performance was mediated by environmental customer innovation and moderated by market growth, competitive intensity and market intensity.

The study Pekovic and Rolland (2016) was commended for two aspects. First is the inclusion of intervening and moderating variables which relate to the orientation of the customer and the performance of the company. This is realistic since there are host of factors that can affect the Reference for both independent variables and dependent variables. Second is the use of a large sample. From statistical point of view, the larger the sample the better it is for inferential purpose. This study by Pekovic and Rolland (2016) was useful to the current study on two aspects. The first aspect is on the direct correlation between performance and customer orientation. The second aspect in on how the direct relationship is affected by the moderator since the current study has a moderator.

Mohammed and Rashid (2012) investigated how dimensions of customer relationship management relate with different aspects of performance for hotels in Malaysia. The dimensions of CRM comprised customer relationship based technology, orientation of customers, customer relationship organization and knowledge management. The aspects of organizational performance were based on the Balance Scorecard (BSC) approach. Data were collected from three to five star hotels by use of a structured questionnaire. The study results showed that the management of a company's customer relationship has a positive and important impact on the all performance focuses; namely: performance of internal procedures, performance of customers, and growth and learning.

The study by Mohammed and Rashid (2012) utilized BSC approach to measure the Success of an organization; for it is alleged that this is the indicator of the financial situation or management is insufficient in determining how the company works is doing. The BSC model comprises of financial measure and three other non-financial measures. Such non-financial interventions included customer training, internal processes and development. By employing BSC model, the study by Mohammed and Rashid (2012) was able to assess the organization's competitive position comprehensively. The results of the present research were comparable on two points with the results of Mohammed and Rashid research (2012). The first thing was the bivariate relationship between customer orientation and organizational performance as the two studies had the correlation between customer orientation and success in the organization. The second aspect is on how the customer orientation impacts on performance when it is together with other three elements of Customer experience management; namely technology for customer relations, information management and customer relationship organization.

Al-Azzam (2016) did a study to evaluate the link between the strategic aspects of customer relations and the value hotels in Jordanian market. And this research made use of survey research design, while data was primarily collected using questionnaires which were administered to the managers of the sampled hotels. After the analysis and the testing of data, the results indicated a significant correlation between customer orientation and hotel performance. Just like the study by Mohammed and Rashid (2013), the study by Al-Azzam (2016) considered all the CRM dimensions in their study. Thus the current study compared appropriately the impact customer orientation has on organizational performance in a bivariate relationship and also in a multivariate relationship; that is, when customer orientation together with other three CRM dimensions are acting on organizational performance. However, Al-Azzam (2016) did a study on hotels and therefore the study compared uniquely to the current study because both have involved hospitality industry as their context.

2.5.2 Customer Relationship Management Organization and the Performance of the firm

Mwirigi (2018) did a study with the general objective of establishing the impact CRM has on satisfaction of commercial banks. The study was conducted within Nairobi City County and focus was Commercial bank accountholders. Customer relationship management was conceptualized as a multi-dimensional framework consisting of value-based CRM, organizational structure focused on consumers, and technology-based CRM.

The study had five objectives of which the first three were concerned with relationships while the fourth and the fifth objectives were on moderating effect and mediating effect respectively.

The study's first three main objectives were: to determine the Value-based CRM effect on commercial bank account holders satisfaction in Nairobi City County, to evaluate the Impact of customer-centric organizational structure on satisfaction of commercial bank account holders in Nairobi City County, and to determine the effect of technology-based CRM on commercial satisfaction The study also sought to establish moderation role of demographic Characteristics of operation and its mediating impact quality. The study focused on customers served by various commercial banks' branch networks and their agents with respondents drawn from account holders of banks within Nairobi County Central Business District. The study utilized both descriptive and exploratory research design with cross-sectional approach. The study revealed That CRM does indeed have a statistically significant positive impact relevant effect on commercial bank account bearer satisfaction in Nairobi City County, Kenya.

Geigenmüller et al. (2012) did a study whose purpose was examining Influence of customer relationship management procedures on customer satisfaction with regard to organization's effectiveness in industrial markets. In the study, model; was developed using data collected and empirically reviewed, using a questionnaire. This was a cross-sectional study and the unit of analysis were business-to-business (B2B) companies in Turkey. Study findings showed that improving customer satisfaction enhances the performance of organization while turbulence and competition have negative moderating influence on how customer satisfaction relates to the performance of the firm. The results of the finding also indicated that CRM company has a negative association effect on the performance of the client. Although the current study and by Geigenmüller et al. (2012) have variations, the two studies have similarities which enable the findings of the two studies to be compared. The first area of similarity is the association between

organizing the management of customer relationships and organization success. The second area of similarity is that each of the two studies has moderating variable.

Mohammed and Rashid (2013) examined how Customer Experience Management dimensions contribute to various efficiency factors for Malaysian hotels. Customer relationship management aspects included customer experience management technology, information management, customer orientation and organization management of customer relationships. The aspects of organizational performance were based on the Balance Score Card approach. Data were collected from three star to five star hotels by use of a structured questionnaire.

The strength of the study by Mohammed and Rashid (2013) is manifested by operationalization of a validated scale of the CRM dimensions (Sin et al., 2005; Yim et al., 2005). The analysis also made use of Balance Score Card approach to operationalize performance which recognizes the multi-dimensionality of any business and therefore the performance need to be measured using varied perspectives. In Mohammed and Rashid (2013) analysis, the four bivariate relationships between CRM organization and results were both positive and statistically relevant. Such relationships were: organization of the CRM and client performance; organization of the CRM and financial performance; CRM organization and performance of internal procedure; and customer relationship management organization and learning and growth powerful performance. Furthermore, the research results showed that Customer Relationship Management was a strong organisation determinant of how performance varied in hotel enterprises when compared to other variations predicted by customer orientation, knowledge management and CRM technology.

This applied to all four metrics of performance as identified in Balance Score Card Kaplan and Norton in 1992.

The relevance of the study by Mohammed and Rashid (2013) to the current study was due to several areas of commonalities between the two studies. First area of commonality is the context within which the two studies were done; both were done in hospitality industry. Second area of commonality is the conceptualization of CRM; both studies have adopted the conceptualization Sin et al. (2005) and Yim et al. (2005) initially invented CRM as a four-dimensional conceptual framework. Finally both studies have used correlation and regression for analysis of data.

Al-Azzam (2016) did a study to evaluate the association among the customer relationship management aspects and how hotels in Jordanian market are performing. The research made use of survey research design, while questionnaires which were administered to the managers of the sampled hotels where the primary data collection tool. After analysis and testing of data, the results indicated an existence of a significantly positive Correlation among both CRM and the performance of the hotels. Meaning of the study through Al-Azzam (2016) to the current study is two-fold. First, both the study by Al-Azzam (2016) and the present study have conceptualized The CRM dimension premised on the spectrum analysed by Sin et al. (2005) and Yim et al. (2005) made it more valid to compare the conclusions. Second, was the similarity of the industrial context in which the two studies have been done, both studies were done in hospitality industry.

The study by Elkordy (2014) proposed four aspects of the managerial capacity of customer relations as customer orientation, customer relationship management procedures, customer experience Client Management and Relationship innovations. Validation of research model was done with data collected, through questionnaires. The data were collected from large Egyptian firms with employee population between 400 and 5000. The strength of the study by Elkordy (2014) was the enhancement of the generalizability of the findings. This was achieved by ensuring that the sample included firms with varied characteristics. Both goods-producing and service-producing firms in consumer and industrial markets were included in the study. The study findings were varied according to whether the company is in the goods-producing or service-producing industries. The findings suggested that CRM organization has important and positive impact on the success of good-producing industry organizations. On the other hand, CRM organization has negligible impact on organizations success in the service-producing industry.

A study by Elkordy (2014) compared to the present study in two aspects. First, the study was not only used in comparing how CRM organization impacts on performance, but also how CRM technology and customer orientation singly relate to performance. Second, the study by Elkordy (2014) was used to compare with the present study because both studies were done within the same context; both studies were done in Africa. Further, both Kenya and Egypt, where two studies were conducted, are developing countries.

2.5.3 Knowledge Management and the Performance of the firm

Mohamad et al. (2014) did a study whose aim was to explain how CRM practices impact organizational performance. In their study, Mohamad et al. (2014) developed a framework and

objectively tested by survey data obtained from small and medium-sized enterprises (SMEs) in Malaysia's food processing industry. For the research conceptualized CRM procedures of business volatility as moderating variable as independent variable and organizational output as dependent variable. The findings of the study revealed that knowledge management does not significantly predict organizational performance.

The present study and the study by Mohamad et al. (2014) have several similarities. First, both studies have included Knowledge management in the conceptualization of CRM. Second, both studies have included a moderating variable between CRM and organizational performance link. These two similarities and especially the findings on Knowledge Management's impact on results of the organization made the two studies comparable.

Al-Azzam (2016) assessed how dimensions of customer relationship management are related to hotel performance in Jordan. The study employed a survey research design and the data was gathered using a questionnaire. Correlation and regression were used for analysis and testing of data obtained. The study findings showed a significantly positive relation between knowledge management and hotel performance.

A study by Mohammed and Rashid (2012) sought to understand how to manage customer relationship dimensions and various aspects of organization performance. The customer relationship management components included customer orientation, technology for customer care, knowledge management and the management of customer relationships. The study adopted the four performance perspectives in Balance Scorecard (BSC) approach for organizational

performance. Data were collected, used a standardized questionnaire, obtained from three to five star hotels operating in Malaysia. Research results indicated that knowledge management has a positive and significant impact on success financially, on internal processes, on customers and growth and learning.

2.5.4 Technology-Based Customer Relationship Management and the Performance of the Firm

Akroush et al. (2011) did a study whose purpose was to examine that the CRM scale was originally debated by Sin et al. (2005) could be generalized at the financial service organizations in Jordan. The study utilized a quantitative methodology while the primary data were collected through a survey. The top management of financial institutions were the respondents for they were considered knowledgeable of CRM implementation and they were also involved in ensuring good performance of the organizations the work for. The findings of the study indicated that CRM technology has a strong and important influence on the productivity of the companies that have been established on financial indicators and customer perspective.

The current study and the study by Akroush et al. (2011) have adopted the CRM dimensions previously defined by Sin et al. (2005) and validated in such studies as Agnes (2005), and Abdalla and Assabil (2011). Akroush et al. (2011) and the present study were done in the service industry; one in financial services industry and the other one in hospitality industry. The finding of the study by Akroush et al. (2011) on how technology based CRM influences performance was compared with the findings of the current study.

Mohammed et al. (2014) conducted a study with a purpose of proving how significantly Customer relationship management technology related to success in hotels, and that marketing capabilities have a mediating role in the concept of customer relationship management and performance technologies. Established by Sin et al. (2005) with Garrido-Moreno and Padilla-Melendez (2011) the process of CRM technology was based on measurement scale. Mohammed et al. (2014) employed a multi-dimensional approach in assessing organizational performance as operationalized in Balance Scorecard model. The study utilized questionnaires to obtain primary data from Malaysia's three to five-star hotels. The informants were corporate directors or senior executives. The study revealed that CRM technology connected with every dimension of success in a significant and positive way, namely: learning and growth, customer, internal processes and financial. CRM technology was found to explain a substantial amount of variation in performance.

Although the current study and the study by Mohammed et al. (2014) have some level of variation and especially on how performance is assessed in an organization, there are two areas that made the findings of two studies comparable. First, comparing the direct correlation between technology management of customer relationships and company results. Second, industrial contextual setting of the two studies; both used firms that are part of the hospitality sector.

Mohammed and Rashid (2013) performed a study to examine performance related to customer experience management dimensions; performance was measured using the BSC system. The study used an approach to quantitative analysis. The answers to the survey came from Malaysia's managers of three to five star hotel facilities. Although the study results suggested a lack of

significant relationship between customer relations and the prospect of growth and learning of hotel performance, the connection between customer management technology and financial results and customer service has been positive and important.

Although the study by Mohammed and Rashid (2013) and the current study have some differences and especially on the metrics used to measure performance of the organization, the area of similarity will permit comparisons of results of findings. The findings on how CRM technology relates with financial performance and the fact that the study was done among the star-rated hotels, forms a good bases for comparison.

Mohammed and Rashid (2013) investigated how dimensions of Customer relationship management for hotels in Malaysia apply to different efficiency aspects. The customer relationship management dimensions comprised technologies predicated on client relationship management, customer relationship management, orientation of customers and knowledge management. The aspects of organizational performance were based on the Balance Scorecard (BSC) approach. Data were collected from three to five star hotels by use of a structured questionnaire. Research findings showed that a clear and positive link exists between technology-based CRM and three performances perspectives: financial performance, customer success and internal process efficiency. The study indicated that technology for managing customer relationships lacked significant impact on the performance perspective of learning and development.

Al-Azzam (2016) did a study to evaluate the association between dimensions of customer relationship management and how hotels in Jordanian market performed. The study utilized a

survey research design. The primary data has been collected using questionnaires provided to the managers of the sampled hotels. After analysis and testing of data, the inter-correlation among the factors indicated that CRM technology has a stronger correlation with hotel performance compared to correlation of other dimensions of Management of customer relationships and Hotel results. The findings, however, indicated a significant, positive relationship between customer management technology and hotel performance. In the study by Al-Azzam (2016) and the current study performed multiple regression and Pearson's correlation analyses to reveal how customer relationship management related to performance of hotels and inter-correlation among factors used in the study. This approach is common in the two studies and will be useful in the in the current study by advancing this discussions.

2.5.5 Studies on the link between Customer Relationship Management and Performance

In this section, the empirical literature has been reviewed on how the previous studies have dealt with customer the variables in this study within the context of CRM. The variables in the study are CRM dimensions which is the independent, dependent variable being organizational performance. The relationship between the two variables is moderated by organizational factors.

Agnes (2009) did a study on adoption and impacts of organizational success in the management of company relationships. The history of the study was the services sector in Hong Kong, with the primary objective of identifying the antecedents of CRM adoption and investigating the impact of CRM on the company's results. A research (Akroush et al., 2011) aimed at achieving the following goals: Checking the applicability of the size of CRM implementation in financial service organizations operating in Jordan, initially implemented by Sin et al. (2005) disclosing

the component parts of CRM implementation in Jordan;; financial service organizations within Jordan; to analyse the relationship between the components of CRM implementation including the performance of financial service organizations in Jordan; and finally, to review the most relevant components of CRM implementation for the success of financial service organizations operating in Jordan. Business success in the sample consisted of results in finance and marketing. The research used a quantitative approach, and data was collected through a survey that included financial service organizations operating on the Jordan market. Akroush et al. (2011) found: Implementation rate of customer relationship management adopted by Sin et al. (2005) can be generalized to Jordan financial service organizations market with slight modification.

Abdallah and Assabil (2011) did a descriptive research study whose main objective was to list hotels in the Ashanti region based on the level of CRM consciousness. Abdallah and Assabil (2011) used the four behavioural components of CRM developed and 18 scale Products developed with Sin et al. (2005) on CRM operationalization implementation definition. The results showed that a vast majority of hotels are strongly geared towards the key customer focus and KM while a majority significant displays low level of orientation towards the CRMO and TB-CRM.

Oladele (2012) also did a research to determine the relationship between CRM and performance and how this association was moderated by a continuous product development. The study was a cross sectional survey on the banking sector in Nigeria. The results indicated that CRM implementation enhances firm performance and that continuous product development improves this relationship. Mohammed and Rashid (2012) aimed at providing a model on how Dimensions

of management of the customer relation, capabilities of marketing and performance of hotels. The model involved four aspects of CRM which included CO, CRMO, KM and TBCRM. The research used the dimensions of a balance score card (BSC) to assess the results of hotels and finally provided a comprehensive framework that demonstrates how dimensions of customer relationship management impact performance of hotels.

Mohammed and Rashid (2013) did a study with two main objectives which were to investigate the extent to which the dimensions of customer relationship management affected the various perspectives of performance in hotels and to investigate which among the dimensions of CRM has the most effect. In the study, CRM dimensions comprised of CO, CRMO, KM and TBCRM while hotel performance was evaluated based on the four perspectives of Balance Score Card. The study used quantitative approach and the primary data were collected from the managers of Malaysian hotels of star three to star five ratings. The findings suggested that the dimensions of CRM are a key determinant on the perspectives of performance in hotels with varying degree of significance of each dimensions of performance as per the Balance Score Card performance perspectives.

Elkordy (2014) did a study on the impact four dimensions of CRM capability and how they link to performance. Cross sectional surveys were used to collect data from large companies in Egypt for purposes of model validation. The study conceptualized CRM capability as an integration of CRM process, customer orientation, TBCRM and CRMO. In the study, business performance focused on three dimensions: growth of sales, retention of customers and satisfaction of customers. In general, the four dimensions of customer relationship management showed a

strong connection to performance, however CRMO stood out as the single most significant performance predictor. A few studies on the moderation of the relationship between performance of an organization and practices of customer relationship management have also been done. Mohamad et al. (2014) did a study whose aim was explain how CRM activities affect organizational performance. The study was based on Malaysian small and medium enterprise of food manufacturing industry. Market turbulence was determined to have a moderating and negatively influence CRM practices and performance of a firm.

In the Kenyan context, Ng'ang'a and Waiganjo (2015) did a study with the main aim of establishing whether the CRM approaches had an effect on behaviour of customers. The study had one specific objective which was to determine how use of information technology affected behaviour of customers within Nairobi Safari Club Hotel. The study employed a case study concept for the analysis since the unit of analysis was just Nairobi Safari Club. Primary data was obtained using a semi-structured questionnaire from employees and customers. The finding indicated that information technology utilization had a strong positive linear correlation with customer behaviour. One of notable strengths of the study is the use of both employees and customer as respondents; this means that the information given from each category could be cross-validated. Generalization of study findings was not possible since the study was based on a case study type of research design.

Like Ng'ang'a and Waiganjo (2015) and Kangu (2017) did a study in the Kenyan context whose main objective was to determine the role of CRM dimensions loyalty of customers in the hotel industry. The CRM was conceptualized as a multidimensional concept consisting of technology

and infrastructure, service quality, personalization of services and customer orientation. Thus the specific objectives of the study were: Influence of technology and infrastructure on customer loyalty, Impact of quality of service on client loyalty, effect of personalization of services on customer loyalty and influence of customer orientation on customer loyalty. The study employed a mixed method of research design of non-experimental cross-sectional survey design. A census approach was used where a target population of 147 hotels and lodges were surveyed. The findings indicated that apart from personalization of service, the other three predictor variables had statistically significant effect on the loyalty of customers within sector of hospitality in Kenya.

One of the improvements of given by Kangu (2017) is the use of blended methodology that is more advantageous compared to employment of a single research design. However, customer loyalty which is one of metrics that measure marketing performance; was used to measure performance. A single metric may not be sufficient in measuring performance since performance is multi-faceted construct in nature.

Eldesouki and Wen (2018) did a study on hotel output in Cairo, Egypt. The focus of the study was the Impact of administration aspects of customer experience on hotel industry results in the case of Cairo hotels in Egypt. Based on four CRM parameters, the indicator variables were: customer retention, consumer loyalty, customer reviews, and data warehousing. Thus the main aims of the study were: impact of customer retention on hotel industry performance in Cairo, impact of customer satisfaction on hotel industry performance in Cairo, effect of customer

reviews on hotel sector efficiency in Cairo, and impact of data warehousing on hotel industry performance in Cairo.

The study utilized descriptive survey accompanied by both quantitative and qualitative approaches. Using a random sampling method, a sample was taken from a population of managers from classified hotels in Cairo from whom data was collected using a questionnaire. Each predictor variable was regressed against the hotel performance measures aggregate mean ranking. All the predictor had a statistically significant positive and linear relationship with performance of hotel industry in Cairo. The CRM dimensions overall effect on performance was also found to be statistically significant. One of the strengths of this study is the use of both financial and non-financial measure of performance which appreciates the fact that performance cannot performance is a multi-faceted construct. The weakness of the study could be attributed to lack of consideration on factors that could affect the CRM factor effect on hotel performance in Cairo.

2.5.6 Studies with a moderating variable between CRM and Organizational Performance

One basic target of Mohamad's was to find out whether market turbulence has any significant moderating impact on how CRM practices relates with organizational success. The study's results suggested that market volatility. The negative effect was moderating on the association of CRM activities with firm results. Market volatility was conceptualized in the analysis by Mohamad et al. (2014), as the degree of shift in customers prefers the goods in the food industry.

A study by Mwangi (2016) was done with a general aim of establishing whether implementing strategy influences Small and medium sized generation organizations (SMEs) success in Kenya;

one of specific objectives of study was to determine if organizations size, characteristic level and age affected the performance of an organization through the implementation of strategies within manufacturing SMEs firms in Kenya. Number of full time employees was use as a proxy to measure size a firm. The study utilized qualitative and quantitative research designs. The moderated multiple regression had been used to determine the consequence of moderation of size on the relationship performance and the variable of strategy implementation within SMEs producing in Kenya. The study revealed a firm's size is not important in the strategy implementation.

Akinyomi and Olagunju (2013) conducted a study to evaluate the impact on profitability of the firm scale. The study was conducted in the selected Nigerian manufacturing organizations within the stock exchange. Other than the use of firm size and profitability as independent and dependent variables respectively, the study included control variable also. The Results suggested the size of a company has a good return on profitability of Nigerian manufacturing firms.

Dahmash (2015) did a study aimed at testing the size effectiveness on the company's profitability. The study was done on the Jordanian on three different sectors. These sectors were services sector, industrial sector and financial sector. The study utilized longitudinal data collection method. Industrial sector had the highest significant value the retail sector preceded, and lastly the banking sector companies.

Kandlousi et al. (2010) conducted a study to investigate the connection between the size of the firm and profitability. The study used logarithm of total assets and the gross revenue logarithm as

indices of company size and net income and return on assets as indicators of profitability. The data was collected from 15 companies listed in Colombo Stock Exchange in Sri-Lanka. The study findings indicated no correlation between company size and profitability of the manufacturing companies listed in Sri Lanka.

Olawale et al. (2017) did a study to examine the impact of firm size on the Nigerian stock exchange listed non-financial performance companies. The study had independent variable, dependent variable and control variables. Net assets and gross profits were used as measures of the business size which was the independent variable while the return on equity was used as a measure of a dependent variable for firm results. Control variables were used as leverage and working capital. After the analysis the data revealed that total assets as one of the proxies of firm size, Displayed a negative impact on client output during overall sales, which is the other proxy of firm size indicated a strong correlation on the performance of the organization. The leverage and working capital had positively influenced the performance of the organization.

Kartikasari and Meranti (2016) analysed the leverage and firm size impact on the competitiveness of Indonesian firms. Debt ratio was used as a proxy to measure leverage while total assets and total sales were used as proxies to measure firm size. Return on assets was used to calculate yield. The study found that the debt ratio had a significant positive impact on performance although total assets had a substantial negative effect on results calculated by asset returns. Net sales showed a statistically insignificant impact on the performance.

Dogan (2013) investigated the effect of firm size on profitability and data was collected from companies which were listed in Istanbul Stock Exchange and were active between the years 2008-2011. Return on assets was used to measure corporate profitability even when total assets, total sales as well as employee numbers were used to measure size of the firm. Control variables were also included in the study; these were age of the firm and leverage rate. The results of the Research showed a strong link existed between the company's size and productivity metrics. However, age of the firms and leverage rate had a negative relationship return on assets while liquidity rate had a positive relationship with return on assets.

Kouser et al. (2012) did a study with an aim of establishing whether there is an inter-relationship between firm size, growth and profitability. The study involved non-financial companies listed on Pakistani Karachi stock exchange. The study showed a company's size has a negative impact on profitability.

Thuo (2012) did a study on practices of CRM and profitability of commercial banks in Kenya. One of the objectives was to explore how factors of the organization impacted in relation to practices of CRM, productivity of marketing and competitiveness of the firm. One of the organizational factors was size which was calculated by the number of people working was calculated by the number of people working, number of branches and total assets a bank has. The study determined whether each of the three measures of size had a moderating effect on how it related to productivity of the market and CRM. Each of three measures of size indicated a significant positive Impact on the relationship management of customer relations and profitability in the business.

2.6 Summary of Literature Review and Research Gaps

From the Resource-Based Theory point of view, effective and efficient management of relationship with customers are non-substitutable and cannot be copied by another firm (Smith, 2006) and therefore CRM forms a good source of SCA. The company's business Knowledge-Based Theory far enough describes why knowledge management is critical to implementing and managing CRM systems. Review of empirical literature indicated that CRM is a multidimensional concept consisting of KCF, CRMO, KM and TBCRM (Sin et al., 2005; Agnes, 2009; Abdallah & Assabil, 2011; Akroush et al., 2011). However majority of the recent studies have substituted KCF with CO because CO is considered to be more comprehensive than KCF (Mohammed & Rashid 2013; Mohammed et al., 2014; Kanchan & Sharma, 2015). Performance was expounded as a multi-dimensional construct and consequently, company management studies have taken a different approach to conceptualisation and output assessment However, marketing and financial performance are two broad categories of business performance that most studies have adopted (Sin et al., 2005; Akroush et al., 2011).

Empirical studies have demonstrated acceptance of the CRM impacts outcomes positively (Sin et al., 2005; Thuo, 2012). Further, it has been demonstrated that when the impact of each dimension on the performance is measured, their contribution vary (Elkordy, 2014; Mohammed & Rashid, 2013). This study suggested addressing the conceptual void in how CRM functions adoption affects performance of hospitality facilities and how this relationship between these two variables is affected by organizational factors as a moderating variable.

Although studies on CRM has grown in popularity the studies on how dimensions of customer relationship management relate to performance in hotels are still limited (Chadha, 2015). Contextually, studies performance of hotels relates to dimensions of customer relationship management have been conducted in Hong Kong (Agnes, 2009), in Jordan (Akroush et al., 2011), Ghana (Abdallah & Assabil, 2011), Malaysia (Mohammed et al., 2014), Egypt (Elkordy, 2014). Ng'ang'a and Waiganjo (2015) and Kangu (2017) have done studies on CRM and hospitality industry in Kenya.

Chadha (2015) reiterated that the benefits that accrue from CRM implementation differ from one organization to another. Studied on how each of the CRM dimensions impact on the hotel performance serves as a guide on where direct resources and attention (Akroush et al., 2011). Further, it has been recommended that mediation and moderation interactions of other factors within and outside the business could be investigated (Akroush et al., 2011; Chadha, 2015). Studies on Interaction of Market turbulence and continuous product development have been done (Oladele, 2012; Mohamad et al., 2014).

So this analysis was carried out with the goal of filling the following gaps: First, The disparity that was left because the relationship between the CRM aspect and the output of hotels was given very little attention and other types of firms in hospitality facility industry. Second, is replicating the studies done elsewhere in the Kenyan context since the studies done by Ng'ang'a and Waiganjo (2015) and Kangu (2017) though done in Kenya can be complemented by the current study since Ng'ang'a and Waiganjo did a case study which could not be generalized and Kangu used customer loyalty as a measure of performance, yet performance is a multifaceted construct.

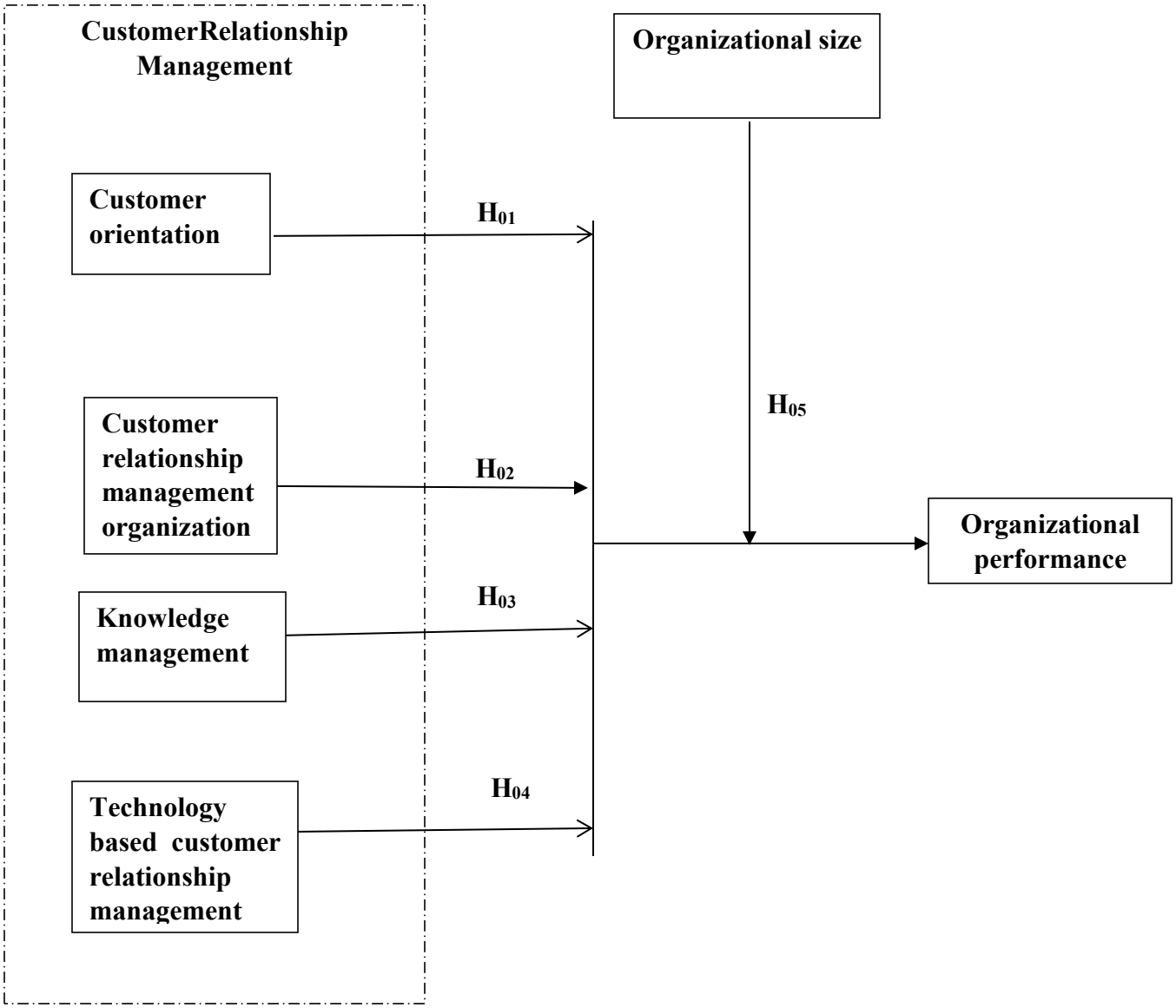
Third, is exploring the effects of every component of Customer Relationship management success of classified hospitality facilities. Finally, is exploring the moderating role of size of the hospitality facilities on CRM dimensions and performance model.

2.7 Conceptual Framework

Conceptual-framework is an imaginary presentation of key component parts that provide an overall and a concise description of the study (Somekh & Lewis, 2011). This visual presentation displays how the ideas in the study relate to each other (Grant & Osanloo, 2014). Imenda (2014) described a conceptual framework as an end result that brings together the interrelated concepts to explain a phenomenon. According to Mugenda and Mugenda (2012), conceptual framework is a representation of a researcher's view or speculation on how the variables under investigation interact. From statistical perspective, conceptual framework is the description of the relationships between the main concepts of the study (Adom et al., 2018). Conceptual framework interrelates with the objective of the study and can be viewed as a summary of the research objectives presented graphically. It serves as guide around which the data is collected and therefore it is also interrelated with the operational framework and the questionnaire.

Figure 2.3

Conceptual Framework



Conceptually, the research is founded on the premise that the management of customer relations is to be implemented affects the organizational performance. The conceptual framework (Figure 2.3) illustrated the relationships between variables as follow: Customer Experience Management aspects, and hotel efficiency. The four dimensions of Customer Relationship Management: Customer Focus, Customer Relationship Structure, Customer Relationship Management of Information Management and Customer Relationship Management of Technology sub-variables

which is the study's independent variable. Performance at the firm is the study's dependent variable. In this study it was hypothesized that the relationship between all customer experience management dimensions combined with the success of the company is moderated by organizational factors; namely size which is measured by use of number of employees and the bed capacities as proxies.

Researchers oftentimes treat theoretical and conceptual framework the same. However the two frameworks have several differences (Adom et al., 2018). The first difference is based on the scope. Theoretical framework provides broader or general ideas of the concepts under the study while the conceptual framework provides specific or narrower ideas on the concepts under study. Second difference is the basis on which each exists. The theoretical framework is focused on the hypotheses that exist while the conceptual framework is focused on variables under the study. The third difference is the purpose of each. The theoretical framework exists with the purpose of testing theories, predicting and controlling situations while conceptual framework aimed at encouraging the development of theory or theories that can be used by those practicing in the field. The argument illustrated in the conceptual framework is expounded into greater details in form of operational framework. Each of the four sub-variables of Customer Relationship Management and both dependent and moderating variables are presented in a measurable form. The operational framework is presented in figure 2.3.

2.8 Operationalization of Variables

As indicated in section 2.5 of this study, operational framework is a further development of the conceptual framework. Conceptually, before operational framework, operationalization of each sub-variable and variable is necessary. Mugenda and Mugenda (2012) have defined the process of operationalization as the stages a researcher undertakes in the translation of hypothetical constructs, into tangible, observable and measurable entities. Thus the purpose of operationalization of variables was to enable measurement of every component of the variable in the study (Lobindo & Haber, 2010). The key variables of the study included: CRM dimensions, organizational factors and performance of classified hospitality facilities. In this section, an attempt was made to operationalize these variables by identifying the actual measurement scales so as to be able to assess each of them (Zikmund et al., 2013). The choice of both constructs and indicators/measurement scales were grounded on both theory and empirical observation.

Operationalization of CRM dimensions the research included Sin et al. (2005), Agnes (2009), Abdallah and Assabil (2011) and Moreno and Melendez (2011). CRM has been operationalized in each of the Dimensions: Customer orientation, CRM structure, information management and CRM based technology. Dimensions: Customer orientation, CRM structure, information management and CRM based technology. Customer orientation has eight items, CRM Organization has five items, and Knowledge Management has four items while Technology-Based CRM has five items. The detailed illustration is in Appendix IV.

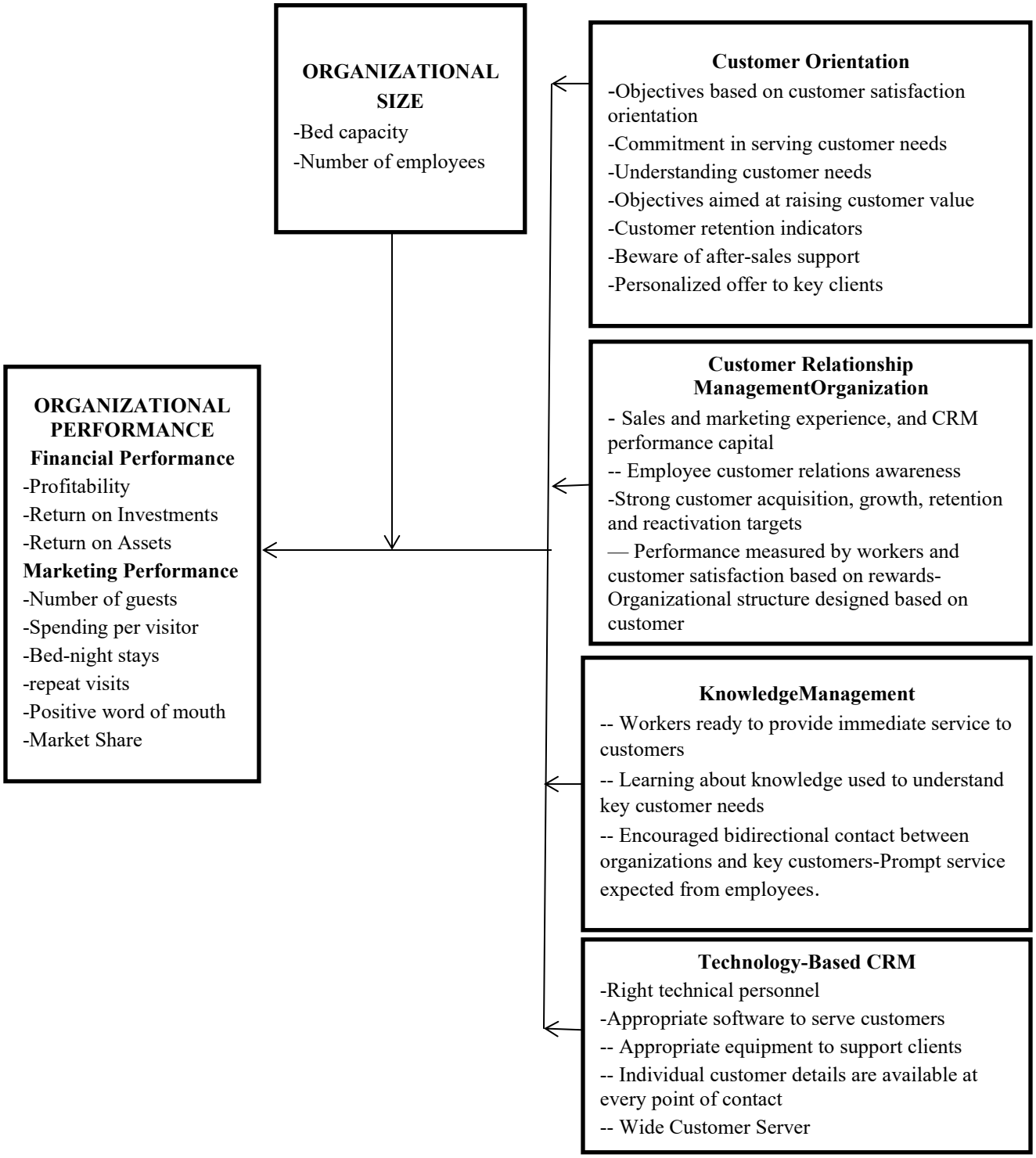
The moderating variable, the organizational size, was based on the studies by Mwangi (2016), Thuo (2012), Hassan (2018) and Bresciani, et al. (2015). Mwangi (2016) and Thuo (2012) used

the number of employees as a measure of organizational size while Hassan (2018) suggested that the number of staff in the hotel suggests growth and therefore the number of staff can be used as a proxy of organizational size. Bresciani et al. (2015) used number of rooms available in hotel as an indicator of hotel size while Hassan (2018) used the bed capacity as a measure of organizational size.

Sin et al. (2005), World Bank (2010) and professionals in hospitality industry were used to operationalize business performance. The business performance being a multifaceted concept was measured based on market performance and financial performance. Each of the two broad dimensions of business performance was operationalized as is illustrated in appendix III. The operationalization of the variables in this study is summarized in appendices III and IV and this lead to the information in appendix V which is concerned with the definition and measurement of the variables. The results of operationalization process are illustrated in the operational framework (Figure 2.4); thus operational framework is an elaborate flow diagram that demonstrated how operationalized study variables relate with each other.

Figure 2.4

Operational Framework



CHAPTER THREE

METHODOLOGY

3.1 Introduction

Broadly, this section explains and describes tools and methods used for performing the analysis. This section has eleven subsections. These subsections include the following: introduction to the chapter, research philosophy, analysis design, target population, sampling technique and sample size, instrument for gathering data, pre-testing of the questionnaire, data collection procedures, data analysis, data presentation and finally ethical considerations.

3.2 Research Philosophy

Bhattacherjee (2012) observed that different schools of thought on source of knowledge and its justification have evolved over time. For instance in earlier days of human enquiry, source of knowledge and its justification were usually recognized in terms of theological precepts based on faith. This philosophical approach was challenged by Plato and his other Greek philosopher counterparts such as Aristotle and Socrates in the 3rd Century B.C. These Greek Philosophers suggested that the fundamental nature of being and the world can only be understood as a process of systematic logical reasoning called rationalism.

During 16th Century a major shift of reasoning emerged, when British philosopher Francis Bacon (1561-1626) suggested that knowledge acquisition is an empirical activity rather than a reasoning activity. This led to a doctrine called empiricism which is based on systematic observation, measurement and experimentation.

In the 18th Century, French philosopher Auguste Comte (1798-1857) blend rationalism and empiricism and ended up with a new doctrine called positivism. Comte conceived theory and observations as two entities that have a circular dependence on each other. He argued that although theories are created through reasoning, these theories can only be authenticated if they are verifiable through observations.

In addition to the doctrine of positivism, the other doctrine is the doctrine of interpretivism. Some Scholars view the two doctrines as competing doctrines (Bryman & Bell, 2011) while others view them as complementary doctrines (Whitehead & Schneider, 2013). Interpretivism was developed as a critique of positivism in social sciences and it is predicated upon the view that reality is based on an individual and therefore there are as many realities as there are individuals (Scotland, 2012). Interpretivism epistemology upholds that truth is a matter of socially constructed agreement and therefore reality does not exist independently from human beings and it is culturally derived and historically situated (Slevitch, 2011). This epistemological assertion leads to the rejection of objectivism and hence gives room for biasness on behalf of researcher. This in turn leads to the second problem where data generated from interpretivism studies cannot be generalised since the reliability and representativeness of data has been undermined and infested by personal view and values (Dudovskiy, 2016).

This study took a positivist philosophical approach. According to Bryman and Bell (2011), positivism is an epistemological approach that prescribes to the usage of same principles, procedures, and ethos derived from in the study of social reality natural sciences. Bryman and Bell (2011) identified five principles that comprise the doctrine of positivism. The first principle

states that knowledge that can be confirmed through the five senses is the only knowledge that can be considered as genuine knowledge. The second principle states that the reason for any theory is for hypotheses generation; these hypotheses should be testable so as to allow for an evaluation of interpretations of the rules. The third premise states that positivism approach is an approach where the researcher arrives at the conclusion through the collection and the analysis of the data. The fourth principle states that the study must be conducted in an objective manner. The fifth and the final principle state that there must have a strong distinction between factual declarations and normative statements.

According to the doctrine of positivism, the best way of arriving at the truth is to use hypothetic-deductive method (Jankowicz, 2005). The hypothetic-deductive method has six minimal components. This components comprise of which comprise of theory, hypothesis, operational definition, measurement, testing and verification (Jankowicz, 2005). Similarly, Bryman and Bell (2011) identified the same process as having six components which include theory, hypothesis, data collection findings, hypotheses confirmation or rejection and revision of theory.

From the marketing discipline point of view, some of the assumptions underlying the positivism research philosophy include: the causes and effects of behaviour of customers which can be identified and isolated, events can be objectively measured, the marketer can influence the behaviour of customers by manipulating the causes and finally, the findings can be generalized to the larger population (Easterby-Smith et al., 2012).

The methodological implications of positivism are evident in this study since the components of the hypothetico-deductive method such as theories and operationalization of concepts have been done in Chapter One and Chapter Two of the study. Data collection, discoveries and acceptance or rejection of hypotheses are done in Chapter Four of the study.

Further, the philosophical assumptions of positivist approach applied to this study since the study assumed the following: First, which the relationship between CRM dimensions and output is cause-effect of classified accommodation facilities. Second, there is a varying level of CRM influence output of the accommodation units described in the Kenya coastal area in a varying degree. Third, the level of influence CRM dimensions on performance of the sampled firms can be measured objectively. Fourth, the results of this analysis can be extended over the whole classified hospitality facilities in Coast region of Kenya.

3.3 Research Design

Mugenda and Mugenda (2012) have defined research design as a strategic plan which provides the boundaries and the main features to be covered in a research study. It constitutes the blueprint for decision areas; namely: Information type needed the research Primary and secondary data sources for the achievement of secondary data goals, testing methods, sampling strategy, communication methods, data collection methods and data analysis (Havaldar, 2008; Kothari, 2009). One of the criteria researchers ought to consider when choosing the type of research design to adopt for their research is research philosophy. According to Easterby-Smith et al. (2012), philosophy of positivism and descriptive research design go hand in hand.

This analysis used a cross-sectional, descriptive research method of surveys. This research design is a collaboration of different approaches of implementing the strategic plan. Descriptive research design is normally appropriate when the research objectives are on the association of two variables (Baker & Hart, 2008). Thus according to Baker and Hart (2008), descriptive research design is appropriate where the investigator intends to develop the relationship of variables. Monari (2016) reiterated that descriptive research design is not only appropriate when the researcher's intention is to establish the association between entities but also when the intention is to report final findings factually without any alteration. Further, Monari (2016) posited that descriptive research design allow room both for exploratory and descriptive data. Aaker et al. (2011) noted two important features of a descriptive study. The first feature was the existence of hypotheses which is only tentative and for speculative purpose. The second feature was that descriptive studies do not generally deal with relationships of cause-effect in nature but can be used for prediction. Descriptive research design is further recommended to researchers whose studies study are meant to answer the six questions on who, what, when, where, why, and how before engaging in data collection (Churchill et al., 2010). Descriptive studies can either be cross-sectional or longitudinal; cross sectional study design was appropriate because the data were collected from the respondents unlike longitudinal study at a single point in time where the tool of data collection is normally applied on respondents at different moments in time (Churchill et al., 2009).

A survey was used to gather primary Data on a single time level. The study was not only cross-sectional design but also quantitative approach was pursued. Quantitative methodology is in line with positivist ontology with objectivity as the prime element (Nasir, Mamun & Breen, 2017). A

survey approach of data collection had several advantages. First, it allowed a large amount of data to be collected. Second, it was less expensive and appropriate when the time of gathering data is short. Third; it was versatile; for it had an overwhelming choice of researchers for collecting primary data (Aaker et al., 2011; Zikmund et al., 2013).

In conclusion, descriptive cross-sectional the design of the survey research was deemed the most suitable research design for this study. This choice is considered most appropriate for the following reasons. First reason is that descriptive research design works very well with the philosophy of positivism (Easterby-Smith et al., 2012). The second reason for the suitability of in this study, descriptive survey design is because the research work was aimed at establishing the associations between CRM dimensions and performance; other studies have recommended descriptive research design for such a purpose (Baker & Hart, 2008; Monari, 2016). The third reason why descriptive research design was chosen as the most appropriate for this study was because both the research design is suitable when hypotheses are part of the study (Aaker et al., 2011). The fourth reason why descriptive research design for this study was deemed acceptable was because the study wanted also to assess the predictive power of CRM dimensions with respect to results which descriptive research design bore the feature of prediction (Aaker et al., 2011). The five and the final reason is that the study aimed at administering questionnaire to the respondent a descriptive cross-sectional survey research design at one time; was appropriate for it supports this. Cross-sectional studies are said to suitable for effects of relationship studies (Thuo, 2012).

3.4 Study population target

Target population is a given population which a researcher can reasonably generalize the findings (Mugenda & Mugenda, 2012). The target population need to be defined based on criteria such as elements, geographical boundaries, and time (Sekaran & Bougie, 2010). The elements in the present study are classified accommodation facilities in Kenya Coast according to the list of Tourism Regulatory Authority released in July 2016.

The Coast region of Kenya is the shaded region on the map of Kenya (appendix x). It is the region bounded by Indian Ocean to the East, Garissa County and Isiolo County in the North, Kajiado County, Kitui County and Makueni County in the West and Republic of Tanzania in the South. Kenya's Coast area which is the study's geographical framework comprises of five Counties: namely; Kwale County, Mombasa County, Taita Taveta County, Kilifi County, Lamu County and Tana River County (Appendix xi). Although the all five counties in Coast region are within the scope, Lamu County and Tana River County did not have any classified accommodation facilities when this study was being conducted. According to Tourism Regulatory Authority, there are 36 classified accommodation facilities in Coast region (Appendix x). These facilities are categorized into vacation hotels, town hotels, lodges, tented camps, and villas, cottages and apartments (Republic of Kenya, 2016).

According to Economic Survey 2016, hospitality facilities are categorized into area where they are found. This categorization results into ten zones. These zones are: Coastal-Beach, other coastal, coastal hinterland, Nairobi-high class, other Nairobi, Central, Maasai land, western and northern Nyanza basin. Kingi (2013) stated that 63 per cent of tourism activities take place in

Coast Region (Appendix x). This percentage indicates that tourism activities are skewed in favour of Coast region of Kenya (Republic of Kenya, 2015). With the 63% of the tourism activities taking place in Coast region of Kenya, means that the remaining 37% takes place in other regions of Kenya put together. This fact alludes to aptness of this study in two ways. One is the justification as to why this study has been done in Coast region of Kenya and not any other region within Kenya. Two the possibility to make the results of this study generalised entire population of classified hospitality facilities in Kenya can also be justified.

Table 3.1

Population Categorization

Category	**Number**
Vacation Hotels	23
Town Hotels	4
Lodges	1
Tented Camps	2
Villas, Cottages and Apartments	6
TOTAL	**36**

The classified accommodation facilities have ten functional departments each. These departments are human resources department, information technology department, food production department, security department, sales and marketing department, finance and accounting department, front office department, house-keeping department and procurement department. Since CRM is a cross-fuctional concept, all departments were involved in the study.

3.5 Sampling Technique and Sample Size

The target population of the study comprised of only 36 classified accommodation facilities (see Appendix I). The size of the sample was obtained using the formula originally developed by Krejcie and Morgan (1970) and presented in form of a table based on the formula (Appendix xii). The table is meant to make the work of a researcher easier since once the population is known, the corresponding sample size can be picked. However, since the table showed a sample size of a population size in multiples of five, for instance population size of 35 units and its corresponding sample size is 32 then followed by a population of 40 units and its corresponding a sample size of 36 (Appendix xii), a population 36 units needed to be derived based on the formula provided (although the sample size has to between 32 and 36). According to Krejcie and Morgan (1970), the following formulae can be used to calculate the required sample size".

S=X^2NP(1-P)/d^2(N-1) P(1-P) + X^2Where:

S=Sample Size Required

X=Z value (1.96 for 95% level of confidence)

N=Target Population

P=Proportion which is assumed to be 0.5

d=degree of accuracy or margin of error; which is (0.05)

From the calculation, the required sample size of classified accommodation facilities was 33 units. This number of classified accommodation facilities is greater than the minimum recommended number for according to Somekh and Lewin (2011) there should be at least 30 participants in correlational studies.

After getting the number of classified accommodation facilities that was to be used as the representative of all the classified hotel facilities in Kenya Coast, an exploratory study was necessary so as to obtain a good grasp of organizational structures of hospitality facilities in Coast region of Kenya. Exploratory study is normally recommended when not much is known about a situation at hand (Sekaran & Bougie, 2010).

The insights from exploratory study indicated that most of the accommodation facilities are divided into departments based on the functions these facilities undertake. The functional departments are Human resources department, information technology department, food production department, security department, sales and marketing department, finance and accounting department, front office department, house-keeping department and procurement department. A total of ten (10) departments are identifiable in classified hospitality facilities in Kenya Coast area.

Based on Exploration Research results and the sample size obtained using the formula of Krejcie and Morgan (1970), ten (10) questionnaires were administered to each classified accommodation facility; one questionnaire for each functional department. Thus a total of 330 questionnaires were administered to 33 classified accommodation facilities; that is, ten (10) questionnaire for each facility times the number of sampled facilities (S=33).

3.6 Data Collection Instrument

Under this section, three main items have been discussed. The first item of discussion is on what a questionnaire is as a survey instrument for the present study. The second item of discussion is how the questionnaire has been structured. The third and final item of discussion is on the Likert

scale. Likert scales are main type of questions in the questionnaire and therefore it has been found important to discuss them under this section.

3.6.1 Questionnaire

This study employed a questionnaire as a survey instrument. A questionnaire has been described as a pre-formulated set of written questions that makes a questionnaire free from biasness that may originate from the interviewer (Sekaran & Bougie, 2010; Kothari, 2009). The use of questionnaires in research has been described as the most commonly utilized instrument for data collection (Mugenda & Mugenda, 2012), the popularity of the questionnaire as a data collection instrument may be due to advantages that accrue from its usage. Some of the advantages include cost-effectiveness, its ability to encompass a large population with relative ease, its ability to conveniently reach the respondents who are not easily approachable (Kingi, 2013; Kothari, 2009). Conversely the extant literature such as Kothari (2009) has cited disadvantages of a questionnaire as a survey instrument. Some of the disadvantages that have been cited include the following: One, ability and willingness of the respondent determine whether the use of questionnaire will be effective for whichever reason, if the respondent is do not or would not answer questions in the questionnaire, the questionnaire as a tool of data collection becomes very ineffective. Two, questionnaires may be misplaced once they have been sent to the respondents. Third, it may be the slowest method of obtaining information.

At the designing stage of the questionnaire, the constructs from previous studies and theories were used. This served the purpose of improving the construct validity of the questionnaire (Hair et al., 2010). The constructs on each variable had been identified on the basis of a comprehensive analysis of the literature (Appendix v).

3.6.2 The structure of the Questionnaire

The questionnaire consisted of three parts. The parts were based on the three main variables that are captured in the conceptual framework. The conceptual framework diagrammatically showed: the independent variable, the moderating variable, the dependent variable. These three main variables have subsections. The independent variable captures the four CRM dimensions; moderating variable captures organizational size while dependent variable captures the organizational performance.

The questionnaire comprised mainly of closed ended type of questions with a few open ended questions. Closed ended questions are described as questions which have pre-determined reply categories while the open ended questions are described as questions which allow respondent room to respond to the question (Mugenda & Mugenda, 2012). Open ended questions include sentence completion type of questions (Kotler et al., 2005).

According to Sekaran and Bougie (2010), questions in a questionnaire which apply nominal, ordinal, Likert, or ratio scale are viewed as closed end questions. Somekh and Lewis (2011)

identified three advantages of closed end questions as follows: their suitability for large surveys, they are quick to respondents to answer and are easy to analyse using statistical techniques.

Generally, the current study has employed both closed-end and open-end type of questions. Specifically, the study has employed Likert scales and multiple questions which are classified as closed-end questions, and sentence completion type of questions which are categorized as open-end type of questions. However, more than 90% of the questions are Likert scale type of questions.

In terms of parts, the questionnaire is sub-divided in three parts; namely Part A, B and C. Part A of the questionnaire consist of 21 questions based on the influence of CRM. Question number 1 up to Question number 7 is on Customer Orientation; Question number 8 up to Question number 13 is on CRM Organization; Question number 14 up to Question number 16 is on Knowledge Management While Question number 17 up to Question 21 is on Technology Based CRM. All questions in Part A are Likert scales which are anchored on a five-point scale designed to examine how strongly the respondents Agree or disagree with declarations of Strong Agreement, Agreement, Neutrality, Disagreement and Strong Disagreement (where 1=Strong Agreement, 4=Agreement3=Neutral2=Disagreementand1=Strong Disagreement).

Part B of the questionnaire has questions which are meant to inform the study how CRM affects the Performance of the Organization. This part has nine (9) questions. The multi-dimensional nature of organizational performance is captured from two broad perspectives; marketing and financially. Question number 22 up to Question number 27 aims at capturing performance from marketing dimension while Questions number 28 up to Questions number 30 aim at capturing performance from financial perspective. Part B of the questionnaire constitutes Likert scale

questions which are anchored on a five point scale. The questions have been designed to examine how much the respondents agree with claims or disagree with them on the performance of the classified accommodation facility they work for. The scale has five positions: Strongly Agree, Agree Neutral Disagree and Strongly Disagree (where 4=Agree3=Neutral2=Disagreement, and 1=Strongly Disagree).

Finally Part C has three questions; questions number 31 to Questions number 33. The first two questions were meant to inform the study on how the organizational size moderates the relation between the CRM and output measurements. In this study, the organizational size of the facility is based on the bed capacity and the number of employees. Question number 31 and 32 are open ended type of questions which a respondent was supposed to answer by filling the gap with an absolute figure. Question number 33; which is the last question, is a multiple choice type of a question with five possible answers which are mutually exclusive.

3.6.3 Description of Likert Scales

Since more than 85% of the questions in the questionnaire are of Likert type, it is important to highlight some of the key attributes of the Likert scale. Likert scale is a procedure that was invented by Rensis Likert in 1932 and now widely used in measuring concepts such as attitudes and perception (Mugenda & Mugenda, 2012). Likert scale is a closed-end statement which the respondent shows the amount of agreement or disagreement (Kotler et al., 2006).

Likert scale has been a subject of debate with some researchers and academicians treating it as an ordinal data while others have treated it as an interval data. Academician such King'oriah (2004) and Sekaran and Bougie (2010) have treated Likert scale as one of the examples of ordinal scale.

These scholars argue that the levels of adjacent items cannot be assumed to be equal. In support of this argument, Kothari (2009) stated that a researcher cannot give an assurance that the spaces between the adjacent positions on the Likert scale are equal and therefore citing this limitation as a hindrance of promoting Likert scale to an interval data. In spite of the limitation that Likert scale suffers, most researchers still treat the Likert scale as interval scales. In support of this, Jaccard and Wan (1996**)** commented that so long as the Likert scale has least five categories, then it qualifies to be treated as an interval data. As a result of treating Likert scales as a continuous variable, enables researchers to use normal theory statistics such as Analysis of Variance (ANOVA), regression, correlation and t-tests as opposed to the use of binomial theory statistics such as chi-square and logistic regression. Consequently, the ability to up-grade Likert scale from ordinal data to interval data enables the study to use parametric statistics which are considered to be more robust statistics compared to non-parametric statistics

3.7 Pre-Testing of Instrument

Competence and effectiveness of any study, is obtained when the tool for data collection is subjected to validity and reliability tests (Thanasegaran, 2009). Validity of the data collection instrument increases the precision, truthfulness and meaningfulness of the data collected while maintaining data collection reliability instrument increases its consistency and dependability (Mugenda & Mugenda, 2012).

The draft questionnaire was subjected to a validity and reliability pre-test. Three classified accommodation facilities were used for pilot testing. This number of accommodation facilities was considered adequate as according to Mugenda and Mugenda (2003), one to ten per cent of

the sampled items are normally adequate for pilot testing. The three classified accommodation facilities out of the possible 33 were selected based on the convenience of the location. Ten questionnaires were issued to each of the three selected facility. This represents 9.09% of the sampled classified accommodation facilities. All the questionnaires were duly filled and returned. The suggestions from the respondents included in the final draft of the questionnaire, used in pilot testing to minimize the measurement error (Kimberlin & Winterstein, 2008; Hair et al., 2010). The classified accommodation facilities used for pilot testing were excluded in the final exercise to avoid contamination.

3.7.1 Validity of the Questionnaire

A draft questionnaire was subjected to content validity. The aim of exercise was to ensure that the questions were understood by the respondents (Faux, 2010). This was achieved by discussing the instrument at different forums. The first forum was the discussion with the supervisors. The second forum was during colloquium presentation; a forum organized by Kenya Methodist University's School of Business and Economics. The third forum was where the experts in the hospitality industry were involved in assessing whether the questionnaire could be understood by the targeted respondents.

3.7.2 Questionnaire's Reliability

The Alpha of Cronbach is a popular measure of reliability because of its objectivity and robustness (Brown, 2002; Tavakol & Dennick, 2011). Besides being considered as objective measure of reliability, Cronbach's alpha is considered to be a more robust internal consistency estimates compared to its counterpart Kunder-Richardson (K-R20). The robustness of

Cronbach's alpha arises from its flexibility to test items which are scores dichotomously and also when items are weighted.

The alpha coefficient of Cronbach was used to measure the consistency within. Cronbach's reliability for alpha typically ranges from 0 to 1. The nearer the coefficient for Cronbach is to 1.0 the higher the internal accuracy of the scale products (Hair et al., 2010; Sekaran & Bougie, 2011; Mugenda & Mugenda, 2012; Vahdati et al., 2014). Appropriate reliability figures vary in the social sciences from 0.7 to 0.8 while alpha value less than 0.6 is rejected (Hair et al., 2010; Nunnally & Bernstein, 1994).

The result of the pilot testing the alpha value of 0.860 on Cronbach was obtained. The quality alpha of Cronbach greater than 0.8 is considered good (George & Mallery, 2003). This value falls within an acceptable range and hence the questionnaire was deemed good as research tool for the study.

3.8 Data Collection Procedures

Authority to collect data was sought at two levels. The first level is from National Science, Technology and Innovation Commission (NACOSTI); NACOSTI is a State company formed in accordance with the Act of Parliament Section 17 (1) of the Science, Technology and Innovation Act of 2013. It requires all persons intending to undertake research in Kenya to apply to Commission. Thus after the proposal stage, the researcher had an obligation to seek a permit from NACOSTI. NACOSTI does not only allow the researcher to collect data but also informs County Coordinators of the activities the researcher is undertaking in their respective counties.

NACOSTI also requires that after the research has been finalized, a copy of the research finding should be taken to their office. The second level the authority to collect data was sought was from Hotel Keepers & Caterers Association of Kenya (KAHC).KAHC is an umbrella body that brings together organizations that render services in hospitality industry; these organizations include: hotels, lodges and restaurants. An introductory letter to the managers of the sampled classified accommodation facilities was obtained. The researcher made use of the research assistants whom he had trained before so that they could carry out the data collection exercise. Visits, phone calls and emails were used to establish the contact persons, to deliver the questionnaires, to make follow up and to get the questionnaires back.

Since CRM is cross-functional in nature (Mukerjee, 2009), it was necessary to involve all the functional departments within the accommodation establishment. Thus the task initial was to explore so as to establish the number of departments in the accommodation facilities. The exploration revealed that most of the classified accommodation facilities have ten departments. These departments are: Human Resource department, Information Technology department, Food Production department, Department of Security, Sales and Marketing, Finance/ Accounting department, Unit at the Front Office, House-Keeping department, Procurement department, and Transport department. The outcome of the exploratory study formed the basis of administering ten questionnaires to each classified accommodation facility. In cases where there were no fully fledged department for a particular function, the officer in charge of that particular function was entrusted to fill the questionnaire. Thus employees occupying managerial or supervisory positions were selected since they were considered to have knowledge required to fill the questionnaire.

Most of the Chief Executive Officers or General Managers of 33 sampled classified hospitality facilities preferred the questionnaires to be left with the front office managers/receptionist or with the Human Resources Manager. These were the same persons who were supposed to distribute the questionnaire to the respondents and from whom the duly filled questionnaire were collected from. To facilitate the distribution to the respondents, each the questionnaire was sent to each of the ten managers identified department. The front office managers/receptionist or the human resources manager had the leeway of identifying a person who undertakes a "management" function where no clear functional departments exist.

The researcher or the research assistant after introducing himself/herself would request the contacts of the person to whom the questionnaires were left with; mobile phone numbers or email addresses were preferred. The filling of the questionnaires was supposed to take a maximum of two (2) weeks. An aggressive follow up was made so as to maximize the response rate while minimizing the non-response rate. A first phase of follow-ups was made after the expiry of this period while the second phase of follow-ups was done after the expiry of third week. After the third week, those facilities which had not filled the questionnaire and which are not far, a physical visit was made. Mombasa County, Kwale County and some parts of Kilifi County were considered "not very far". A visit was made after an appointment was made through a phone call with the contact person.

Use of multiple informants instead of single informant from the same business unit has least two advantages. First is normally considered a perfect means of reducing the amount of systematic

error and second is also means of increasing yield response data that are superior (Van Bruggen et al., 2002). Mugenda and Mugenda (2012) have observed three inherent characteristics of systematic errors that would make researchers devote a lot of effort to minimize this type of error. One of the characteristics of systematic error is that they compromise the validity of the primary data. The second characteristic is that they are difficult to detect. The third characteristic is that unlike random errors they cannot be analysed statistically because they affect the whole data set same way. Scholars have established that more than 50 per cent of the variance observed in correlations can be attributed to systematic errors (Woszczynski & Whitman, 2004). Representatives in the same business unit will always differ according to how they assess situations a state known as bounded rationality. This is brought about by cognitive limitation of their mind or even factors such as time available to make a decision. Consequently, averaging the responses of the informants of each classified accommodation facility offered a better approximation of the true score of that facility compared to if a single informant had been used (Van Bruggen et al., 2002; Kumar et al., 1993). In this study, 30 out of 33 questions are Likert scales type of questions. This represents more than 85 per cent of the total questions. The three remaining questions, two are open-ended questions and the remaining one is a multiple type of question. Likert Scale is more of an opinion assessment questions and therefore respondents in the same classified accommodation facility may differ in their assessment of the variables in the study. Thus averaging the corresponding answers classified accommodation facility's the informants received a higher estimate of the true score for that facility (Van Bruggen et al. 2002; Kumar et al. 1993).

3.9 Data Analysis

Data analysis refers to a series of actions or steps taken by a researcher to a database for Research-based findings and recommendations objectives (Mbwesa, 2006). It involves the process of transforming data into information that make sense to the researcher (Mugenda & Mugenda, 2012).

3.9.1 Data Preparation

Data preparation entails three activities. These activities include editing, coding and data entry (Cooper & Schindler, 2006). According to Cooper and Schindler (2006) this phase of research is serves two purposes. One is the accuracy of the data and two is the conversion of the data from raw form to more summarised and classified forms that are suitable for the analysis.

Editing is the first step analysis. Editing ensures completeness, consistency, and readability of data before coding and tabulation are undertaken (Zikmund et al., 2013; Cooper & Schindler, 2006). Data which has been edited is ready for coding which is a process of assigning numbers or other symbols to raw data. Coding allows transfer of data in the questionnaires to a computer; a process referred to as data entry. Data entry changes the data collected into a medium that can be viewed and manipulated. In this study, keyboarding was the data entry method for creating data files viable for Statistical Package for Social Sciences (SPSS).

3.9.2 Relationships between study variables

Univariate analysis is the process of describing or analysing a single variable at a time. This was done through Descriptive figures used to sum up the data gathered from the respondents. The

responses and the subsequent data were on the questions asked based on the independent variable, dependent variable and moderating variable. The questions on independent variable were based on the CRM dimensions and they included questions on customer orientation, CRM organization, KM, CRM technology. The questions on dependent variable were based on organizational performance. The questions on moderating variable were based on the characteristics of the organization namely organizational size which was based on the bed capacity and number of employees.

The descriptive statistics also sometimes called “inductive statistics” used in this study included frequency, central tendency, dispersion, skew, and kurtosis of data relating to how respondents reacted to the items in the questionnaire. Tabular presentations were also used as a means of obtaining visual summary for the variables.

The frequency simply showed the number of times an item in the questionnaire had been scored, and percentage frequencies were derived from the frequencies. The frequencies and percentage frequencies were then presented in form of frequency distribution tables. The independent (CRM dimensions) and dependent (organizational performance) variables were presented in descriptive statistics such as maximum, minimum mean and standard deviation. All variables presented in this form had been measured on a scale of 5.

The diagnosis on the suitability of the data to be used on regression analysis was done. Multicollinearity and normality were considered as fundamental assumptions that underlie the regression examinations. The Inflation Tolerance and Variance Factor (IVF) was used to establish whether or not the presence of Multicollinearity was evident. Skewness and Kurtosis

were used to establish whether or not the data showed normality in distribution. The Q-Q plots were also used for visual presentation to indicate whether the data obtained for each variable fall along the line of best fit.

3.9.3 Analytical model diagnostic tests

Data diagnosis entails testing the data against the assumptions that statisticians make before they use a certain test. In this study, Multicollinearity and normality tests were very crucial since multicollinearity is prerequisite for multiple regressions while normality is a prerequisite for parametric tests.

3.9.3.1 Multicollinearity

In a multiple regression study, one of the key assumptions is that X variables are independent to each other and that each of the X-variable has a unique piece of information about the dependent variable Y (King'oriah, 2004). This piece of information is conveyed through the coefficients of the independent variables. For instance in a multiple System regression:

Y=β0+β1X1+β2 X2+β3 X3+β4 X4+ÿ, β1= Y for a one-unit X1 change. Whilst X2 X3 and X4 remained unchanged. Likewise, for a one-unit shift in X2 when X1, β2=the shift in Y. X3 and X4 remain constant. On the majority of independent variables, namely X3 and X4, the same definition applies.

However, the regression coefficients become less reliable when the degree of correlation of their corresponding independent variable increases; this state is referred to as Multicollinearity (Kothari, 2009). Thus when X_1 and X_2 are correlated, then $\beta_1 \neq$ the change in Y for a shift of one unit in X1 if X2, X3 and X4 are kept constant. Likewise, for a one-unit change in X2, β2 define the change in Y when X1, X3 and X4 are constant. During regression diagnosis, the presence of

multicollinearity is revealed when any of the six symptoms stated below show up (Belsley et al., 1980). These symptoms are as follows: First, the variances (and standard errors) of regression coefficient estimators (that is, the b_i) are inflated. This means that var (b_i) is too large. When var (b_i) is too large, the t-value for β_i becomes very small because the two have an inverse relationship as shown in the following equation: t statistic for $\beta_i = b_i$/standard Error of b_i. Second, the magnitude of the b_i may be different from what we expect. Third, the sign of the b_i may be opposite of what is naturally expected. Fourth, adding or removing any of the X-variables produces large changes in the values of remaining b_i or their signs. Fifth, sometimes removing data point causes large changes in the value of the b_i or their signs. Finally, in some cases, F is significant, but the t-values (for the b_i) may not be significant. F tests measures the significance of the entire regression model while t-value measures the significance of individual variables with respect to their coefficients.

When a model has two variables, Multicollinearity is easily detected by looking at the scatterplot or at the correlation coefficient(r) of the two variables in question. For the scatterplot the closer they are to each other the higher collinear they are. For correlation coefficient(r), r for each variables of X is calculated. If any of the correlation coefficient values are between 0.8 and 1 (or between -0.8 and -1, if their correlation is negative and they are moving in the opposite direction), then the independent variables involved may be collinear (Churchill et al., 2009).

In addition to the use of scatterplot and correlation coefficient in testing whether Multicollinearity exists, Variance Inflation Factor (VIF) and Eigen system analysis can be used.

r=covariance (X_i X_j)/σ_i^2 σ_j^2 individual variables with respect to their coefficients. It is important to note that although the r for any two X variables may be too small, three independent variables X_1, X_2 and X_3 may be highly correlated as a group.

Other than scatter diagram and correlation coefficient, there are other methods of detecting Multicollinearity. One of such methods is checking whether the Variance Inflation Factor (VIF) is too high. Rule of the thumb: collinearity exists if VIF>5, A VIF of 10, for example, means that Var(b_i) is 10 times what it should be if no collinearity existed. If no collinearity exists VIF should be 1.

VIF=1/ (1-R_i^2), In the model of regression: Y=β0+β1X1+β2 X2+β3 β3+β4 β4+e

R_1^2 is obtained from regressing X_1 on X_2, X_3 and X_4 as follows:

$X_1=\alpha_0+ \alpha_1X_2+ \alpha_2X_3+ \alpha_3X_4+ e$

Similarly R_2^2, R_3^2 and R_4^2 are obtained as shown below:

$X_2=\alpha_0+ \alpha_1X_1+ \alpha_2X_3+ \alpha_3X_4+ e$; for R_2^2,

$X_3=\alpha_0+ \alpha_1X_1+ \alpha_2X_2+ \alpha_3X_4+ e$; for R_3^2

$X_4=\alpha_0+ \alpha_1X_1+ \alpha_2X_2+ \alpha_3X_3+ e$; for R_4^2

Tolerance is related to VIF and can be used to measure collinearity. Tolerance which is the reciprocal of VIF is the extent to which an independent variable cannot in the regression model, be estimated by other independent variables. Tolerance is calculated as (1- R_i^2) where the *i*th variable is being considered in regression analysis, used as the dependent variable and all other are used as independent variables. The value of Tolerance varies between zero (0) and one (1).

The Tolerance value of zero (0) means that the *i*th independent variable is completely predictable from other independent variables and that there is a perfect collinearity. And from the other hand, one (1) Tolerance value means that perhaps the independent with variable is completely uncorrelated with other predictor variables. Thus the closer the value is to one (1) the better it is while the closer it is to zero the worse it is in terms of collinearity (Tabachnick & Fidell, 2007).

Several approaches are normally applied in handling Multicollinearity. According to Halcoussis (2005), some of the popular methods include: One, retaining the model as it is and especially if the t-statistics of the affected independent variable is significant and therefore still strong in its explanatory power. Two, dropping the redundant independent variable(s); however this becomes a challenge when the study has few, even at time as few as two variables and also eliminating a relevant independent variable biases the results (Haelcoussis, 2005). Thus in a such a case, the best option would be to retain all the variables but avoid making inferences on individual β parameters but restrict inferences about the mean value of Y to values of X that are in the model. Third, is revising the model design. At times Multicollinearity alerts the researcher that the model has been specified incorrectly. Some adjustment may get rid of the problem of Multicollinearity. Four is increasing the sample size. The challenge with this method is finding more data after one has already been in the field.

Among the available measures of collinearity, VIF is more popularly used. One of the key reasons for its popularity is because it has a clear interpretation in terms of the effects of collinearity on the estimated variance of the β_i which is the *i*th regression coefficient: the VIF indicates how much variance has been inflated due to lack of independence (O'Brien, 2007). For

VIF the rule of thumb is that if VIF > 4, the situation should be investigated otherwise if VIF > 10, then something need to be done for the situation cannot be ignored (O'Brien, 2007). Otherwise the typical values of VIF and tolerance should be less than 5 and greater than 0.2 respectively. However, some researchers posit that VIF value as high as 10 should be considered acceptable in social sciences research (Gaur & Gaur, 2009).

3.9.3.2 Normality

Normality test of the data is a very important prerequisite step before data analysis and especially if the researcher want to conduct parametric tests. Violation of the assumption of normality may lead to the use of suboptimal estimators, invalid analytic statements and erroneous predictions (Das & Imon, 2016). Validity of parametric tests depends on the data of the population being normally distributed. Parametric measures include correlation, regression, t-test and Variance Analysis (ANOVA).Statistical checks are parametric useful in making inferences about the population based on the finding from sample. The three common procedures in assessing normality are graphical methods, numerical methods and formal normality tests (Razali & Wah, 2011).

Normality assessment starts from simple approach such as visual inspection. Visual inspection includes methods and examples include Scale distribution (histograms), stem-and - leaf map, boxplot, p-p map (probability plot), Q-Q plot (quartile plot). According to Razali and Wah (2011), among the graphical methods histograms, boxplot and Q-Q plot are the most commonly used compared to the other visual methods. Histogram is the easiest and simplest graphical plot. This correlates against the frequency of the observed values. Histogram provides both a visual

measure of how the distribution is belled, and also provides insight into the data anomalies and outliers of the outlying values. This correlates against the frequency of the observed values. Histogram provides both a visual measure of how the distribution is belled, and also provides insight into the data anomalies and outliers of the outlying values. Histogram is an effective graphical technique for it enables the analysts to have an idea of Skewness and kurtosis of the data set (Das & Imon, 2016).

The boxplot which was developed by Turkey displays five aspects of distribution (Öztuna, 2006). Such five dimensions are minimal, quartile first, median, quartile third and maximum. The boxplot displays the median as a horizontal line within the box, and the interquartile range as the length of the box. The whiskers, the line that runs from top to bottom of the box, are the minimum and maximum values if the interquartile range from either end of the box is within 1.5 times that. Thus if the data meet the assumption of normality, the box will be symmetrical with the mean and the median in the centre. However the outliers may be there but a few.

The Q-Q plot plots the data set is split into four equal portions. The Q-Q plot maps the quartiles of the distribution of a variable against the normal distribution quartiles. For values sampled from a normal distribution, the standard Q-Q plot has the points all lying on or near the straight line drawn through the mid half of points. If the variable meets the normality test, its data set when plotted will fall along the reference line derived from data set from a distribution with the known normality. Otherwise scattered points are potential outliers that may cause the sample to fail a test of normality (Öztuna et al., 2006).

The numerical methods consist of indices of Skewness and kurtosiss. Skew is the amount and direction where to access of data deviates from normal distribution horizontally while Kurtosis is the sharpness of a distribution of data set relative to bell-shaped curve (Mugenda & Mugenda 2012).

The formal normality tests that supplement graphical assessments include Kolmogorov Smirnov test, Liliefors corrected Kolmogorov Smirnov test, Shapiro-Wilk test, Anderson-Darling test, D'Agostino Skewness test for Cramer-von Misses, Anscombe Glynn Kurtosis test D'Agostino-Person omnibus test, and the Jarque Bera test. K-S, between these and Shapiro-Wilk are the most popular tests (Ghasemi & Zahediasl, 2012).

Kolmogorov-Smirnov was initially suggested and then developed by Smirnov (Öztuna et al., 2006). Kolmogorov-Smirnov compares the cumulative distribution of the data set with the cumulative normal distribution predicted, whereas the P value is centred on the greatest difference between the cumulative distribution and the expected cumulative normal distribution (Öztuna et al., 2006). Thus this test compares the data from the current study with a normal distribution. The test gives P value as a criterion by which the judgement is based; P value less than 0.05 is an indication that the distribution is significantly different from normal (Peat & Barton, 2005).

Shapiro-Wilk test Shapiro and Wilk developed (Öztuna et al., 2006). For Shapiro-Wilk just like its counter-part Kolmogorov-Smirnov tests, a P value less than 0.05 is an indication that the distribution is significantly different from normal (Peat & Barton, 2005). In other words, if the

alpha (α) amount chosen is 0.05 and the p-value is less than α=0.05, The null hypothesis (H0) that the data set is normally distributed is then dismissed in favour of alternative hypothesis (H1) that the set of data is not generally distributed. Therefore, if the p-value is greater than α=0.05, then the H0 is not rejected, and the decision is to allocate the data set as normal.

Razali and Wah (2011) have analysed the power comparison tests for different formal normality tests and have identified Shapiro-Wilk as the most potent test of normality in comparison with other formal normality tests. Öztuna et al., (2006) have described Shapiro-Wilk test "as a powerful and omnibus test in most situations". Thode (2002) has also recommended Shapiro-Wilk test as the best way to check whether the data set complies with normality rule. In summary, the P value will only reveal whether the data set for a certain variable are normally distributed or not without giving information as to why a variable is not normally distributed. Consequently, after conducting formality test, and may be realizing a non-normality, the next step should be to obtain Skewness and kurtosis values so as to get a clear picture as to why the data set displays a non-normality behaviour; Q-Q plot may also be important in revealing why the data have departed from normality. Once it has been established the cause of non-normality, there are two ways of dealing with this problem. One, if there are no outliers, the transformation of the data set, to make it normal, can be done. The log or square root can be used for transformation process. If a transformation is not viable, then the second alternative would be the best option; the use of non-parametric methods which are not dictated by normality assumption of the data set.

3.9.4 Inferential Statistics

Inferential statistics, often referred to as “deductive statistics, were helpful in determining whether relationships exist among the variables and also in drawing conclusions concerning the findings (Sekaran & Bougie, 2010). In addition to determining whether relationships exist among variables, the inferential statistics were helpful in drawing conclusions on population parameters from the sample statistics (Mugenda & Mugenda, 2012). As this study's general objective was to investigate whether there is a relationship between CRM dimensions and the efficiency of classified accommodation facilities, the inferential statistics were very useful in the study.

Correlation and regression are “two commonest statistics which combine two or more data sets to answer various relevant questions on the relationship, strength, and to predict the values of another variable given another one” (King’oriah, 2004). Correlation and regression are considered to be powerful and versatile statistical tools. Correlation analysis is a statistical procedure that denotes how two variables dependent on each other while regression analysis, on the other hand, is a statistical procedure that is used to explain variable Y given X_i Where Y is variable dependent, and where X is one or more independent variables (Mugenda & Mugenda 2012).

3.9.4.1 Correlation Analysis

Correlation analysis is a group of statistical techniques which enables a researcher measuring the relation between two variables. Correlation coefficient allows the calculation, the testing and the interpretation of a relationship between two variables (Lind et al., 2012; Black, 2008). A researcher is given a range of strategies for analyzing relationships. The choice depends on the character of the two variables to be analysed (Bryman & Bell, 2011). Researchers normally have

an option of choosing one among the four correlation statistics. These correlation statistics include: Pearson's Product- Moment correlation, Spearman's correlation, Kendall's Coefficient of Concordance, the chi-square (χ^2), contingency table, Cramer's V, Phi (ϕ) and Eta.

Pearson Product-Moment Coefficient of correlation also known as Pearson Coefficient of correlation was invented by Karl Pearson. Pearson Product-moment correlation is a parametric measure of association between two variables; X and Y. This correlation coefficient works under two assumptions. One is that the measurement scale is either interval or ratio and the data is normally distributed (Mbwesa, 2006). Two is that the sampling distribution for both variables. The exception to this rule of variables to be normally distributed is that one of the variables can be categorical variable provided they are only two categories (Bryman & Bell, 2011). In addition, for bivariate analysis to use Pearson's Product-Moment correlation, the measurement scale of the two variables, whose association is being sought, should be in interval or ratio. Pearson Product-moment correlation is a standardized covariance. The standardization of the covariance results into a coefficient value which lies between -1 and +1. A value of +1 indicates that the two variables have a perfect positive relationship; and the other rises by a proportionate sum as one variable rises. In comparison, a coefficient value of -1 means that the two variables are associated positively and negatively: if one variable increases, the other decreases by the same proportion. Coefficient of zero indicates no linear relationship between the two variables which also implies that a change in one variable does not affect the second variable.

Spearman's correlation coefficient is a non-parametric statistic thus violates parametric assumption such as non-normally distributed data. Sometimes this statistic is referred to as

Spearman's rho; abbreviated as (ρ). Spearman's correlation coefficient is normally used where the measurement scale for one of the variables is ordinal while the measurement scale of the second variable is ordinal, interval, ratio, or dichotomous (Bryman & Bell, 2011).

Kendall's Coefficient of Concordance is a non-parametric measure of relationship which is normally abbreviated by symbol W and also referred to as Kendall's Tau (symbolize with Greek letter τ). Just like the Spearman's rank correlation, Kendall's rank correlation is used to examine the relationships between Independent variable(X) and dependent variable(Y) where X and Y may be respectively of ranked and therefore both variables are measured ordinal level (Sekaran & Bougie, 2010; Kothari, 2009; King'oriah, 2004).

The chi-square (χ^2) statistics just like Spearman's rho and Kendall's Tau, is a non-parametric test. The chi- square is applied by researchers in testing the goodness of fit, testing the significance of population variance and finally testing the significance of the association between two variables (Sekaran, & Bougie, 2010); this association is between two variables, X and Y, which are both at nominal level of measurement (King'oriah, 2004; Kothari, 2009).

Contingency tables are similar to frequency tables the only difference is that contingency table allows the analysis of two variables simultaneously and hence the relationship of the two variables is examined. When using the contingency table, the independent variable is presumed to be column variable while dependent variable is presumed to be row variable. Normally, contingency tables include percentages; this makes the interpretation of the results easier.

Cramer's V is another alternative possible method of assessing the strength between independent variable and dependent variable. Cramer's V uses nominal variables of which one of the two variables must have more than two categories. The performance of this statistic indicates the emphasis of the interaction between the two variables and not some other direction of the relationship (Bryman & Bell, 2011). Phi (ϕ) is a statistic that is used to examine a relationship between two dichotomous variables. Unlike Cramer's V which can only take a positive value, phi coefficient varies between 0 and +1 or -1 and therefore similar to Pearson's in this aspect because it does not only give the strength of the association but also the direction of the two variables. According to Kothari (2009), Phi coefficient (ϕ) is related to chi-square (χ^2) since chi-square (χ^2) can be converted to Phi coefficient (ϕ) by use of the following formula: $\phi=\sqrt{(\frac{\chi 2}{N})}$

Eta measures the intensity of a two variables relation. The independent attribute must be a nominal variable while the dependent-variable must be an interval or ratio variable. Eta is normally described as flexible method of exploring the relationship between variables for it does not assume that the two variables are linearly related. Like Cramer's V, Eta does not give the direction of the relationship and therefore the output of this analysis will always be positive.

Table 3.2

Summary of Methods of Bivariate Analysis

	Nominal	**Ordinal**	**Interval/ Ratio**	**Dichotomous**
Nominal	-Contingency table-Chi-Square-Cramer's V	Contingency table-Chi-Square-Cramer's V	Contingency table -Chi-Square -Cramer's V If the interval/ratio variables can be identified as dependent variable, compare means eta	Contingency table -Chi-Square -Cramer's V
Ordinal	Contingency table -Chi-Square-Cramer's V	Spearman's rho (ρ)	Spearman's rho (ρ)	Spearman's rho (ρ)
Interval/ Ratio	Contingency table-Chi-Square -Cramer's V-If the interval/ratio variables can be identified as dependent variable, compare means eta	Spearman's rho (ρ)	Pearson's (r)	Spearman's rho (ρ)
Dichotomous	Contingency table -Chi-Square -Cramer's V	Spearman's rho (ρ)	Spearman's rho (ρ)	Phi (ϕ)

To meet the study's goals, the bivariate correlation analysis for all the variables was conducted to establish the association between the Independent variable, and variable dependent. Aiming to

determine the technique to be used, the decision was based on the following conditions. The first condition is the level of measurement of each of the two variables (Bryman & Bell, 2011). The second condition is normal Population distribution out of which sample has been drawn (Sekaran & Bougie, 2010; Mugenda & Mugenda, 2012). The Pearson's (r) was found to be the most appropriate technique for bivariate correlation analysis. Thus Pearson's (r) was computed and it indicated the strength and path of the relationships between the independent variable and the dependent variable in the study

The bivariate relationships conducted were on the following: Customer Orientation and Organizational Performance Relationship; CRM Organization and Organizational Performance; knowledge Management and Organizational Performance; CRM and Organizational Performance Technology Based; and all CRM dimensions combined and Organizational Performance. Likert scale types of questions were used for each of these variables.

Each of the aforementioned constructs was measured using a Likert scales type of question. A Likert scale is ordinarily considered a form of ordinal category scale which measures attitudes from very positive to very negative (Smith et al., 2012). Although a Likert scale is an ordinal scales of measurement, Pearson's Product-Moment correlation is normally used for correlation analysis since Likert scales can be used with interval procedures provided the scale items are not less than five; the more items there are, the better (Bryman & Bell, 2011; Jaccard & Wan, 1996). The study also satisfied normality condition. To establish whether the association occurred by chance or not, statistical significance test were conducted at a critical value ("alpha") of 0.05 (Mugenda & Mugenda, 2012; Abramson &Abramson, 2001). A Pearson correlation matrix was

used to display the bivariate relationships among all the dimensions of CRM and the performance of classified hospitality establishments. The matrix indicated three important pieces of information. The first piece of information was on the direction in variation of one variable as the second variable varies and second was on the strength of the relationship between each of the two variables, and finally on the statistical significance of the bivariate relationships. Correlation coefficient is normally denoted by r ; where $-1 \leq r \leq +1$. A value of r=1 indicates a perfect negatively relationship between independent and dependent variables. A positive value of one (+1), indicates a completely positive relationship between independent and dependent variables. On the one hand, as the absolute value of r approaches 1, the stronger the relationship between independent and dependent variables, while on the other hand, the weaker the relationship between independent and dependent variables as the absolute value of r approaches zero.

A positive sign implies a positive slope which means that As the values of one variable increase, the values of the other variable also increase; and as the values of one variable decrease the values of the other variable decrease too. The two variables, it's said, shift in the same direction. A negative sign indicates a negative slope which means that as the values of one variable decrease, the other variable increases the values; in other words, the two variables shift in the opposite direction.

The bivariate correlation results may suggest a relationship exist between Customer Orientation (X_1) and Performance (Y); CRM Organization (X_2) and Performance (Y); Knowledge Management (X_3) and Performance (Y) and finally Technology Based-CRM (X_4) and Performance. This relationship is indicated by non-zero values of regression coefficient and the correlation coefficient (r) which falls within $-1 \leq r \leq +1$ but not zero. However it could be argued

that these relationships are due to sampling error and as such do not apply at the population level. Consequently, tests for population parameters (β and ρ) to ensure statistical significance are important so as to rule out the idea that the occurrence of association is by chance. The appraisal of correlation coefficient to ascertain that a non-zero correlation coefficient in bivariate relationships is not due sampling error helps in making a statistical inference that the correlation at the population level is also non-zero. Otherwise a misleading sample can cause a researcher to mistakenly assume a relationship when in the actual sense no such relationship exists. The testing of the hypothesis

H_0: Null Hypothesis: $H_{0\,i}$: $\rho_i = 0$ Where, (i=1, 2, 3, 4)

H_A : Alternative Hypothesis: $H_{A\,i}$: $\rho_i \neq 0$ Where, (i=1, 2, 3, 4)

Where, ρ is the correlation at the population level.

The t-test which gives t-score is normally used for this appraisal. However p-value (or the marginal significance level) which is an abbreviation for probability value has grown in popularity (Studenmund, 2011). One of the reasons why p-value is popular compared to t-score is because it is easy to use. However, It is worth noting that the p-value is only relevant for samples and not a population because they are based on probability; where $0<p< 1$ (Zikmund et al., 2013). The outcome of the test is determined by comparing the p-value to the chosen level of significance (α-alpha).

3.9.4.2 Regression Analysis

The research functions of the study are as follows: The research model is Y= f_n (X_1, X_2, X_3, X_4). The statistical model of the study is $Y = B_0 \beta_1 X_1 \beta_2 X_2 \beta_3 X_3 \beta_4 X_4$ while the econometric model which introduces error term into the statistical model is $Y = B_0 \beta_1 X_1 \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon_1$

In these equations, Y represents the performance; X_1, X_2, X_3 X_4 represent the four dimensions of CRM, namely: CO, CRMO, KM and TBCRM respectively. $\beta_1, \beta_2, \beta_3, \beta_4$ are the coefficients of CO, CRMO, KM, and TBCRM respectively while $\beta_0$and ε_1 are constant and error term in the model respectively.

Regression analysis aims at identifying a line that fits the sample data better than any other line. This line is referred to as the line of best fit or regression line and the mathematical procedure that produces the regression line is referred to as ordinary least squares (OLS). The first four aims of this study were to develop the relationship between each of the CRM's four dimensions and the performance of Kenya Coast categorized accommodation facilities. To establish whether each of this relationship and the exact nature of each of these relationships, the researcher set out to use OLS procedures to determine the regression models.

Usage of the regression model will create the assurance of goodness-of-fit of either the standard error of estimate or coefficient of determination (King'oriah, 2004). This exercise of determining "how good is our best fit" is to ensure that the regression model is reliable as a prediction model. The standard error of estimate has been defined as the amount error in a sample statistics that affects the population parameter during estimation process (Mugenda & Mugenda, 2012). The

standard error of estimate, abbreviated as S_e, gauges the variation of the data points above and below the regression line. Standard error of estimate can be compared with standard deviation since both are measures of dispersion or scatter, of observed values. However the two statistics differ in that the standard error of estimate measures the dispersion of observed X values around the regression line while standard deviation measures the dispersion around the mean (Lind et al., 2012). The smaller the S_e the greater the reliability of a sample data in prediction and the greater the S_e the smaller the reliability of a sample data in prediction (Kothari, 2009; Lind et al., 2012). In other words a small S_e, indicated that the observed data is relatively close to the regression line while a large S_e indicates that the observed data is relatively farther from the regression line. Otherwise if all the data points fell on the regression line, then S_e would be equal to zero implying that there would be no error in forecasting; this can only be possible if the sample and the population are the same. The size of S_e has an inverse relationship with the Sample size: The smaller the sample, the larger the sample S_e, and the bigger the sample the smaller the Se.

The second measure of reliability of the regression line is coefficient of determination, abbreviated as R^2. This measure is a more commonly used measure of reliability in social science studies compared to the standard error of estimate. R2 is a ratio of the number of squares explained to the total sum of squares, since a fitness metric, R2 represents the percentage of change in the dependent variable explained by the independent variable (King'oriah, 2004). This percentage varies from 0 to 1 (0 depends on 1). The greater the better the goodness- of- fit of the regression model.

The coefficient of determination (R^2) is sometimes called a measure of "goodness -of -fit" and is also the square equals the sample correlation coefficient. The value of R^2 ranges between zero and one that is, $0< R^2<1$. The closer R^2 is to 1, the closer the sample observations are to fitted regression equation. If by any chance $R^2=1$, then all the sample observations fall exactly on the fitted least square line and the model is said to fit the data perfectly. In case $R^2=0$, then the sample observations for y and x have no linear association.

Empirically, R^2 has been found to suffer from statistical deficiency and particularly in the multiple regression context. Any additional independent variable introduced into the model can never decrease R^2 but R^2 will always increase even when the additional independent variable does not make sense to the model (Studenmund, 2011; Stewart, 2005; Halcoussis, 2005). Stewart (2005) asserted that a model with more independent variables will appear to explain the behaviour of dependent variable better that a model with a fewer independent variables. Researchers such as Halcoussis (2005) and Stewart (2005) have found the remedy to the problem identified in R^2 in the adjusted coefficient of determination which has been identified as a better alternative goodness-of- fit that does not have the undesirable feature that R^2 suffers from. When comparing the two indices, unadjusted R^2= adjusted R^2 when K=1, otherwise when K> 1 then unadjusted R^2> adjusted R^2. Adjusted R^2 gives more realistic results than unadjusted R^2 does; since it takes into account the corresponding degree of freedom (Mukra, 1993). Consequently, adjusted R^2 is a more robust index of fit compared to unadjusted R^2 for adjusted R^2 allows better comparison of goodness- of- fit for models with a varied number of independent variables otherwise unadjusted R^2 can be used only to compare regression models with the same number of

independent variables (Zikmund et al., 2013; Cooper & Schindler, 2006; Newbold, Carlson & Thorne, 2013). The unadjusted determination coefficient is determined using formula:

$R^2=1-\frac{SSE}{SST}$

While adjusted coefficient of determination is computed using the following formula:

$R^2=1-\frac{SSE/(n-k-1)}{SST/(n-1)}$, where SSE is the error sum of squares;

SST is the total sum of squares;

n is the sample size;

k represents the degree of freedom.

Although unadjusted R^2 and adjusted R^2 measure the degree of fit of a model, the two indices do not provide a formal hypothesis test of that fit. The hypothesis test is provided by the F-test and t-test. F-test is normally used in a case of a single hypothesis that contains a more that one hypothesis. F-test can also be used in a case of a single hypothesis that has a group of coefficients (Studenmund, 2011). For the case of a t-test, it is normally used to test hypothesis about individual regression slope coefficient (Studenmund, 2011). Thus F test and t test are two useful tests for making inference in multiple regressions.

H0 F-test:β1= ß2= ... βk=0; ha: = one of the β0 at least. If p is less than α=.05 then the null hypothesis is dismissed and the alternative hypothesis accepted. This decision indicates there is good evidence that among the independent variables there is some degree of predictive value. However this does not show how strong the relation is or which among the independent variables is more useful in the prediction of the dependent variable (Hildebrand & Ott, 1998). The

inferences of how strong the relation is or which among the independent variables is more useful for predictive purpose, the estimated standard error of each partial slope, which is needed, is derived from t-test. In this test, H_0: $\beta j=0$. Hildebrand and Ott (1998) assert that this null hypothesis does not indicate that βj has no predictive value by itself rather it does not have additional predictive value over and above the value contributed by other independent variables. In t test, βj should always be treated as the last predictor in.

The test for β_1 for each of the four CRM dimensional-performance relationships was achieved by testing the hypothesis. For the purpose of testing hypotheses in this study, a critical value ("alpha" symbolized as "α") of 0.05 was used for appraising the significance. A p-value of 0.05 is generally taken as standard for social sciences research (Gaur & Gaur, 2009). The rule of decision is that if p-value is less than alpha, then do not refuse H_0, otherwise if p-value is greater α=0.05 then reject H_0 in favour of H_A

Where:

H_0: Null Hypothesis: $H_{0i}: \beta_i = 0$ Where,(i=1, 2, 3, 4)

H_A : Alternative Hypothesis: $H_{A\ i}: \beta_i \neq 0$ Where, (i=1, 2, 3, 4)

The SPSS regression output normally gives regression coefficients in two forms: standardized coefficients and unstandardized coefficients. When coefficients are standardized, they are called beta weights and their relative importance of the respective independent can be compared with the values variable, bearing them, to the prediction (Cooper & Schindler, 2006). The larger the beta coefficient of an independent variable the stronger the impact that The independent variable

has an impact on the dependent variable as compared to other independent variables (Aaker et al., 2011). Zikmund et al. (2013) suggested the utilization of standardized coefficient when the purpose of the researcher is to explain the relationships and the use of unstandardized coefficient when the purpose of the regression analysis is prediction.

Univariate linear regression model for each independent variable the effect of each independent variable on dependent variable was calculated by obtaining the determination coefficient) (which measures the proportion of Variance in dependent variable as the explanatory variable states. The F-test, which is a statistical parametric bivariate test, was used to check if each independent variable was a successful dependent variable predictor (performance of classified hospitality facilities). Further, t-statistic was used in testing the null hypotheses at 5 per cent level of significance.

Further, to establish the multivariate relationships in objective (v) of the study, three multiple regression models were used as follow:

$$Y = B_0 + \beta_1 X_1 + \beta_2 X_2\ \beta_3 X_3 + \beta_4 X_4 + \varepsilon_1 \quad \text{.....Model 1}$$

$$Y = B_0 + \beta_1 X_1 + \beta_2 X_2\ \beta_3 X_3 + \beta_4 X_4 + B_j Z_j + \varepsilon_1 \quad \text{.....Model 2}$$

$$Y = B_0 + \beta_1 X_1 \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + B_j Z_j + B_{ij} X_i Z_j + \varepsilon_1 \quad \text{.....Model 3}$$

Where:

B_0 is the Y intercept/ constant

Y is the Performance of the classified hospitality facility

B_i are the coefficients of the corresponding CRM dimensions in direct relationship

X_i (i=1, 2, 3, 4) are the four shapes of CRM; namely: Customer Orientation, CRM Organization, Knowledge Management and Technology Based CRM

B_j is the coefficient of the coefficient of the moderator as a predictor.

$X_i Z_j$ is the interaction term between CRM dimensions X_i (i = 1,2,3,4) and Moderating variable (organizational factors) Z_j (j = 1,2,3)

B_{ij} is the coefficient of the interaction term.

ε_1 is the error estimate; room left for the inevitable errors that take of the deviation between the actual y values from their predicted values.

The regression performance obtained in OLS supported the determination coefficient (R2) and the F-statistics used respectively in evaluating fitness goodness and validity of the model.

3.9.5 Data Analysis Tools

Statistical Package for Social Sciences (SPSS) is the computer technology kit that was used in this analysis for data analysis. SPSS has its other computer application software counterpart such as Excel, E-Views, Strata, MStat and SAS. Despite the existence of all other counterparts, SPSS has been described as "Perhaps the most commonly used computer software for quantitative data analysis in the social sciences (Bryman & Bell, 2011). The popularity of SPSS as a statistical package is derived possibly from its inherent features. These features include: one, its ability to perform highly complex data manipulation and analysis even when data set goes larger. Two, it is user- friendly for it only requires simple operational instruction; thus it is easy to use especially for beginners. SPSS has evolved over the years with different versions indicating an

incremental innovation which is an improvement of an earlier version. This study has used IBM®SPSS®Statistics23.0 version released in the year 2015.

3.10 Data Presentation

It is said that "a portrait worth a thousand words" In line with this, visual or graphic aids were used to enhance clarity of the findings of the study. Different types of visual aids such as tables, charts and diagrams were used. The use of visual presentations was not only meant to simplify the information but also help to highlight pattern and trends in the data.

Tables are described as graphical aids which are useful in presenting numerical information and especially when such information can be arranged in columns and rows. Tables summarize information which would bog down the researcher when narrating the details. The tables such as frequency tables, frequency distributions, scatter plots; correlation matrices and cross tabulates were used to summarize the data while ensuring that the contents of the table were indicated and that these contents were complete enough such that it would be understandable to the readers of the report of the study without the aid of the text. The table numbers and titles were place at the top; the reason being that tables is read from top down (Zikmund et al., 2013).

Charts are form of visual aids that allow translation of numerical information into visual form. This allows the readers of the study to grasp easily the relationships of the variables under study. One of the disadvantages of using charts is that charts are subject to distortion. The distortion may be unintentional or deliberate and may arise when different scales have been used even on the same set of data (Zikmund et al., 2013). Histograms, bar charts, pie charts and line charts

such as Q-Q plots were used. The figure numbers and the title were placed at the bottom of the figure although according to Zikmund et al. (2013), the figure number and title can be placed either at the top or bottom of the figure.

3.11 Ethical Considerations

When conducting studies, moral principles and values that guide the researcher ought to be considered (Mugenda & Mugenda, 2012; Sekaran & Bougie, 2010). Saunder et al. (2007) have identified three specifics stages under which ethical concerns may arise. These circumstances are: First stage is when the researcher is at the planning stage of the research. Second stage is when the researcher is seeking access to collect and analyse data. Third stage is during reporting of the findings. Ethical principles that a researcher needs to safeguard include ensuring anonymity to the respondent is observed, keeping confidentiality of the information the source provides, and giving informed consent from the concerned individuals and/or organizations.

The first area of ethical concern that the researcher sought, was to comply with legal requirements. According to Section 17(1) of the Science, Technology and Innovation Act 2013 (revised in 2014) anybody who intends to undertake research in Kenya is required to apply to National Commission for Science, Technology and Innovation (NACOSTI) for the grant of a Research licence. NACOSTI is a State-owned company founded under the 2013 Science Technology and Innovation Act and revised in 2014. The Commission is the successor of the National Council for Science and Technology. The Commission is mandated to regulate and quality assure science, technology and innovation sector and advise the Government of Kenya on matters related to this sector.

It is for this reason the researcher, applied for a permit (license) from NACOSTI to collect data after the proposal stage. Before NACOSTI could consider the application for the license to collect data, the applicant had to upload the following into the NACOSTI website: Passport size photo scanned National Identification Card, Research Proposal, and Introductory letter for the applicant (PhD student) from the University of Affiliation and evidence of payment.

The application of the license was done through the Kenya Methodist University which is the institution the researcher/applicant is affiliated to. The licensee was granted the license and was valid for one year. The period was running from 8th of December 2016 to 7th of December 2017. The NACOSTI notified the relevant Government Agencies, namely: the County Commissioners and the County Directors of Education for Mombasa, Kwale, Kilifi, Taita Taveta, Lamu and Tana River Counties; that is the counties within the Coast region of Kenya which the researcher the intended to conduct data collection exercise and the period over which the exercise was to take place.

The right to privacy is one of the tenet institutions such as hospitality facilities hold dearly. To ensure that the invasion of privacy was not transgressed, the researcher sought an introductory letter from Kenya Association of Hotelkeepers and Caterers (KAHC). The KAHC is an association that represents the hospitality facilities to the government ministries and state corporations on matters of regulations, licencing and policy. The government ministries include ministries such as tourism ministry, ministry of Finance and ministry of labour and manpower while state corporations include corporations such as Kenya Tourism Board, Kenya Tourism

Federation, Federation of Kenya Employers, the Hotel and Restaurants Authority and Kenya Utalii College.

Still in an attempt of avoiding transgression of privacy of the accommodation facilities, the researcher requested for appointments with the General Managers of the hospitality facilities prior to the visit for dropping the questionnaire. Most of the General Managers delegated the responsibility of assisting the researcher to either the Human Resource Manager or the Front Office Manager. There a few cases where getting the direction from the General Manager took longer than expected.

To achieve anonymity, the respondents were not to have written their names on the questionnaires anywhere. For the purposes of follow-up the mobile phone numbers or the email addresses of one contact person per facility were retained. However, these numbers and addresses were only made use at the follow-up stage. Anonymity was also enhanced by ensuring that it was only the receptionist or the Human Resource Manager who knew the person who filled the questionnaire. The researcher and the research assistant were never in contact with the respondents other than the receptionists and the Human Resource Managers who were also respondents. By the receptionists and Human Resource Managers acting as link persons, had an advantage since they were able to assist any respondent who had any question or difficulty on the filling of the questionnaire. Although in some circumstances research participants would not wish to remain anonymous, in the case of this research none of the participants requested their identity to be made explicit.

Further, for the purpose of obtaining any useful information that could be missing after the questionnaires were returned, questionnaires were coded so as to link the participants with the information provided without compromising the principle of anonymity. The organization also remained anonymous because the questionnaire did not have any question that was asking the respondent to indicate their organization's name.

In this study, a full disclosure of the purpose of the study was made. This was made on the covering letter which had the following information: Introduction of the researcher to the respondent, the aim of the study; indicating the subject matter of the study and the academic institution to which the researcher is associated. Apart from the covering letter which served as self-introduction letter, letters from NACOSTI and KAHC were attached to the questionnaire. The letter from NACOSTI indicating that the researcher had been permitted to collect data from the classified hospitality facilities in Mombasa County, Kwale County, Kilifi County and Taita Taveta County while the introductory letter from KAHC was meant to inform the respondent that KAHC was aware of the data collection exercise; this boosted their willingness to fill the questionnaire.

The respondents, without any undue influence or coercion, were requested to provide the information without revealing their name on the questionnaire. Ethical issues are two-sided in that they do not only pertain to the researcher but also to respondents also (Sekaran & Bougie, 2010). Thus the researcher assumed that the respondents, having exercised the choice to participate, undertake their roles as expected. The researcher expected the respondents to cooperate fully in responding to the survey and be truthful and honest in their responses.

However, some researcher violate their obligation of cooperating fully and this results to non-response

CHAPTER FOUR

RESULTS ANDDISCUSSION

4.1 Introduction

The purpose of the analysis was to assess the impact of CRM dimensions on performance of classified accommodation facilities in Kenya's Coast area.This chapter presents research findings by focusing on; descriptive statistics, data analysis and suggestions by the respondents based on the specific objectives of the study. Using concise and inferential statistics, data on the CRM dimensions and results were analysed.

4.2 Response Rate and Reliability of the instruments

The response rate is calculated by dividing the number of completed questionnaires by the number of predicted questionnaires from all the qualified respondents (Churchill et al., 2009). The reliability of the instruments is an indicator of questionnaire accuracy. Study analysis has determined the durability of the constructs; as shown in Table 4.2

4.2.1 Response Rate

The population goal for the study was respondents occupying managerial or supervisory positions at 33 classified hospitality facilities. Out of the sampled 33 classified accommodation facilities only 30 returned the questionnaires. As such, a total of 330 questionnaires were issued out of which 216 were duly filled and returned by the 30 classified accommodation facilities. In terms of the returned questionnaires out of the issued ones, the response rate in percentage translates to 65.5% as shown on Table 4.1. A 50 per cent response rate is acceptable; 60 per cent is decent, while 70 per cent and above are considered very decent, according to (Mugenda &

Mugenda, 2003). In this study, a response rate of 65.5 percent was achieved, and is not only adequate but good for the study (Kothari, 2009; Mugenda, 2008; Mugenda & Mugenda, 2003). One of the strategies used in order to achieve such a response rate was pre-notification of the managers by the human resource department and also guaranteeing the respondents of confidentiality.

Table 4.1

Response rate

Status	**Frequency**	**Frequency**
Responded	216	65.5%
Not Responded	114	34.5%
Total	**330**	**100%**

4.2.2 Reliability of Data Collection instrument

The Cronbach alpha was used to assess the mean correlation of items in the survey tool based on pilot test input to gage their reliability. The alpha values obtained by the Cronbach for variables greater than 0.7 which is considered appropriate in the social sciences (Hair et al., 2010). The findings obtained are illustrated in Table 4.2.

Table 4.2

Reliability Analysis

Construct	**Cronbach's Alpha**	**No. of Items**	**Status**
CustomerOrientation	0.842	7	Reliable
CRMOrganization	0.859	6	Reliable
KnowledgeManagement	0.803	3	Reliable
TechnologyBased-CRM	0.835	5	Reliable
OrganizationPerformance	0.866	9	Reliable

The findings in Table 4.2 indicate that Customer Orientation It had Cronbach's Alpha of 0.842, CRM Organization had Cronbach's Alpha of 0.859, Knowledge Management had Cronbach's Alpha of 0.803, Technology Based-CRM had Cronbach's Alpha of 0.835, and Organization Performance had Cronbach's Alpha of 0.866. This indicates that all of the variables had the Alpha of Cronbach greater than 0.7 and that the research instrument was accurate and correct.

4.3 Descriptive information on Customer Relationship Management, size of a firm and Performance

This category of analysis uses statistical indices to provide descriptive information on the data for each variable. This information is presented in form of percentages, frequencies and standard deviation. Frequencies indicate the number of times an item has been scores and form the bases from which the percentages are calculated. Standard deviation is one the measures of dispersion and for normality distributed data (Sekaran & Bougie, 2010).

4.3.1 Categorization of Accommodation Facilities Based on Star Rating

The research attempted to evaluate the accommodation types. In terms of star rating as a criterion for categorization, the facilities ranged from star two to star five as indicated in Table 4.3.

Table 4.3

Category of the Hospitality facilities

Category	Frequency	Percent
Two	22	10.2
Three	91	42.1
Four	76	35.2
Five	27	12.5
Total	**216**	**100**

Four Star accommodation facilities accounted for 35.2%, Three Star accommodation facilities accounted for 42.1%, Five Star accommodation facilities accounted for 12.5% while Two Star accommodation facilities accounted for only 10.2%. This implies that most of the accommodation facilities were large and reputable.

4.3.2 Size of the Accommodation Facilities Based on Bed Capacity

The bed capacity was used as a measure of the number of guests that can be hosted by accommodation facilities. The assumption was that the larger the bed capacity the larger the facility and the smaller the bed capacity, the smaller the facility as depicted in Table 4.4.

Table 4.4:

Accommodation facilities size based on bed capacity

SIZE/bed capacity	Frequency	Percent
Less than 50	19	8.8
50 to 100	58	26.9
100 – 150	26	12
150 to 200	36	16.7
Over 200	77	35.6
Total	216	100

Table 4.4 findings show that the bulk of the accommodation is facilities had over 200 beds (35.6%), a number had 50 to 100 beds (26.9%) and the least had less than 50 beds (8.8%). The implication of this is that the hotels were large enough and thus appropriate for the study.

4.3.3 Size of the accommodation facilities based on the number of employees

In addition to bed capacity, the number of employees was used as a measure of the workforce of the accommodation facilities, which was used as a proxy in measuring the size of accommodation facilities. It was assumed that the larger the number of employees in a classified accommodation facility the larger the facility and the fewer the number of employees the smaller the facility as can be observed in table 4.5

Table 4. 5

The accommodation facilities' size as per the number of employees

SIZE/ no. of employees	Frequency	Percent
Less than 50	47	21.8
50 to 100	42	19.4
100 – 150	56	25.9
150 to 200	23	10.6
Over 200	48	22.2
Total	216	100

The results as shown by Table 4.6, majority had 100 – 150 employees (25.9%), while a number had over 200 employees (22.2%) with only few had 150 to 200 employees (10.6%). This implies that the classified accommodation facilities had a large workforce which enhances how operations are undertaken in the organizations.

4.3.4 Customer Orientation

The study aimed to determine the impact of client orientation practices on the performance of classified accommodation facilities in the coastal region of Kenya. This is in line with an

overwhelming customer-centric focus targeting key customers whose needs the company can satisfy. The results obtained are as shown by Table 4.6.

Table 4.6

Customer Orientation construct

Customer Orientation Construct	N	Min.	Max.	Mean	Std. Dev.
The corporate goals of the company are tailored to customer satisfaction	216	1	5	4.4	0.858
Organization monitors closely and assesses its commitment to serving customer needs	215	1	5	4.3	0.823
Competitive advantage of company is focused on knowing consumer needs	216	1	5	4.3	0.861
Business plans for companies are driven by the goal of rising consumer satisfaction	216	1	5	4.2	0.935
Business strategies for company are driven by the purpose of growing customer satisfaction	215	1	5	4.2	0.91
Organisation Pay special attention to after-sales support	216	1	5	3.8	1.114
Organization provides to main consumers customized goods and services	216	1	5	3.9	1.037
Composite Mean				4.2	

Key: Weighted on Scaling: 1.0-1.7(strongly dissatisfied); 1.8-2.5(dissatisfied); 2.6-3.3(neutral); 3.4-4.1(agreed); and 4.2-5.0(strongly agreed)

The results of the investigation are shown in Table 4.6. concurred that customer orientation was due to: association's business goals being focused to customer satisfaction with a mean of 4.4 strongly agreed; The organization closely monitors and evaluates its level of commitment to serving customer needs by a strongly agreed mean of 4.3; the competitive advantage of the

organization is based on the understanding of customer needs by a strongly agreed mean of 4.3; the business strategies of the organization are driven by the objective of increasing customer value by a mean of 4.2. strongly agreed; The business strategies of the organization are driven by the objective of increasing the value for custom with a strongly agreed average of 4.2; the organization offers personalized products and services to key customers with an agreed average of 3.9; and finally , the organization pays great attention to after-sales service with an agreed average of 3.8.

4.3.5 Customer Relationship Management Organization

The aim of the study was to establish a relationship between the activities of the Customer Relationship Management Organization and even the performance of classified accommodation facilities in the Kenya Coast region. This relates to work done by company in training, developing and motivating the employees to ensure that customers are well served. The results obtained are as shown by Table 4.7.

Table 4.7

Customer Relationship Management Organization

Customer Relationship Management Organization Construct	N	Min.	Max.	Mean	Std. Dev.
My company has the experience and capital in sales and marketing to make CRM a success.	216	1	5	4.0	0.959
Our employee training programs seek to build the skills required to gain and improve customer relationships.	216	1	5	4.2	2.846
My company has set specific business goals relating to acquisition, growth, retention and reactivation.	216	1	5	4.1	2.919
Employee performance is measured and rewarded based on meeting customer needs and on successful serving the customers.	215	1	5	3.8	1.125
Our organizational framework around our customers is carefully planned.	215	1	5	4.3	4.012
The staff of my company are able to provide attentive support to customers.	216	1	5	4.4	0.841
Composite Mean				4.1	

Key: Ranked on a scale: 1.0-1.7(strongly disagree); 1.8-2.5(disagree);2.6-3.3(neutral); 3.4-4.1(agree); and 4.2-5.0(strongly agree)

The analytical findings in Table 4.7 indicate that the respondents agreed with the following statements explaining the implementation of CRMO practices:: the staff of my company are able to provide attentive support to customers with a mean of 4.4 strongly agreed; our organizational framework around our customers is carefully planned with a mean of 4.3 strongly agreed; the employees The training programs are designed to build the skills needed to build and improve customer relationships a mean of 4.2 strongly agreed; organizations have Set specific business targets related to growth, development, retention and reactivation with an agreed average of 4.1;

companies have the sales and marketing skills and resources to be competitive in CRM with an agreed average of 4.0; and Employee performance is assessed and offset according to consumer expectations and effective customer support with an agreed average of 3.8.

4.3.6 Knowledge Management

The study sought to develop the association between Knowledge Management practices the quality of listed accommodation facilities in Kenya Coast. Knowledge Management entails education and development, knowledge transfer and sharing, and sensitivity to information in an organization. The results obtained are as shown by Table 4.8.

Table 4. 8

Knowledge Management

Knowledge Management Construct	N	Min.	Max.	M.	S. d.
My organization completely understands the needs of our key customers by information sharing. learning	216	1	5	4.1	0.88
My organization offers platforms for continuous, bi-directional contact with our key customers and us	216	1	5	4.2	0.85
Customers should demand timely support from my organisation's employees	216	1	5	4.2	0.89
My company has the right technical staff to provide technological support in developing customer relationships through the use of computer technology.	216	1	5	4.0	0.98
Composite Mean(M)				4.1	

Key: Ranked on a scale:1.0-1.7(strongly disagree);1.8-2.5(disagree); 2.6-3.3(neutral); 3.4-4.1(agree); and 4.2-5.0(strongly agree)

The findings of the analysis indicate In Table 4.8 the interviewees believed with the statements below defining the adoption Knowledge Management practices: customers being able to expect prompt support from organization's workers with a mean of 4.2 strongly agreed; organizations provide channels to allow continuous, bidirectional contact with our main customers and us with a mean of 4.29 strongly agreed; organizations Comprehend the needs of our main customers in

full by awareness learning with a mean of 4.1 agreed; organization maintain Comprehensive Customer Server with a mean 4.1 agreed and organizations have the appropriate professional staff Fully understand the needs of our core task of providing technical support by information for the use of computer technology in customer relationships building with a mean of 4.0 agreed.

4.3.7 Technology-Based Customer Relationship Management

The research aimed to evaluate the how Technology-Based CRM and the performance of listed accommodation facilities in Kenya Coast relate with each other. This comprises information technology applications in customer acquisition, retention and overall achievement of mutual rewards for the company, as well as customers. Results obtained are as shown by Table 4.9.

Table 4. 9

Technology-Based Customer Relationship Management

Technology-Based CRM Construct	N	Min.	Max.	Mean	S.D.
My corporation has the right software to serve our clients	216	1	5	4.0	0.997
My organization has the right hardware to serve our clients.	216	1	5	4.0	0.964
Individual customer details are available at each point of contact.	216	1	5	3.9	1.037
My company maintains a large customer base.	216	1	5	4.1	1.035
Composite Mean				4.0	

Key: Ranked on a scale: 1.0-1.7(strongly disagree); 1.8-2.5(disagree); 2.6-3.3(neutral); 3.4-4.1 (agree); and 4.2-5.0(strongly agree)

Results of the report In Table 4.9, the respondents indicated that they agreed with the given comments illustrating adoption of Technology-Based CRM; organizations have the right software to serve the customers with a mean of 4.0 agreed; organization have the right hardware to serve the customers with a mean of 4.0 agreed; unique customer data are available at all

contact points with a mean of 3.9 agreed; and that Organization has a large client base with a mean of 4.1 agreed.

4.3.8 Organization Performance

This section sought to determine the organization Performance of Kenya Coast region identified accommodation facilities. The performance of any organization refers to how well an institution is doing its goals. This study utilized both market-oriented and financial-oriented indices to measure performance. The results obtained are as shown by Table 4.10.

Table 4. 10

Organization Performance

Organization Performance Construct	N	Min.	Max.	Mean	S.D.
The number of guests visiting our facility on average per year for the last five years has been increasing	216	1	5	3.7	1.128
The spending per visitor for the last five years has been increasing	216	1	5	3.6	1.086
The bed-night stays have been increasing for the last five years	216	1	5	3.6	1.158
The customers' frequency (repeat visit) has been increasing for the last five years.	216	1	5	4.0	2.325
The positive word of mouth of customers has been enhanced for the last five years.	216	1	5	4.0	0.95
The market share of our facility (within our category) has been increasing over the last five years.	216	1	5	3.8	1.019
Profitability of our facility has been improving for the last five years.	216	1	5	3.6	1.059
Return on Investments (ROI) of our facility has been improving over the last five years.	216	1	5	3.5	1.087
Return on Assets (ROA) of our facility has been improving over the last five years.	216	1	5	3.5	1.104
Composite Mean				3.7	

Key: Ranked on a scale:1.0-1.7(strongly disagree);1.8-2.5(disagree); 2.6-3.3(neutral);3.4-4.1(agree); and 4.2-5.0(strongly agree)

The Results of the survey in Table 4.10 it is stated that the respondents agreed with the following statements defining the organization's effectiveness of graded/classified accommodation facilities in Kenya Coast area: customers' frequency (repeat visit) increasing for the last five years with a mean of 4.0 agreed; the positive word of mouth of customers has been enhanced for the last five years with a mean of 4.0 agreed; the market share of our facility (within our category) has been increasing over the last five years with a mean of 3.8 agreed; the number of guests visiting our facility on average per year for the last five years has been increasing with a mean of 3.7 agreed; the spending per visitor for the last five years has been increasing with a mean of 3.6; the bed-night stays have been increasing for the last five years with a mean of 3.6; agreed; profitability of our facility has been improving for the last five years with a mean of 3.6 agreed; return on Investments (ROI) of our facility has been improving over the last five years with a mean of 3.5 agreed; and that Return on Assets (ROA) of the facilities has been improving over the last five years with a mean of 3.5 agreed.

4.4 Diagnostic Tests

The data was subjected to diagnostic test to prove Multicollinearity and normality. Multicollinearity and normality are two main basic assumptions that underlie the regression analysis (Hair et al., 2010). Diagnostic tests on these two assumptions were done to ensure that the quality of quantitative assessment were valid.

4.4.1 Test for Multicollinearity

Multicollinearity is a situation whereby a predictor variables have a high degree of interaction (Kothari, 2009). Multicollinearity tests was conducted on the regression model so that incorrect

conclusions about relation of dependent variable to predictor variables could be avoided.Variance Inflation Factor (VIF) and tolerance degree was used to indicate presence of Multicollinearity test. The findings obtained are set out in Table 4.11.

Table 4.11

Test for Multicollinearity

Variable	Tolerance	VIF
Customer Orientation	0.449	2.226
Customer Relationship Management Organization	0.699	1.431
Knowledge Management	0.368	2.717
Technology Based-Customer Relationship Management	0.374	2.677

The findings as shown by Table 4.11, Customer Orientation had a Tolerance of 0.449 and a VIF of 2.226, CRM Organization had a Tolerance of 0.699 and a VIF of 1.431, Knowledge Management had a Tolerance of 0.368 and a VIF of 2.717 whereas Technology Based-CRM had a Tolerance of 0.374 and a VIF of 2.677. All variables had tolerance of greater than 0.2 and VIF less than 5 and there was no multicollinearity problem.

4.4.2 Test for Normality

Multiple regression analysis requires that the study variables are normally distributed. Skewness is a measure of asymmetry (Kothari, 2009). Hair et al. (2010) noted that if variation from normal distribution is proved and considered significant, then all statistical tests undertaken are rendered irrelevant because data normality is mandatory for F and t-tests.

A diagnostic test to ascertain the normality of the CRM dimensions was undertaken. Normality is an important premise of various statistical methods such as t-testing, linear regression analysis, differential analysis and ANOVA. There are two well-known tests on normality, such as the

Kolmogorov-Smirnov test and also the Shapiro-Wilk test. The Shapiro-Wilk Test is best suited for small sample sizes, i.e. less than fifty (50), but it can also accommodate sample sizes as high as 2,000 (2000). The Kolmogorov-Smirnov Test and the Shapiro-Wilk have been used as the numerical means of normality evaluation for this analysis. The product of the test is as shown in Table 4.12. According to the Kolmogorov-Smirnov and Shapiro-Wilk tests, if the significant value is greater than 0.05, there is no important difference of more than 0.05 between the population and sample, implying that the data is normally distributed. In other words, given H_0, $H_1$and α= 0.05where:

H0: Data is usually distributed

H1Rarely, data is not distributed

The decision rule is that if p< α= 0.05, then reject H_0, which states that the Data for H1 is normally distributed, indicating that the data is not normally allocated. If p>α= 0.05, then fail to reject H_0, otherwise the data will usually be distributed.

Table 4. 12

Tests of Normality: Kolmogorov Smirnov and Shapiro Wilk

Variables	Smirnova-Kolmogorov			Wilk Shapiro		
	Statistics	DF	SIG	Statistic	DF	SIG
Customer Orientation	.114	216	.000	.903	216	.000
Customer Relationship Management Organization	.115	216	.000	.926	216	.000
Knowledge Management	.170	216	.000	.868	216	.000
Technology Based Customer Relationship Management	.110	216	.000	.926	216	.000
Firm Performance	.099	216	.000	.956	216	.000

The study results in Table 4.12 show that the Kolmogorov-Smirnov test and Shapiro Wilk test. The p-values for all the variables are minus the alpha value (α= 0.05). Using the decision rule stated above, Customer Orientation(X_1), Customer Relationship Management Organization (X_2), Knowledge Management(X_3), Technology Based Customer Relationship Management(X_4) and Performance(Y) were all less than 0.05. This implied that all the variable data were not normally distributed. This study, therefore, rejected the corresponding Null assumptions (H0), that the data are usually distributed in favor of alternative hypothesis *(H_1)*, that the data is not normally distributed.

A typical use of the Kolmogorov-Smirnov and the Shapiro-Wilk tests is to check assumptions of normality required by other statistical tests to be used later in researcher's analysis. Both tests are sensitive by sample size, with large sample, even small deviations from normality will be reported as significant. As a result, both tests should always be used in conjunction with visual inspection of histograms and Skewness and kurtosis measures. Field (2013) offers some advises worth noting by researchers when reviewing statistical tests of normality. He advises researchers to always map their data and seek to make an educated decision on the magnitude of the non-normality based on converging facts. In other words, researchers should not over rely on tests such as Kolmogorov-Smirnov and Shapiro-Wilk. If, however, the assumption of normality has to be rejected, subsequent significance testing should be done using methods that do not require normality (non-parametric tests).

For this matter, data was further subjected to test and some of the tests further conducted for normality among single variables include measures of Skewness and kurtosis (Tabachnick &

Fidell, 2007). Skewness and kurtosis are referred to us as measures of asymmetry. Skewness measures how the items cluster around the mean while kurtosis measures the flat-toppedness of the curve (Kothari, 2009).

A perfectly bell shaped curve is said to be perfectly normally distributed and the mean, the medium and the mode are the same. Asymmetric distribution is when the curve is distorted either to the right or to the left. A curve that is distorted to the right is positively skewed (with mode less than the median and the median less than the mean that is, $Z < M < \bar{X}$) while a curve that is distorted to the left is negatively skewed (with mean less than the median and the median less than the mode that is, $\bar{X} < M < Z$).

To check the normality of the results, the measure of asymmetry which is the degree to which a value distribution deviates from symmetry around the mean has been used. A value of zero means that the distribution is symmetrical, whereas a positive skewness indicates a larger number of smaller values, and a negative value indicates a larger number of greater values. Values acceptable for empirical purposes are lie between -2 and +2.

On the other hand, Kurtosis is a function of a distribution's "peakiness," or "flatness. "A flatter distribution has a negative kurtosis and is said to be platykurtic, a more peaked distribution has a positive kurtosis and is said to be leptokurtic while a normal distribution has a zero kurtosis and is described and is said to be mesokurtic. A kurtosis value close to zero suggests a near normal shape. A negative value indicates a flatter than normal distribution, and a positive kurtosis indicates a peaked shape than normal. Just like in the case of Skewness, the kurtosis statistics

within -2 and +2 are adequate and appropriate for statistical analysis. The findings obtained are set out in Table 4.13.

Table 4. 13

Test for Normality: Skewness and Kurtosis

Variables	N Statistic	Mean Statistic	Skewness Statistics	Std. Error	Kurtosis Statistic	Std. Error	Decision
Customer Orientation	216	4.1534	-1.352	.166	2.89	.330	Normal
Customer Relationship Management Organization	216	4.0039	2.847	.166	16.357	.330	Not Normal
Knowledge Management	216	4.2191	-1.304	.166	2.541	.330	Normal
Technology Based – Customer Relationship Management	216	4.0120	-0.935	.166	0.983	.330	Normal
Firm Performance	216	3.5478	-0.401	.166	0.187	.330	Normal

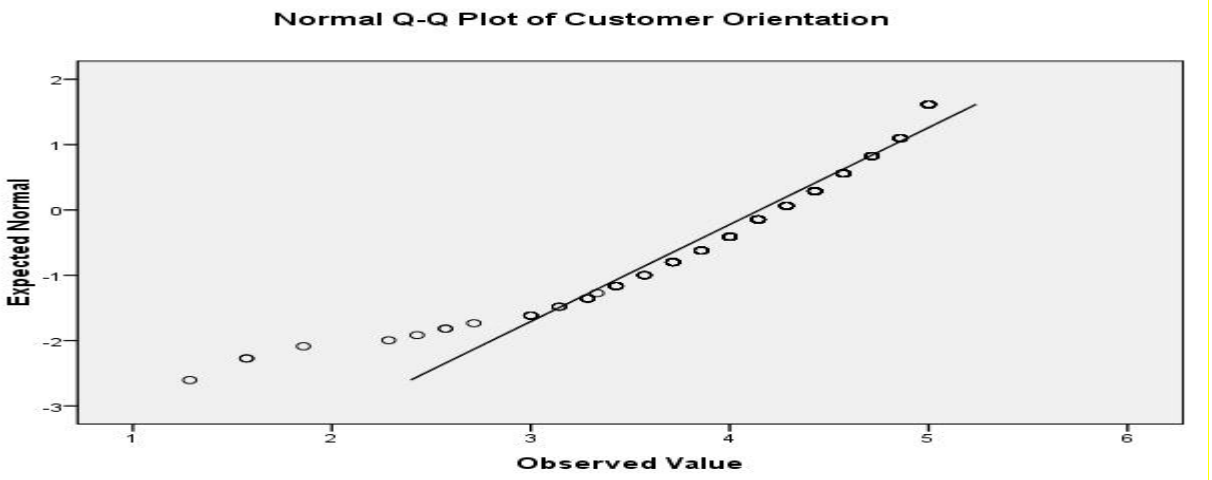
The results obtained as shown by Table 4.13, Customer Orientation had a Skewness of -1.352 and Kurtosis of 2.89, CRM Organization had a Skewness of 2.847 and Kurtosis of 16.357, Knowledge Management had a Skewness of -1.304 and Kurtosis of 2.541, Technology Based-CRM had a Skewness of -0.935 and Kurtosis of 0.983 whereas Performance had a Skewness of -0.401 and Kurtosis of 0.187. All the variables except CRM Organization were acceptable since their Skewness statistics were falling between -2 and +2. Also, the kurtosis values were between -2 and +2 except in CRM Organization indicating that the data (for CO, KM. & TB-CRM) were distributed towards respective means and hence normal. However the data for CRM

Organization which were not normal were standardized using $\log_{10}$.This study further challenged certain variables by analyzing their standard Q-Q plots.

a) Normal Q-Q Plot of Customer Orientation

Figure 4.1

Q-Q Plot of Customer Orientation

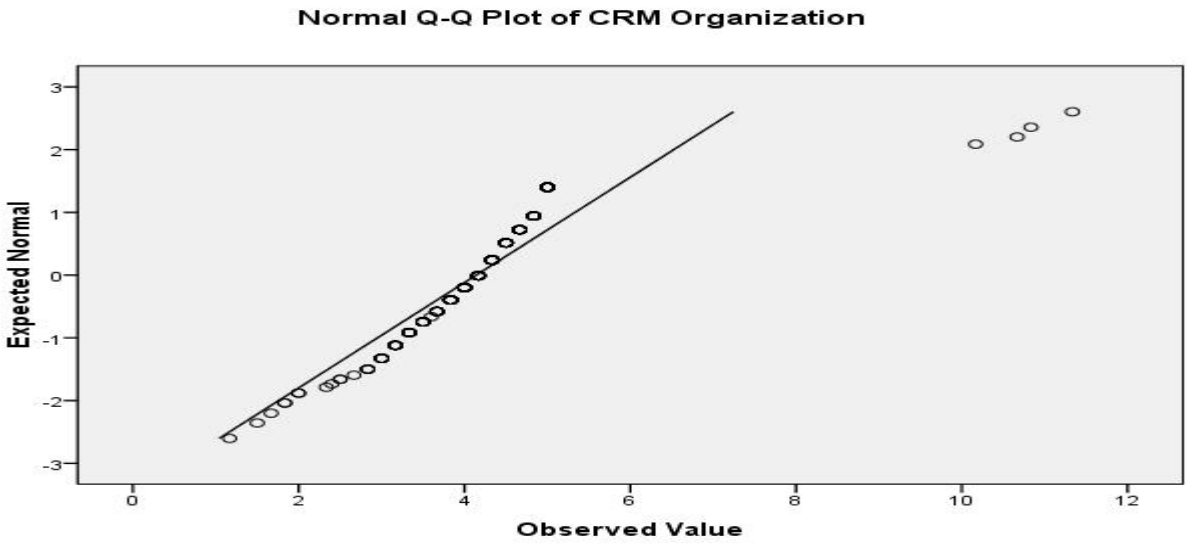


The observation from the Q-Q plot as shown by Figure 4.1 Indicates the data don't deviate from the perfect fit rows. This is consistent with the findings of the normality test suggesting that H01 can be discarded and concluding also that data is normally distributed; the Q-Q plot shows that the data is not different to the normal distribution.

b) Normal Q-Q Plot of CRM Organization

Figure 4. 2

Normal Q-Q Plot of CRM Organization

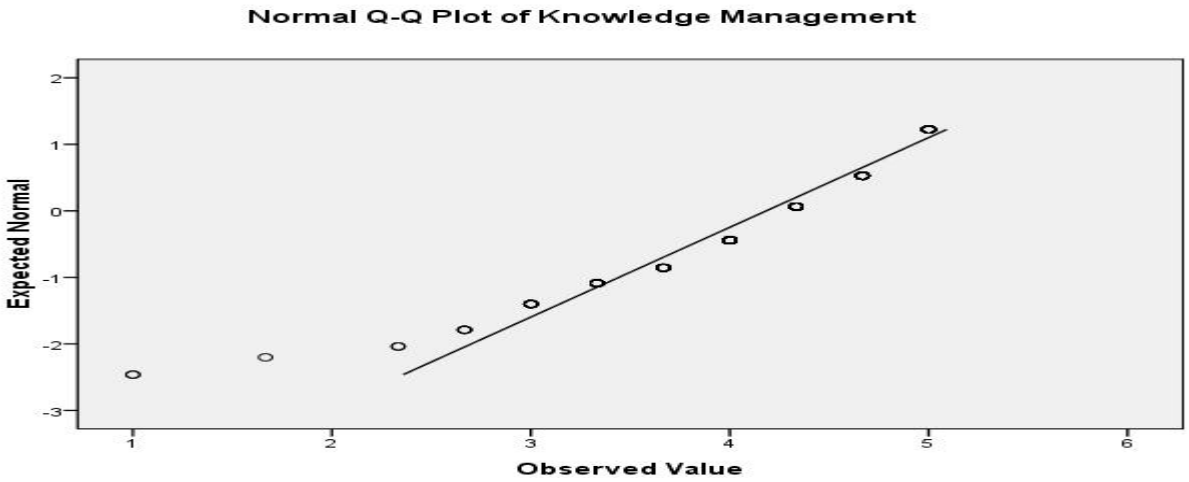


Although the CRM Organization was established not to be normal by the normality test, The Q-Q plot indicates that the data collected matches along the best fit line apart from a few instances. It is accurate to say that, even from the observations made in the Q-Q plot for though the findings of normality suggest that it is important to dismiss the null hypothesis (H02), the CRM data Organization does not deviate too much from the usual distribution. This thesis continued with the care of the data by standardizing it for further review.

c) Normal Q-Q Plot of Knowledge Management

Figure 4.3

Normal Q-Q Plot of Knowledge Management

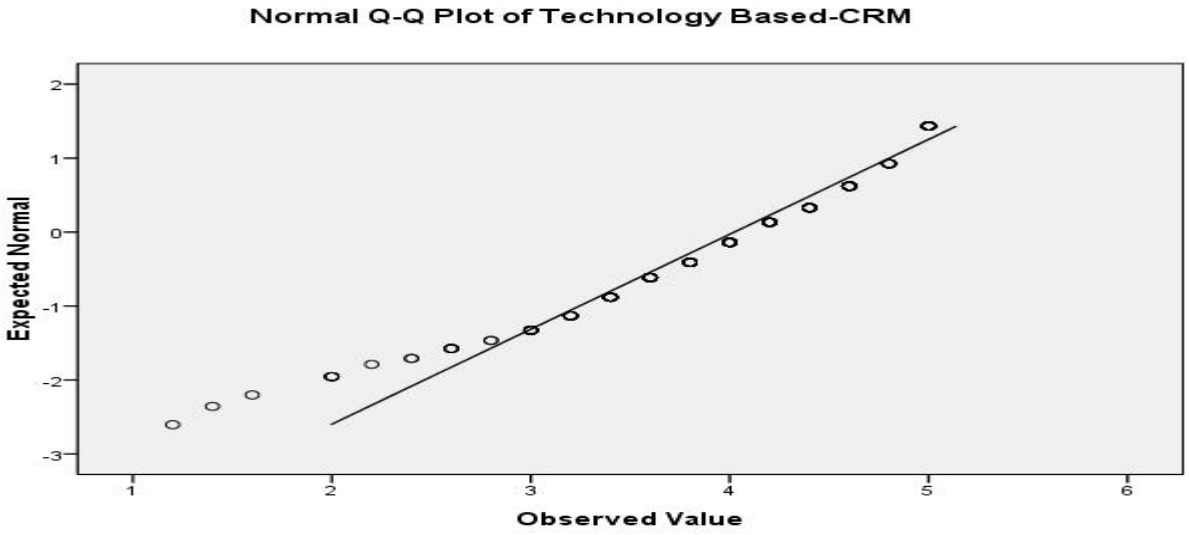


The observation from the Q-Q plot as shown by Figure 4.3 Indicates the data does not deviate from the best fit rows. This is consistent with the findings of the normality test suggesting that H03 should be discarded and concluding that the normal distribution of the data; the Q-Q plot showed that the distribution does not deviate from its normal distribution.

d) Normal Q-Q Plot of Technology Based-CRM

Figure 4. 4

Normal Q-Q Plot of Technology Based-CRM

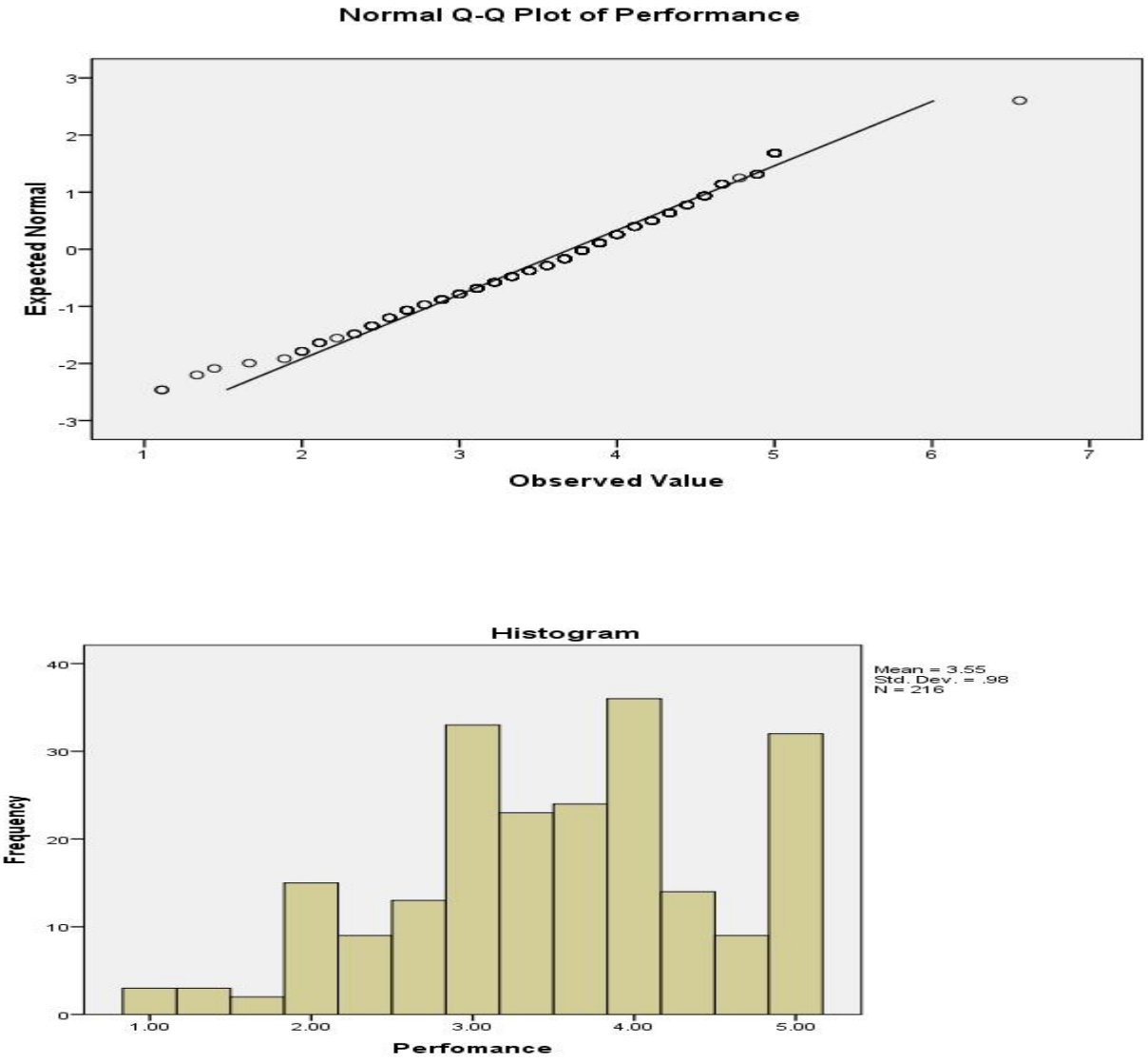


The observation from the Q-Q plot as shown by Figure 4.4 Indicates the dataset does not veer away from the best fit rows. This is consistent with the outcomes of the normality test suggesting that H01 can be ignored and confirming that the data is normally distributed; the Q-chart shows that the data does not veer away from the statistical model.

e) Normal Q-Q Plot of Performance

Figure 4.5

Normal Q-Q Plot of Performance



The observation from the Q-Q plot as shown by Figure 4.5 Indicates the data does not deviate from the best fit section. It is compatible with the performance of the normality test signaling that H05 should be discarded and claiming that the data is normally distributed; the Q-Q plot illustrates that this data does not deviate from the normal distribution.

4.5 Bivariate Correlations

Inferential statistics help to establish how various variables relate among themselves. In this study, the sample size (n) is equal to 30. This satisfies the central limit theorem which "by far is the most important theorem in statistical inferences" (Kothari, 2009). The study sought to establish the underlying relationships between variables and to what degree independent variables had an effect on dependent variables. Analysis of correlation and multiple regression analysis were used to accomplish this purpose.

Correlation analysis is used to find the relationship between two or more sets of variables. It also tells the direction as well as how much relationship exist between these variables. In this study the Karl Pearson's coefficient of correlation was used. One of the most common methods used to calculate the relationship about two variables is Karl Pearson's coefficient of correlation, also described as the coefficient of correlation of the moment of product. Table 4.14 is a correlation matrix that gives the correlation results of the linear relationships between different pairs of variables in the study.

Table 4.14

Bivariate Correlation Matrix

		Y	X_{1}.....	X_2	X_3	X_4
Customer Orientation(X_1)	Pearson Correlation	.547**	1			
	Sig.(2-tailed)	0.000				
CRM Organization (X_2)	Pearson Correlation	.463**	.668**	1		
	Sig.(2-tailed)	0.000	0.000			
Knowledge Management (X_3)	Pearson Correlation	.554**	.689**	.611**	1	
	Sig. (2-tailed)	.000	.000	.000		
Technology Based-CRM (X_4)	Pearson Correlation	.528**	.669**	.646**	.755**	1
	Sig.(2-tailed)	0.000	.000	.000	.000	
	N	216	216	216	216	216

***. Correlation is significant at the 0.01 level (2-tailed).*

The correlation matrix Table 4.14 shows that each of the four dimensions of CRM has a positive and important relationship in the success of the company. In particular, consumer focus (r=.547 * *, P<.001), CRM organization (r=.463 *, p<.000), information management (r=.554 * *, P<.001) and CRM-based technology (r=.528 *, P<.001). The study showed that CRM Organization (X2) has a favorable and important effect on classified accommodation facilities efficiency (r=0.463 * *, p<.001). This is due to the fact that CRMO is the main Considerations for the organizational success of the entire CRM business which includes the organizational structure, organizational resource involvement and human resources management.

The study found that information management (X3) affects the efficiency of classified accommodation facilities (r=0.554 * *, p<0.001) positively and significantly. Information

management had the most positive and important impact on the efficiency of the graded accommodation facilities in the Kenya Coast area compared with other CRM dimensions. The literature defined knowledge management as one of the main drivers which positively influences the success of the firm. The assumption is confirmed by the results of this study. The study found that CRM (X4) focused on technology exerts a positive and important impact on the efficiency of categorized accommodation facilities (r=0.528 * *, p<0.010). The purpose of this study was to assess whether technology is one of the major components influencing the performance of the accommodation facilities listed in the Kenya Coast area. Accurate customer data is necessary for good CRM results and thus, in addition to firm experience, technology plays an important role in CRM.

The findings indicated that Knowledge Management (X3) has the greatest inter-correlation with efficiency, followed by Customer Orientation (X1), then CRM (X4) based on technology, and the least CRM Organization (X_2). All four dimensions of CRM, however, have a major influence on the performance of the classified accommodation facilities in Kenya's Coast area.

Customer Orientation (X_1) has a positive and significant relationship with other three dimensions of CRM. Its relationship with CRM Organization (r=.668, p<.001); with Knowledge Management (r=.689, p<.001); and with Technology-Based CRM (r=.669, p<.001). The inter-correlation between CRM organization (X2) and information management (X3) is positive and significant (r=.611, p<.001); similarly, the inter-correlation between CRM organization and CRM related technology is positive and significant (r=.646, p<.001). Eventually, there is also a

strong and important relationship between information management (X3) and technology-based CRM (r=.755, p<.001).

The bivariate correlation results confirm that the outcome of diagnostic test, done earlier, that there is on Multicollinearity. From the table 4.14, none of the two predictor variables have a correlation of more than 0.8. Otherwise a correlation of greater than 0.8 would be an indication of the presence of Multicollinearity; a state which would make regression coefficients untenable (Churchill et al., 2009).

4.6 Customer orientation influence on organisation's performance of marked accommodation facilities

Objective 1: To find out the relationship between Consumer orientation and efficiency of listed accommodation facilities in Kenya Coast Region.

Table 4.15.

Summary of simple regression analysis for Customer Orientation influencing Performance of classified accommodation facilities.

Tests	Values	Significance
Correlation (r)	.547	.000
Constant (β_0)	0.715	.025
Unstandardized Coefficient (β_1)	.72	.000
Standardized Coefficient (β_1)	0.547	.000
Coefficient of Determination (R^2)	.299	
F-statistics	91.41	.000
Total	215	

Table 4.15 shows the optimistic and important effect of Customer Orientation (X1) on the efficiency of graded accommodation facilities (r=0.547 * *, p<.001). This disclosure means that enhancing consumer orientation within the organizations can lead to an increase in an organization's efficiency.

Further analysis was carried out where a univariate linear regression model was used to assess the effect Customer orientation about the efficiency of classification accommodations in organization. Coefficient of determination (R^2) indicates that Customer Orientation explains 29.9 per cent of classified performance variations accommodation facilities while the coefficient of non-determination ($1-R^2$), that is, unexplained variation of 70.1% is the variation in performance which can be attributed to other factors other than the Customer Orientation; that is, factors outside the model.

The results of the F-test in Table4.15 containing the explanatory variable (X1), Customer Orientation, were found to be true in the accommodation facilities ($F(1, 214) = 91.41$, $p<.001$) which means that the explanatory variable (X1, Customer Orientation) is a strong predictor of performance variations in the classified accommodation facilities in the Kenya Coast area. In Table 4.15, the value of the constant indicates that the company's consumer focus must always remain at a certain minimum ($\beta0 = 0.715$, $p<.001$).The customer orientation was found to have a positive and important impact on the efficiency of the listed accommodation facilities ($\beta1 = 0.72$, $p<.001$). This means that performance of classified accommodation facilities improves significantly as a result of Customer Orientation.

The coefficient of regression (P<0.001) was found to be important and thus supports Objective 1: Customer Orientation positively and significantly influences the performance of classified accommodation Facilities. When Customer orientation (X_1) is regressed against performance of classified accommodation facilities (Y), forms a regression line $Y= 0.715+0.72X_1$

4.6.1 Test of Hypothesis One

H_{01}: *Customer orientation and performance of graded accommodation facilities in Kenya Coast area are not significantly affected.*

The statistical results indicate a link between customer orientation and accommodation facilities performance. The non-zero value for the regression coefficient, β1 = 0.72, and Pearson's correlation coefficient of r= 0.547, indicate that, as Customer Orientation changes, the performance also changes in the same direction. However these results are based on a sample and for the researcher to draw a conclusion that this can also apply at the population level, hypothesis testing is necessary to ensure these results are not due sample error.

Thus this study was intended to test whether or not the implementation of Customer Orientation lead positively to improved results in all accommodation facilities listed. The hypothesis H01 was tested: β1 = 0 versus HA1: β1 = 0. The findings in Table 4.15, Customer Orientation (X1) have a strong and important effect on categorized accommodation facilities efficiency (r=0.547 * *, p<.001). At the other hand, the findings of the univariate regression indicate that the consumer orientation positively and substantially affects the efficiency of the graded accommodation facilities (β1 = 0.72, p<.001). This leads to the rejection of the null hypothesis (H01), which states that there is no significant influence between customer orientation and performance of

classified accommodation facilities in the Kenyan coastal region. The decision to reject null hypothesis is taken in favor of alternative hypothesis (HA1), which states that the customer orientation has a significant influence and performance of classified accommodation facilities in the Kenya Coast region. This study concludes therefore that the customer orientation has a significant positive effect on the performance of the classified accommodation facilities in Kenya's Coast area.

4.6.2 Discussion of Findings on the influence of Customer Orientation on Performance

The findings of the correlations ($r=0.547$ * *, $p<0.001$) and the findings of the Univariate regression ($\beta 1 = 0.72$, $p<.001$) inTable4.15 show that the Customer Orientation has a positive and important impact on the efficiency of the accommodation facilities. This means that the graded accommodation facilities should set customer satisfaction-oriented goals, track closely and assess the degree of their dedication to meeting customer needs, and the competitive advantage should be focused on knowing customer needs, aimed at increasing customer value should be the drivers of business strategies, should pay great attention to the after-sale services and should provide personalized offerings for key customers.

The findings from this research are consistent with results from CRM and success studies conducted elsewhere. For example, a study by Al-Azzam (2016) in Jordan's hotel industry found that customer orientation affected performance positively and significantly of the hotel ($r=.38$ * *, $\beta 1=.589$). Both statistics were the amount of 1 per cent relevant. Mohammed and Rashid (2013) explored the relationship between CRM dimensions, in which Customer orientation was one of the organization's dimensions, and efficiency. The study findings revealed that the Customer-

oriented relationship with organization success in Malaysian hotels is positive and important. In the study, performance was based on the four aspects of balance scorecard (BSC) approach and Customer Orientation indicated positive and significant relationship with each of the four performance perspectives.

Elkordy (2012) was based on premise that CRM dimensions display a significant link to performance. The target population of the study was Egyptian large companies, showing that Customer Orientation has a strong and important effect on the profitability of the Egyptian big companies. The bivariate partnership of CRM Organization, Knowledge Management and Technology Based on CRM has a strong and significant impact on the organizations ' success. Mohammed and Rashid (2012) and Lo et al. (2014) were among other studies that support these results.

4.7 Influence of CRM Organization on performance of classified accommodation facilities

Objective 2: Determining the relationship between the organization of CRM and the performance of classified accommodation facilities in the Kenya Coast region;

Table 4.16

Summary of simple regression analysis for the influence of CRM Organization on Performance of classified accommodation facilities

Tests	Values	Significance
Correlation (r)	.463	.000
Constant (β_0)	1.57	.000
Unstandardized Coefficient (β_1)	3.545	.000
Standardized Coefficient (β_1)	0.463	.000
Coefficient of Determination (R^2)	.214	
F-statistics	58.419	.000
Total	215	

CRM Organization (X2) has a strong and important impact on the results of categorized accommodation facilities (r=0.463 * *, p<0.001), as shown in Table 4.16.Therefore efficient CRM organization is critical in attaining improved organizational performance. A univariate linear regression model has been used to assess the performance effect of CRM Organization and thus the findings show that CRM Organization explains 21.4 per cent of the performance variations of categorized accommodation facilities. Thus unexplained variation (coefficient of non-determination) is 78.9% that is 1-R^2.

The explanatory variable (X2) representing the CRM Organization in accommodation facilities has been found to be true (F (1, 214) = 58,419, p<.001) which indicates that the explanatory variable (X2, CRM Organization) is a strong predictor of performance variations in accommodation facilities listed in the Kenya Coast area. Table 4.16 indicates the importance of the constant that the firm's CRM organization still at a certain minimum (β0 = 1.57, p<.001). CRM organizations have been found to have a positive and important impact on the output of the listed accommodation facilities (β1 = 3.545, p<.001) meaning that improvement in the CRM Organization will result in the performance improving significantly.

It has been found that the unstandardized coefficient is important (β1 = 3.545; p<0.001) and thus supports objective two that CRM Organization positively and substantially affects the value of classified accommodation. When CRMO (X_2) is regressed against performance of classified accommodation facilities (Y), a regression line $Y= 1.57+3.545\ X_2$is formed.

4.7.1 Test of Hypothesis Two

H_{O2}: *There is no big impact between the company of customer relationship management and the performance of rated accommodations facilities in the Kenya Coast region*

This hypothesis was designed to test whether or not the adoption of the CRM Organization translates positively into better performance in accommodation facilities. Hypothesis H02: β2 = 0 versus HA2: β2 were tested with 0. In Table 4.16, CRM Organization (X2), the results of bivariate correlations have a positive and important effect on the efficiency of categorized hospitality facilities (r=0.463 *, p<.001).At the other hand, the findings of the univariate regression indicate that the CRM Organization has a positive and important effect on the efficiency of the graded accommodation facilities (β1 = 3.545, p<.001). This results in the rejection of the null hypothesis (H02), which states that no meaningful impact exists between CRM Organization and performance; this is done in favour of alternative hypothesis (H_{A2}) and therefore the study concludes that the CRM Organization has a major and positive impact on the success among classified hotel facilities in the Kenyan Coast region.

4.7.2 Discussion of Findings on the influence of CRM Organization on Performance

The findings from both the bivariate correlations (r=0.463**, p<.001) and the findings of univariate regression (β1= 3,545, p<.001) in Table 4.17 indicate that CRM Organization positively and substantially affects the efficiency of graded accommodation facilities. This is an implies that improving any aspect of CRM Organization will translate to improved Investment Return (ROI), Asset Return (ROA), and productivity, as well as marketing metrics. The aspects of CRM Organization that management need to pay keen interest include: recruiting personnel with sales and marketing expertise and providing them with resources that will enable them

succeed in CRM; equipping employees with skills that improves their relationship with customers; establishing business goals that relate to acquisition, development, retention and the reactivation of Customer interaction with the organization; measuring and rewarding the performance of the employees based on satisfying the customers; designing the organizational structure using customers as a criterion and finally encouraging the employees to willingly help the customers in a responsive manner.

Such results are consistent with diverse observations and conclusions of many management scholars who have studied CRM Organizations in various settings both locally and internationally. Mohammed and Rashid (2013) found that CRM Organization has a constructive and important relationship with all viewpoints on success. The study used the four performance perspectives in the Balance scorecard, including financial performance, customer performance, internal process performance, and performance in learning and growth. The study also revealed that CRM is the strongest predictor of variation in all performance indicators.

The study by Al-Azzam (2016) confirmed that CRM has a good and important relationship with hotel performance. The output of bivariate analysis between CRM and its success indicated a positive Pearson correlation which is significant at 99%. This is further proven by the multiple regression analysis output which gives a significant (at 99% and 95%) standardized Coefficient Beta (β).

This study confirms the work of Elkordy (2014) who did a study on the impact four dimensions of CRM capability and how they link to performance and established that CRM Organization has

stood out as the only important success indicator. Similarly, Akroush et al. (2011) CRM Organization was exposed as one of the best predictors of output variances of Jordan's financial service.

4.8 Influence of Knowledge Management on Performance of Classified Accommodation Facilities

Objective 3: To identify the relationship between knowledge Management and output of classified occupancy facilities in Kenya Coasts region.

Table 4.17

Overview of basic study of regression for Knowledge Management affecting Performance

Tests	Values	Significance
Correlation (r)	.554	.000
Constant (β_0)	0.934	.001
Unstandardized Coefficient (β_1)	0.662	.000
Standardized Coefficient (β_1)	0.554	.000
Coefficient of Determination (R^2)	.306	
F-statistics	94.528	.000
Total	215	

As shown by Table 4.17, Knowledge Management (X3) has a significant and powerful effect on the success of classified accommodation facilities(r=0.554**, < 0.001). Hence undertaking the operations when knowledge is well managed has positive effects on the performance of the organizations. These very results were further analyzed in order to assess the effect of a Univariate linear regression model for Knowledge Management on the success of the classified accommodation facilities and results showed that Knowledge Management explains 30.6% of the output variations of classified accommodation facilities (R^2=0.306). Thus the unexplained variation (coefficient of non-determination; 1-R^2) is 69.4%.

Using the analysis of variance (ANOVA), the F- test indicated that the explanatory variable (X_3) representing the Knowledge Management in the accommodation facilities was valid ($F_{(1, 214)}$ =94.528, *p<001)* which means that a strong predicator of changes in performance in the accommodation classifieds in the Kenyan coast area is explanatory variable (X3, Knowledge Management).

The constant value indicates that the organization has always a certain minimum knowledge management program ($\beta 0 = 0.934$, $p < .001$). Practices in knowledge management have been found to have positive and significant effect on the production of the listed accommodation facilities implying that while classified accommodation facilities improving their Knowledge Management their performance will improve as well.

The unstandardized coefficient results ($\beta_1 = 0.662$, $p< 0.001$) supports objective three which states that the Knowledge Management positively and significantly influences the performance of classified accommodation facilities. When Knowledge Management (X_3) is regressed against performance of classified accommodation facilities (Y) forms a regression line $Y=0.934+0.662X_3$ with a Y- intercept of 0.934 and coefficient of 0.662.

4.8.1 Test of Hypothesis Three

H_{O3}: Information management and the efficiency of classified accommodation facilities in the Coast region of Kenya have no major impact.

This study was intended to test whether or not Knowledge Management is contributing positively to improved results in the accommodation facilities. The H03 hypothesis was tested:

$\beta 1 = 0$ versus HA3: $\beta 1 = 0$. The Knowledge Management (X3) results from the bivariate correlations have a positive and significant effect on the efficiency of graded accommodation ($r=0.554$ *, $p<.001$). The results of the univariate regression in Table 4.17, on the other hand, indicate that knowledge management affects performance of the accommodations listed. This leads to the rejection of the null hypothesis (H_{03}) in favor of (H_{A3}). Hence, this study concludes that Knowledge Management has a major positive effect on the performance of classified accommodation facilities in Kenya's Coast area.

4.8.2 Discussion of Findings on the influence of Knowledge Management Model on Performance

Table 4.17 showed the findings from both of the bivariate correlations ($r=0.554$**, $p<.001$) and the findings of Univariatic regression in Table4.17 ($\beta 1 = 0.662$, $p<.001$) showed that the management of knowledge has an important and positive impact on the output of categorized accommodation facilities. The implication of this finding is that if an organization would pay attention to various aspects of Knowledge Management, then improvement of its performance will be assured. The aspects of Knowledge Management include: Completely understands key customer needs through information learning; facilitates two-way contact between key customers and the business and offers timely services to customers.

Mohammad et al. (2011) revealed the following Knowledge Management has a significant positive influence on the efficiency of the hotel. Mohammed et al. (2014) adopted a multi-dimensional- performance approach which was originally established by Kaplan (Kaplan et al., 2001). Knowledge management had a varied influence on the four performance dimensions as

follows: financial output (β=0.17, p<0.05), consumer (β=0.14, p<0.05), performance of internal processes (β=0.20, p<0.05) performance in the field of education and development.

Al-Azzam (2016) indicated that the management of knowledge has a positive effect on Jordan's hotel efficiency. Interpretation of the results of the regression analysis predicted on standardized beta coefficient (β) provided evidence to reject the null hypothesis that Knowledge management isn't significant influence on the performance of hospitality establishments and accepted the alternative hypothesis that stated the Knowledge management has a significant impact on the efficiency of the hotels. A non-zero β=0.107 and p=0.010< ∞=0.05 This together with the fact that Pearson Correlation (r) is 0.36 and significant at 1% is enough evidence that Knowledge management has a major positive effect on Jordanian hotel results. However, Akroush et al. (2011) reported that Knowledge Management had no major impact on the success of financial services organizations in Jordan.

4.9 Influence of Technology-Based Customer Relationship Management on performance Classified Accommodation Facilities

Objective 4: Determining the relation between Technology-Based Customer Relationship Management and the performance of classified accommodation facilities in Coast region of Kenya;

Table 4.18

A description of a study of simple regression for Technology-Based CRM influencing Performance

Tests	Values	Significance
Correlation (r)	.528	.000
Constant (β_0)	1.287	.000
Unstandardized Coefficient (β_1)	0.601	.000
Standardized Coefficient (β_1)	0.528	.000
Coefficient of Determination (R^2)	.278	
F-statistics	82.576	.000
Total	215	

As shown by Table 4.18, Technology-Based CRM (X_4) is having a positive and important effect on the performance of classified accommodation facilities ($r=0.528^{**}$, $p<0.001$). This implies that integrating various technology practices in the CRM will result in improved performance. These statistics were further analyzed in which a univariate linear regression model was used to assess the effect of CRM based on technology on the performance of classified accommodation facilities. Results shows that Technology-Based CRM (X_4) explains 27.8% ($R^2= .278$) of the variations in performance of classified accommodation facilities. With coefficient of determination of 27.8%, the coefficient of non-determination is 72.2% which is a variation in performance that cannot be explained by Technology-Based CRM.

The F test results in the Table 4.18 with the explanatory variable (X4) for the Technology-Based CRM in the classified accommodation facilities The explanatory variable was found to be valid ($F (1, 214) = 82,576$, $p<.001$). (X_4-Technology-Based CRM) is a good indicator of the output differences in classified accommodation facilities in the Kenyan Coast Area.

Table 4.18 indicates the importance of the constant that the firm's technology-based CRM still at a certain minimum (β0 = 1.287, p<.001). The technology-based CRM has been found to have a positive and important effect on performance of the classified accommodation facilities (β1 = 0.601, p<.001) which meant that as the classified accommodation facilities improve their Technology-Based CRM, this improvement will impact positively on the organization output.

The results of the univariate model were found to be important in Table 4.18(β1= 0.601, p<0.001) and therefore support Objective 4 that Technology-Based CRM positively and significantly influences the performance of classified accommodation facilities. A regression line of $Y=1.287+0.601X_4$ is formed when Technology-Based CRM is regressed against performance.

4.9.1 Test of Hypothesis Four

H_{O4}: *There is no significant influence between Technology Based Customer Relationship Management and the Performance of listed accommodation facilities in Kenya Coastal parts*

This hypothesis intended to test whether Technology-Based CRM Adoptions lead or not positively lead to improved results in the listed lodging facilities. Technology-Based CRM (X_4) is having a positive and significant influence on execution classified accommodation facilities(r=.528, <0.001).

By comparison, the findings of the Univariate regression in Table 4.18 indicate that the Technology-Based CRM impact with the efficiency of classified accommodation facilities significantly and strongly (β1=0.601, p<.001).Significantly and strongly (β1=0.601, p<.001). Classified accommodation facilities in Coast region of Kenya. Hence, this study concludes that

CRM based on technology has a massive positive influence on the performance of the classified Kenya Coast hospitality facilities.

4.9.2 Discussion of Findings on the influence of Technology-Based CRM on Performance

Results from bivariate (r=.528**, p<.000) and the results of regression univariate (β1= 0.601, p<0.001) indicate that technology-based CRM influences the output of the Bivariate Relationship in Table 4.18 classified accommodation facilities efficient and meaningful. Hence adopting and integrating various technological measures will result in increased efficiency in the operations thus translating to enhanced organizational performance while minimizing the overhead costs as well.

A study done on Malaysian hotel firms by Mohammed et al., (2014) revealed that CRM technology and the four dimensions of performance are significantly and positively related. In this survey, the standardized coefficient beta (β) indicated that CRM technology was 0.35, 0.38, 0.36 and 0.30 on Economic, customer, inner, learning and development processes performance respectively; and all were significant. Elkordy (2014) demonstrated the positive effect on the success of the products and service companies in business (B2B) and in customer (B2C) markets is important in that CRM technology. The positive effect on the success of the products and service companies in business (B2B) and in customer (B2C) markets is important in that CRM technology. Al-Azzam (2016) indicated that Technology Based CRM has a significant and supportive performance relationship of hotels in Jordan. On one hand, regression analysis output for CRM performance showed that the Technology Based CRM has a standardized coefficient beta (β) of .336 and p<.001. On the other hand, the correlation of analysis output revealed inter-

correlation of r= .35 between Technology Based CRM and hotel performance which was significant at 1% level of significance. Further, Payne and Frow (2005) also established that CRM based on technology has a positive and important performance impact.

With this findings, technology can be used as one of the key strategies in enhancing operations in an organization. However, Krauss (2002) points out that it is not technology which acts as the strongest towards CRM-orientation but the people and therefore technology ought not to be used solely but through integrating it with other business dimensions.

In conclusion, the relative importance of the four dimensions in predicting Quality of Kenya coastal defined accommodation facilities was illustrated by standardized regression coefficients. Standardization is normally achieved by subtracting the mean of the variable from the unstandardized coefficient and then dividing the resultant value by standard deviation for a particular variable (Gaur & Gaur, 2009). The significance of the higher standardized coefficient, the greater the importance the predictor variable has in predicting the dependent variable (Churchill et al., 2009). In this study, the standardized coefficients 0.547, 0.463, 0.554 and 0.528 respectively for the Customer Orientation, CRM Organization, Knowledge Management and Technology Oriented CRM. Based on these values, the order of the dimensions from the most importance to the least important is Knowledge Management, Customer Orientation, Technology Based CRM and finally CRM organization.

4.10 The Combined Effects Customer Relationship Management Aspects of Classified Accommodation Facilities Success

A multiple regression analysis of the CRM dimensions was performed to check their cumulative effects on the performance of classified accommodation facilities in Kenya's Coast vicinity. In table 4.19 the determination coefficient (R2) suggested that the four predictor variables, specifically Customer Orientation (X1), CRM Organization(X2), Knowledge Management (X3), and Technology-based CRM (X4), were intended to answer only 37.1 percent variance in the performance of classified hospitality facilities in the Kenya coastal region. Thus 62.9%, which is the coefficient of non-determination (1-R^2), can be explained by other factors other than the four dimensions of CRM.

Table 4.19

The Multiple Regressions: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.609a	.371	.359	0..71034

a. Predictors: (Constant), Customer focus, CRM organization, Management of Knowledge, CRM focused on technology

The regression model in Table 4.20 containing all variables (F (4,211)= 31.053, p < 001) was found to be correct, which implies that all the variable in this analysis indicate the changes in the output of classified accommodations on the Kenyan coast.

Table 4.20

The Multiple Regressions: Validity of Model

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Regression	62.674	4	15.668	31.053	.000a
Residual	106.466	211	0.505		
Total	169.14	215			

a. Predictors: (Constant), , Customer Orientation, CRM Organization, Knowledge Management, Technology- Based CRM

b. Performance dependent variable:

The multiple regressions Table 4.21 results show that only Customer Orientation (X_1) in the organizations ($\beta_1 = 0.325$, $p<.05$) and Knowledge Management in the facilities ($\beta_3 = 0.285$, $p <.05$) significantly and positively relates to Classified accommodation facility efficiency in Kenya Coast Area. Other two predictor variables, that is, CRM Organization (X_2) and Technology Based CRM (X_4) The p-value above 5% (pp > 05.) means that CRM Organization and Technology-based CRM is negligible in the combined performing adjustments of the classified hospitality facilities in the coastline of Kenya when all of the variables in this study are combined. There is not any meaning for the accuracy ($\beta 0 = 0.228$, $P < .476$). The four dimensions of CRM are decreased from the outcomes of classified hospitality centers in Kenya's

coastal area forms a multiple regression $Y= 0.228+0.325X_1+0.456X_2+0.285X_3+0.164X_4$. Based on the multiple regression, $0.325X_1$ means that when CRM Organization(X_2), Knowledge Management(X_3), and Technology-Based CRM(X_4) are held constant, one unit increase in Customer Orientation, will cause performance of the classified accommodations facility to increase by 0.325 unit; $0.456X_2$ means that, when Customer Orientation (X_1) , Knowledge Management(X_3) and Technology-Based CRM (X_4) are held constant, one unit increase in CRM Organization, will cause performance of classified accommodation facility to increase by 0.456 units; $0.285X_3$ means that, when Customer Orientation(X_1), CRM Organization(X_2) and Technology-Based CRM(X_4) are held constant, one unit increase in Knowledge Management, will cause performance classified accommodation facility to increase by 0.285 units; and finally, $0.164X_4$ means that when Customer Orientation (X_1), CRM Organization(X_2) and Knowledge Management(X_3) are held constant, one unit increase in Technology-Based CRM will cause performance to increase by 0.164 units.

Table 4.21

The Multiple Regression: Variables weights

	Unstandardized Coefficients		**Standardized Coefficients**		
	B	**Std Error**	**Beta**	**t**	**Sig.**
(Constant)	0.228	0.32		0.714	0.476
Customer Orientation	0.325	0.112	0.247	2.899	0.004
CRM Organization	0.456	0.606	0.06	0.753	0.452
Knowledge Management	0.285	0.108	0.238	2.635	0.009
Technology Based-CRM	0.164	0.103	0.144	1.59	0.113

Dependent" Variable' Performance

4.10.1 Discussion of the overall model and results findings of the classified Accommodation facilities

The unstandardized coefficients results indicate that only Customer Orientation (β_1 = 0.325, p< .05) and Knowledge Management (β_3 = 0.285, p <.05 are essential and positive for the success of classified hospitality facilities at the Kenyan Coastal region. Further, the other two variables, that is, CRM Organization and Technology-Based CRM have p-values greater than α= 5%. This if all variables are incorporated in this analysis in a single model, CRM Organization and Technology Based CRM are insignificant in explaining variations in output of Kenya coastal listed accommodation facilities when combined.

Hildebrand and Ott (1998) observed that F-test may result in rejection of H_0:$\beta_1 = \beta_2 = \ldots = \beta_k$=0 while none of the t test for H_0: $\beta j = 0$ is significant. Hildebrand and Ott (1998) concluded that when such a case arises, that all independent variables when combined have a predictive value while through t test one cannot identify the specific variable that have predictive value. However, in the case of this research, the F test shows that when Customer orientation, CRM organization and CRM-based technologies are combined, they have a significant predictive value of Organizational Performance. However based on the t test CRM Organization and Technology based CRM have no additional predictive value since each t test "is testing last-predictor-in value" (Hildebrand & Ott, 1998).

In a multivariate context, hypotheses H_{01} and H_{03} are rejected while hypotheses H_{02} and H_{04} are accepted. Hair et al. (2010) observed that in a multivariate environment, independent variables relationships may conceal relationships not required for this reason of predicting the response variable but still present key findings. Nevertheless, in a combined effect, the CRM dimensions had a positive influence Performance of Kenya coastal rated hospitality facilities. In particularly, the CRM dimensions in this study were found out to explain up to 37.1% of the overall performance improvements in Kenyan Coastal Designated Hospitality Centers (R2=.371).

According to Gaur and Gaur (2009) R-square between 0.10 and 0.20 is acceptable in social sciences. Thus R-square of .371 demonstrated that the Classified accommodations in the Kenyan coast Performance is highly pre-determined by the CRM dimensions that are put in place and as such CRM dimensions ought to be prioritized as key strategies and appropriately formulated and implemented. This is supported by the empirical studies which have shown the positive influence of CRM adoption on results (Sin et al., 2005; Abdallah & Assabil, 2011; Thuo, 2012; Mohammed & Rashid, 2013).

4.10.2 Hypothesis Review Summary

The description of the hypothesis is given in Table 4.22 testing for each CRM dimension with performance

Table 4.22

Summary of Hypotheses Testing

Null hypothesis	Independent Variable	Dependent Variable	Decision
H_{01}	Customer Orientation	Performance	H_{01} rejected in favor of H_{AI}
H_{02}	Knowledge Management	Performance	Fail to reject H_{02}
H_{03}	CRM-Organization	Performance	H_{03} rejected in favor of H_{A3}
H_{04}	Technology Based CRM	Performance	Fail to reject H_{04}

4.11. Moderating effect of Size of a firm on Dimensions of customer relationship and efficiency of classified accommodation facilities

Objective 5 was to establish the moderating role of organizational size on the relationship between Dimensions CRM and performance in the coastal region of Kenya of categorized accommodation facilities.

The moderated multiple regression (MMR) was used to steer this thesis analysis with an aim of establishing how Firms size interacted with analysis independent and dependent variables. Three models were used for this study. These models are as follow:

Model one: $Y=\beta_0+ \beta_i X_i+ \varepsilon$, where, β_0 is the constant, β_i are the coefficients for their corresponding X_i,; where X_i are the CRM dimensions namely: Customer Orientation(X_1) , CRM Organization(X_2), Knowledge Management(X_3) and Technology-Based CRM(X_4).

Model two: $Y=\beta_0+ \beta_iX_i+ \beta_zZ_j +\varepsilon$ is similar to model one with an additional component; B_zZ_j which is the moderator, that is, size of the firm(Z_j) and its corresponding coefficient(B_z).

Model three: $Y=\beta_0+ \beta_iX_i+ \beta_zZ_j +\beta_{iz} X_iZ_j +\varepsilon$ where$\beta_{iz} X_iZ_j$ is similar to model two with an additional component; X_i*Z_j which is the interaction term and its corresponding coefficient β_{iz}

The fifth objectives of this study was to investigate whether organizational Size moderates the relationship between CRM measurements and the efficiency of classified accommodation facilities in Kenya Coast. Under this objective an investigation for moderating role of organizational size was done on each of the four relationships between each CRM dimension and performance and finally on the relationship between the integrated CRM and output dimensions.

4.11.1 Moderating effect of Size of a firm on Customer Orientation and Performance of Classified Accommodation Facilities

To determine whether organizational size of classified accommodation facilities moderates the relationship between Customer Orientation (X_1) and Performance (Y). A moderated multiple regression Y=β0+β1X1+βzZj+βiz XiZj+ÿ has been used and the results are shown in Table 4.23, Table 4.24 and Table 4.25.

Table 4. 23

Size-moderating effect on Customer Orientation and Performance of Classified Accommodation facilities: Model description

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2Change	F Change	df1	df2	Sig. F Change
1	.527[a]	.277	.274	.70726	.277	82.159	1	214	.000
2	.531[b]	.282	.275	.70661	.005	1.392	1	213	.239
3	.532[c]	.283	.272	.70806	.000	.128	1	212	.721

a. Predictors(Constant)Customer Orientation

b. Predictors(Constant),Customer Orientation, Organizational Size

c. Predictors(Constant)Customer Orientation, Organizational Size, Customer Orientation Organizational Size*

In Table 4.23, model one shows that customer orientation explains a variation of 27.7% in the performance of classified accommodation facilities; as indicated by R^2 =.227. When the moderator, size of the organization was introduced R^2 changed to 28.2%; an increase of 0.5% and further when the interaction term (organizational size*Customer orientation) R^2 changed to 28.3%; an increase of 0.1%. Both changes are not significant since the corresponding p-values are greater than the significant level of α=.05 (5%).

Table 4.24

Moderating Size impact of the organization on customer orientation and performance of classified accommodation facilities: Validity framework

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	41.097	1	41.097	82.159	.000[b]
	Residual	107.046	214	.500		
	Total	148.144	215			
2	Regression	41.793	2	20.896	41.851	.000[c]
	Residual	106.351	213	.499		
	Total	148.144	215			
3	Regression	41.857	3	13.952	27.829	.000[d]
	Residual	106.287	212	.501		
	Total	148.144	215			

a. Dependent Variable: Organizational Performance

b. Predictors(Constant)Customer Orientation

c. Predictors(Constant) Customer Orientation, Size of the firm

d. Predictors(Constant) Customer Orientation, Size of the firm Customer Orientation*

Based on F statistics and the p-value the Table 4.24 results show that model 1, F (1.214)= 82.159, p<.001 is valid and that model 1 is correct. Customer Orientation has a significant effects on the efficiency of categorized hospitality facilities. For model two, after the organizational size has been introduced, $F_{(2,213)}$ =41.851, p< .001, this shows that the model is accurate and that there is considerable impact between customer orientation, and organizational size on the efficiency of graded hospitality facilities. Further model three, when an interaction term (size of the firm*

customer orientation) has been introduced, $F_{(3, 212)} = 27.829$, $p < .001$, the new regression model is valid and the variables, customer orientation, size of industry and the concept of contact (customer orientation* organizational size), have a significant effect in terms of results of classified accommodation facilities.

Table 4. 25

The influence of moderation of organizational size on customer orientation and performance of classified accommodation facilities: Levels of regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	1.038	.301		3.454	.001
	Customer Orientation	.647	.071	.527	9.064	.000
2	(Constant)	1.180	.323		3.648	.000
	Customer Orientation	.640	.072	.521	8.934	.000
	Organizational Size	-.059	.050	-.069	-1.180	.239
3	(Constant)	1.395	.684		2.040	.043
	Customer Orientation	.588	.162	.478	3.630	.000
	Organizational Size	-.155	.274	-.181	-.566	.572
	Organizational Size*Customer Orientation	.023	.065	.119	.358	.721

a. Dependent Variable: Organizational Performance

Outcomes in Table 4.25, all the three models show that the Customer orientation is a significant predictor of performance in classified accommodation facilities. In model one, (β_1=.647,

p< .001), model two, (β_1=.640, <0.001) and three equations (β1=.588, p<.001). With the implementation as moderator of the company's size, (β_2= -.059, p>.239) which indicates that size of a firm does not have a major role in the customer orientation and success relationships of classified accommodation facilities. The interaction term (organizational size*customer orientation) in model three does not have a significant role in the relationship between customer orientation and performance of classified accommodation facilities.

4.11.2 Moderating Organizational impact on CRM Organization and Performance of Classified Accommodation Facilities

Determining the moderating role of the organizational size in the relationship between CRM Organization (X2) and Performance (Y). A moderated multiple regression $Y=\beta_0+ \beta_2X_2+ \beta_zZ_j +\beta_{iz} X_iZ_j +\varepsilon$ was used and the results were presented in Table 4.26Table 4.27 and Table 4.28.

Table 4. 26

Moderating effect of size of the firm on Customer relationship management Organisation and accommodation performance: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	.574[a]	.329	.326	.68139	.329	105.072	1	214	.000
2	.582[b]	.339	.333	.67813	.010	3.063	1	213	.082
3	.584[c]	.341	.332	.67838	.003	.846	1	212	.359

a. Predictors(Constant)CRM Organization

b. Predictors(Constant)CRM Organization, organizational Size

c. Predictors(Constant)CRM Organization, Organizational Size, CRM Organization Organizational Size*

Table 4.26 indicates that 32.9 per cent of the overall results variations of classified hospitality facilities are explained by CRM Organization. Model two shows that R^2 improves to 33.9% an increase of 1% after the introduction the sector size as a moderator. And for the framework 3, interaction term (Organizational size* CRM Organization) has been added and R^2 changes to 34.1% an increase of 0.2%. The positive changes in model two and model three are not significant since their corresponding p-values are greater than the significant level of α=.05

Table 4. 27

Moderating effect of size of the firm on CRM Organization and Performance of classified accommodation facilities: model validity

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.785	1	48.785	105.072	.000[b]
	Residual	99.359	214	.464		
	Total	148.144	215			
2	Regression	50.193	2	25.097	54.574	.000[c]
	Residual	97.950	213	.460		
	Total	148.144	215			
3	Regression	50.583	3	16.861	36.639	.000[d]
	Residual	97.561	212	.460		
	Total	148.144	215			

a. Dependent Variable: Organizational Performance

b. Predictors(Constant) CRM Organization

c. Predictors(Constant) CRM Organization, Organizational Size

*d. Predictors(Constant) CRM Organization, Organizational Size, Interaction term (Organizational Size*CRM Organization)*

Table 4.27 shows the results after testing the validity of the regression model using the analysis of variance (ANOVA). Model one, $F_{(1,214)}$ =105. 077, p<001 is valid and customer relationship management organizations' impact on the efficiency of classified accommodation facilities is important. Upon entering the size of the firm as a moderating variable in model two, F statistics,

F(2, 213)= 54.574, p<.001,which is an indication that the model is still true and that a significant effect exists among CRM Organization, the firm size on results of classified accommodation facilities. As the interaction term (CRM Organization x size of the firm) are brought in the regression model as illustrated In Model Three, F(3,212)= 36,639, p<001which is an indication that the model is still valid even after the interaction term has been introduced. In addition this results show that CRM Organization, size of the firm and the interaction term have a significant effect On Performance of classified accommodation facilities.

Table 4. 28

Moderating effect of Organizational size on CRM Organization and the Performance of classified accommodation facilities: Regression weights

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std Error	Beta		
1	(Constant)	1.278	.243		5.248	.000
	CRM Organization	.612	.060	.574	10.250	.000
2	(Constant)	1.447	.261		5.546	.000
	CRM Organization	.609	.059	.571	10.243	.000
	Organizational Size	-.083	.048	-.098	-1.750	.082
3	(Constant)	1.903	.560		3.400	.001
	CRM Organization, Organizational Size, Organizational Size*CRM Organization	.496	.136	.466	3.653	.000
		-.313	.254	-.366	-1.232	.219
		.057	.062	.290	.920	.359

a. *Dependent Variable: Organizational Performance*

Table 4.28 shows that CRM Organization is significant in the entire three models as demonstrated by the p-value (p<.001). In model two, the size of the firm which acts as a moderator is insignificant (p=.082> .001). In model three, the interaction term CRM*

Organizational) has been introduced; the results show that all variable except the CRM Organization are insignificant which leads to conclude that the size of the company is not an important moderator in the relationship between the CRM and the production of classified accommodation facilities in the coastal region of Kenya.

4.11.3 Moderating Organizational size Impact on Knowledge Management and Performance of Classified Accommodation Facilities

Evaluating whether the size of accommodation facility moderates relationship between Knowledge Management (X_3) and Performance (Y). A moderated multiple regression $Y=\beta_0+\beta_3X_3+\beta_zZ_j+\beta_{iz}X_iZ_j+\varepsilon$ was used and these results are given in Table 4.29Table4.30 and Table 4.31.

Table 4.29

Size-moderating effect on Knowledge Management and performance of classified accommodation facilities: Layout analysis

Layout	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	.519[a]	.269	.266	.71115	.269	78.930	1	214	.000
2	.521[b]	.272	.265	.71170	.002	.666	1	213	.415
3	.522[c]	.272	.262	.71326	.000	.072	1	212	.789

a. Predictors(Constant)Knowledge Management

b. Predictors(Constant)Knowledge Management Organizational Size

c. Predictors(Constant)Knowledge Management Organizational Size, Knowledge Management Organizational Size*

Table 4.29 shows that knowledge management accounts for 26.9 per cent of overall results variations of classified accommodation facilities (R^2=.269). After the introduction of Company

size as moderating variable, in layout 2, R^2 increased to 27.2% an increase of .3%; the increase was not statistically significant for p=.415; which is greater than the α=.05. In model three, when the interaction concept was introduced there was no change in R^2.

Table 4.30

Moderating effect of size of the firm on the relationship between Knowledge Management and Performance of classified accommodation facilities: model validity

Model		Sum Squares	of df	Mean Square	F	Sig.
1	Regression	39.917	1	39.917	78.930	.000[b]
	Residual	108.226	214	.506		
	Total	148.144	215			
2	Regression	40.255	2	20.127	39.737	.000[c]
	Residual	107.889	213	.507		
	Total	148.144	215			
3	Regression	40.291	3	13.430	26.400	.000[d]
	Residual	107.852	212	.509		
	Total	148.144	215			

a. Dependent Variable: Organizational Performance

b.Predictors (Constant)Knowledge Management

c.Predictors(Constant)Knowledge Management, Organizational Size

d.Predictors(Constant) Knowledge Management, Organizational-Size, Organizational, interaction term (Size Knowledge Management)

Table 4.30 illustrates model validation using the analysis of variance (ANOVA). Model one, F(1,214)=78.930, true for p<.001 and knowledge management has a relevant effect on the performance of classified accommodation facilities. Model two, $F_{(2,213)} = 39.737$, p< .001, an indication where the model is still true and that there is a important indication effect of Firm size and Knowledge Management of the execution of the classified accommodation facilities. Model three, $F_{(3,212)} = 26.400$, P<.001, shows that the model still has a major impact on the performance of classified accommodation facilities in the Kenya Coast area between knowledge management, the size of the enterprise and the interaction term (size of the entrepris*knowledge management).

Table 4.31

Moderating effect of the Organizational Size on Knowledge Management and Performance of classified accommodation facilities: Regression weights

Model		Unstandardized Parametors		Standardized Parameters	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.250	.283		4.419	.000
	Knowledge Management	.587	.066	.519	8.884	.000
2	(Constant)	1.358	.312		4.348	.000
	Knowledge Management	.580	.067	.513	8.697	.000
	Size	.041	.050	.048	.816	.415
3	(Constant)	1.509	.645		2.341	.020
	Knowledge Management	.543	.152	.481	3.578	.000
	Size	.111	.264	.129	.419	.675
	Size*Knowledge Management	.017	.064	.085	.268	.789

a. Dependent: Performance

Table 4.31 has three models which have the following: Model one show that knowledge management is a significant predictor of performance of classified hospitality facilities (β_1=.519, p<.001). Model two show that with the introduction of size as a moderator, knowledge management remains significant (β_1=.513, p<.001) while size become insignificant (β_2 =0.0438, p=.415>.001). Model three has three variables: Knowledge Management, Company size and concept of contact (company size*knowledge management). Model show Knowledge

Management is significant (β_1=.481, p<.001) while size and the interaction term are both insignificant. As a result, size does not have a moderating role in the relationship with both knowledge management and the performance of accommodation facilities defined in the Kenya Coast region.

4.11.4 Moderating effect of Size of a firm on Technology-Based CRM and Performance of Classified Accommodation Facilities

To determine whether size of accommodation facility moderates the relationship between Technology Based CRM (X_4) and Performance (Y). A moderated multiple regression $Y=\beta_0+ \beta_4X_4+ \beta_zZ_j +\beta_{iz} X_iZ_j +\varepsilon$ was used and the results are presented in Table 4.32Table 4.33 and Table4.34.

Table 4.32

Moderating effect of size on Technology-Based CRM and performance of classified accommodation facilities*: Model Summary*

Model	R	R^2	Adjusted R^2	Std Error of the Estimate	Change Statistics				
					R^2Change	F Change	df1	df2	Sig. F Change
1	.530[a]	.281	.277	.70564	.281	83.520	1	214	.000
2	.532[b]	.283	.276	.70612	.002	.706	1	213	.402
3	.538[c]	.290	.280	.70441	.007	2.038	1	212	.155

a. Predictor(Constant)Technology-Based CRM

b. Predictors(Constant)Technology-Based CRM, Organizational Size

c. Predictors(Constant)Technology-Based CRM, Organizational Size, Interaction term (Technology-Based CRM Organizational Size)*

The results in Table 4.32 show that 28.1% (R^2=.281, in model one) of the total variance in Performance of mentioned accommodation facilities in Kenya Coast can be explained by

Technology-Based CRM. In Model two when size was introduced, R^2 changes from 28.1% to 28.3%; an increase of 0.2%. This increase is not significant since p=.402; a value that is greater than significant level of α=.05. In model three, the coefficient of determination (R^2) indicates a change from 28.8% to 29.0%; an increase of 0.2%. This change is not statistically significant (p=.155> α=.05).

Table 4. 33

Moderating effect of size on Technology-Based CRM and Performance of classified accommodation facilities: model validity

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	41.587	1	41.587	83.520	.000[b]
	Residual	106.556	214	.498		
	Total	148.144	215			
2	Regression	41.939	2	20.970	42.056	.000[c]
	Residual	106.204	213	.499		
	Total	148.144	215			
3	Regression	42.951	3	14.317	28.853	.000[d]
	Residual	105.193	212	.496		
	Total	148.144	215			

a.Dependent Variable: Organizational Performance
b.Predictors (Constant), Technology-Based CRM
c.Predictors (Constant), Technology-Based CRM, Size of the firm
*d.Predictors (Constant), Technology-Based CRM, Size of the firm, Size of the firm*Technology-Based CRM*

Table 4.33 display results based on F statistics. The results in model one, $F_{(1,214)} = 83.520$, p< 001 an indication that the model is true and that the technology-based CRM has a major impact on the efficiency of classified accommodation facilities. Company size is introduced as a moderating variable in model two. Based on F-statistics, F (2,213) = 42,056, p<.001, the model remains true and the size of the company's technology-based CRM has a major impact on results. classified accommodation facilities. In model three, when the interaction term (size of the firm*

Technology-Based CRM) has been introduced, the F statistics F (2,213)= 42,056, p < 0,001 indicate the model is still correct even after introducing the interaction term. In addition, the results indicate that there is a significant impact on the performance of classified accommodation facilities in the Kenya Coast region between the size of the company, Technology-based CRM, and the interaction concept.

Table 4. 34

Moderating effect of size of the firm on Technology-Based CRM and Performance of classified accommodation facilities: Regression Weights

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	1.462	.252		5.791	.000
	Technology Based CRM	.565	.062	.530	9.139	.000
2	(Constant)	1.567	.282		5.556	.000
	Technology Based CRM	.558	.062	.524	8.956	.000
	Size of the firm	.042	.050	.049	.840	.402
3	(Constant)	2.223	.538		4.129	.000
	Technology Based CRM	.392	.132	.368	2.970	.003
	Size of the firm	.358	.227	.419	1.578	.116
	(Size of the firm)*Technology based CRM	.081	.057	.392	1.428	.155

a.*Dependent Variable: Performance*

The findings which are from Table 4.34 show Technology-Based CRM statistically effective in both model one and model two with p< .001. When the size of the firm and the interaction term are introduced in model two and model three respectively, the two models remain insignificant. Consequently, it can be concluded that the size of the company has no important moderating role

in the technology-based CRM interaction and Performance of classified accommodation facilities.

4.11.5 Moderating effect Size of a firm on all CRM Dimensions and performance of classified accommodation facilities

To determine whether size of a classified accommodation facility has a moderating effect on the CRM Dimensions Relationship; Customer Orientation(X1), CRM Organization(X2), Knowledge Management(X3) and CRM(X4) Technology-based Relationships and Performance (Y). A moderated multiple regression $Y=\beta_0+ \beta_iX_i+ \beta_zZ_j +\beta_{iz} X_iZ_j +\varepsilon$ was used and the results are presented in Table 4.35, Table 4.36 and Table 4.37.

Table 4. 35

***Moderating effect of Size of a firm on CRM Dimensions and Performance of classified accommodation facilities*: Model Summary.**

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2Change	F Change	df1	df2	Sig. F Change
1	.617[a]	.381	.369	.65917	.381	32.487	4	211	.000
2	.620[b]	.385	.370	.65881	.004	1.230	1	210	.269
3	.628[c]	.394	.368	.65995	.010	.819	4	206	.515

a. Predictors: (Constant), Customer Orientation, CRM Organization, Knowledge Management, Technology Based CRM,

b. Predictors: (Constant), Customer Orientation, CRM Organization Knowledge Management, Technology-Based CRM, Organizational Size

*c. Predictors: (Constant), Customer Orientation, CRM Organization, Knowledge Management, Technology-Based CRM, Organizational Size, Interaction term (Customer Orientation*Organizational Size, CRM Organization*Organizational Size, Knowledge Management*Organizational Size, Technology-Based*Organizational Size)*

Table 4.35 indicates that CRM dimensions explain a variation of 38.1% in Performance of accommodation facilities rated in the Kenyan Coast Area. In model two, when size has been introduced as a moderator, R^2 improved by 0.4%; the improvement of the model is not significant since p=.269. In model three, after interaction term (CRM Dimensions*size) is introduced, R^2 improves by 0.9%. However, this change was not significant (p=.515). Thus size was not an important moderator of the impact of CRM dimensions and output of classified accommodation facilities.

Table 4. 36

Moderation effect of Size on CRM Dimensions and Performance of classified accommodation facilities: Model Validity

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	56.463	4	14.116	32.487	.000[b]
	Residual	91.681	211	.435		
	Total	148.144	215			
2	Regression	56.997	5	11.399	26.264	.000[c]
	Residual	91.147	210	.434		
	Total	148.144	215			
3	Regression	58.423	9	6.491	14.905	.000[d]
	Residual	89.720	206	.436		
	Total	148.144	215			

a. Dependent Variable: Performance

b. Predictors(Constant), Customer Orientation, CRM Organization, Knowledge Management, Technology-Based CRM

c. Predictors: (Constant), Customer Orientation, CRM Organization, Knowledge Management, Technology-Based CRM, Organizational Size

d. Predictors: (Constant), Customer Orientation, CRM Organization, Knowledge Management, Technology-Base CRM, Organizational Size, Interaction term (Customer Orientation Organizational Size, CRM Organization* Organizational Size, Knowledge Management* Organizational Size, Technology-Based CRM* Organizational Size)*

Table 4.36 shows the following: Model one, $F_{(4,211)} = 32.487$, $p < .001$ is a valid model and that CRM dimensions significantly influences performance of classified hospitality facilities. Model two when size was introduced as a moderator, $F_{(5, 210)} = 26.264$, $P < .001$, the model remained accurate and thus the efficiency of the classified accommodation facilities is greatly affected by size and CRM measurements. Model three, interaction term (CRM dimensions* Organizational Size) is introduced, $F_{(6, 209)} = 14.905$, $p < .001$, the model is still valid and this also signifies that There is immense importance among the dimensions of CRM, the size of a company, the interaction term (CRM dimensions*size) on achievement of classified accommodation facilities.

Table 4. 37

***Moderating effect of Size of a firm on CRM Dimensions and Performance of Classified Accommodation Facilities*: Regression Weights**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	.565	.298		1.898	.059
	Customer Orientation	.156	.106	.127	1.469	.143
	CRM Organization	.312	.094	.292	3.308	.001
	Knowledge Management	.162	.098	.143	1.654	.100
	Technology Based CRM	.145	.096	.136	1.520	.130
2	(Constant)	.702	.322		2.179	.030
	Customer Orientation	.152	.106	.123	1.428	.155
	CRM Organization	.323	.095	.303	3.409	.001
	Knowledge Management	.154	.098	.136	1.572	.117
	Technology Based CRM	.137	.096	.129	1.434	.153
	Size	-.052	.047	-.061	-1.109	.269
3	(Constant)	.396	.702		.563	.574
	Customer Orientation	.134	.252	.109	.530	.596
	CRM Organization	.445	.232	.417	1.920	.056
	Knowledge Management	.437	.241	.387	1.813	.071
	Technology Based CRM	-.189	.218	-.177	-.867	.387
	Size	.087	.279	.102	.314	.754
	Customer Orientation*Size	.009	.127	.046	.071	.943
	CRM Organization*Size	-.069	.127	-.354	-.545	.586
	Knowledge Management*Size	-.147	.121	-.735	-1.220	.224
	Technology based CRM*Size	.181	.111	.874	1.629	.105

a. Dependent Variable: Performance

Model one in Table 4.37, it is only CRM Organization (β_2=0.312, p=.001<α=.05) that is significant. In model two, constant ((β_0=0.702, p=.030<α=.05) and CRM Organization (β_2=0.323, p=.001<α=.05) are significant In model three, after the terms of interaction were implemented, all variables were negligible and size does not significantly improve the CRM dimensional effect on results of classified accommodation facilities.

4.11.6 Discussion of findings on whether size has a moderating effect on the relationship between CRM dimensions and Performance

H_{O5}: *The relationship between CRM dimensions and performance of classified accommodation facilities in the Kenya Coast region has no significant moderating effect on size.*

The purpose of this hypothesis was to check whether size, as one of the organizational factors in this study, has a moderating role on the relationship between CRM measurements and the efficiency or non-performance of classified accommodation. The hypothesis H05 was tested: β1 = 0 versus HA5: β1 = 0.Evidence from moderated multiple regression (MMR) in Table 4.38 indicated the following; model one. It is only CRM organization that is significant (β_2=0.312, p=.001). In model two, when size was introduced as a moderator, it is only CRM organization that remained significant (β_2=0.323, p= 001). None of the predictor variable was important in model three, when the interaction term (size*CRM dimensions) was added. Consequently, this study did not reject H05 and therefore concluded that size does not have a significant moderating role in the relationship between CRM dimensions and performance of classified accommodation facilities in the Kenya Coast region.

As shown by Table 4.35, when the organizational size was introduced into the model, there were minimal variations in the relationship that exist. CRM Dimensions explains 38.1 per cent of overall results variations (R^2 =.381). When size of a firm was introduced, the resultant R^2 change from 0.381 to 0.385 thus the model improved (Δ R^2 = .004, p= .269). When interaction term (Size*CRM Dimensions) was added the resultant R^2 change from 0.385 to 0.394; which indicated a slight improvement in the model (Δ R^2 = .009, p= .515).These changes demonstrated that size does not have a fundamental influence on the relationship between the dimensions of CRM and the efficiency of the graded accommodation. It was inferred from the findings in Tables 4.3 and Table 4.37 that size has no major moderating impact on the relationship between the CRM measurements and the efficiency of graded accommodation facilities.

The findings of this research are consistent with those of other studies which sought to establish the moderating role of size. A study done by Mwangi (2016) in the manufacturing sector among the small and medium firms established size does not have a significant moderating role on the impact of the implementation strategy on the effectiveness of Kenya's small and medium-sized manufacturing companies and is also in agreement with the argument of Schilling (2010) who identified the size of the firm as one of the factors that determines whether a firm will adopt innovation or not but also argued that size of a firm may be associated with disadvantages which include inertia and governance problems.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATONS

5.1 Introduction

This chapter provides a review of the analytical findings guided by specific goals in chapter one, conclusions and recommendations. There are three sections to this chapter; the first section presents summary of the major findings, the second section presents the major conclusions drawn from the research findings on the basis of research hypotheses and the third section, which is the last section, presents the recommendations for practice and for further studies.

5.2 Summary of the findings

The overall goal of this survey was to examine the moderating role of organizational size in the relationship between CRM dimensions and the performance of classified accommodation facilities in the Kenya Coast region. The study's main objectives were: to assess Customer Orientation Relationship and the Performance of accommodation facilities classified in Kenya Coast area; establishment of relationship between CRM Organization and Performance of accommodation facilities classified in Kenya Coast area; Determine the relationship between knowledge management and accommodation performance classified in Kenya Coast area; to determine the relationship between Technology-Based CRM and Performance of accommodation facilities classified in Kenya Coast area; and finally to find out the moderating role of organizational size on the relationship between CRM dimensions and Performance of accommodation facilities classified in Kenya Coast area.

5.2.1 To assess the relationship between Customer Oriented and the accommodation facilities performance in Coast region of Kenya

Customer Orientation which is a business philosophy aims at establishing who the firm's target customers are, and their needs and wants to foresee and satisfy those needs and wants. As a philosophy, Customer Orientation also acknowledges the presence of competition in the marketplace and the firm's objective of profit realization.

The bivariate correlation between Customer Orientation and performance was positive and significant ($r=0.547$, $p<.001$). The univariate linear regression indicated that 29.9 percent of the variations in performance of the listed accommodation facilities in the Kenya Coast area are explained by Customer Orientation. Hypothesis testing revealed a non-zero beta ($\beta_1=0.72$; $p<.001$); This resulted in the rejection of the null hypothesis in favor of alternatives that Customer Orientation has a positive significant influence Success of Classified Hospitality Facilities in Kenya Coast Region. In addition when Customer Orientation was combined with other three dimensions of CRM in multiple regressions, its influence on performance of classified accommodation facilities was still positive and statistically significant ($\beta_1=0.325$, $p< .05$).

5.2.2 Determining the relation between CRM Organization and the performance of classified accommodation facilities in Coast region of Kenya

Customer Relationship Management Organization practices relates to aligning the whole firm to Customer Relationship Management. This includes organizational structure and commitment of

resources; both human and non-human. Employee selection, training and development, appropriate incentive system to reward employees are key requisites to CRM organization. Satisfied and motivated employees translate to better service to customers.

The coefficient correlation(r) from the bivariate analysis between CRM Organization and Performance showed a positive and significant association between the two variables (r=0.463, p< .001). As an explanatory variable, CRM Organization explains 21.4% of the variation in Performance of stated accommodation facilities in Kenya Coast. In hypothesis testing, the univariate model output indicated a non-zero beta (β_1=3.545, p< .001). These results showed that CRM organization has a positive and significant impact on the performance of the Kenyan Coast region's graded accommodation facilities. The multiple regression analysis output, (β=.456, p=.452> α=.05), indicated that the importance of CRM Organization is masked by other three dimensions of CRM and hence has a non-significant influence Performance of graded accommodation facilities in the Kenyan coastal region.

5.2.3 To determine the relationship between Knowledge Management and the Performance of listed accommodation facilities in Kenya Coast

Study found that Knowledge Management influences the performance positively and significantly. Bivariate empirical findings showed that the relationship between information management and performance has the highest correlation coefficient r=0.554 relative to other CRM dimensions and performance associations. This association between Knowledge Management and Success of classified accommodation facilities in Kenya Coast region is also significant (since p<.001); thus it is not by chance or sampling error. The output of Univariate

linear regression model indicated that Knowledge Management explains 30.6% of the variations in Consistency of specified accommodation facilities in Kenya Coast region. It rejected the null hypothesis and upheld the alternative hypothesis (β=0.662, p=.000 < α=.05). Knowledge management thus has a positive and significant impact on the performance of Classified Housing Facilities in the Kenya Coast region. The multiple regression output, where all CRM dimensions' influence on performance was tested, the Knowledge Management had a positive and significant influence on performance of classified accommodation facilities in Coast region of Kenya; as demonstrated by the beta value (β_3=.285, p=.009<α=.05).

5.2.4 To survey and analyse the relationship between Technology Based Customer Relationship Management and the performance of classified accommodation facilities in Coast region of Kenya

Technology-Based-CRM is a technology component of the CRM; which includes both software and hardware. The technology is applicable in customer acquisition, retention and overall achievement of Mutual benefits for the organization, as well as customers. The finding demonstrated that CRM based on technology is a good performance predictor in classified accommodation facilities in Kenya's Coast region. Correlation coefficient of Technology-Based CRM and performance is both positive and significant (r=0.528, p=0.000< α=.05). The coefficient of determination (R^2) in Univariate linear regression model indicates that the Technology Based-CRM explains 27.8% of the variance in performance of classified hospitality facilities in Coast region of Kenya. Checking the hypothesis H04: β1=0 vs. HA4: β10, rejecting the null hypothesis and accepting the alternative hypothesis from β10 (β1=0.601, p=.000 < α=.05).

Thus conclusion was that Technology Based-CRM Has a strong and important impact on classified hospitality success in the Kenyan Coast region. However, the results of a multivariate analysis, indicated that the Technology Based-CRM has a positive non-significant Influence on classified accommodation efficiency in Kenya Coast region; (β_4=.103, p=.113> α=.05).

5.2.5 To examine the moderating role of organizational Size on the relationship between CRM dimensions and the Performance of specified accommodation facilities in Kenya Coast

The aim of this study was to determine whether the size of the firm has a moderating impact on the relationship between CRM dimensions and the performance of Kenya Coast's classified accommodation facilities. In pursuit of establishing whether organizational size has Moderating position in Customer Orientation relationship and performance of classified accommodation, the variability in performance was significant (p< .001). When the organizational size was added, R^2 improved to 0.282; a change that was not significant (p=.239). When interaction term (customer orientation*organizational size) was introduced, there was a marginal improvement of R^2 to .283; a change that was not significant (p=.721> α=.05).

In an attempt to ascertain whether Organizational Size has a moderating impact on the relationship between CRM Organization and the success of classified accommodation facilities, the following findings were reported: Before that introduction of organizational size, CRM Organization explained a variability of 32.9% (R^2= 0.329) in performance. When Organizational Size was introduced, R^2 improved marginally by 0.01; this improvement was insignificant since p=.082 which is greater than significant level α=.05. When the interaction term (organizational

size*CRM Organization) was added, there was a slight improvement of R^2 by 0.002; an improvement that was not significant.

In a try to ascertain if Organizational Size has a moderating effect on knowledge management and efficiency associations of accommodation facilities classified, the following was established: The relationship between Knowledge Management and performance indicated that 26.9% (R^2=0.269) in performance could be explained by Knowledge Management. After introducing organizational size, R^2 changed to 0.272. This change was not significant since p=.415 which is greater than a significant level of 5%. When the interaction term (organizational size*Knowledge Management) was introduced, there R^2 remained at 0.272 at p=789. This p value is greater than the central interest of α=.05.

In such an endeavor to decide whether Organizational Size has a moderating effect on the relation between CRM and performance-based technology of graded accommodation facilities, in the direct link between CRM and performance-based technology, CRM based technology explained 28.1% (R^2=0.281). This variability is significant (p< 0.01). When Organizational Size is introduced in the model, R^2 improved marginally by 0.002; an improvement that since p is greater than the critical value (p=.402 > α=.05), was not important. When incorporating the interaction concept (Organizational size * CRM-based technology) into the model, R2 increased by 0.007. This increase was not important because p=.155; a value higher than the 5 per cent significant amount.

Additionally, the research also explored the moderating impact of organizational size on the relationship between the individual dimensions of CRM and the performance of graded

accommodation facilities on the relationship between the combined dimensions of CRM and the performance of classified accommodations.

Before size was introduced in the model, the CRM dimensions, explained 38.1 % of variations in Success of described accommodation facilities in Kenya's Coastal regions. Relationship was significant ($p<.01$). However, when size was added in the model, R^2 improved from 38.1% to 38.5%; a minimal change of 0.4% ($p=.269> \alpha=.05$). When interaction term was introduced in the relationship, R^2 changed from 38.5% to 39.4%; a change of 1% (.$p=.515> \alpha=.05$. Since these changes have a p value greater than the critical value ("alpha"), 0.05 when size was implemented, this means that size does not have a moderating function in the relationship between them combined CRM measurements and efficiency of rated accommodation facilities in Kenya Coast region.

5.3 Conclusion

The primary goal of this study was to investigate the relationship between dimensions of CRM and performance of classified accommodation facilities in Kenya's coastal area. Furthermore, the study speculated that organizational size has a moderating function in the relationship between CRM and dimensions of production.

5.3.1 Customer Orientation and Performance

The study found out that Customer Orientation influences the performance of the classified accommodation facilities positively and significantly ($\beta_1=0.72$, $p<.001$). Alone, Customer orientation explains 54.7% variation in performance and therefore any classified accommodation

facility that aligns its objectives in order to please consumers, it closely tracks and determines how dedicated it is to meeting consumer needs, whose competitive advantage is related to knowing customer needs, whose market objectives are driven by the customer loyalty, which often tests Customer satisfaction, considerable concern to after-sales service and personalized delivery goods to the main Customers, will reap the benefits which will be reflected in its financial and marketing performance improvement.

5.3.2 Customer Relationship Management Organization and Performance

The study also showed that the CRM Organization affects the performance of the listed hospitality facilities positively and significantly ($\beta1=3.54$, $p<.001$).From the coefficient of determination, 21.4% variation in performance originates from CRM organization. From this finding it can be concluded that classified accommodation facilities will benefit from improvements made on CRM Organization related issues. The CRM Organization related issues include recruiting sales and marketing personnel who have expertise and tools for excellence in CRM, training programs for employees designed to improve skills needed to strengthen customer relationships, consistent customer acquisition business strategies, growth, retention and reactivation, organizational structure expertise and competence tools in CRM, skills-enhancing workplace training programmes needed to strengthen customer relationships, consistent customer acquisition business strategies, growth, retention and reactivation, organizational structure a customer based and also appraisal of employee performance and the rewarding scheme should be based on how best the employees serve the customers.

5.3.3 Knowledge Management and Performance

Results from the study showed the Knowledge Management influences the performance of the classified accommodation facilities positively and significantly (β_1=0.662, p=.001). The study has also revealed that 30.6% of performance is explained by knowledge management. Customer knowledge, as a tool helps a company to improve its consumer engagement and thereby gain a sustainable competitive advantage. Thus any effort and investment made on improving Knowledge Management aspects, such as customer information generation, transformation of this information to The knowledge of customers and the diffusion of this information to the whole organization would contribute to improved performance of the business organization; both in financial and marketing dimensions.

5.3.4 Technology Based Customer Relationship Management and Performance

The findings also show that the CRM founded on technology influence positive and substantially on the results of the classified accommodation facilities (β1=0.601, p<.001). The study concludes that adopting and integrating various technological measures will result in increased efficiency in the operations thus translating to enhance organizational performance while minimizing the overhead costs as well. Based the coefficient of determination, Technology based CRM explains 27.8% of variation in performance. Thus investments in CRM technology will lead benefits that are realizable and measurable. The technology-based CRM requires the recruitment of the right technical personnel to provide professional support for the use of computer technology to improve customer engagement within the organization; to best represent the customer, make the individual customer details accessible at any point of interaction and maintain a robust customer database.

The general aim of the study was to examine how aspects of customer relationship management affect the performance of classified accommodation facilities in Kenya's Coast region. The study results showed that every aspect of customer relationship management has a positive and important impact on efficiency. The findings of this research are consistent with the key hypotheses underpinning the analysis. Depending on the Theory and Information Based View of Capital, the four dimensions of customer relationship management are taken into account: customer orientation, organization of CRM, information management and CRM based on technology, are considered as critical organizational resources when optimally utilized enable the accommodation facilities realize a competitive advantage. For optimal utilization of the resources so as to maximize the benefits the organization has to take into consideration the changes within the context it exists and this conceptualization was fortified by the dynamic capabilities based view.

5.3.5 Moderating Role of size of a firm on Customer Relationship Management and Performance

On the moderating role of the size of an establishment in relation to the CRM dimensions and performance; the study aimed to determine whether the number of staff and bed capacity moderates the relationship between CRM measurements and performance of Kenya Coast Graded accommodation facilities. When size as an organizational factor was introduced into the model, the ability of predictor variable to predict performance improved minimally.

However, the improvement was not statistically significant. The study therefore concluded that the organizational size does not significantly affect the relationship between any of the four

CRMs and performance as well as the combined Dimensions of CRM and performance of graded accommodation facilities in coastal Kenya region.

This research has increased the level of awareness on the dimensions of customer experience management and their impact on results from the conclusion of the study in hospitality industry. Existing literature has recommended more studies in this area due to limited studies and also inconsistences in the findings. This study has been done in the Kenya context and specifically in classified accommodation facilities which had no similar study before.

5.4 Recommendations

This section has two sub-sections. The first sub-section comprises of the recommendations that are based on the conclusions drawn from the findings of the research study. The second sub-section comprises of Recommendations for further research in the light of issues that emerged in the course of that investigation but could not be addressed since they were not the primary concern of the study.

5.4.1 Recommendations on Research Findings

This section provides recommendations to the practitioners in the hospitality industry. Based on research findings it is suggested that adoption on CRM dimensions can lead to an improved performance in classified accommodation facilities. The four dimensions of CRM are Customer Support, CRM Structure, Information Management and CRM Applications. Moreover, the moderating role of organizational variables in shaping efficiency through CRM dimensions.

The study found the Customer Orientation had a significant impact on the organization's performance. Thus the study recommends that the management of classified accommodation facilities should promote customer centric culture; a culture in which employees have a pre-disposition towards meeting the customer needs. Further, the study recommends the following specific areas of Customer Orientation that should be addressed keenly. These areas include: First, business objectives of the organization should be customer-satisfaction oriented and should be measured frequently. Second, the level of commitment towards meeting customer needs should be closely monitored and assessed. Third, competitive advantage should be based on understanding customer needs. Fourth, paying great attention to post purchase activities such as after-sale service; and finally providing customized to the main consumers, goods and services.

As for CRM Organization, the study has found that it has a positive and statistically significant influence on performance. Study recommends that management of classified hospitality facilities should pay great attention to CRM Organization. The concrete areas in CRM Organization include: structuring the organization based on customers, measuring and rewarding employees based on meeting needs of customers, establishing Clear business objectives relating to procurement, growth, retention and reactivation, developing employees' training programs whose aim is to inculcate skills in employees for the purpose of acquiring and deepening customer relationships and also ensuring that there are sales and marketing expertise and resources that will enable the accommodation facility to succeed in CRM

Further, the findings of the study have revealed that Knowledge Management predict performance of organization significantly. Therefore the study recommends that the management should acquire customer knowledge, share and disseminate it throughout the organization in

order to meet customer needs more effectively Effective use of customer knowledge is the pre-requisite for effective customer orientation. Other specific concrete areas of Knowledge Management that the management of classified accommodation facilities need to pay attention to include: Comprehensive understanding of customer needs, and especially of key customers, through knowledge-learning, encouraging two-way communication so as to allow knowledge transfer between the accommodation facility and its customers and vice versa.

Concerning the Technology Based CRM, the results found that it has an important and optimistic impact on performance. This finding demonstrates that if the management of classified accommodation facilities can invest in technology related to CRM, then they can be sure of reaping the benefits. The specific areas of technology that management should invest in include: engaging appropriate technical personnel who will provide professional support to the use of computer technology in customer relationship building, investing in software and hardware to facilitate customer service, investing in gathering information available for individual customers at every point of contact and finally investing in customer-database maintenance.

As regards the size of the organization, was determined by the number of staff and the available beds for occupancy, the results indicated that the size of the classified accommodation facilities does not have any significant moderating role on the effect on efficiency of the CRM dimensions, meaning, the size does not improve the performance when the classified accommodation facilities under study adopted Customer Relationship Management.

Thus according to the findings of this study, any classified accommodation facility can reap the benefits of embracing CRM for the size of the facility does not offer competitive advantage to a facility and therefore the managers and the investors should be keen on embracing CRM dimensions.

5.4.2 Recommendations for Further Research

Although this study produced meaningful results, it was also subject to certain limitations which in turn provide avenues for further research. Inclusion of more factors in the study and expanding industrial and geographical scope are some of the areas that are worth considering.

First, the selection of factors included in the conceptual framework is not exhaustive. Certainly, other factors could provide additional insights of influence of CRM on the success of organizations. For instance, inclusion of more organizational factors other than just size. Factors such as the type of management can be considered in future studies. In hospitality industry, some facilities are managed owners, others are managed by contracted experts and still others are managed through franchising.

Second, increasing the scope of the study geographically will enhance validity and generalizability. The current study only covered classified hotel facilities in Kenya Coast area. However, a study covering the all the classified accommodation facilities in Kenya will achieve the objective of validity and generalizability more effectively. Third, since CRM concept has to do with how the firm relates with customers as it meets their needs, a study which gathers data from the perspective of the customer as well as the firm. Obtained data from customers and the

managers will be more informative and will reduce the biases that may be evident from a single perspective.

The dynamic capabilities view explains how resources are developed and deployed in a changing environment. In this study it had been speculated that organizational factors, and specifically organizational size, influences the resources-performance outcome link Both CRM dimensions and Results relationship. Although the results indicated that organizational size does not have a moderating role, a research driven towards theory development and testing of more organizational factors need to be considered in future.

Further, a longitudinal study may be more effective in studying relationships between variables as compared to a cross-sectional survey since a cross-sectional survey is not able to take care of the lagged effect in some of the relationships.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION TO RESPONDENTS

Dear sir/madam,

REF: QUESTIONNAIRE

I am a PhD student at the Kenya Methodist University, in the School of Economics & Business. In order to fulfil the degree requirement, I am undertaking a management research dissertation on the Customer Relationship Management (CRM). The study is entitled:
"Influence of Customer Relationship Management Dimensions on the Performance of Classified Accommodation Facilities in Coast Region of Kenya".
Based on your work experience and knowledge, please fill the attached questionnaire, which I will later collect. The questions have been simplified and therefore should not take more than 30 minutes to complete.

I also wish to assure you that the information you provide will be used exclusively for academic purpose and will be treated with strict **CONFIDENTIALITY.** At no time shall your company's name appear in the report. The finding of this research can be availed to you upon request.
Your co-operation will be highly appreciated.
Yours Faithfully,

Charles G. Mwangi
Student

APPENDIX II: QUESTIONNAIRE

The following statements concern the CRM usage and its impact on organizational performance and how this association is affected by customer satisfaction and organizational factors. The data collected will ONLY be used for academic research purpose and the results after data analysis, will be displayed in aggregate form in any form of publication.

Please tick one box for the most suitable answer. Remembering that there are no right or wrong answers

Part A: Influence of Customer Relationship Management Dimensions

Part A aims at informing the study on the extent to which the classified hotels have adopted CRM. On a scale of 1 to 5, please indicate your level of agreement to the following statements:

1. Strongly disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree.

PART A: Customer Relationship Management Dimensions					
Customer Orientation					
1. Organization's business objectives are oriented to customer satisfaction	1	2	3	4	5
2. Organization closely monitors and assesses its level of commitment in serving customer needs	1	2	3	4	5
3. Organization's competitive advantage is based on understanding customer needs	1	2	3	4	5
4 Organization's business strategies are driven by objective of increasing value for customers	1	2	3	4	5
5 Organization's business strategies are driven by objective of increasing value for customers	1	2	3	4	5
6 Organization pays great attention to after-sales service	1	2	3	4	5
7 Organization offers personalized products and services for key customers.	1	2	3	4	5
Customer Relationship Management Organization					
8. My organization has the sales and marketing expertise and resources to succeed in CRM.	1	2	3	4	5
9. Our employees training programs are designed to develop the skills required for acquiring and deepening customer relationships.	1	2	3	4	5
10. My organization has established clear business goals related to the acquisition, development, retention and reactivation.	1	2	3	4	5
11. Employee performance is measured and rewarded based on meeting	1	2	3	4	5

customer needs and on successful serving the customers.					
12. Our organizational structure is meticulously designed around our customers.	1	2	3	4	5
13. My organization's employees are willing to help customers in a responsive manner.	1	2	3	4	5
Knowledge Management					
14. My organization fully understands the needs of our key customers via knowledge learning	1	2	3	4	5
15. My organization provides channels to enable on going, two-way communication with our key customers and us.	1	2	3	4	5
16. Customers can expect prompt service from employees of my organization.	1	2	3	4	5
Technology Based Customer Relationship Management					
17. My organization has the right technical personnel to provide technical support for utilization of computer technology in building customer relationships.	1	2	3	4	5
18. My organization has the right software to serve our customers	1	2	3	4	5
19. My organization has the right hardware to serve our customers.	1	2	3	4	5
20. Individual customer information is available at every point of contact.	1	2	3	4	5
21. My organization maintains a comprehensive database of our customers.	1	2	3	4	5

Part B aims at informing the study on how the adopted CRM affects the organizational Performance of the hotel. On a scale of 1 to 5, please indicate your level of agreement to the following statements: 1. Strongly disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree.

Part B: Organizational Performance					
22. The number of guests visiting our facility on average per year for the last five years has been increasing	1	2	3	4	5
23. The spending per visitor for the last five years has been increasing	1	2	3	4	5
24.The bed-night stays have been increasing for the last five years	1	2	3	4	5
25.The customers' frequency (repeat visit) has been increasing for the last five years.	1	2	3	4	5
26.The positive word of mouth of customers has been enhanced for the last five years.	1	2	3	4	5
27. The market share of our facility (within our category) has been increasing over the last five years.					
28. Profitability of our facility has been improving for the last five years.	1	2	3	4	5
29 Return on Investments (ROI) of our facility has been improving over the last five years.					
30 Return on Assets (ROA) of our facility has been improving over the last five years.					

Part C consists of questions on the profile of the Organization.

Part C: Organizational Factors

31. Indicate the bed capacity of your facility	……
32. Indicate the total number of staff working in your facility	……..
33. Which star does your facility belong?	☐ One Star ☐ Two Star ☐ Three Star ☐ Four Star ☐ Five Star

Appendix iii: Summary of Operationalization of The Variables

Variable	Type of Variable	Dimensions/Constructs	Indicators	Reference
CRM	Independent Variable	-Customer Orientation -CRM Organization -Knowledge Management -Technology-Based CRM	21 Items Developed by: Moreno and Melendez (2011) and *Sin et al*. (2005). See appendix D.	Moreno and Melendez, (2011)-Sin*, et al.* (2005), -Agnes (2009) - Abdallah & Assabil (2011)
Organizational Factors	Moderating Variable	Size	Size: bed capacity and no. of employees.	-Ranger-Moore(1997), -Agnes (2009), -Kuria (2012) -Mwangi (2016)
Business Performance	Dependent Variable	-Marketing performance -financial performance	-number. of visitors, -frequency, -bed-night stays, -spending per visitor. -word of Mouth -profitability -return on investments -return on assets	-World Bank (2010) -Sin et al, (2005). -Mwangi (2016)

Appendix iv: Operationalization of Customer Relationship Management Dimensions

Dimensions		Items	Key
Customer Orientation	1	Organization's business objectives are oriented to customer satisfaction	CO1
	2	Organization closely monitors and assesses its level of commitment in serving customer needs	CO2
	3	Organization's competitive advantage is based on understanding customer needs	CO3
	4	Organization's business strategies are driven by objective of increasing value for customers	CO4
	5	Organization frequently measures customer satisfaction	CO5
	6	Organization pays great attention to after-sales service	CO6
	7	Organization offers personalized products and services for key customers.	CO7
CRM Organization	8	My organization has the sales and marketing expertise and resources to succeed in CRM.	CRMO1
	9	Our employee training programmes are designed to develop the skills required for acquiring and deepening customer relationships.	CRMO2
	10	My organization has established clear business goals related to customer acquisition, development, retention and reactivation.	CRMO3
	11	Employee performance is measured and rewarded based on the meeting customer needs and successful serving the customers.	CRMO4
	12	Our organizational structure is meticulously designed around our customers.	CRMO5
Knowledge Management	13	My organization's employees are willing to help customers in a responsive manner.	KM1
	14	My organization fully understands the needs of our key customers via knowledge learning.	KM2
	15	My organization provides channels to enable on going, two-way communication with our key customers and us.	KM3
	16	Customers can expect prompt service from employees of my organization.	KM4
Technology-Based CRM	17	My organization has the right technical personnel to provide technical support for utilization of computer technology in building customer relationships.	TBCRM1
	18	My organization has the right software to serve our customers.	TBCRM2
	19	My organization has the right hardware to serve our customers.	TBCRM3
	20	Individual customer information is available at every point of contact.	TBCRM4
	21	My organization maintains a comprehensive database of our customers.	TBCRM5

Source: Adopted from *sin et al.* (2005)

Appendix v: Definition and Measurement of the Variables

Variable	Type of Variable	Dimensions/Constructs	Indicators	Question No.	Reference
CRM Dimensions	Independent Variable	-Customer Orientation -CRM Organization -Knowledge Management -Technology-Based CRM	21 Items Developed by *Sin et al*. (2005). See appendix D.	Part A Question 1 to Question 21	-Sin*, et al.* (2005), -Agnes (2009) -Abdallah & Assabil (2011)
Organizational Factors	Moderating Variable	-size	Bed capacity and number of employees	Part C Question 31 and Question 32	Ranger-Moore (1997) -Agnes (2009) -Kuria (2012) -Mwangi (2016)
Organizational Performance	Dependent Variable	-Marketing performance -financial performance	-number of visitors -spending per visitor -bed-night stays -frequency -word of Mouth -market share -profitability -return on investments -return on assets	Part B Question 22 to Question 30	-World Bank (2010) -Sin et al, (2005). -Mwangi (2016)

APPENDIX VI: HOTEL BED-NIGHTS OCCUPANCY

	2013	2014	2015	2016	2017
Total bed occupied (‘000’)	6597	6282	5879	6449	7174
Total bed available for occupancy (‘000’)	18293	19877	20187	21259	22987
Occupancy rate	36.1%	31.6%	29.1%	30.3%	31.2%
Non-occupancy rate	63.9%	68.4%	70.9%	69.7%	68.8%

Source: Republic of Kenya, 2014, 2015, 2016, 2017 & 2018.

APPENDIX VII: KENYA METHODIST UNIVERSITY LETTER OF INTRODUCTION

Kenya Methodist University
P. O Box 267 - 60200, Meru, Kenya, Tel: (+254-020) 2118423-7, 064-30301/31229 Fax: (+254-064) 30162 Email: info@kemu.ac.ke , Website: www.kemu.ac.ke

November 16, 2016

Executive Secretary,
National Council for Science and Technology,
P.O Box 30623-00100,
NAIROBI.

Dear Sir/Madam,

RE: MWANGI CHARLES GACHERU (BUS-4-1127-1/2009)

This is to confirm that the above named is a bona fide student of Kenya Methodist University pursuing a Doctor of Philosophy Degree in Business Administration and Management (Marketing).

Charles Gacheru Mwangi is undertaking a research study on **"Influence of Customer Relationship Management (CRM) Dimensions on the Performance of Star Rated Hospitality Facilities in Coast Region of Kenya".** To successfully complete his research work, he requires relevant data in his area of study

In this regard, we kindly request your office to issue him a research permit to enable him collect the data for his academic research work.

We thank you in advance for your co-operation.

Yours faithfully,

KENYA METHODIST UNIVERSITY
Dean
17 NOV 2016
BOARD OF POSTGRADUATE STUDIES
P.O. Box 45240-00100 NAIROBI

Dr. Evangeline M. Gichunge
Associate Dean, Research Development & Board of Postgraduate Studies

APPENDIX VIII: NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION LETTER

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email:dg@nacosti.go.ke
Website: www nacosti.go.ke
when replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/16/47334/14955**

Date:
8th December, 2016

Charles Gacheru Mwangi
Kenya Methodist University
P.O. Box 267- 60200
MERU.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Influence of CRM dimensions on the performance of star rated hospitality facilities in Coast Region of Kenya"*** I am pleased to inform you that you have been authorized to undertake research in **Kilifi, Kwale, Mombasa and Taita Taveta Counties** for the period ending **7th December, 2017.**

You are advised to report to **the County Commissioners and the County Directors of Education of the selected Counties** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioners
Selected Counties.

The County Directors of Education
Selected Counties.

APPENDIX IX: KENYA ASSOCIATION OF HOTEL KEEPERS ASSOCIATION LETTER

Heidelberg House - 2nd level
Mombasa Road
P.O. Box 9977 00100 Nairobi
Tel: 0707 402 504/0775 448 306
E-mail: info@kahc.co.ke

Making Kenya's hospitality globally competitive
KENYA ASSOCIATION OF HOTEL KEEPERS & CATERERS
www.kahc.co.ke

Social Security House,
Nkrumah Road, 8th level
P.O. Box 83378, Mombasa
Tel: 041 2228208/041 2312504
E-mail: infocoast@kahc.co.ke

Date: _____

TO WHOM IT MAY CONCERN

INTRODUCTION LETTER

Mr. Charles Gacheru Mwangi has visited our Kenya Association Hotelkeepers and Caterer (KAHC) Mombasa office seeking permission to be allowed to visit Classified Hospitality Facilities in Coast Region for data collection. Mr. Mwangi is a PhD student at Kenya Methodist University undertaking a research whose title is **"Influence of Customer Relationship Management Dimensions on the performance of classified hospitality facilities in Coast region of Kenya"**The National Commission for Science, Technology and Innovation (NACOSTI) has gone through his proposal and has permitted him to collect data.

The classified hospitality facilities under his study include all vocational hotels, town hotels, lodges, tented camps and villas, cottages and serviced apartment in Mombasa County, Kwale County, Kilifi County, and Taita Taveta County which were published by Tourism Regulatory Authority in the Kenya Gazette of 5th August 2016 of which your facility is one of them.

Mr. Mwangi will use a questionnaire to collect data. The questionnaire will be administered to ten(10) employees serving at supervisory or management positions. It will not take more than 30 minutes to fill the questionnaire. The questionnaire will be dropped and collected later when it is duly filled.

It is my sincere believe that the findings of his research will benefit hospitality industry in making/advancing policies towards customer relationship management. It is for this reason I recommend Mr. Mwangi for your assistance.

For and On behalf of KAHC

Sam Ikwaye
Executive Officer- Coast

APPENDIX X: MAP SHOWING COAST REGION

Source: https://en.m.wikipedia.org>wiki>province

APPENDIX XI: MAP OF KENYA SHOWING THE COUNTIES

Source: https://opendata.go.ke/facet/counties

APPENDIX XII: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

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

Note: "N" is population size
"S" is sample size.

Source: Krejcie & Morgan (1970)

APPENDIX XIII: LIST OF CLASSIFIED HOSPITALITY FACILITIES IN COAST REGION OF KENYA

	Vocation Hotels	**County**	**Star Rating**
1	Leopards Beach Resort and Spa	Kwale	5
2	Swahili Beach Resort	Kwale	5
3	Voyager Beach Resort	Mombasa	4
4	Marina English Point	Mombasa	4
5	Sarova White Sands Beach Resort and Spa	Mombasa	4
6	Diamond Dream of Africa	Kilifi	4
7	Leisure Lodge Beach & Golf Resort	Kwale	4
8	Baobab Beach Resort & Spa	Kwale	4
9	Serena Beach Resort and Spa	Mombasa	4
10	Turtle Bay Beach Club	Mombasa	4
11	Bahari Beach Hotel	Mombasa	3
12	Isinya Resorts Limited	Mombasa	3
13	Pangoni Beach Resort	Mombasa	3
14	Mnarani Club	Kilifi	3
15	Indian Ocean Beach Resort	Kwale	3
16	Diani Sea Resort	Kwale	3
17	Sandies Tropical Village	Kilifi	3
18	Crystal Bay Beach Resort	Kilifi	3
19	Plaza Beach Hotel	Mombasa	2
20	Saruni Ocean Beach Resort	Kwale	2
21	Papillon Lagoon Reef Hotel	Kwale	2
22	Kilili Baharini	Kilifi	2
23	Seven Islands Resort	Kilifi	2
Town Hotels			
24	Royal Court Hotel	Mombasa	3

	Vocation Hotels	County	Star Rating
25	Castle Royal Hotel	Mombasa	2
26	Gasaro Hotel Limited	Mombasa	2
27	Midview Hotel	Mombasa	2
Lodge			
28	Ashnil Aruba Lodge	Taita Taveta	3
Tented Camps			
29	Sentrim Tsavo East Camp	Taita Taveta	3
30	Voyager Safari Camp	Taita Taveta	2
Villas, Cottages and Serviced Apartments			
31	Medina Palms Suites and Villas	Kilifi	4
32	Msambweni Beach House and Private Villa	Kwale	4
33	JacyJoka Apartments	Mombasa	3
34	Azul Margarita Beach Resort	Mombasa	3
35	Morning Star Apartments	Kwale	2
36	Flamingo Villas	Kilifi	2

Source: Republic of Kenya (2016)

APPENDIX XIV: HOSPITALITY CLASSIFICATION CRITERIA

Star(s)	Description of Facilities
One Star(*)	– Hospitality with basic facilities and services meeting the quality standards. – In harmony and conformity with locality. – Separate and independent access for the hotel guests and delivery. – Reception staff in uniform and presentable. – At least ten lettable rooms. – 100 percent private bathrooms. – At least one restaurant that is well furnished and lit. – One meeting room with not least than 40 squares. – Glass washing and drying machine shall be available. – Enough storage capacity for water to last at least one day in case of breakdown in supply. – Drinking water must be safe and potable and shall meet WHO standards. – Lifts shall be provided for buildings of four or more storey including ground floor.
Two Star(**)	Same as one Star but with : – Comfortable facilities, offering some services and amenities. – Some claim of style and beauty. – Good quality and harmony of colours. – Enough storage capacity for water to last at least three days in case of breakdown in supply. – Drinking water must be safe and potable and shall meet WHO standards. – Lifts shall be provided for buildings of four or more storey including ground floor.
Three Star (***)	– Same as two Stars but with excellent facilities, offering a wider array of services and amenities. – All rooms to be approached through a corridor except for cottages. – Good quality uniforms. – Restaurants should be the same as in One Star but with a coffee shop or snack bar in addition. – Provision for smoking and non-smoking area – At least one percent of rooms shall be suites. – Safe deposit available though not necessarily in the rooms. – Enough storage capacity for water to last at least five days in case of a breakdown in supply. – Drinking water must be safe and potable and shall meet

	WHO standards. – Lifts shall be provided for buildings of four or more storey including ground floor.
Four Star **(****)**	– Hospitality with superior facilities, offering a wide range of services and amenities. – Mosquito nets available. – High quality furniture and fittings. – Enough storage capacity for water to last at least one week in case of a breakdown in supply. – Drinking water must be safe and potable and shall meet WHO standards. – Lifts shall be provided for buildings of four or more storey including ground floor and a service lift provided.
Five Star **(*****)**	– Same as Three Star but Hotels with exceptional facilities offering a full range of services and amenities. – Locality and environment of high international standards. – Buildings wholly detached. – Exceptionally high quality of finishing. – Enough storage capacity for water to last at least one week in case of a breakdown in supply. – Lifts shall be provided for buildings of four or more storey including ground floor and a service lift provided.

Source: Republic of Kenya (2005)

APPENDIX XV: ESSENTIAL ITEMS FOR HOSPITALITY CLASSIFICATION

Vacation Hotels	Town Hotels	Lodges
Menu	Menu	Menu
Service staff	Bar Staff	Service Staff
Washing Hand Basin	Washing Hand Basin	Washing Hand Basin
Waste Disposal	Waste Disposal	Waste Disposal
Drainage	Drainage	Drainage
Kitchen Staff	Kitchen Staff	Kitchen Staff
Numbering of Rooms	Numbering of Rooms	Numbering of Rooms
Change of Linen	Change of Linen	Change of Linen
Safe Deposit	Safe Deposit	Safe Deposit
Front Office Staff	Front Office Staff	Front Office Staff
Refuse Disposal	Refuse Disposal	Refuse Disposal
Sewage	Sewage	Sewage
Vermin Proofing	Vermin Proofing	Vermin Proofing
Water Supply	Water Supply	Water Supply
Electricity Safety	Electricity Safety	Electricity Safety
First Aid	First Aid	First Aid
Safety of Swimmers	Safety of Swimmers	Safety of Swimmers
Qualification of Management Staff	Qualification of Management Staff	Qualification of Management Staff
Departmental Heads	Departmental Heads	Departmental Heads
Qualification Operative Staff	Qualification Operative Staff	Qualification Operative Staff
Medical Examination	Medical Examination	Medical Examination
Hotel Insurance	Hotel Insurance	Lodge Insurance
Fume Extraction	Fume Extraction	Fume Extraction

Source: Mwangi (2007)

APPENDIX XVI: CONSTRUCT RELIABILITY

Construct	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CO1	24.67	17.047	0.632	0.816
CO2	24.79	16.836	0.704	0.807
CO3	24.78	16.532	0.716	0.804
CO4	24.88	16.442	0.655	0.812
CO5	24.94	16.63	0.65	0.813
CO6	25.28	16.156	0.544	0.833
CO7	25.17	17.972	0.366	0.859
CRMO1	20.89	25.574	0.851	0.794
CRMO2	20.67	27.716	0.647	0.835
CRMO3	20.82	36.356	0.672	0.815
CRMO4	21.11	43.893	0.894	0.767
CRMO5	20.59	29.313	0.627	0.914
CRMO6	20.5	46.937	0.793	0.816
KM7	8.42	2.356	0.67	0.708
KM8	8.36	2.446	0.669	0.711
KM9	8.32	2.443	0.609	0.773
TB_CRM1	16.08	10.43	0.597	0.813
TB_CRM2	16.1	10.125	0.638	0.802
TB_CRM3	16.12	9.991	0.697	0.786
TB_CRM4	16.18	9.87	0.649	0.799
TB_CRM5	15.99	10.135	0.602	0.812
P1	29.64	51.143	0.701	0.844
P2	29.69	51.934	0.678	0.846
P3	29.75	50.535	0.72	0.842
P4	29.32	47.995	0.32	0.923
P5	29.32	54.302	0.609	0.853
P6	29.53	52.567	0.685	0.847
P7	29.78	50.376	0.813	0.836
P8	29.81	50.896	0.751	0.84
P9	29.86	50.967	0.732	0.842