

**EFFECT OF CUSTOMER SATISFACTION ON ORGANIZATIONAL  
PERFORMANCE OF LODGES WITHIN LEWA WILDLIFE  
CONSERVANCY**

**FATUMA HALAKE**

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Fulfilment of the Requirements for the Conferment of the Degree of Masters of  
Business Administration – Marketing**

**Kenya Methodist University**

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## DECLARATION AND RECOMMENDATION

### Declaration

This thesis is my original work and has not been presented for a degree or any other award in any other University.

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Fatuma Halake

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### Recommendations

This thesis has been submitted with our approval as the university supervisors.

Sign ..... Date.....

Dr. Nancy Rintari, PhD

Kenya Methodist University

Sign ..... Date.....

Abel Moguche

Kenya Methodist University

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## **DEDICATION**

I dedicate this research project to my family for the moral support during the completion of my studies.

## **ACKNOWLEDGEMENT**

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## ABSTRACT

Kenya is a well-known tourist destination in Africa and the government has launched several initiatives to boost tourism. Hotels are a vital aspect of tourism in the country and maintaining high levels of customer satisfaction with their services is crucial for upholding the country's reputation as a desirable tourist destination. Objectives were guided by customer loyalty, customer behaviour, service quality, and brand reputation and how they affected organizational performance. Resource-Based View (RBV) theory, Expectancy-Value Theory, Customer Service Theory and the Reputation management theory guided the study. A descriptive survey design was employed to collect quantitative data from 121 staff and 186 customers at the lodges (Lewa Wilderness, Lewa House and Elewana Lewa Safari Camp) in the Conservancy. Structured questionnaires the primary tool for collecting primary data which were analysed using SPPSS to examine descriptive results like frequency, percentage, mean and standard deviation. Additionally, for the qualitative data collected, the analysis involved examining the thematic content of the responses to gain insights and draw conclusions. Client loyalty was found to have had a great result on the lodges' organizational performance. Additionally, customer behaviour was an indicator of customer satisfaction, and it greatly affected the organizational performance in the lodges. The study found that the services level of quality was valued by the lodges and thus the guests were largely content with the with the quality of services at the lodges. Service quality was also found to affect organizational performance in the lodges to a large extent. In addition, the lodges' enhanced client loyalty as a result of brand reputation led to increased customer loyalty and increased sales and their strong brand recognition led to increased customer trust as well as increased sales and revenue. According to the research's findings the study recommended that the lodges should emphasize the delivery of high-quality services throughout the customer journey, from reservation to check-out. They should also train and empower staff members to provide exceptional customer service, ensuring that guests' needs and preferences are met promptly and efficiently.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>CST</b>	Customer Service Theory
<b>EVT</b>	Expectancy-Value Theory
<b>GDP</b>	Gross Domestic Product
<b>KNBS</b>	Kenya National Bureau of Statistic
<b>RBV</b>	Resource-Based View
<b>RMT</b>	Reputation Management Theory
<b>SPSS</b>	Statistical Packages for Social Scientists

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Globally, success of lodges is largely dependent on their ability to provide high-quality customer service, which result in customer retention, repeat sales, and effective word-of-mouth marketing. This success is evidenced by lodges in Europe which have been successful in large part due to their focus on customer satisfaction. These lodges are typically located in scenic and remote locations such as the Alps, the Scottish Highlands, and the forests of Scandinavia (Bandara & Dahanayake, 2020).

They offer tourists a unique and luxurious experience that is often focused on outdoor activities such as hiking, skiing, and wildlife watching. Many lodges in Europe offer personalized service and tailor their offerings to meet the individual needs and preferences of their guests. In addition to providing excellent service, lodges in Europe often prioritize sustainability and environmental conservation (Bedelian, 2019). Many lodges are built using sustainable materials and practices, and they may support local conservation efforts or promote sustainable tourism practices.

In African countries such as South Africa, lodges in popular wildlife destinations such as the Kruger National Park have generally been successful due to their location and high-quality service (Nyasulu, 2020). Many lodges in this area offer luxury accommodations, guided safaris, and other activities that appeal to tourists seeking a high-end experience. In addition, South Africa has a well-developed tourism infrastructure and is known for its beautiful scenery, cultural attractions, and diverse wildlife, which further contributes to the success of lodges in the country. The high-

quality service and experiences provided by these lodges often result in positive customer reviews and word-of-mouth recommendations, which further contributes to their success.

In Zambia, the success of lodges has been more mixed, and this is partly due to customer satisfaction issues (Nyasulu, 2020). Poor infrastructure, limited marketing, and low tourist numbers have led to some lodges struggling to attract and retain customers. Additionally, some lodges in Zambia have faced customer satisfaction issues due to the quality of service provided, such as issues with cleanliness, food quality, and staff attitudes. These factors can lead to negative customer reviews and ultimately, poor performance of lodges.

In Kenya, in areas such as the Maasai Mara, lodges that offer high-end luxury accommodations and personalized experiences have generally been successful due to high levels of customer satisfaction (Bedelian, 2019). These lodges often offer game drives, guided walks, and other activities that appeal to tourists seeking a high-end experience. The high-quality service and experiences provided by these lodges often result in positive customer reviews and word-of-mouth recommendations, which further contributes to their success. However, some lodges in Kenya have struggled with poor performance.

A significant issue for lodges within Kenya is competition (Bedelian, 2019). There are many lodges in popular areas such as the Maasai Mara, and tourists have a diverse array of options available. As a result, lodges that are unable to differentiate themselves or provide high-quality service may struggle to attract customers and remain profitable.

### **1.1.1 The Concept of Customer Satisfaction**

Guest satisfaction refers to an evaluation of customer's overall satisfaction with a product or service based on their perceptions and expectations. It is a crucial aspect of any business because satisfied customers are more prone to loyalty, advocates and recurring clients for the brand (Bandara & Dahanayake, 2020). Customer satisfaction is often measured using surveys and feedback mechanisms to collect data, which allow businesses to gather data on customer opinions and experiences. This data can then be used to better fulfil consumer needs and expectations, pinpoint improvement opportunities and implement improvements.

Several elements that can impact customer satisfaction include the product quality, how well customers are treated, the product pricing, the convenience of the product or service, and the reputation of the brand (Ondicho, 2018). According to Rintari (2015) organizations must work to deliver superior goods or services that satisfy client demands, respond quickly and effectively to customer inquiries or concerns, and offer competitive pricing and convenient options for purchasing and receiving products or services. Kotler and Keller (2018) suggest that customer satisfaction is crucial for businesses because a satisfied customer tends to exhibit loyalty for a longer period, increase their purchases as the company introduces new or modified products, speak positively about the company and its products (word-of-mouth marketing), pay less attention to competitors and price changes, offer ideas for product improvement, and ultimately less costly to serve and sustain due to the routine nature of their patronage in business. Therefore, satisfied customers can be considered as valuable assets for the company. They promote their pleasant experiences with the company and its

products, leading to repeat purchases, customer retention, and eventually building loyal customers.

The measurement of marketing strategies and organizational performance often relies heavily on customer satisfaction (Abd-Elrahman et al., 2020). As a result, companies have been investing significant resources into improving customer satisfaction through customer service tools. This investment has led to increased costs associated with customer satisfaction services due to the perceived relationship between customer satisfaction and overall company performance. In today's market, customer satisfaction programs are seen as essential tools in the battle for market share.

### **1.1.2 Organizational Performance**

Assessing an organization's performance involves evaluating how well the company has met its objectives and goals. This means examining actual results or achievements in comparison to what was intended (Satyendra, 2020). There are several measures of organizational performance, including sales turnover, market share, profitability, and employee turnover. Sales turnover is a measure of the total amount of revenue generated by an organization over a given period. It is an essential metric for determining the organization's ability to generate revenue from its products or services (Conțu, 2020). A higher sales turnover indicates that the organization is selling more products or services, which can lead to increased profits.

Market share is the percentage of total sales in a specific market that is held by an organization. It is a measure of the position of the organization in the market relative to its competitors (Conțu, 2020). A higher market share indicates that the organization has a larger customer base, which can lead to increased revenue and profitability.

Profitability is a measure of an organization's ability to generate profits from its operations. It is usually calculated as the ratio of net income to total revenue (Satyendra, 2020). A higher profitability indicates that the organization is earning more profit from its operations, which can lead to increased shareholder value and investment opportunities. Employee turnover is a measure of the frequency at which employees depart from a company and are substituted by new hires. High employee turnover can indicate poor employee morale, lack of job satisfaction, and a poor work environment. It can also result in increased costs associated with recruitment, training, and lost productivity.

### **1.1.3 Lodges within Wildlife Conservancies in Kenya**

Lodges in wildlife conservancies are a popular form of tourism in Kenya. These lodges are typically located in remote areas that are home to a variety of wildlife species (Achieng, 2021). They offer tourists an opportunity to experience nature up close while also enjoying comfortable accommodation and various activities such as game drives, guided nature walks, and cultural tours. The lodges in wildlife conservancies are often designed to blend in with the natural surroundings and are built using sustainable materials and practices. They also typically employ local staff and support conservation efforts in the area.

Many wildlife conservancies work closely with local communities to promote sustainable tourism practices and provide economic benefits to the surrounding areas (Bedelian, 2019). This involves training programs for local guides and employees, as well as investments in community infrastructure such as schools and health clinics. They are therefore very important for the local community and their optimal

performance is paramount. Some of the wildlife conservancies Masai Mara wildlife conservancies, Great Rift Valley Lakes Region Conservancies Tsavo / Taita Taveta Region Conservancies and Nanyuki, Mt.Kenya & Northern Circuit Conservancies which hosts the Lewa Wildlife Conservancy, Kigio Wildlife Conservancy, Ol Jogi Private Wildlife Conservancy, Ngutuni Wildlife Conservancy among others.

## **1.2 Statement of the Problem**

The sector of hotels and lodges, especially lodges within wildlife conservancies, plays a critical role in Kenya's tourism sector. The Kenya National Bureau of Statistics [KNBS] (2021) claims that the accommodation and food services sector, which includes the hospitality industry, contributes about 3.5% to the Kenyan Gross Domestic Product (GDP). Therefore, this sector ensured that it delivers high-quality food and lodge services which is crucial for reputation management as it establishes a foundation of trust and reliability with customers. When customers consistently receive products or services that meet their needs and expectations, it fosters positive word-of-mouth, repeat purchases, and brand loyalty (Pires & Trez, 2018). This, in turn, contributes to the organization's long-term success.

Nevertheless, despite lodges showing efforts towards improving their services, there has been decreased occupancy rates and reduced revenue which has ultimately caused the decline of the lodge's organizational performance (Abd-Elrahman et al., 2020; Mushavhanamadi & Hlengani, 2021; Rintari & Mogire, 2015). This is due to few customers that are satisfied and are more likely to recommend the brand to others and become loyal advocates, positively impacting the organization's reputation and performance (Bandara & Dahanayake, 2020). Additionally, there has been also

increased biased competition in the industry which has resulted to focusing on customer loyalty as a way of recruiting new clients while retaining current clients to remain competitive. These issues have created problems for lodge management as they struggle to develop effective strategies that can enhance influence customer behaviour to maintain a positive brand reputation. Available studies included Achieng (2021) who did a study on hotel guest retention strategies and hotel performance in classified hotels in Mombasa county.

Ondicho (2018) also conducted research that examined the role of customer contentment as a mediator between the image of the brand dimensions and loyalty of guests in five-star hotels located in the capital city of Nairobi. While these studies had been done in the hotel industry, to the extent that the researcher is aware, there was paucity of researches specifically focusing on the customer satisfaction and performance of lodges within wildlife conservancies in Kenya. Therefore, there was a need to investigate on the effects of customer satisfaction on organizational performance in lodges within Wildlife Conservancies.

### **1.3 General Objective**

The purpose of this study was to establish the effect of customer satisfaction on organizational performance of lodges within Lewa Wildlife Conservancy.

### **1.4 Specific Objectives**

- i. To evaluate the effect of customer loyalty on organizational performance of lodges within Lewa Wildlife Conservancy
- ii. To determine the effect of customer behaviour on organizational performance of lodges within Lewa Wildlife Conservancy

- iii. To establish the effect of service quality on organizational performance of lodges within Lewa Wildlife Conservancy
- iv. To assess the effect of brand reputation on organizational performance of lodges within Lewa Wildlife Conservancy

### **1.5 Research Hypothesis**

H0<sub>1</sub>: Customer loyalty did not have a significant effect on organizational performance of lodges within Lewa Wildlife Conservancy

H0<sub>2</sub>: Customer behaviour did not have a significant effect on organizational performance of lodges within Lewa Wildlife Conservancy

H0<sub>3</sub>: Service quality did not have a significant effect on organizational performance of lodges within Lewa Wildlife Conservancy

H0<sub>4</sub>: Brand reputation did not have a significant effect on organizational performance of lodges within Lewa Wildlife Conservancy

### **1.6 Justification of the Study**

The primary responsibility of the hospitality industry, which relies heavily on the efficient operation of hotels and lodges, is to provide excellent services that satisfy guest demands and expectations in order to ensure their satisfaction within the industry and thus drive tourism growth within the country. Lodges within wildlife conservancies therefore play a key role in promoting sustainable tourism practices that contribute to the conservation of wildlife and the preservation of local cultures. They provide tourists with memorable experiences while supporting the local economy and promoting environmental conservation efforts. Their performance is

therefore equally important. This study was therefore important as it looked into establishing the effect of customer satisfaction on organizational performance of selected lodges within Lewa Wildlife Conservancy.

### **1.7 Significance of the Study**

The study could be significant to the national and county governments in enhancing the existing policies and developing new ones on management of wildlife conservancies to enhance tourism and industry. The results of the research could also be utilized by business policy makers to create policies and guidelines for customer service, promoting industry standards and best practices.

The study could also be significant to the lodges as they could use the findings to enhance their customer service offerings and attract more customers. They could use the research findings to identify strategies for improving customer satisfaction and loyalty, leading to increased revenue and profitability. The study would also be significant to other researchers who can also benefit by building on the findings and contributing to the existing body of knowledge on customer satisfaction and organizational performance.

### **1.8 Scope of the Study**

The research study aimed to establish the effects of customer satisfaction on organizational performance. The study was conducted in selected lodges (Lewa Wilderness, Lewa House and Elewana Lewa Safari Camp) within Lewa Wildlife Conservancy. Specific variables studied were customer loyalty, customer behaviour, service quality, and brand reputation and how they affect organizational performance. Target population was limited to staff working in the three lodges as well as the

customers. The study was undertaken within two months to allow ample time for data collection and analysis. Conclusions and recommendations were formulated based on the results obtained.

### **1.9 Limitations of the Study**

The research study's sensitivity arose in certain cases, especially when it concerned details on customer satisfaction, and there was a reluctance to release such information. Some participants were also hesitant to share comprehensive information about their operations, particularly in areas that could highlight weaknesses in their departments. To address this confidentiality limitation, the researcher assured participants of the highest level of confidentiality and disclose the academic purpose and intent of the study. To mitigate any potential suspicion and encourage participants to provide the necessary information for the study, the researcher included an introductory letter from the university to the senior management of the lodges. This letter aimed to establish trust and assure the participants that their cooperation was valued and essential for the research.

### **1.10 Assumptions of the Study**

The research study assumed that the sample size being used was representative of the broader population. Furthermore, the research presumed that the data acquired would be precise and reflect the phenomena being studied. Additionally, the study made the assumption that the results obtained would be generalizable to other lodges within wildlife conservancies.

### **1.11 Definition of Terms**

**Brand Reputation-** This refers to the impression as a whole or image of a company, product or company in the minds of consumers and other stakeholders (Koh at al., 2019).

**Customer Behaviour-** This refers to the actions and patterns of individuals or groups when they interact with a product, service, or business (Choi et al., 2019).

**Customer Loyalty-** This is a measure of how severe commitment and attachment a customer has to a specific brand, product or service, which leads them to repeatedly make purchases from that company or business (Mushavhanamadi & Hlengani, 2021).

**Customer Satisfaction** - This relates to how content or happy customers are with a product or service, or the entire experience (Pooser & Browne, 2018).

**Organizational Performance** - This denotes the extent to which a company accomplishes its objectives and goals competently and productively (Conțu, 2020).

**Service Quality** - This refers to the overall level of excellence or satisfaction that a customer experiences when they interact with a business, organization or service provider (Rintari, 2015).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The study of literature examines how satisfaction of customers impacts organizational performance, with a focus on the connection between customer loyalty, customer behaviour, service quality, and brand reputation. The review analyses existing research to identify gaps in both context and methodology and highlight what has been done in other countries to improve the performance of lodges.

#### **2.2 Theoretical Review**

##### **2.2.1 The Resource-Based View (RBV) Theory**

The study utilized the RBV theory as proposed by Barney (1991) in explicating the customer loyalty variable and its effect on the organizational performance. The Resource-Based View (RBV) theory of the firm highlights the significance of a company's assets in determining its competitive edge and long-term success (Barney, 1991). According to RBV, a company's assets can be either tangible or intangible, and they are the key determinants of its ability to create value and sustain its competitive advantage. In the context of customer loyalty and organizational performance, RBV offers several insights.

RBV suggests that customer loyalty is an important intangible resource that can provide a firm with a sustained competitive advantage. Customer loyalty can enhance a firm's reputation, increase its market share, and generate long-term revenue streams

(Choi et al., 2019). These benefits can contribute to the capacity of the company to generate value and maintain its competitive advantage in the long run. Customer loyalty can enable a firm to develop other valuable resources such as customer knowledge, customer service capabilities, and brand equity (Othman et al., 2019). As an instance, a company that possesses a devoted customer following may have the ability to gather valuable information about customer preferences, needs, and behaviour. This information can be used to improve the firm's products or services, create new offerings, or enhance its customer service capabilities. In addition, a firm that has a loyal customer base may be able to leverage its brand equity to enter new markets or expand its product offerings.

Customer loyalty can also contribute to a firm's performance by reducing costs and increasing revenue. For example, a firm that has a loyal customer base may be able to reduce marketing and advertising costs because it does not need to spend as much to attract new customers (Sharma & Srivasta, 2018). In addition, a company that has established a loyal customer base may have the potential to impose elevated prices for its products or services since its customers are willing to pay more for superior quality and dependability. These factors can contribute to the firm's ability to generate profits and improve its financial performance.

Salazar and Armando (2017) has however criticized the theory arguing that the RBV theory lacks empirical validation. The theory suggests that certain resources and capabilities are necessary for a firm to achieve a sustained competitive advantage, but it is not clear whether these resources and capabilities are sufficient. Another criticism of the RBV theory is by Truijens (2018) who argues that it overemphasizes internal

factors and neglects external factors. The theory suggests that firms can attain a sustained competitive advantage by having valuable, rare, inimitable, and non-substitutable resources and capabilities. However, it is not clear how external factors, such as market conditions and competition, influence the firm's ability to develop and leverage these resources and capabilities.

RBV however provides a useful framework for understanding the relevance of customer loyalty to organizational performance (Singh et al., 2019). Through underscoring the significance of resources in generating value and upholding a competitive advantage, RBV highlights the role that customer loyalty can play in helping firms achieve their strategic objectives and improve their performance. Customer loyalty can differentiate a firm from its competitors. When customers are loyal, they are less likely to switch to alternative brands or offerings. This loyalty creates a barrier to entry for competitors and reduces the threat of new entrants in the market. Firms with a loyal customer base can enjoy a sustainable competitive advantage by retaining customers and capturing a larger market share.

Loyal customers often develop a sense of trust and rapport with the firm. This relationship enables firms to gather valuable feedback and insights directly from their loyal customer base (Sharma & Srivasta, 2018). Listening to customer feedback actively can help firms identify opportunities for improvement, adapt their offerings to better meet customer needs, and drive innovation. Incorporating customer input into the firm's strategic objectives and decision-making processes can lead to enhanced performance and competitive advantage.

### **2.2.2 Expectancy-Value Theory**

As developed by Atkinson (1964) the expectancy-value theory was also used to explore the effect of customer behaviour on organizational performance. This theory suggests that individuals make decisions based on their expectations of the outcomes of their actions and the perceived value of those outcomes. In the context of customer behaviour, customers are likely to engage in repeat business with a company if they expect that the outcomes of their interaction such as satisfactory purchase experience will be positive and valuable to them otherwise, they churn out and adopting switching behaviour.

Organizations can use expectancy-value theory to improve their performance by creating a positive customer experience that meets or exceeds customer expectations and provides value to the customer (Savolainen, 2012). Customers are likely to engage in repeat business with a company if they perceive that the service or product is of high quality and exceeds their expectations and meet their needs. Thus, organizations can improve their performance by ensuring that their products or services are of good quality and satisfy and surpass the needs of the client. Customers are also likely to engage in repeat business with a company if they perceive that the customer service is responsive, helpful, and attentive to their needs (Pooser & Browne, 2018). Organizations should therefore offer customer service training and ensure that their customer service staff are responsive, helpful, and attentive to customer needs.

The expectancy-value theory has been criticized for being too simplistic in its approach to motivation. It assumes that people always make rational choices based on

their expectations of success and perceived value of the outcome, without taking into account other factors such as emotions, social pressures, and personal values (Oksuz, 2021). The theory does not consider the intricacy of human motivation and the various factors that can impact it (Oksuz, 2021). For example, it does not take into account the role of intrinsic motivation, which is driven by an individual's own internal factors such as interests and passions. In reality, human decision-making is influenced by a wide range of factors, including emotions, social pressures, and personal values.

Emotions can strongly impact decision-making, leading individuals to make choices that may not align with their expectations of success or perceived value. For example, fear or anxiety can deter individuals from pursuing potentially rewarding opportunities, even if they expect to succeed and value the outcomes (Choi et al., 2019). Social pressures and norms also have a significant role in the decision-making process. People are influenced by the opinions and expectations of others, and they may choose options that are socially acceptable or conform to societal norms, even if those choices do not align with their expectations or values. This can lead to decisions that are driven by social validation rather than rational calculation of expected outcomes and values.

The expectancy-value theory assumes that individuals have complete and accurate information about the outcomes and probabilities associated with different choices (Gong & Yi, 2018). In reality, people often have limited or imperfect information, and they may rely on heuristics or biases in decision-making. These cognitive shortcuts can influence choices in ways that are not entirely rational or consistent with the

theory's predictions. The theory is nonetheless relevant in explaining customer behaviour. Customers for instance consider the price of a product or service when making a purchasing decision. Organizations should therefore set prices that are perceived as fair and reasonable by customers. Expectancy-Value Theory is therefore highly relevant to the effect of customer behaviour on organizational performance (Savolainen, 2021). By understanding and applying this theory in practice, organizations can produce a great customer experience that satisfies and exceeds the expectations of the client, provides value to the customer, and leads to increased loyalty and repeat business. This, in turn, can contribute to improved organizational performance through increased revenue, reduced marketing costs, and a more loyal customer base.

### **2.2.3 Customer Service Theory**

The study used the customer service theory as proposed by Anderson (2000) to explore the impact quality of services has on organizational performance. Customer service theory is a group of principles and practices that look into meeting the expectations and needs of customers through effective communication, problem-solving, and service delivery. Customer service theory was therefore highly relevant to the variable of service quality, as it provides a framework for understanding how businesses could meet customer needs and expectations, and establish a favourable customer encounter that resulted in heightened loyalty and recurring business thus improving the organizational performance (Gong & Yi, 2018).

Among the principal tenets of customer service theory is that service excellence is a key determinant of customer satisfaction and loyalty (Ndubisi & Natarajan, 2018).

By providing high-quality service that meets or exceeds customer expectations, businesses can establish a favourable customer encounter that results in heightened loyalty and recurring business. This, in turn, can have a substantial influence on organizational performance, as faithful customers are more inclined to suggest the company to other customers, family and friends and spread positive word-of-mouth.

The theory has however been criticised by LaMarco (2018) who argues that the theory often emphasizes the importance of customer satisfaction, but this can lead to businesses focusing on short-term gains rather than long-term success. For example, a business may prioritize making a customer happy in the moment, even if it means sacrificing profitability or the company's reputation in the long run. Bandara and Dahanayake (2020) also argue that sometimes the theory focuses too much on providing friendly and efficient service, without considering the actual needs and preferences of the customer. Businesses may end up providing service that they believe is good, but that doesn't actually meet the needs of their customers.

This notwithstanding customer service theory was relevant for service quality as it recognizes that service quality is closely tied to customer expectations. The theory emphasizes that customers have certain expectations and standards when they engage with a service provider. These anticipations are influenced by several elements such as prior encounters and recommendation from others through word-of-mouth, advertising, and personal needs. Consequently, customers arrive with a set of criteria against which they evaluate the service they receive. Therefore, through understanding customer needs and preferences, businesses can tailor their service delivery to meet or surpass the expectations of the clients and establish a favourable

customer encounter that results in heightened loyalty and recurring business (Pooser & Browne, 2018). This, in turn, can contribute to improved organizational performance through increased revenue, reduced marketing costs, and a more loyal customer base.

Furthermore, customer service theory highlights the dynamic nature of customer expectations. These expectations may change over time due to evolving market trends, advancements in technology, or shifting customer preferences. Therefore, organizations need to continuously monitor and adapt to these changes to maintain service quality. Moreover, the theory emphasizes the importance of continuous improvement and innovation in service delivery. Continually striving to raise the degree of service excellence and responsiveness to client requirements helps businesses to create a competitive advantage and differentiate themselves from competitors (Zhang et al., 2019). This, in turn, can contribute to inclined customer loyalty and improved organizational performance. The lodges can therefore incorporate the principles of Customer Service Theory into their operations to create a customer-centric culture. This involves training employees to understand and anticipate customer expectations, providing clear guidelines for service delivery, and empowering frontline staff to address customer concerns effectively.

#### **2.2.4 Reputation Management Theory**

Reputation management theory as developed and proposed by Schultz and Werner (2005) explicated the effect of brand reputation on organizational performance. This theory suggested that a company's reputation is an important asset that can impact customer behaviour, employee behaviour, and financial performance. In the context

of brand reputation, Reputation Management Theory suggests that a company's reputation is shaped by the perceptions of customers, employees, investors, and other stakeholders. These perceptions may be impacted by a number of variables, including the calibre of the company's goods and services, its customer support, its ethical business practices, and the communication with stakeholders.

Clients would have an increased positive perception of a company if they perceive that its products or services are of high quality and meet their needs and expectations. Thus, organizations can improve their brand reputation and organizational performance by delivering high-quality products or services (Pires & Trez, 2018). Additionally, customers will have a positive perception of a company if they perceive that its customer service is responsive, helpful, and attentive to their needs. Organizations can therefore improve their brand reputation and organizational performance by investing in customer service training and ensuring that their customer service staff are responsive, helpful, and attentive to customer needs.

However, the theory has been criticised by Setiawan, et al. (2020) who argue that in an effort to maintain a positive image, some businesses may engage in reputation management strategies that are not authentic. For example, they may pay for fake reviews or manipulate search results to make their business appear more favourable. This lack of authenticity can ultimately harm the business's reputation in the long run (Setiawan et al., 2020).

The relevance of reputation management theory for brand reputation can however not be gainsaid. Companies can improve their brand reputation by communicating effectively with stakeholders, such as customers, employees, and investors (Gong &

Yi, 2018). This can involve being transparent regarding the business practices and values, responding quickly to client feedback, and engaging with stakeholders through social media and other channels (Pires & Trez, 2018). Reputation Management Theory is therefore relevant to the effect of brand reputation on organizational performance. By actively managing their brand reputation through strategies such as offering top-notch customer service and delivering high-quality products and services, communicating with stakeholders and demonstrating ethical practices, organizations can improve their performance through increased customer loyalty, employee engagement, and financial performance.

From the foregoing, it is clear that delivery of high-quality products or services is crucial for reputation management as it establishes a foundation of trust and reliability with customers. When customers consistently receive products or services that meet their needs and expectations, it fosters positive word-of-mouth, repeat purchases, and brand loyalty (Pires & Trez, 2018). This, in turn, contributes to the organization's long-term success. Excellent customer service through exceptional support, addressing customer concerns promptly, and going above and beyond to meet customer needs, can help organizations to enhance their reputation and create positive customer experiences. Customers that are satisfied are more likely to recommend the brand to others and become loyal advocates, positively impacting the organization's reputation and performance.

In addition, effective communication with stakeholders, including customers, employees, investors, and the general public, is essential for managing brand reputation (Gong & Yi, 2018). Clear and transparent communication helps establish

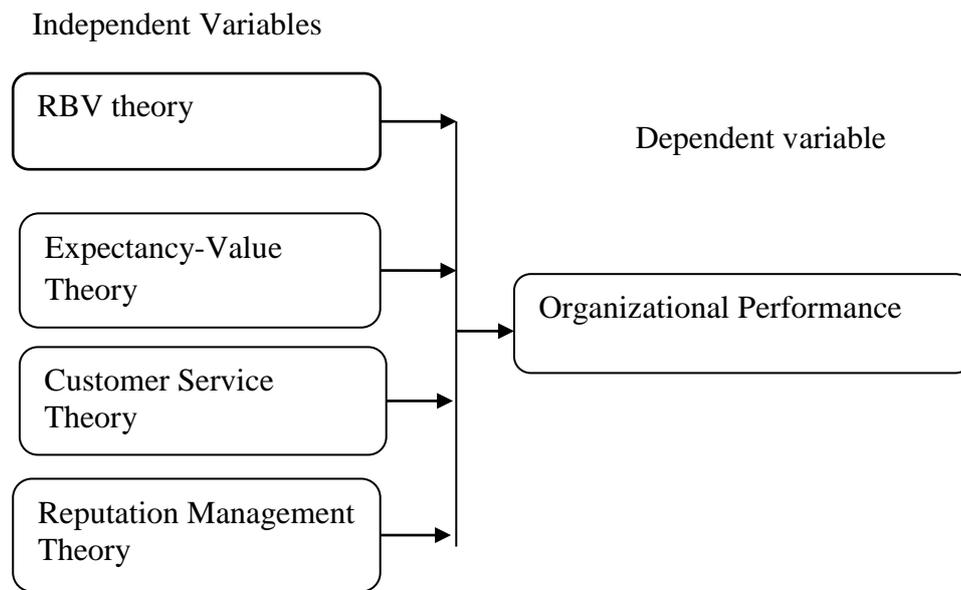
credibility and fosters trust among stakeholders. Organizations that proactively engage in open dialogue, listen to feedback, and address concerns demonstrate their commitment to stakeholder satisfaction and their willingness to improve. This can significantly enhance reputation and strengthen relationships with key stakeholders. Ethical practices and social responsibility is also increasingly important for reputation management. Organizations that act responsibly, such as being environmentally conscious, supporting community initiatives, or promoting diversity and inclusion, can enhance their reputation and attract customers who align with their values. Ethical behaviour is not only valued by customers but also by employees, who are more likely to be engaged and committed to organizations that demonstrate a strong ethical stance.

Active management of organizations' brand reputation through these strategies, can reap several benefits (Setiawan, et al., 2020). An expanded customer base, recurring business and good word of mouth are all benefits of higher customer loyalty. Engaged employees are more productive, innovative, and committed to the organization's success. A positive reputation can also attract investors and business partners, leading to improved financial performance and growth opportunities.

## 2.2.5 Theoretical Framework

**Figure 2.1**

*Theoretical Framework*



Source: Setiawan, et al., (2020)

## 2.3 Empirical Review

### 2.3.1 Customer Loyalty on Organizational Performance

According to Amegavie et al. (2019) the performance and productivity of organizations were considerably influenced by the degree of acceptance of acceptance of their products by the general public. When the products were well-received, organizations focused on attracting more customers and cultivating their loyalty. According to Zakari (2021), loyalty was the strong dedication to repeatedly purchase a preferred product or service, even when there were other options available and external factors like marketing may encourage switching behaviour. This commitment

led to a pattern of consistent, repetitive purchasing of the same brand or set of brands. They were familiar with the products or services offered and had already experienced their value. As a result, the cost of selling to an existing customer was usually lower than acquiring a new one. In today's competitive marketing environment therefore, customer loyalty has become a crucial strategic concern.

Choi, et al. (2019) emphasized that satisfied customers may return, but loyal customers actively sought out repeat purchases, recommend the product to others, forgave the organization for mistakes, and defended it to others who had negative experiences. Customer loyalty was defined as a consumer's ongoing favourable attitude and preference for a product or service category, as seen through time, with respect to one or more brands.

According to Gakuya and Njue (2018), consumer loyalty was a biased usage behaviour that arose from a psychological process. Similarly, Gitahi and Misango (2020) suggested that customer loyalty was a positive attitude towards a product that led to consistent use of the brand over time, thereby improving marketing performance. Mushavhanamadi and Hlengani (2021) defined brand loyalty as a strong dedication to persistently buy or utilize a favoured service or product in the future, leading to recurrent acquisitions of the same brand, despite the potential for situational influences or marketing endeavours that encouraged switching conduct. Therefore, customer loyalty often led to purchasing inertia, where customers remained loyal to a brand and were less likely to consider other brands during the decision-making process (Gakuya & Njue, 2018).

Mushavhanamadi and Hlengani (2021) identified three main categories of customer loyalty determinants: which related to customers, relationships, and companies. Customer-related determinants relied on the personal attributes of individual consumers, while relationship-related determinants involved the association among sellers and buyers, including past experiences, quality, trust, normative feelings, and emotional attachment. Company-related determinants encompassed the reputation of the company, the balance between price and quality, and the efficacy of customer loyalty initiatives. On the other hand, Lee and Duffy (2019) divided customer loyalty determinants into two categories: both internal and external. The internal factors were concerned with the perception of loyalty among consumers towards certain product brands and services, whereas the external factors pertained to the suppliers of products and services and their capacity to foster and sustain customer loyalty.

Singh et al. (2019) noted that internal factors encompassed the psychographic and demographic characteristics of individual consumers, and various age groups, social classes, genders, and educational backgrounds may manifest different types of customer loyalty. This aligned with Lee and Duffy (2019) classification of internal factors. In contrast, external factors involved the protective marketing strategies of rivals and the actions of supply chain stakeholders, which also impacted the structural connection among service quality, relationship quality, and customer loyalty (Singh et al., 2019).

According to Mushavhanamadi and Hlengani (2021), one of the most significant effects of customer loyalty was an increase in revenue. A loyal customer was more likely to buy more products or services from a company, leading to increased sales

and revenue (Vázquez-Casielles et al., 2019). This effect was further amplified when loyal customers recommended the company to others, leading to an upsurge in the customer base and revenue. Customer loyalty also reduced marketing costs. Acquiring new customers was expensive for companies, but loyal customers spread positive word-of-mouth about a company, leading to new customers without the need for expensive marketing campaigns.

Ndubisi and Natarajan (2018) posited that marketing activities such as advertising, promotions, lead generation, and sales efforts quite expensive, especially when targeting a large audience. They argued that loyal customers acted as brand advocates and actively promoted the company to their friends, family, and colleagues, thereby attracting new customers organically. This word-of-mouth advertising was highly effective and did not require significant marketing expenditures. Duffy (2019) averred that the loyal customers had already established a positive relationship with the company. Their experiences and satisfaction with the brand built trust and credibility, which influenced others' perceptions and decision-making. When potential customers heard positive recommendations from trusted sources, they were more likely to engage with the company, making the conversion process easier and less reliant on expensive marketing campaigns.

### **2.3.2 Customer Behaviour on Organizational Performance**

Choi, et al. (2019) averred that customer behaviour was significantly impactful to the organizational performance. The number of complaints that an organization received was an indicator of the overall satisfaction of its customers. High numbers of complaints led to a negative reputation and resulted in decreased customer loyalty and

sales. Therefore, it was important for organizations to address and resolve complaints quickly and efficiently to prevent further damage to the brand image. Additionally, organizations proactively sought feedback from customers to identify and address any issues before they resulted in complaints.

Ndubisi and Natarajan (2018) postulated that the rate at which consumers discontinued doing business with a company or customer churn, was another important indicator of organizational performance. Organizations incurred significant costs due to high churn rates, including reduced revenue and higher expenses for customer acquisition (Pooser & Browne, 2018). Hence, it was crucial for organizations to comprehend the reasons behind customer churn and take steps to address them. This could include improving customer service, providing incentives for customers to stay, or improving the overall quality of the product or service.

Amegavie, et al. (2019) averred that switching behaviour which referred to customers' propensity to switch to a competitor's product or service was particularly detrimental to organizations, as it resulted in the loss of customers and revenue. One of the most significant impacts of switching behaviour was the loss of revenue. When customers defected to a competitor, the revenue generated by those customers was lost to the organization (Achieng, 2021). The organization's financial success was directly impacted by customers defecting to the business of the competitors, as revenue was a key driver of profitability. In addition, the cost of acquiring new customers to replace those lost due to switching behaviour was substantial, further impacting the organization's financial performance. Switching behaviour could also impact an organization's market share. If a large number of customers defected to a

competitor, the organization lost its position as a market leader (Oksuz, 2021). The organization's reputation could be negatively impacted by this, as it may be perceived as less competitive or innovative than its competitors by customers and other stakeholders, creating a ripple effect. Organizations needed to monitor switching behaviour and take steps to prevent it by providing superior products and services, building strong relationships with customers, and offering incentives for customers to remain loyal.

Achieng (2021) further argued that switching behaviour negatively affected the loyalty of customers. When clients switched to a competitor, they were less likely to continue to do business with the original organization in the future. This reduced the lifetime value of the customer, which was the total amount of revenue that a customer generated over the course of their relationship with the organization (Gitahi & Misango, 2020). In addition, customer defection could lead to negative word-of-mouth, create a negative impact on the organization's image, making it harder for them to attract new customers in the future, and further harming their reputation.

Pooser and Browne (2018) also posited that loyal customers who became dissatisfied or disappointed with a company's products, services, or overall experience shared their negative interactions with others. This unfavourable word-of-mouth spread rapidly through social media, online reviews, or personal interactions, reaching a larger audience than just the individual customer. Potential customers could be deterred from engaging with the company if they encountered numerous negative reviews or hear negative feedback from trusted sources. Customer defection created a perception that the company was unable to satisfy its customers or meet their

expectations (Achieng, 2021). This negative image was detrimental to the organization's reputation and brand equity. As potential customers assessed their options, a company with a tarnished reputation struggled to attract new customers who preferred to choose competitors with better track records of customer satisfaction and loyalty.

Oksuz (2021) averred that positive word-of-mouth played a crucial role in luring in new customers. When existing customers defected and shared their negative experiences, it became more challenging for the company to attract new customers. Prospective customers were likely to research and gather information about a company before making a purchase decision. If they came across negative feedback or a negative perception associated with the organization due to customer defection, it created a barrier to acquiring new customers. Customer defection was also harmful to the company's reputation in the long term. A negative reputation led to decreased credibility, eroded trust, and an overall perception that the company did not value its customers. Over time, this damaged reputation had a cascading effect, making it increasingly difficult for the organization to regain trust and attract new customers.

### **2.3.3 Service Quality on Organizational Performance**

Üngüren et al. (2021) carried out research in Turkish 5-star hotels to investigate service quality and customer expectations. The findings revealed that there was no notable difference between expected and actual service quality, and customers held the highest expectations for reliability, assurance, and responsiveness. Material values and empathy were the next significant factors. When comparing predicted and actual quality, the smallest gap was found for empathy, while the largest gap was observed

for material values. Bandara and Dahanayake (2020) suggested that hotels should meet general classification requirements to improve service quality across three levels: process quality, result quality, and structural quality. To attain this, various measures could be taken, including the implementation of quality checklists, conducting anonymous guest evaluations, conducting personal inspections, seeking expert consultations, and implementing robust customer service systems. Additionally, the hotel's management needed to prioritize enhancing the overall quality management and service delivery culture by engaging all employees in the process.

Gong and Yi (2018) hypothesised that service quality could have a considerable influence on the performance of an organization. Reliability, responsiveness, and assurance were three key dimensions of the quality of services that could relate to a positive impact on organizational performance. When organizations provided high levels of service quality, it was probable that they were able to retain customers, and this resulted in more sales and repeat business, and ultimately improved performance (Othman et al., 2019). A reliable organization was one that was consistent in meeting customer needs and expectations. If an organization was perceived as reliable by customers, they were more likely to trust it and become loyal customers. Consequently, the performance of the organisation could improve as a result of higher sales and repeat business patronage.

Sharma and Srivasta (2018) posited that organizations that were responsive to customer needs and concerns were more likely to retain customers and attract new ones. When customers felt that their needs were being met in a timely and efficient manner, they were more likely to have a positive perception of the organization. This

led to increased customer satisfaction and loyalty, which in turn led to increased sales and revenue (Sharma & Srivasta, 2018). Conversely, the competency and confidence of an organization's employees, and their capacity to inspire confidence and trust in customers, were crucial aspects of assurance. It helped to create a feeling of safety and reliability among customers, leading to increased loyalty and repeat business. Organizations that provided high levels of assurance had a higher chance of attracting and keeping customers, which had an impact on their performance that was favourable. (Shah et al., 2018).

According to Ojo (2021), a good customer relationship management system led to improved service quality, which included being responsive, providing assurance, and showing care. This led to a process of continuously improving service quality. Implementing customer relationship management helped retain existing customers, attract new ones, and win back old ones. Improving service quality provided a sustainable competitive advantage for organizations and enhance business performance (Sharma & Srivasta, 2018). Nowadays, service quality has become a key performance indicator for both public and private organizations. When customers are satisfied with the service quality, it can result in multiple benefits for the organization, including service innovation and increased profitability.

Abd-Elrahman et al. (2020) suggested that organizations improve their profitability by enhancing their service quality and allocating more resources towards service quality improvement. High service quality led to increased customer satisfaction. When customers were satisfied and their needs were satisfied and surpassed, they were more likely to develop loyalty towards the organization. Satisfied and loyal customers were

more likely to make repeat purchases, stay loyal customers and spread the word about the organisation to other customers. This loyalty created a strong customer base, reduces customer churn, and contributed to long-term profitability.

Ojo (2021) posited a focus on service quality often drove organizations to continually improve and innovate their offerings. Actively listening to customer feedback, understanding their needs and preferences, and monitoring service performance, helped organizations to identify areas for improvement and implement innovative solutions. This commitment to service quality fostered a culture of continuous improvement and innovation, enabling organizations to stay competitive and differentiate themselves in the market. Service quality directly impacted the bottom line of an organization (Pooser & Browne, 2018). Satisfied customers were more likely to become loyal, repeat purchasers, which in turn increased customer lifetime value. Loyal customers tend to spend more, engaged in cross-selling and upselling opportunities, and were less price-sensitive. Consequently, organizations that consistently delivered high service quality often experienced higher profitability due to increased customer retention and revenue generation.

In competitive landscape, service quality served as a key differentiator for organizations (Ojo, 2021). When customers perceived a company's service quality to be superior to that of its competitors, it created an advantage over competitors. This advantage helped the organization lure in new customers, keep existing ones, and separate themselves in a competitive market. The consistent delivery of exceptional service helped organizations to position themselves as leaders in their respective industries.

### **2.3.4 Brand Reputation on Organizational Performance**

Koh et al. (2019) averred that brand reputation, also known as brand image, was a critical factor that had a notable impact on the performance of the organizations. Ochoo et al. (2018) posited that for numerous companies, the brand and its significance were crucial assets that provided a competitive edge and generate profits. Increased customer loyalty, more sales, and higher profitability were all results of having a strong brand reputation. One important aspect of brand reputation was the number of referrals a company received. Referrals were a measure of customer satisfaction and loyalty. If clients were content with an organisation's products or services, they were more inclined to suggest the company to others (Koh et al., 2019). This resulted in increased sales and revenue for the company. Research had shown that referred customers were more profitable and loyal than other customers, making referrals a valuable source of new business.

Koh et al. (2019) noted that another important aspect of brand reputation was brand recognition. A strong brand recognition occurred when consumers easily recognized a brand through its name, logo, or other visual cues. Such recognition resulted in higher levels of customer trust and loyalty, as well as greater sales and revenue. When consumers were familiar with a brand and its products or services, they were more inclined to pick that brand over rivals. Brand resonance was another important aspect of brand reputation (Setiawan, et al., 2020). Brand resonance pertained to the emotional relationship that consumers had with a brand. A powerful emotional bond between consumers and a brand resulted in heightened loyalty towards that brand and

a greater likelihood of positive word-of-mouth marketing. This resulted in increased sales and revenue, as well as increased brand awareness and recognition.

Companies that invested in building a strong brand reputation through customer satisfaction, referrals, brand recognition, and brand resonance were likely to see increased sales, revenue, and profitability. A solid brand reputation, based on positive client experiences and satisfaction attracted new customers. Client satisfaction increased the likelihood to recommend the brand through spreading good word of mouth recommendations to others. When potential customers heard about a company's reputation for delivering exceptional value and satisfying customer needs, they were more inclined to choose that brand over competitors. This increased customer acquisition translated into higher sales and revenue for the company.

Koh et al. (2019) also posited that a strong brand reputation fostered customer loyalty. When clients were satisfied with a company's products or services, they developed trust, confidence, and emotional connections. This loyalty led to repeat purchases, as customers preferred to continue doing business with a brand they knew and trusted. Loyal customers also tended to spend more over their lifetime, contributing to increased revenue and profitability for the company. Strong brand reputation also allowed companies to order for premium pricing for their services or products. When clients perceived a brand as reliable, trustworthy, and of high quality, they were often willing to pay a higher price (Setiawan et al., 2020). Premium pricing enabled companies to improve profit margins, as they generated higher revenue from each sale without incurring proportional increases in costs. This margin expansion contributed to increased profitability for the company.

Strong brand reputation provided a competitive edge in the market (Zhang et al., 2019). Customers often chose brands they trusted and felt connected to, even if there were similar offerings available from competitors. Brand recognition and positive reputation differentiated the company from its rivals and made it more memorable in the minds of consumers. This advantage helped the company attract customers, win market share, and maintained a strong position in the marketplace, ultimately leading to increased sales and profitability. A strong brand reputation opened doors for brand extensions and expansion into new markets or product categories. When clients expressed gratitude and who believed favourably in a brand were more inclined to be receptive to new offerings or ventures from the same company (Üngüren et al., 2021). This brand resonance allowed the company to leverage its existing reputation and customer loyalty to introduce new products or services, leading to additional revenue streams and increased profitability.

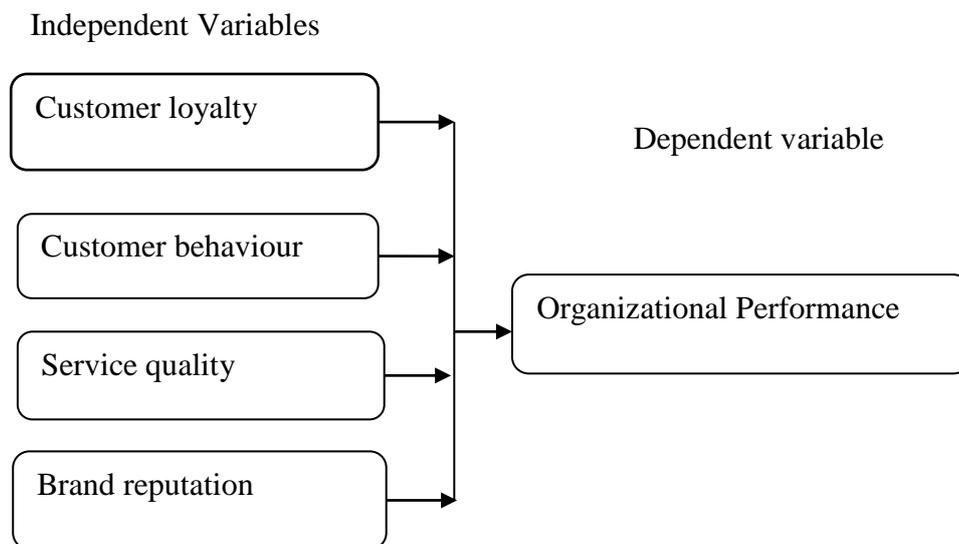
In their research, Setiawan, et al. (2020) discovered a correlation between a company's reputation and its stock returns, finding that investors who purchased stocks of companies with significantly increased reputations experience exceptional returns. This emphasized the importance for companies to invest in enhancing their reputation and developing a positive image of themselves (Ondicho, 2018). The study highlighted the critical role of reputation in improving a company's performance, as the goodwill generated through reputation-building activities is a valuable asset for the company. The findings added to existing research that internally generated intangibles, such as reputation, contribute to a company's stock market value.

## 2.4 Conceptual Framework

Based on Sileyew (2019) a conceptual framework is a model that attempts to elucidate the correlation between variables being studied, usually represented through diagrams. It is a hypothetical outline that identifies the concepts being studied and their connections. Any modification or variation in the independent variables is anticipated to produce a corresponding change in the dependent variable. The conceptual framework displays the variables examined in the study and their interrelationships. Figure 2.2 provides the conceptual framework.

**Figure 2.2**

*Conceptual Framework*



Source: Author, (2023)

### **2.4.1 Customer Loyalty**

Customer loyalty referred to the degree of commitment, preference, and allegiance exhibited by customers towards a particular brand, product, or company. It reflected the customers' willingness to repeatedly engage in business with the company, make repeat purchases, and maintain a long-term relationship (Rintari & Mogire, 2015). Customer loyalty was demonstrated by customers who consistently chose to make repeat purchases from a specific brand or company over an extended period. They exhibited a preference for the brand and actively chose it over competitors when making buying decisions. It often involved an emotional link between the product or service and the customer. Loyal customers had a positive perception, trust, and affinity towards the brand, which went beyond rational considerations. This emotional bond was built through positive experiences, reliable product or service performance, and consistent satisfaction. Loyal customers were less likely to be swayed by competitive offerings or marketing tactics. They exhibited resistance to switching brands or being influenced by price fluctuations or promotional activities. Their loyalty was based on trust, satisfaction, and perceived value, which made them less susceptible to competitor attempts to attract their business.

### **2.4.2 Customer Behaviour**

Customer behaviour referred to the actions, decisions, and activities displayed by individuals or groups when they interacted with a company, brand, product, or service. It encompassed a wide range of observable behaviours, both online and offline, which provided insights into customers' preferences, motivations, and needs. Customers engaged in information-seeking behaviour to gather information and made

informed decisions (Oksuz, 2021). They researched product features, compare prices, read online reviews, sought recommendations from friends or influencers, or visited physical stores to gather information before making a purchase. Customers exhibited preferences for specific channels or touch points when interacting with companies. This included online channels (websites, social media, and mobile apps) as well as offline channels (physical stores, call centres). Customer behaviour in terms of channel preference varied depending on factors such as convenience, accessibility, personalization, and the type of product or service being sought. Customer behaviour was also considered in terms of abandonment behaviour which referred to instances where customers discontinued their relationship with a brand or abandon a purchase process. It occurred due to various reasons, such as dissatisfaction with the product or service, high prices, poor customer service, or a lack of relevance or alignment with their needs. Monitoring and understanding abandonment behaviour helped companies identify areas for improvement and implement strategies to prevent customer attrition.

### **2.4.3 Service Quality**

Service quality pertained to the evaluation and assessment of the overall excellence of services provided by organizations or services providers. It denoted the degree to which the service satisfied or surpassed expectations of customer and their requirements (Ojo, 2021). Service quality encompassed various dimensions and aspects of service delivery and customer experience. Reliability was one aspect, and it referred to the capacity to deliver the promised service consistently and accurately. It encompassed delivering the service as agreed upon, meeting deadlines, and maintaining consistency in service delivery over time. Another aspect was

responsiveness, which was the capacity and promptness of service providers to help clients and deliver timely support. It involved being attentive, addressing customer inquiries and concerns promptly, and offering timely solutions. Assurance related to the expertise, skill, and reliability of service providers (Othman et al., 2019). It included factors such as the knowledge of employees, their capacity to inspire trust and confidence, and their willingness to communicate and provide accurate information to customers. Service quality could also be looked at in terms of security which was the extent to which customers felt safe and secure when using the service. It included protecting customer data, maintaining confidentiality, and implementing measures to ensure the safety and privacy of customers' personal information.

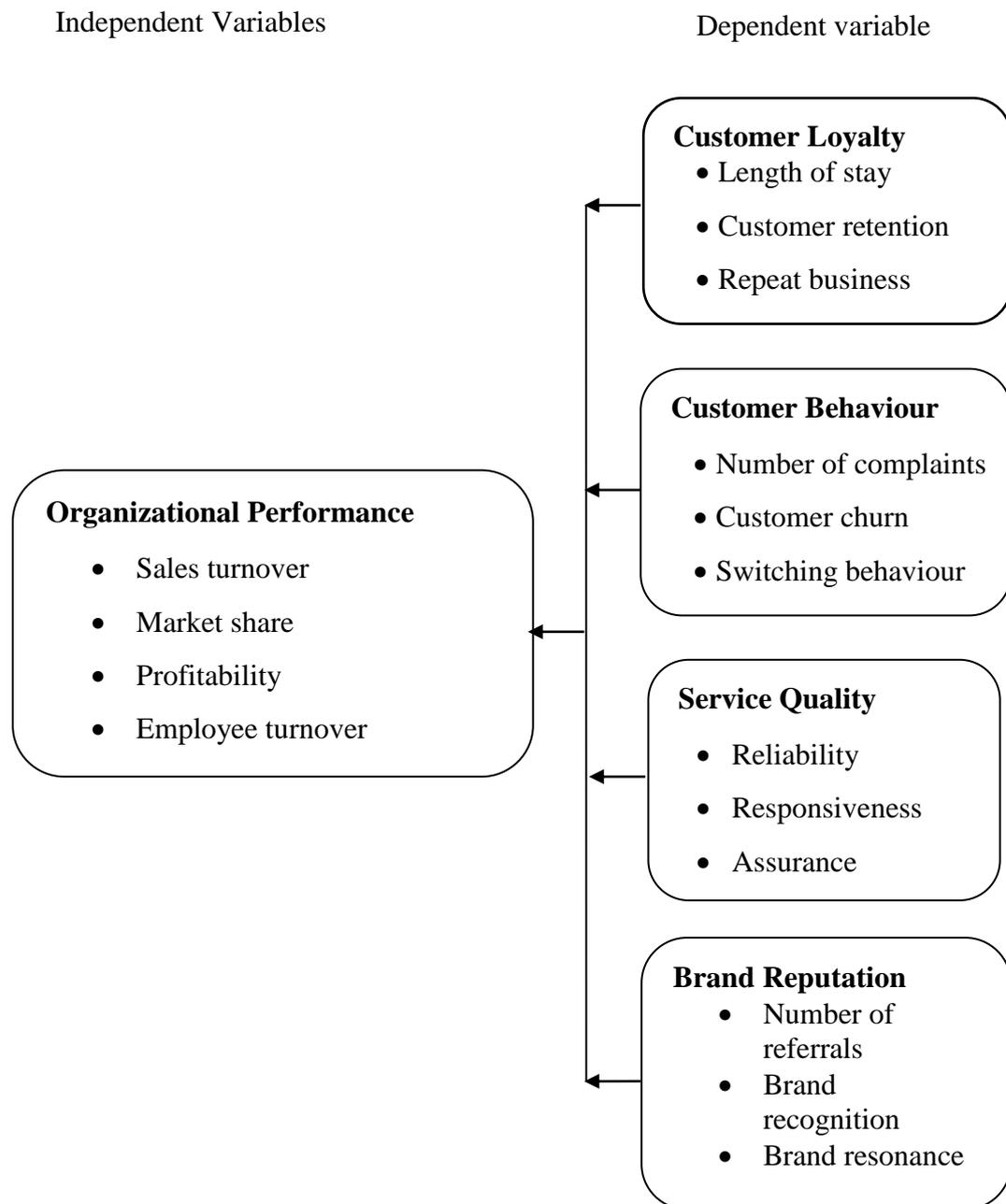
#### **2.4.4 Brand Reputation**

When referring to a brand, the term reputation described how it was viewed, evaluated and perceived generally by all its key constituencies, such as clients, partners, investors and the general public. It represented the collective beliefs, opinions, and experiences associated with a brand, reflecting its past actions, performance, and interactions with various stakeholders (Üngüren et al., 2021). Trust was a fundamental aspect of brand reputation. A brand with a strong reputation was perceived as reliable, credible, and trustworthy. It consistently delivered on its promises, met customer expectations, and behaved ethically and responsibly. Brand reputation was also closely tied to a brand's ability to deliver high-quality goods or services. A positive reputation was built when a brand consistently delivered high-quality offerings, met or exceeded customer expectations, and demonstrated a commitment to excellence (Muhammad & SehrishRustum, 2018).

Consistency was also vital for establishing and preserving a solid brand reputation. A brand that consistently delivered a reliable level of quality, customer experience, messaging, and values over time-built trust and credibility among its stakeholders. Additionally, a brand known for innovation and staying ahead of the curve tended to have a positive reputation (Singh et al., 2019). Consistent introduction of new and improved products or services, embracing technological advancements, and demonstrating a commitment to innovation, helped brands enhance their reputation as industry leaders.

**Figure 2.3**

*Operational Framework*



Source: Author, (2023)

## **2.5 Operational Framework**

An operational framework is developed after the conceptual framework and identifies the specific steps that need to be taken to carry out the research study. It identifies the key concepts and pertinent variables to the research questions. This study's operational framework depicts the independent variables as; customer loyalty as indicated by length of stay, customer retention and repeat business; customer behaviour as indicated by number of complaints, customer churn, and switching behaviour; Service quality as indicated by reliability, responsiveness and assurance; and brand reputation indicated by number of referrals and brand recognition and brand resonance; while the dependent variable is organizational performance indicated by sales turnover, market share, profitability and employee turnover.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter provided an in-depth explanation of the research methodology to be employed in the study. It includes the research plan, the target group studied, the sample size and selection process, data collection methods, and ends with a discussion on data analysis, presentation and ethical concerns observed.

#### **3.2 Research Design**

A design of the research study serves as a plan for the activities involved in a research project aimed at answering specific research questions (Sileyew, 2019). Creswell and Poth (2018) define it as the framework or structure of the research. In this research study, a descriptive survey design was employed to depict the true representation of customers' satisfaction levels and their effect on organizational performance of lodges within the wildlife conservancy. Bell et al. (2018) explain that a descriptive study aims to reveal specific details about a phenomenon, such as its characteristics, location, and method of occurrence. As a result, the findings of this research study could be employed in all lodges in the wildlife conservancy.

#### **3.3 Location of the Study**

Lewa Wildlife Conservancy is situated specifically in Meru County, in the northern foothills of Mount Kenya, approximately 65km northeast of Nanyuki town. The sanctuary is located on Isiolo Road, about two kilometres from the Meru/Isiolo/Nanyuki junction and can be reached via a paved road that covers around

260 kilometres from Nairobi. The conservancy covers an area of 62,000 acres and is made up of five distinct ecosystems, including the Lewa swamp, open savannah, acacia forest, steep gorges and ravines and mountain forest. The wildlife density at Lewa is high, with 12% of Kenya's black and white rhinos and the world's largest population of Grevy's zebra present. Other animals found in the conservancy include elephants, buffalo, giraffes, lions, cheetahs, and over 400 bird species. Wild dogs may also be spotted if fortunate. Lewa experiences two periods of rainfall annually, specifically the long rains from March to May, and the short rains from October to December. The maximum daily temperature at Lewa ranges from 24°C to 32°C, while the minimum daily temperature ranges from 8°C to 16°C.

### **3.4 Target Population**

In accordance with Mohajan (2017) a researcher's intended audience for the findings of their study is referred to as the target population. This audience can be made up of individuals, objects or events, real and hypothetical, that a researcher intends to generalize the findings of the research study to. The target population for this study was comprised of 19 administrators, 22 room stewards, 28 food and beverage staff, 16 guides, 36 support staff and 346 customers in Lewa wilderness, Lewa house, and Elewana Lewa Safari Camp. Table 3.1 provides information on the target population distribution.

**Table 3.1***Target Population*

<b>Category</b>	<b>Admin</b>	<b>Room Stewards</b>	<b>F &amp;B</b>	<b>Guides</b>	<b>Support Staff</b>	<b>Customers</b>	<b>Total</b>
Lewa Wilderness	9	12	13	9	25	115	183
Lewa House	6	4	8	4	6	108	136
Elewana Lewa Safari Camp	4	6	7	3	5	123	148
<b>Total population</b>	<b>19</b>	<b>22</b>	<b>28</b>	<b>16</b>	<b>36</b>	<b>346</b>	<b>467</b>

**3.5 Sampling Technique**

Otzen and Manterola (2017) described the procedure of sampling as the method of selecting individuals or organizations from a population in a way that allows for findings to be applied fairly to the target population. However, due to the small size of the population, the researcher included all staff members through purposive sampling method. Taherdoost (2016) implies that if the target population is small, it is possible to sample the everyone in the population. This resulted to a population of 19 administrators, 22 room stewards, 28 food and beverage staff, 16 guides, and 36 support staff, hence a total of 121 staff.

Notably a representative sample of the guests visiting the three lodges in the Conservancy was chosen using simple random sampling procedure. From the sampling frame obtained from the lodges, there was an average of 115 customers visiting Lewa Wilderness per month, 108 for Lewa House and 123 for Lewa Safari Camp. The formula by Ikehi, et al. (2019) was used to obtain the sample size.

$$n = \frac{N}{1 + N(e)^2}$$

The research sample size, denoted by "n," was determined based on the population size, denoted by "N," and the margin of error of the study, denoted by "e."

$$= \frac{346}{1 + 346(0.05)^2} = \frac{346}{1 + 346(0.0025)} = \frac{346}{1 + 0.865} = \frac{346}{1.865}$$

Therefore, 186 respondents were the sampled client population which was distributed using simple random sampling method as indicated in Table 3.2

**Table 3.2**

*Sample size for the Customers*

<b>Category</b>	<b>Target population</b>	<b>Sample</b>
Lewa Wilderness	115	62
Lewa House	108	58
Elewana Lewa Safari Camp	123	66
Total Sample	346	186

### **3.6 Data Collection Instruments**

As stated by Busetto et al. (2020) researchers have various options to choose from when collecting data. The selection of an instrument or tool is dependent on several factors such as the characteristics of the respondents, research objectives, topic, problem statement, design, and anticipated data and outcomes. The study issued two different questionnaires to staff and customers respectively (appendix II and III). This is due to the fact that each instrument and tool gathers precise information and data.

Sileyew (2019) defines primary data as original data collected for the first time. For

this study, a structured questionnaire was utilized as the main data collection tool since primary data was utilized. According to Moyo (2017), a questionnaire is a fast way to gather detailed data in comparison to other research instruments. The questionnaire for this research study contained both closed-ended and open-ended questions. The primary reason for using a questionnaire was to ensure uniformity in the questions asked and thus make responses comparable.

The study considered both unstructured and structured questions when developing the questionnaire. According to Otzen and Manterola (2017), structured questions typically provide respondents with a set of options to choose from, allowing them to select the answer that most accurately reflects their perspective. The construction of the questions aligned with the specific objectives and provided possible answers. Structured questions were preferred because they were easy to create, code, and interpret. The questionnaire consisted of a section for background information and five sections for questions covering each variable.

### **3.7 Pre-Test of Research Instruments**

To ensure that the data collection instrument was reliable and valid in collecting data that can address the research questions, a pre-test was conducted by the researcher. The purpose of this pre-test was to identify any errors in the instrument and correct them before the actual data collection exercise. According to Vasileiou et al. (2018), the study should evaluate the logical order and coherence of the questions, test different arrangements of the questions, consider the participants' engagement level, clarify the meaning of the questions for the participants, adjust the phrasing of the

questions, confirm the instrument's scope and duration, and gather preliminary data to identify any issues with the items.

Pre-test study was conducted in Meru National Park whose respondents included 2 administrators, 2 room stewards, 3 food and beverage staff, 2 guides, and 4 support staff and 19 customers. The respondents were critical in assessing the questionnaires so as to provide reasonable feedback on the quality of questions asked. According to Mugenda and Mugenda (2003), a pre-test study should comprise of ten percent of the sampled population which enabled the study come up with the pre-test population. Meru National Park was selected because it has also been experiencing declining revenue issues partly due to ongoing drought which has affected wildlife resulting to poor customer satisfaction.

### **3.7.1 Validity of Research Instrument**

The validity of a tool depends on its ability to accurately measure the intended variables as defined by the researcher (Oktavia et al., 2018). The tool must produce results that align with the researcher's objectives for the study. Different methods can be used to assess the accuracy of the tool, including construct, face and content validity testing. In this particular research study, content validity was employed to ensure that the tool covers all the main aspects relevant to the research questions. The researcher collaborated with research experts and university supervisors to validate the tool and ensure that the questions in the questionnaire were consistent with the study goals.

### **3.7.2 Reliability of Research Instrument**

Pop and Khampirat (2019) define an instrument's reliability as its capacity to produce consistent results on multiple occasions. To assess the questionnaire's reliability, the researcher used the internal consistency method, which involved comparing the questionnaire's components to the research contents. The Cronbach Alpha index was utilized to measure the consistency index, with a threshold of 0.7 or higher deemed a reliable instrument for this research.

### **3.8 Data Collection Procedure**

The study first got all the necessary authorizations such as introduction letter from KeMU and Nacosti permit to facilitate smooth data collection process from the respondents. The study had two questionnaires whereby the first questionnaire was answered by the staff while the other one was answered by the clients. The researchers did not use the services of research assistants to be in a position of learning.

Therefore, the researcher made the trip to Lewa conservancy and was welcomed by the receiving manager. The researcher introduced themselves and requested to be allowed to collect data. Once allowed, they further asked the receiving manager to help them trace the respondents of the study and hence distributed the questionnaires. The data collection method for this research study involved usage of self-administered questionnaires. The questionnaires were personally delivered to the respondents. The researcher used a drop-and-pick method to collect the filled-in questionnaires that were personally delivered. The researcher then thanked the respondents for their time and stored the questionnaires in a safe place for further analysis.

### 3.9 Data Analysis and Presentation

The research collected quantitative data, which was processed and input into SPSS software for analysis. Descriptive statistics were used to analyse quantitative data, which comprised of calculations of absolute and relative percentages, frequencies, as well as measures of central tendency (such as mean) and dispersion (such as standard deviation). These statistical measures were employed to provide a comprehensive analysis of the quantitative data. The aim was to provide a summary of the data and show the relationships between variables. To ascertain whether the independent variables, customer loyalty, customer behaviour, service quality, and brand reputation and the dependent variable of organizational performance are correlated, the qualitative data was analysed by scrutinizing the substance of the responses, and the study employed a multiple linear regression model. The decision to use this model was motivated by the desire to investigate the association between these factors. The regression equation took the following form:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

The variables were identified in the following manner: -

The research study's dependent variable was organizational performance, which was measured by Y. The independent variables included customer loyalty (X1), customer behaviour (X2), service quality (X3), and brand reputation (X4). The coefficients of determination for these variables were represented by  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$ , while the error term was represented by  $\varepsilon$ . The regression model's purpose was to determine the relationship between these variables. Additionally, for the qualitative data collected,

the analysis involved examining the thematic content of the responses to gain insights and draw conclusions.

### **3.10 Ethical Considerations**

At the beginning of the research study, the researcher assured the participants of their safety and confidentiality. The respondents were informed that the purpose of the research was solely for academic purposes, and the data collected would not be used against them through an introduction letter (appendix i) The participants provided informed consent and were informed that they could withdraw from the study at any point. The study was approved by the University and a research clearance permit from the National Commission for Science, Technology, and Innovation (NACOSTI) was obtained to collect data. Raw data was destroyed immediately after use to prevent unauthorized access by third parties. Additionally, the data would be stored electronically on a computer with a password to deny unauthorized access.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents findings on the effects of customer satisfaction on organizational performance of lodges within Lewa Wildlife Conservancy. The chapter first presents the demographic characteristics of the respondents then findings as per the objectives of the study. The objectives were to evaluate the effect of customer loyalty, determine the effect of customer behaviour, establish the effect of service quality, and assess the effect of brand reputation on organizational performance of lodges within Lewa Wildlife Conservancy.

#### 4.2 Response Rate

The study had sampled 121 staff members and 186 customers to participate in the study. The response rate was as presented in Table 4.1.

**Table 4.1**

#### *Response Rate*

Category	Staff		Customers	
	Frequency	Percent	Frequency	Percent
Filled questionnaires	110	91	150	80
Unfilled questionnaires	11	9	36	20
Total	121	100	186	100

According to Table 4.1, it was established that from the 121 staff members sampled, 110 staff members filled and returned the questionnaires representing a response rate of 91% which is excellent (Mugenda & Mugenda, 2003). Additionally, 150 of the 186 customers sampled were able to participate in the study representing a response rate of 80%.

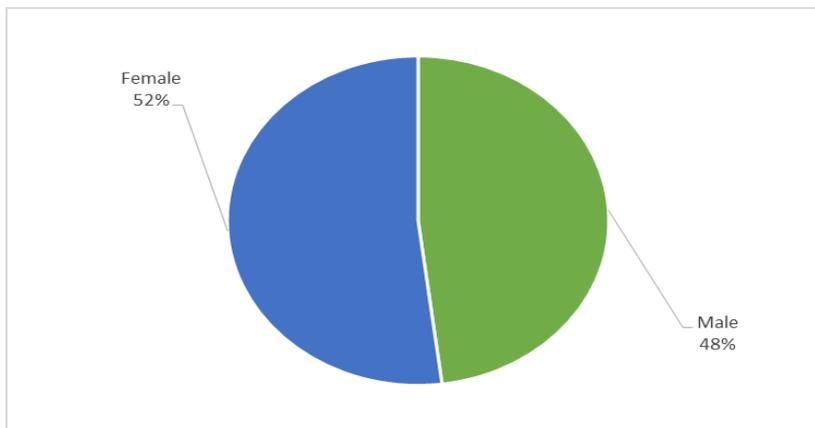
### 4.3 Demographic Information

#### 4.3.1 Respondents Gender

The study first inquired on the gender characteristics of the respondents as shown in Figure 4.1.

**Figure 4.1**

#### *Staff Gender*

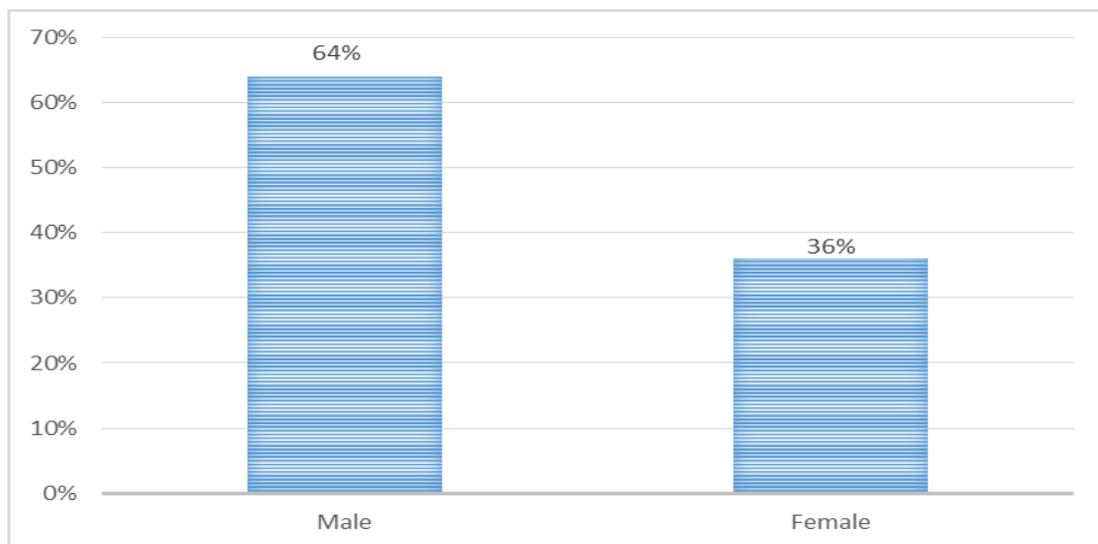


According to the findings presented in Figure 4.1, 52% of the staff respondents were female while 48% were male. This indicates that the staff were evenly distributed in gender and therefore could give a balanced view of the information sought by the study.

Further, as presented in Figure 4.2 majority (64%) of the customers were male while 36% were female. This indicates that most of the customers visiting the conservancies were male.

**Figure 4.2**

***Customers' Gender***



**4.3.2 Age Bracket**

The study also sought information on the respondents' age range and the results were as presented in Table 4.2.

**Table 4.2*****Age Bracket***

<b>Category</b>	<b>Staff</b>		<b>Customers</b>	
	<b>Frequency</b>	<b>Percent</b>	<b>Frequency</b>	<b>Percent</b>
25 years and below	5	5%	6	4%
26-30 years	42	38%	14	9%
31-35 years	36	33%	22	15%
36-40 years	17	15%	56	37%
41-45 years	8	7%	44	30%
Above 45 years	2	2%	8	5%
<b>Total</b>	<b>110</b>	<b>100</b>	<b>150</b>	<b>100</b>

As shown in Table 4.2, 38% of the members of staff were aged 26-30 years, 33% were aged 31-35 years, 15% were aged 36-40 years, while 7%, 5% and 2% were aged 41-45 years, 25 years and below and above 45 years respectively. This implies that the majority of staff members were between the ages of 26 years and 40 years and that the respondents were drawn from across the age brackets. On the other hand, 37% of the respondents were aged 36-40 years, 30% were aged 41-45 years, 15% were aged 31-35 years, while 9%, 5% and 4% were aged 26-30 years, above 45 years and 25 years and below respectively. This means that the customers were drawn from across all the age brackets.

### 4.3.3 Education Level Achieved

The research study also enquired on the respondents' highest education level achieved and the results were as shown in Table 4.3.

**Table 4.3**

#### *Education Level Achieved*

<b>Category</b>	<b>Staff</b>		<b>Customers</b>	
	<b>Frequency</b>	<b>Percent</b>	<b>Frequency</b>	<b>Percent</b>
Secondary school level	14	13%	8	5%
College level	38	35%	29	20%
Advanced diploma	6	5%	11	7%
Undergraduate level	42	38%	63	42%
Postgraduate level	10	9%	39	26%
<b>Total</b>	<b>110</b>	<b>100</b>	<b>150</b>	<b>100</b>

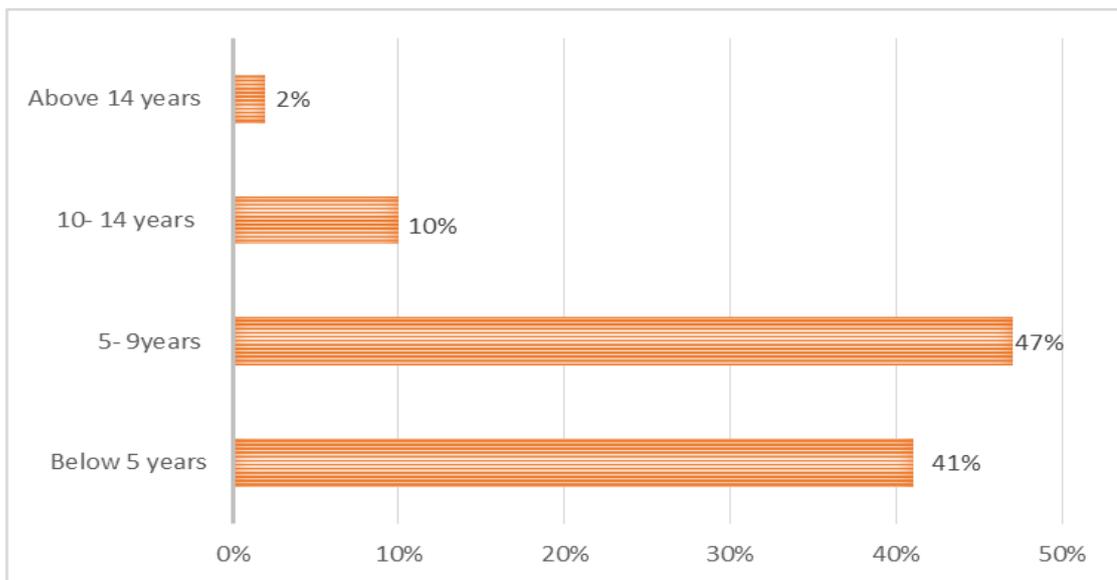
As illustrated in Table 4.3, 38% of the staff members' participants had undergraduate level as their highest education level achieved, 35% had college level, 13% had secondary level, 9% had postgraduate level and 5% had advanced diploma. On the other hand, 42% of the customers had undergraduate level, 26% had postgraduate level, 20% college level while 7% and 5% had advanced diploma and secondary level respectively. This implies that the respondents had the necessary education to understand the questions asked the questions asked by the study and give appropriate answers.

### 4.3.3 Period in the Current Position within Conservancy

The staff respondents were requested to indicate the period within which they had worked in their current position within the conservancy as described in Figure 4.3.

**Figure 4.3**

*Period in the Current Position in the Conservancy*



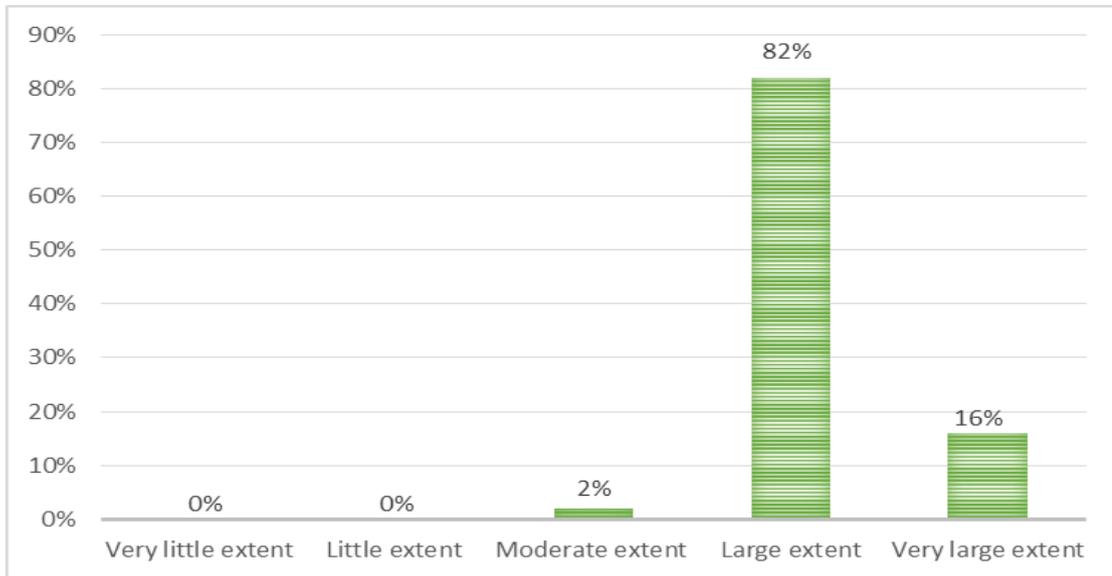
As shown in Figure 4.3, 47% of the respondents had worked for 5-9 years, 41% below 5 years, 10% 10-14 years and 2% above 14 years. This implies that the majority of the respondents had worked for enough time period to be conversant with the information sought by the study.

### 4.3.4 Extent that the Lodge Values Customer Satisfaction

The staff members were also asked the extent to which they believed that the lodge valued customer satisfaction as indicated in Figure 4.4.

**Figure 4.4**

***Extent that the Lodge Values Customer Satisfaction***



The research findings were as indicated in Figure 4.4 where majority (82%) of the staff members indicated that the lodges valued customer satisfaction to a large extent, 16% to a very large extent and 2% to a moderate extent. This illustrates that the lodges valued their customers' satisfaction.

**4.4 Customer Loyalty on Organizational Performance**

**4.4.1 Likelihood of the Customers to Continue Staying at the Lodges**

The customers were requested to state how likely they were to continue staying at the lodges. Their feedback is indicated in Table 4.4.

**Table 4.4**

*Likelihood of the Customers to Continue Staying at the Lodges*

<b>Likelihood</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very unlikely	0	0%
Unlikely	2	1%
Neutral	8	5%
Likely	93	62%
Very likely	47	32%
<b>Total</b>	<b>150</b>	<b>100</b>

As presented in Table 4.4, most (62%) of the customers stated that they were likely to continue staying at the lodges, 32% were very likely, 5% were neutral and 1% was unlikely. This implies that the lodges had gained the customers' loyalty and majority would likely continue staying at the lodges. This was aligned to Zakari (2021) who averred that with loyalty customers repeatedly purchase a preferred product or service, even when there are other options available and external factors like marketing may encourage switching behaviour.

**4.4.2 Likelihood of the Customers to Recommend the Lodges**

The customers were also requested to state how likely they were to suggest the lodges to their families and friends. Table 4.5 presents the results.

**Table 4.5**

*Likelihood of the Customers to Recommend the Lodges*

<b>Likelihood</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very unlikely	0	0%
Unlikely	6	4%
Neutral	10	7%
Likely	88	59%
Very likely	46	30%
<b>Total</b>	<b>150</b>	<b>100</b>

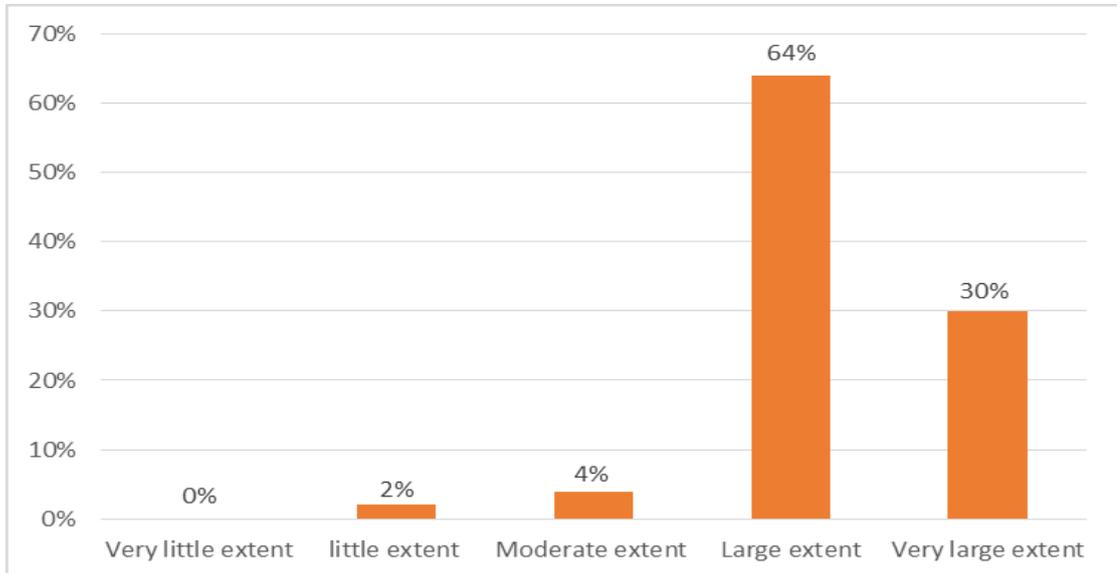
As shown in Table 4.5, 59% of the customers indicated that they were likely to recommend the lodges to their friends and families, 30% were very likely, 7% were neutral and 4% were unlikely. This illustrates that majority of the customers had developed loyalty and would recommend the lodges to their friends and families. This concurred with Mushavhanamadi and Hlengani (2021) who established that acquiring new customers can be expensive for companies, but loyal customers can spread positive word-of-mouth about a company, leading to new customers without the need for expensive marketing campaigns.

**4.4.3 Extent of Sense of Loyalty to the Lodges**

The customers were also requested to state the extent to which they felt a sense of loyalty to the lodges. Figure 4.5 shows the findings.

**Figure 4.5**

*Extent of Sense of Loyalty to the Lodges*



As shown in Figure 4.5, 64% of the respondents stated that they felt a sense of loyalty to the lodges to a large extent, 30% to a very large extent, 4% to a moderate extent and 2% to a little extent. This implies that the lodges' customers had a great sense of loyalty.

**4.4.4 Whether Customer Loyalty Was Valued by the Lodges**

The study also sought the staff members' opinion on whether the lodge valued customer loyalty. The results are indicated in Figure 4.6.

**Figure 4.6**

*Whether Customer Loyalty is valued by the Lodges*

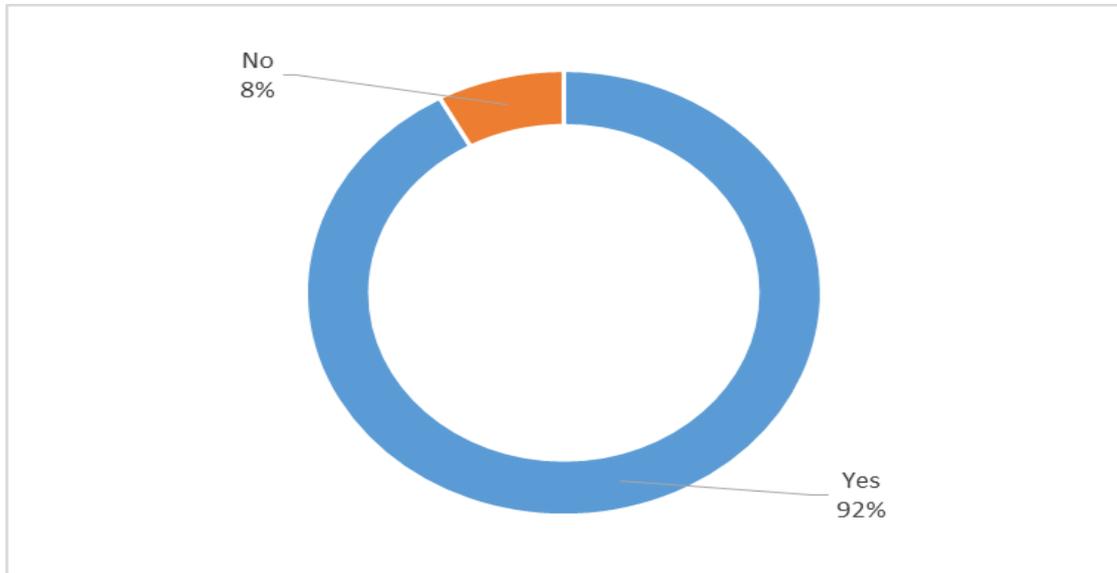


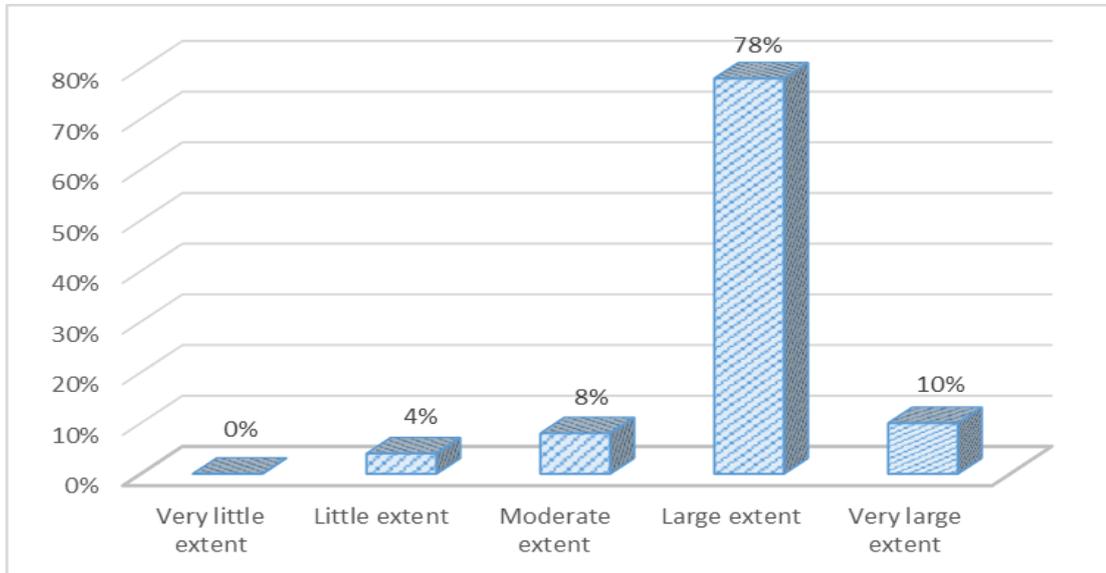
Figure 4.6 shows the findings whereby majority (92%) stated that the lodges valued customer. This illustrates that indeed the lodges valued their customers' loyalty.

**4.4.5 Extent of Customer Loyalty effect on Organizational Performance in the Lodges**

The respondents were also requested to indicate the extent to which customer loyalty affected organizational performance in the lodges. The results were as shown in figure 4.7.

**Figure 4.7**

*Extent of Customer Loyalty effect on Organizational Performance*



As shown in Figure 4.7, majority (78%) indicated that the loyalty of customers had a large effect on organizational performance in the lodges, 10% to a very large extent, 8% to a moderate extent and 4% to a little extent. This implies that indeed customer loyalty had a great effect on the lodges' organizational performance. This concurs with Amegavie et al. (2019) who established that the performance and productivity of organizations are greatly impacted by the degree of acceptance of their products by the general public

**4.4.6 Agreement level to Statements on Customer Loyalty in the Lodge**

The staff members were also requested to illustrate their agreement level to the statements that relate to customer loyalty in the lodge. Table 4.6 illustrates the results.

**Table 4.6***Agreement level to Statements on Customer Loyalty in the Lodge*

<b>Statements</b>	<b>Mean</b>	<b>Standard Dev</b>
Length of stay in the lodge is an indicator of customer loyalty and satisfaction	4.52	0.421
Customers who are loyal to this lodge are more likely to recommend it to others	4.38	0.628
Our lodge has retained majority of our customers signifying satisfaction	4.41	0.523
Our customers keep coming back for more services which boosts our performance	4.76	0.088
Customer loyalty has become a crucial strategic concern for this lodge	4.30	0.632
Our loyal customers forgive the organization for some mistakes	3.93	0.954

The results in Table 4.6 indicate that an overwhelming majority of the respondents were in strong acceptance that the lodges' customers kept coming back for more services which boosted their performance and that the length of stay in the lodges was an indicator of customer loyalty and satisfaction as shown by average scores of 4.76 and 4.52 respectively. This was in line with Zakari (2021) who averred that loyalty leads to a pattern of consistent, repetitive purchasing of the same brand or set of brands. The respondents also agreed that the lodges had retained majority of their customers signifying satisfaction and that customers who were loyal to the lodges were more likely to recommend them to others as illustrated by average scores of 4.41 and 4.38 respectively. Moreover, as shown by average scores of 4.38 and 3.93

respectively, the respondents agreed that customer loyalty had become a crucial strategic concern for the lodges and that the loyal customers would forgive the organizations for some mistakes.

#### **4.4.7 Other ways Customer Loyalty influenced Organizational Performance**

The staff members were also requested to list other ways in which customer loyalty influenced organizational performance in the lodges. Most of them indicated that loyal customers made repeated purchases, leading to a steady revenue stream for the organizations. This was in agreement with Mushavhanamadi and Hlengani (2021) revealed that with brand loyalty customers persistently buy or utilize a favoured product or service in the future, leading to recurrent acquisitions of the same brand, despite the potential for situational influences or marketing endeavours that might encourage switching conduct. Their continued support and repeat business contributed to overall sales growth and financial stability. Additionally, they stated that returning clients were more inclined to refer the business to their friends, relatives and acquaintances. Their positive word-of-mouth would act as free promotion, attracting new customers and expanding the organization's customer base.

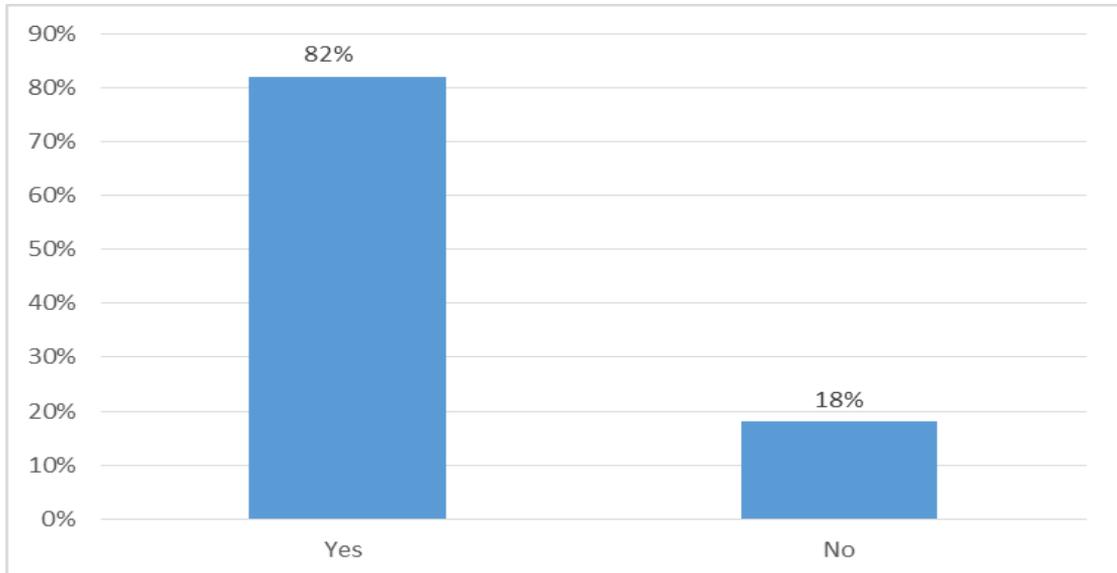
### **4.5 Customer Behaviour on Organizational Performance**

#### **4.5.1 Whether Customer Behaviour is an indication of Customer Satisfaction**

The research study also sought the opinion of the staff members on whether customer behaviour was an indication of customer satisfaction. The research results were as presented in Figure 4.8.

**Figure 4.8**

***Whether Customer Behaviour indicate Customer Satisfaction***



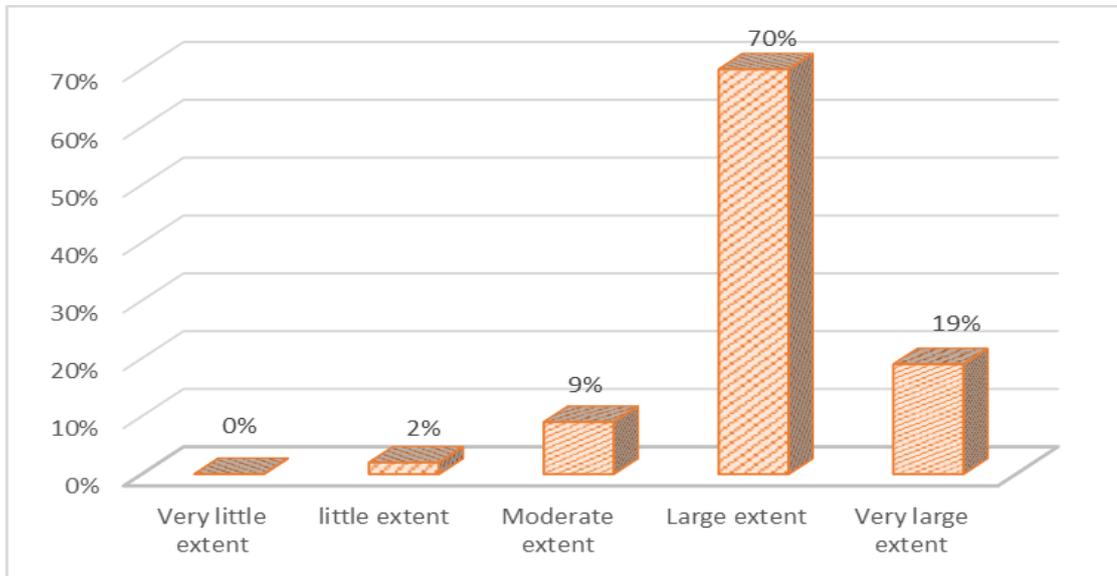
As shown in Figure 4.8, majority (82%) of the staff members stated that customer behaviour was an indication of Customer Satisfaction while 18% were of a different opinion. It follows from this that customer behaviour was indeed an indication of customer satisfaction. This concurred with Choi et al. (2019) who averred that the number of customer complaints that an organization receives can be an indicator of the overall satisfaction of its customers.

**4.5.2 Extent of Customer Behaviour effect on Organizational Performance in the Lodges**

The participants were also asked to express the degree to which customer behaviour influenced organizational performance in the lodges. The results are in Figure 4.9.

**Figure 4.9**

***Extent of Customer Behaviour effect on Organizational Performance***



As depicted in Figure 4.9, a significant majority (70%) of the respondents stated that customer behaviour had a substantial impact on organizational performance in the lodges. Additionally, 19% of the participants indicated that customer behaviour had a very significant influence, while 9% reported a moderate effect. Only 2% of the respondents believed that customer behaviour had a minimal impact. These findings suggest that customer behaviour played a crucial role in determining organizational performance in the lodges. This finding were in agreement with Choi et al. (2019) who found that customer behaviour can significantly impact organizational performance.

**4.5.3 Agreement level to Statements on Customer Behaviour in the Lodge**

Table 4.7, presents results on the respondents' agreement level to the statements that related to customer behaviour in the lodges.

**Table 4.7***Agreement level to Statements on Customer Behaviour in the Lodge*

<b>Statements</b>	<b>Mean</b>	<b>Standard Dev</b>
The number of complaints that our lodge receives are an indicator of the overall satisfaction of the customers	4.11	0.732
Our lodge proactively seeks feedback from customers to address any issues before they result in complaints	4.48	0.421
Our lodge experiences very low rates of churn indicating customer satisfaction	4.53	0.433
Switching behaviour is rarely witnessed in our lodge which leads to improved revenues	4.27	0.632
Customer defection can lead to negative word-of-mouth, thus damaging the organization's reputation	4.38	0.607
Our lodge monitors switching behaviour and prevents it by providing superior products and services	4.45	0.526

As shown in Table 4.7 by the average scores of 4.53 and 4.48 respectively, a majority of the respondents concurred that the lodges experienced very low rates of churn indicating customer satisfaction. This concurred with Ndubisi and Nataraajan (2018) who postulated that customer churn, or the frequency with which clients leave doing business with an organization, is an important indicator of organizational performance. The respondents also agreed that lodges proactively sought feedback from customers to address any issues before they resulted in complaints. This was in line with the recommendation by Choi et al. (2019) that organizations should proactively seek feedback from customers to identify and address any issues before they result in complaints.

Additionally, the respondents agreed that the lodges monitored switching behaviour and prevented it by providing superior products and services and that customer defection could lead to negative word-of-mouth, thus damaging the organizations' reputation as shown by the average scores of 4.45 and 4.38 respectively. This was consistent with the findings by Oksuz (2021) that organization's reputation can be negatively impacted by customers' switching behaviour, as it may be perceived as less competitive or innovative than its competitors by customers and other stakeholders, creating a ripple effect. The respondents also agreed that switching behaviour was rarely witnessed in the lodges which led to improved revenues and that the number of complaints that the lodges received were an indicator of the overall satisfaction of the customers as shown by the average scores of 4.27 and 4.11 respectively.

#### **4.5.4 Other Ways Customer Behaviour influenced Organizational Performance**

Additionally, respondents were also asked to state other ways that customer behaviour influenced organizational performance in the lodges. They stated that customer behaviour, such as the frequency and volume of purchases, directly impacted on the lodges' revenue. Customers who made frequent and large service purchases contributed to higher sales and increased profitability. They also stated that analysing customer behaviour allowed the lodges to segment their customer base effectively. Categorization of customers based on their preferences, purchasing patterns, demographics, and other relevant factors, helped organizations tailor their marketing strategies and product offerings to specific customer segments, maximizing customer satisfaction and loyalty.

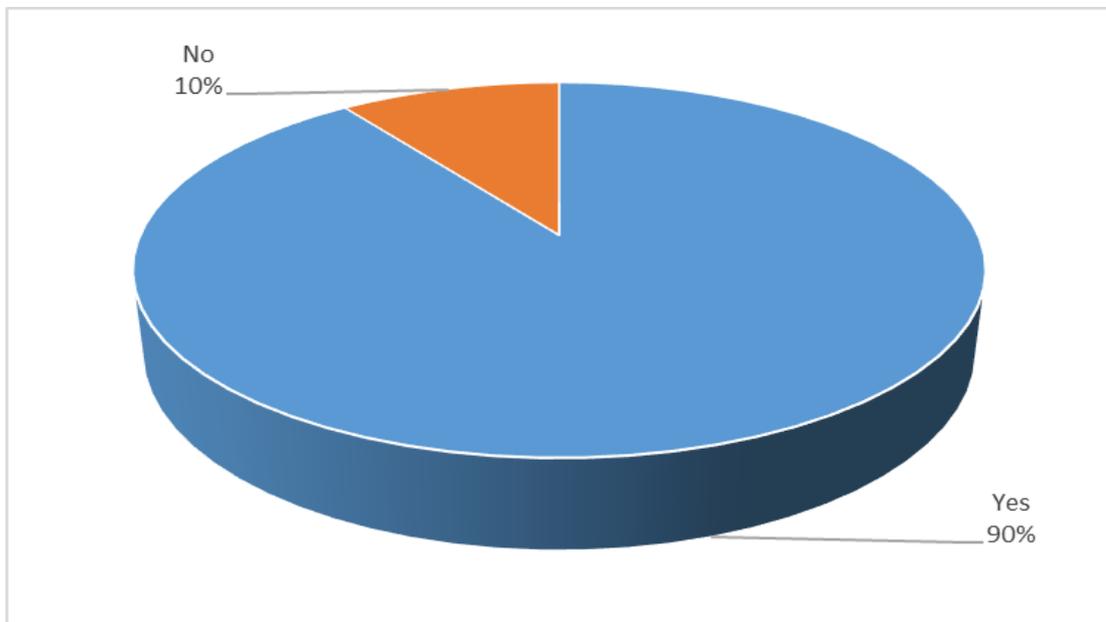
## 4.6 Service Quality on Organizational Performance

### 4.6.1 Whether the lodges valued Service Quality

The staff members' opinion was also sought on whether the lodges valued service quality. The findings were as presented in Figure 4.10.

**Figure 4.10**

#### *Whether the lodges valued Service Quality*



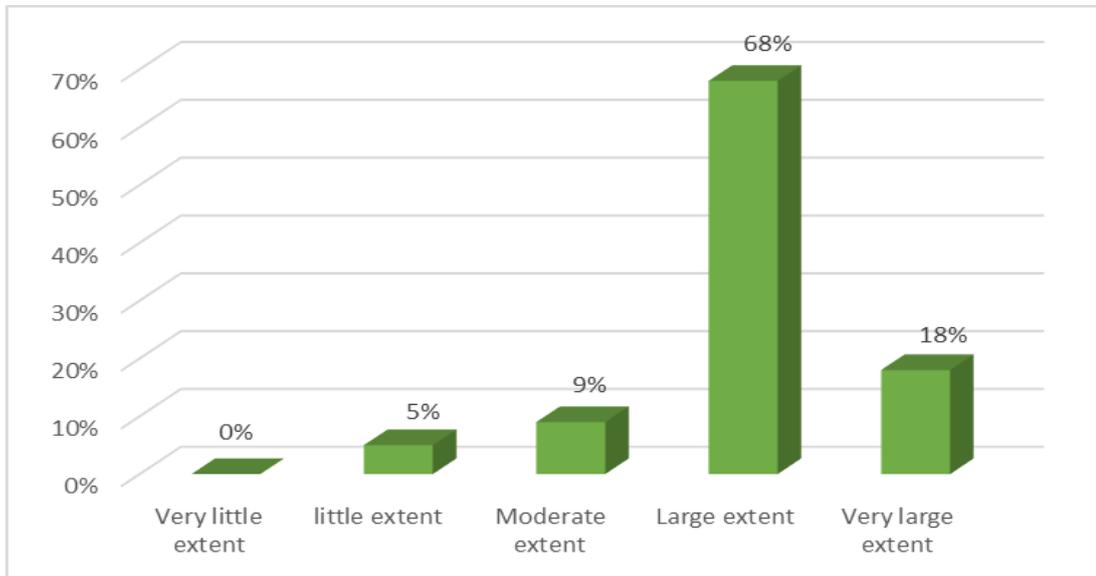
As shown in Figure 4.10, majority (90%) of these respondents indicated that indeed the lodges valued service quality while 10% stated they didn't. This demonstrates that service quality was valued in the lodges.

### 4.6.2 Extent of Customers' Satisfaction with the Experience at this Lodge

The customers were requested to express their level of satisfaction with their experience at the lodges. The results are depicted in Figure 4.11.

**Figure 4.11**

***Extent of Customers' satisfaction with the experience at this Lodge***



As shown in Figure 4.11, a majority of the customers (68%) reported being highly satisfied with their experience, while 18% expressed being extremely satisfied. Furthermore, 9% indicated moderate satisfaction, and 5% stated they were somewhat satisfied. These results imply that the majority of the clients were content with the lodges' level of service.

**4.6.3 Customers' Agreement Level to Statements on Service Quality**

The respondents were also required to provide their opinion on various statements on service quality as shown in Table 4.8.

**Table 4.8*****Customers' Agreement Level to Statements on Service Quality***

<b>Statements</b>	<b>Mean</b>	<b>Standard Dev</b>
The staff here is polite and courteous	4.22	0.713
The check-in and check-out processes are efficient	4.61	0.412
The room is always clean and well-maintained	4.52	0.419
The amenities (Wi-Fi, TV, pool) are satisfactory	4.43	0.528
The food and beverage offerings are of high quality	4.38	0.563
The overall value for the price paid is reasonable	4.24	0.651

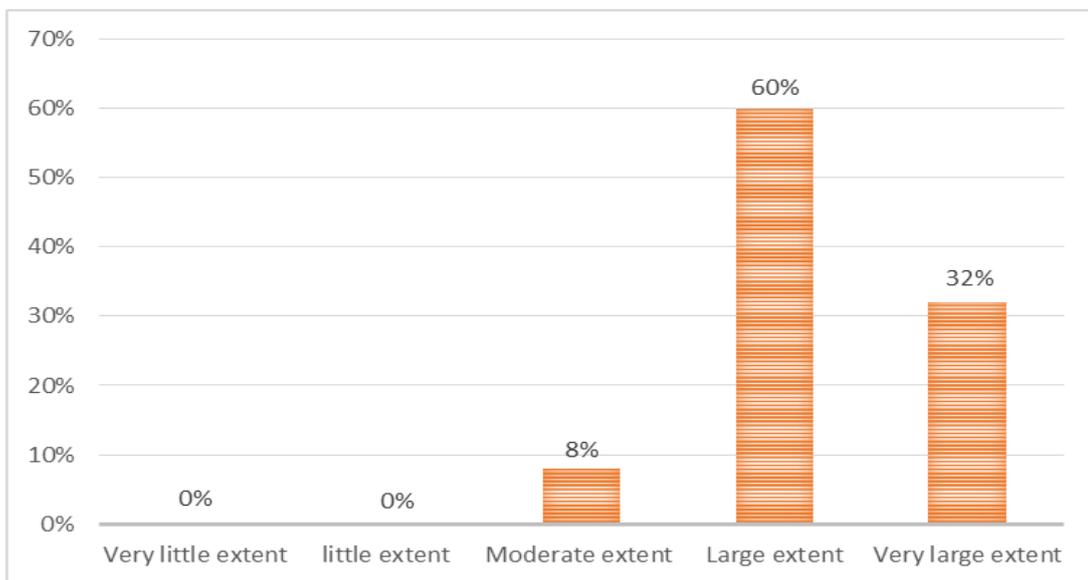
As presented in Table 4.8, most of the customers agreed that the check-in and check-out processes in the lodges were efficient and that the rooms were always clean and well-maintained as illustrated by the average scores of 4.61 and 4.52 respectively. Moreover, as shown by the average scores of 4.43 and 4.38 respectively, the customers conquered that the amenities (Wi-Fi, TV, pool) were satisfactory and food and beverage offerings were of high quality. They also agreed that the staff at the lodges was polite and courteous as shown by a 4.22 mean score. These findings were in concurrence with Gong and Yi (2018) who postulated that reliability, responsiveness, and assurance are three key dimensions of quality of services that can have a positive result on organizational performance.

#### 4.6.4 Extent the Customers rated the Lodges as Trustworthy and Reliable

The research also attempted to determine the extent to which the customers would rate the lodges as trustworthy and reliable choices. The results are described in Figure 4.12.

**Figure 4.12**

*Extent the Customers rated the Lodges as Trustworthy and Reliable*



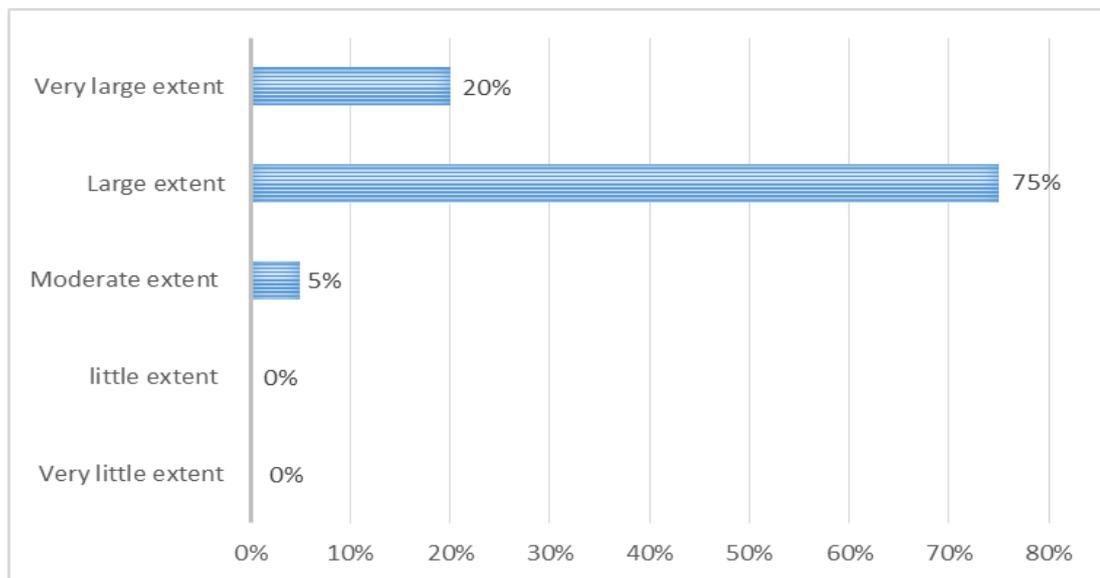
As indicated in Figure 4.12, 60% of the customers indicated that they would, to a great extent, rate the lodges as trustworthy and reliable choices, 32% to a very great extent, and 8% to a moderate extent. This means that the customers trusted the lodges and viewed them as reliable choices. The finding was in agreement with Othman et al. (2019) who found that when an organization is perceived as reliable by customers, they believe in it, grow to be devoted patrons, which in turn can boost sales and encourage repeat business, improving the success of the organization.

#### 4.6.5 Extent of Service Quality effect on Organizational Performance

The research study also aimed to determine the degree to which service quality affected organizational performance in the lodges. The results are in Figure 4.13

**Figure 4.13**

*Extent of Service Quality effect on Organizational Performance*



As indicated in Figure 4.13, majority (75%) of the respondents indicated that service quality affected organizational performance in the lodges to a large extent, 20% to a very large extent and 5% to a moderate extent. This means that service quality was very important for the organizational performance in the lodges. This was in line with Gong and Yi (2018) who hypothesised that service quality can have a considerable influence on a company's performance. Othman et al. (2019) also revealed that when organizations provide high levels of service quality, they are able to retain customers, and this results in more sales and repeat business, and ultimately improved performance.

#### 4.6.6 Staff members' Agreement level to Statements on Service Quality

Table 4.9 illustrates the respondents' degree of agreement with the statements that relate to service quality in the lodges.

**Table 4.9**

##### *Agreement level to Statements on Service Quality in the Lodge*

<b>Statements</b>	<b>Mean</b>	<b>Standard Dev</b>
Our lodge focuses on improving the overall quality management and service supply culture	4.42	0.633
Our assurance instils confidence and trust in customers and establishes a sense of security and trust in customers	4.55	0.401
Our lodge is reliable as we are consistent in meeting customer needs and expectations	4.50	0.424
We provide high levels of service quality which helps us to attract and retain customers	4.57	0.352
We are always responsive to customers' needs and concerns which enables to retain customers and attract new ones	4.49	0.435
We have a good customer relationship management system which helps to improve service quality	4.44	0.489

As shown by mean scores of 4.57 and 4.55 respectively in Table 4.9, most of the respondents conformed that the lodges provided high levels of service quality which helped them to attract and retain customers and that their assurance instilled confidence and trust in customers and established a sense of security and trust in customers. Additionally, most of the respondents agreed that the lodges were reliable as they were consistent in meeting customer needs and expectations and that they

were always responsive to customers' needs and concerns which enabled to retain customers and attract new ones.

This was illustrated by mean scores of 4.50 and 4.49 respectively. The finding concurred with Sharma and Srivasta (2018) who posited that organizations that are responsive to customer needs and concerns are more likely to retain customers and attract new ones. Further, as represented by the average scores of 4.44 and 4.42 respectively, the respondents concurred that the lodges had a good customer relationship management system which helped to improve service quality. This was in line with Ojo (2021) who averred that a good customer relationship management system can lead to improved service quality, which includes being responsive, providing assurance, and showing care. The respondents also agreed that the lodges focused on improving the overall quality management and service supply culture.

#### **4.6.7 Other ways Service Quality influenced Organizational Performance**

The respondents were further requested to list other ways in which service quality influenced organizational performance in the lodges. They stated that through their consistent delivery of high service quality the lodges differentiated themselves from their competitors. Their excellent service was a competitive advantage, attracting customers who valued exceptional experiences.

This differentiation led to a stronger market position, increased market share, and improved organizational performance. They also stated that service quality affected the number of customer complaints and how effectively they were resolved. Prioritizing service quality and promptly addressing customer issues demonstrated their commitment to customer satisfaction. They stated that efficient complaint

handling turned dissatisfied customers into loyal advocates and mitigated potential damage to the lodges' reputation.

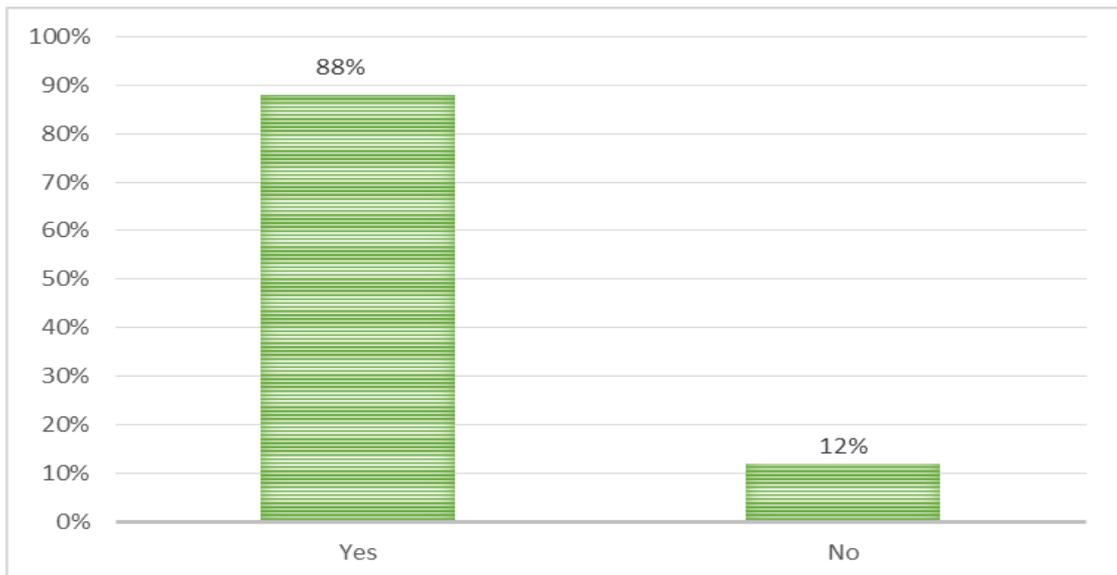
#### **4.7 Brand Reputation on Organizational Performance**

##### **4.7.1 Whether the Lodges valued Brand Reputation**

The researcher also sought the respondents' opinion on whether the lodges valued brand reputation. Their feedback was noted as shown in Figure 4.14.

**Figure 4.8**

##### *Whether the Lodges valued Brand Reputation*



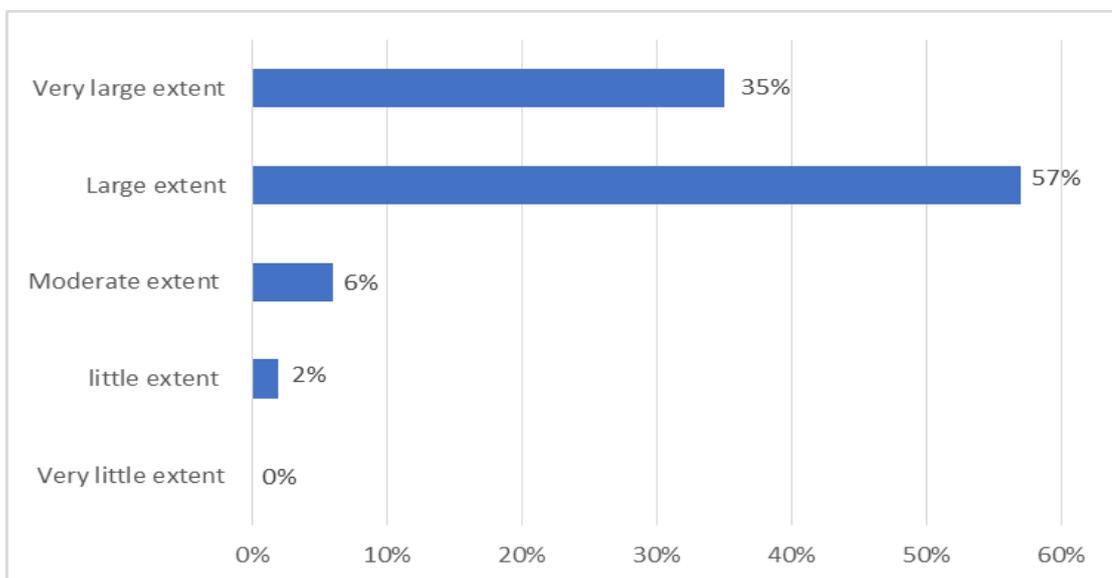
According to the research results as indicated in Figure 4.14, majority (88%) of the respondents agreed that the lodges valued brand reputation while 12% were of the contrary opinion. This indicates that brand reputation was indeed valued by the lodges.

#### 4.7.2 Extent of agreement that the lodges had a Strong Brand Identity

The customers were asked to state the degree to which they would agree that the lodges had strong brand identities that set them apart from competitors. Their feedback was noted as shown in Figure 4.15.

**Figure 4.9**

*Extent of agreement that the lodges had a Strong Brand Identity*



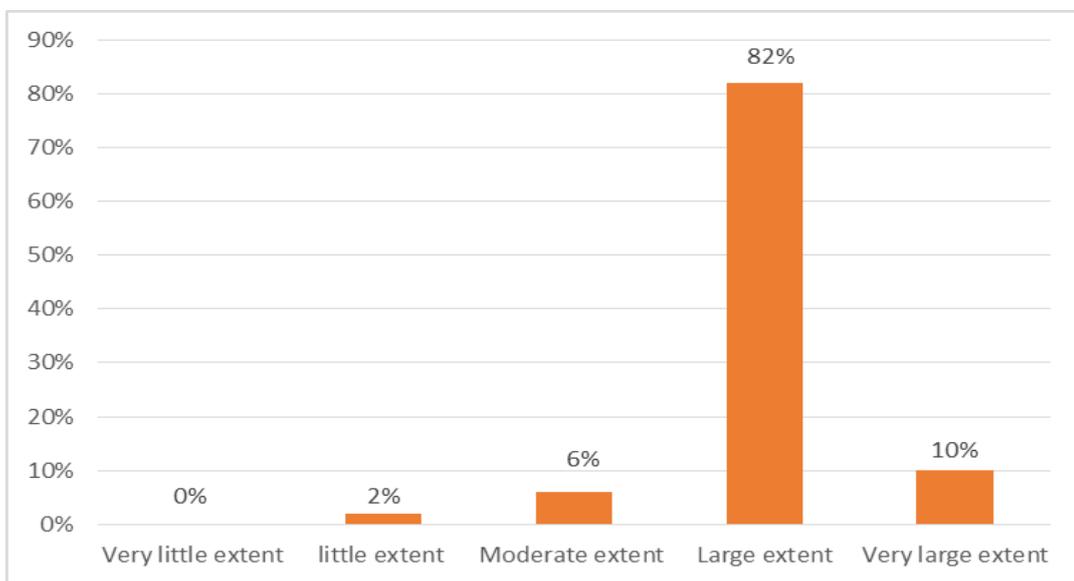
As demonstrated in Figure 4.15, 57% of the customers stated that they would agree that the lodges had strong brand identities that set them apart from competitors to a large extent, 35% to a very large extent, 6% to a moderate extent and 2% to a moderate extent. This shows that indeed the lodges had strong brand identities that set them apart from competitors. This concurred with Ochoo et al. (2018) who posit that for numerous companies, the brand and its significance are crucial assets that provide a competitive edge and generate profits.

#### 4.7.2 Extent of Brand Reputation effect on Organizational Performance

The participants were also sought to express the degree to which brand reputation influenced organizational performance in the lodges. Their feedback was noted as shown in Figure 4.16.

**Figure 4.10**

#### *Extent of Brand Reputation effect on Organizational Performance*



As depicted in Figure 4.16, a significant majority (82%) of the respondents stated that brand reputation had a substantial impact on organizational performance in the lodges. Additionally, 10% of the participants indicated that brand reputation had a very significant influence, while 6% reported a moderate effect. Only 2% of the respondents believed that brand reputation had a minimal impact. These findings suggest that brand reputation played a crucial role in determining organizational performance in the lodges. This was in line with Koh et al. (2019) who averred that brand reputation is a critical factor that have a significant impact on an organization's

performance. They also averred that a strong brand reputation led to increased customer loyalty, higher sales, and greater profitability.

#### 4.7.3 Agreement level to Statements on Brand Reputation in the Lodges

The respondents were further asked to rate their level of agreement with the claims made regarding the reputation of the lodges' brands. The results are indicated in Table 4.10.

**Table 4.10**

*Agreement level to Statements on Brand Reputation in the Lodges*

<b>Statements</b>	<b>Mean</b>	<b>Standard Dev</b>
Our brand is a crucial asset that provides a competitive edge and generates profits	4.38	0.662
Our strong brand reputation led to increased customer loyalty and higher sales	4.35	0.628
We receive a high number of referrals which is a measure of customer satisfaction and loyalty	4.41	0.419
Our strong brand recognition leads to increased customer trust as well as increased sales and revenue	4.33	0.626
Our brand resonance ensures our customers are loyal to the brand and recommend it to others	4.29	0.571
We highly invest in enhancing our reputation and developing a positive image of our brand	4.21	0.577

According to the findings as presented in Table 4.10, most of the respondents agreed that the lodges received a high number of referrals which was a measure of customer satisfaction and loyalty and that their brand was a crucial asset that provided a competitive edge and generated profits as shown by mean scores of 4.41 and 4.38

respectively. These findings concurred with Koh et al. (2019) who argued that referrals are a measure of customer satisfaction and loyalty whereby if customers are content with a company's products or services, they suggest the company to others, which can result in increased sales and revenue for the company.

In addition, as represented by mean scores of 4.35 and 4.33 respectively, most of the respondents agreed that the lodges' strong brand reputation led to increased customer loyalty and higher sales and that their strong brand recognition led to increased customer trust as well as increased sales and revenue. Further, as illustrated by mean scores of 4.29 and 4.21 respectively, most of the respondents agreed that the lodges' brand resonance ensured their customers were loyal to the brand and recommended it to others and that they highly invested in enhancing their reputation and developing a positive image of their brand. Setiawan et al. (2020) also found that brand resonance, which pertains to the emotional relationship that consumers have with a brand, can result in heightened loyalty towards that brand and a greater likelihood of positive word-of-mouth marketing. This can result in increased sales and revenue, as well as increased brand awareness and recognition.

#### **4.7.4 Other ways Brand Reputation influenced Organizational Performance**

The respondents were also requested to list other ways in which brand reputation influenced organizational performance in the lodges. Most of the respondents stated that the lodges' strong reputation gave them a competitive advantage that allowed them to command a price premium for their products and services. Customers were willing to pay more for the brands as they perceived them as trustworthy and of high quality. The ability of the lodges to charge a premium price contributed to higher

profit margins and improved financial performance. Additionally, the respondents stated that the positive brand reputation attracted new customers. The good reputation, made the lodges more appealing to potential customers seeking reliable and reputable products and services. Positive word-of-mouth and favourable reviews significantly impacted customer acquisition, expanded the customer base, and increased the lodges' market share.

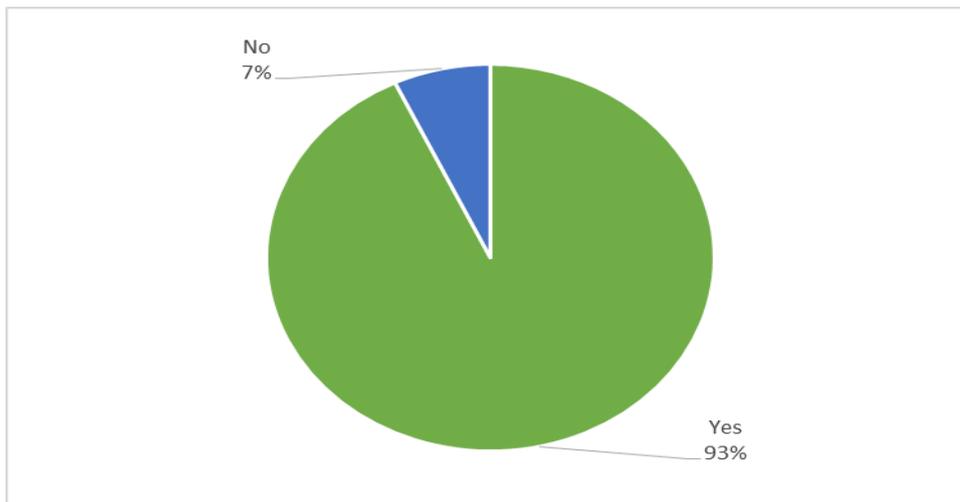
## **4.8 Organizational Performance**

### **4.8.1 Whether Performance of the Lodge was affected by Customer Satisfaction**

The research study also sought the respondents' opinion on whether the performance of the lodges had been affected by customer satisfaction levels. The results are presented in Figure 4.17.

**Figure 4.11**

*Whether Performance of the Lodge was affected by Customer Satisfaction*



As illustrated in Figure 4.17, majority (93%) of the respondents were of the opinion that the performance of the lodges had been affected by customer satisfaction levels

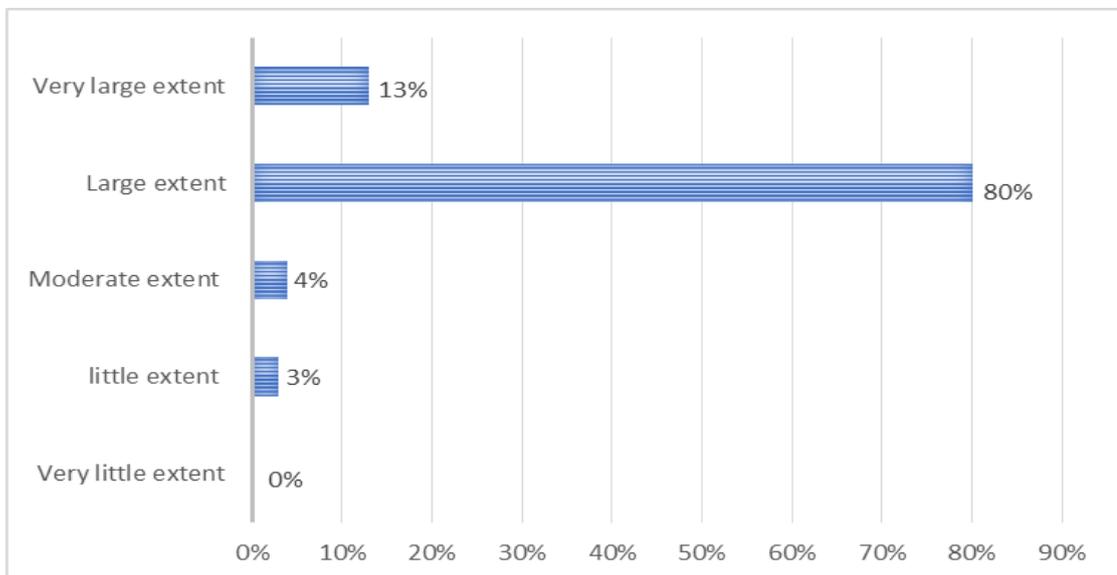
while 7% were not. This implies that customer satisfaction levels indeed affected the performance of the lodges.

#### 4.8.2 Extent of Customer Satisfaction effect on Organizational Performance

The researcher also enquired on the extent to which the performance of the lodges had been affected by customer satisfaction levels. The results are in Figure 4.18.

**Figure 4.12**

##### *Extent of Customer Satisfaction effect on Organizational Performance*



As delineated in Figure 4.18, majority (80%) of the respondents stated that performance of the lodges had been affected to a large extent by customer satisfaction levels, 13% to a very large extent, 4% to a moderate extent and 3% to a little extent. This shows that customer satisfaction had a great effect on the performance of the lodges.

### 4.8.3 Agreement level to Statements on Performance of the Lodges

The study also sought the respondents to show their degree of concurrence to the statements that related to performance of the lodges. The results are in Table 4.11.

**Table 4.11**

#### *Agreement level to Statements on Performance of the Lodges*

<b>Statements</b>	<b>Mean</b>	<b>Standard Dev</b>
Sales turnover has gradually increased in our lodge	4.57	0.343
Our lodge has seen an increase in market share	4.31	0.619
Profitability of the lodge has gradually increased	4.60	0.388
We have not experienced employee turnover for a long time	4.48	0.522
We have had increased cost savings as a result of customer retention	4.26	0.727

As shown in Table 4.11, most of the respondents agreed that the profitability and sales turnover of the lodges had gradually increased as illustrated by the average scores of 4.60 and 4.57 respectively. Additionally, as shown by mean scores of 4.48 and 4.31 respectively, most of the respondent agreed that the lodges had not experienced employee turnover for a long time and that the lodges had seen an increase in market share. The lodges also had increased cost savings as a result of customer retention as evidenced by an average score of 4.11.

### 4.9 Inferential Analysis

The research employed various inferential analysis methods, such as Karl Pearson's correlation coefficient, model summary, regression analysis, and multiple regression

analysis. These techniques were utilized to determine the relationship between the dependent variable and the independent variables.

#### 4.9.1 Coefficient of Correlation

Based on the results presented in Table 4.12, it was evident that there existed a robust positive association between organizational performance (the variable being influenced) and customer loyalty, customer behaviour, service quality, and brand reputation (the influencing variables). This relationship was evident through Pearson Correlation coefficient values exceeding 0.5.

**Table 4.12**

*Coefficient of Correlation*

		Organizational performance	Customer loyalty	Customer behaviour	Service quality	Brand reputation
Organizational performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Customer loyalty	Pearson Correlation	.7120	1			
	Sig. (2-tailed)	.0022				
Customer behaviour	Pearson Correlation	.6150	.342	1		
	Sig. (2-tailed)	.0042	.0014			
Service quality	Pearson Correlation	.7090	.1240	.0621	1	
	Sig. (2-tailed)	.0035	.0120	.0043		
Brand reputation	Pearson Correlation	.6760	.3420	.0000	.1660	1
	Sig. (2-tailed)	.0038	.0031	1.000	.0031	

The analysis presented in Table 4.12 clearly indicated positive correlations between organizational performance and various factors. For instance, there was a strong positive correlation between organizational performance and customer loyalty, as evidenced by a correlation coefficient of 0.712. Consequently, the research hypothesis H0<sub>1</sub>, which states that customer loyalty has no significant effect on organizational performance of lodges within Lewa Wildlife Conservancy, was rejected. Similarly, a positive correlation was observed between organizational performance and customer behaviour, with a correlation coefficient of 0.615. Thus, the research hypothesis H0<sub>2</sub>, which suggests that customer behaviour has no significant effect on organizational performance, was also rejected. Furthermore, there was a positive correlation between organizational performance and service quality, with a correlation coefficient of 0.709. This led to the rejection of research hypothesis H0<sub>3</sub>, stating that service quality has no significant effect on organizational performance. Lastly, a positive correlation was found between organizational performance and brand reputation, with a correlation coefficient of 0.676. Consequently, research hypothesis H0<sub>4</sub>, proposing that brand reputation has no significant effect on organizational performance, was rejected as well.

#### **4.9.2 Coefficient of Determination**

The degree to which changes in the dependent variable can be explained by changes in the independent variables is measured by the coefficient of determination. The amount or percentage of variance in organizational performance that can be explained by each of the four independent variables – customer loyalty, customer behaviour,

service quality and brand reputation- represents the proportion or percentages of the variation in the dependent variable (organizational performance).

**Table 4.13**

*Model Summary*

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	0.876	0.767	0.641	0.0438

In accordance to the results presented in Table 4.12 below, the adjusted R<sup>2</sup> value denoted that out of the four independent variables examined, only 76.7% of the variation in organizational performance was accounted for. This implied that there are other factors, not investigated in the study, that bring to 23.3% of the organizational performance. Therefore, additional research should be conducted to explore these unexamined variables that influence the organizational performance of lodges.

**4.9.3 Regression Analysis**

The Regression analysis was employed to establish the relationship between organizational performance and the four independent variables as shown in Table 4.14.

**Table 4.14***Regression Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	1.316	1.334			1.619	0.349
Customer loyalty	0.745	0.310	0.172		2.098	.0223
Customer behaviour	0.654	0.156	0.210		3.532	.0269
Service quality	0.738	0.245	0.067		3.542	.0234
Brand reputation	0.685	0.322	0.148		4.342	.0248

According to the generated SPSS table 4.13, the regression equation was expressed as follows:

$$Y = 1.316 + 0.745X_1 + 0.654X_2 + 0.685X_3 + 0.738X_4$$

Based on the equation above, it was determined that when all factors (customer loyalty, customer behaviour, service quality, and brand reputation) are held constant at zero, the predicted value for organizational performance is 1.316. Furthermore, the findings reveal that for every unit increase in customer loyalty, there is a corresponding increase of 0.745 in organizational performance. Similarly, a unit increase in customer behaviour is associated with a 0.654 increase in organizational performance. Moreover, a unit increase in service quality is linked to a 0.738 increase in organizational performance, while a unit increase in brand reputation is associated with a 0.685 increase in organizational performance. Therefore, it was concluded that

customer loyalty has the greatest contribution to organizational performance, followed by service quality and brand reputation, while customer behaviour has the least impact on organizational performance.

At a significance level of 5% and a confidence level of 95%, customer behaviour exhibited a significance level of 0.0269, brand reputation had a significance level of 0.0248, service quality had a significance level of 0.0234, and customer loyalty had a significance level of 0.0223. Based on these outcomes, it can be said that customer loyalty is the most significant factor among the variables studied. This implies that all the four independent variables (customer loyalty, customer behaviour, service quality, and brand reputation) significantly affected the dependent variable (organizational performance).

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This study aimed at establishing the effects of customer satisfaction on organizational performance of lodges within Lewa Wildlife Conservancy. This chapter thus summarizes the findings, conclusions, recommendations and areas that require further research.

#### **5.2 Summary of Findings**

##### **5.2.1 Customer Loyalty**

On customer loyalty, the research study established that the lodges had gained the customers' loyalty as majority would continue staying at the lodges and would recommend the lodges to their friends and families. Further to this the study established that the lodges valued their customers' loyalty. The effectiveness of the lodges' organizational structure was found to be significantly impacted by customer loyalty. The study also revealed that the lodges' customers kept coming back for more services which boosted their performance and that the length of stay in the lodges was an indicator of customer loyalty and satisfaction. It also revealed that the lodges had retained majority of their customers signifying satisfaction and that customers who were loyal to the lodges were more likely to recommend them to others. Moreover, customer loyalty had become a crucial strategic concern for the lodges and the loyal customers would forgive the organizations for some mistakes.

### **5.2.2 Customer Behaviour**

On customer behaviour, the study revealed that customer behaviour was an indicator of customer satisfaction, and it greatly affected the organizational performance in the lodges. The study found that the lodges experienced very low rates of churn indicating customer satisfaction and that lodges proactively sought feedback from customers to address any issues before they resulted in complaints. Additionally, the study revealed that the lodges monitored switching behaviour and prevented it by providing superior products and services and that customer defection could lead to negative word-of-mouth, thus damaging the organizations' reputation. Additionally, the study revealed that switching behaviour was rarely witnessed in the lodges which led to improved revenues and that the number of complaints that the lodges received were an indicator of the overall satisfaction of the customers.

### **5.2.3 Service Quality**

On quality of service the study showed that service quality was valued in the lodges and thus the guests were largely satisfied with the quality of services at the lodges. The check-in and check-out processes in the lodges were efficient and the rooms were always clean and well-maintained. Moreover, the study found that the amenities (Wi-Fi, TV, pool) were satisfactory, and food and beverage offerings were of high quality. The staff at the lodges was also polite and courteous. The study further revealed that the customers trusted the lodges and viewed them as reliable choices. Service quality was also found to affect organizational performance in the lodges to a significant degree. Moreover, the research established that the lodges provided high levels of service quality which helped them to attract and retain customers and that their

assurance instilled confidence and trust in customers and established a sense of security and trust in customers. Moreover, the lodges were reliable as they were consistent in meeting customer needs and expectations and they were always responsive to customers' needs and concerns which enabled to retain customers and attract new ones. The lodges had a good customer relationship management system which helped to improve service quality and they focused on improving the overall quality management and service supply culture.

#### **5.2.4 Brand Reputation**

Brand reputation was also valued by the lodges and the lodges had strong brand identities that set them apart from competitors. The brand reputation was paramount for organizational performance in the lodges. The study revealed that the lodges received a high number of referrals which was a measure of customer satisfaction and loyalty and that their brand was a crucial asset that provided a competitive edge and generated profits. In addition, the lodges' strong brand reputation led to increased customer loyalty and higher sales and their strong brand recognition led to increased customer trust as well as increased sales and revenue. Further, the lodges' brand resonance ensured their customers were loyal to the brand and recommended it to others and that they highly invested in enhancing their reputation and developing a positive image of their brand.

#### **5.3 Conclusions of the Study**

The study concluded that loyal customers made repeated purchases, leading to a steady revenue stream for the organizations. Their continued support and repeat business contributed to overall sales growth and financial stability. Customers who

are loyal to the business were more inclined to tell their friends, relatives and acquaintances about it. Their positive word-of-mouth would act as free promotion, attracting new customers and expanding the organization's customer base.

The also concluded that customer behaviour, such as the frequency and volume of purchases, directly impacted on the lodges' revenue. Customers who made frequent and large service purchases contributed to higher sales and increased profitability. Analysing customer behaviour allowed the lodges to segment their customer base effectively. Categorization of customers based on their preferences, purchasing patterns, demographics, and other relevant factors, organizations helped tailor their marketing strategies and product offerings to specific customer segments, maximizing customer satisfaction and loyalty

The study also concluded that through their consistent delivery of high service quality the lodges differentiated themselves from their competitors. Their excellent service was a competitive advantage, attracting customers who valued exceptional experiences. This differentiation led to a stronger market position, increased market share, and improved organizational performance. Service quality affected the number of customer complaints and how effectively they were resolved. Prioritizing service quality and promptly. Addressing customer issues demonstrated their commitment to customer satisfaction. Additionally, efficient complaint handling turned dissatisfied customers into loyal advocates and mitigated potential damage to the lodges' reputation.

The study concluded that the lodges' strong reputation gave them a competitive advantage that allowed them to command a price premium for their products and

services. Customers were willing to pay more for the brands as they perceived them as trustworthy and of high quality. The ability of the lodges to charge a premium price contributed to higher profit margins and improved financial performance. Additionally, the study concluded that the positive brand reputation attracted new customers. The good reputation, made the lodges more appealing to potential customers seeking reliable and reputable products and services. Positive word-of-mouth and favourable reviews significantly impacted customer acquisition, expanded the customer base, and increased the lodges' market share.

#### **5.4 Recommendations of the Study**

According to the research's finding, the study recommend that the lodges should emphasize the delivery of high-quality services throughout the customer journey, from reservation to check-out. They should also train and empower staff members to provide exceptional customer service, ensuring that guests' needs and preferences are met promptly and efficiently.

The lodges should also tailor services and experiences to individual guests. They should gather information about guests' preferences and interests before their arrival, and use that information to personalize their stay. This can include personalized greetings, room amenities, dining options, and activities that align with guests' interests, creating a memorable and unique experience.

They should also ensure smooth and efficient lodge operations by implementing effective management systems, optimizing resource utilization, and maintaining well-maintained facilities. They should streamline processes to minimize wait times and provide efficient services to guests.

### **5.5 Suggestion for Further Studies**

Further studies should be conducted to investigate effects of customer satisfaction on organizational performance of lodges within more wildlife conservancies in Kenya. This would increase the scope and allow for more generalizable results. In the expanded scope, the further studies should explore the connection between customer satisfaction and customer loyalty within the wildlife conservancy context, analysing the extent to which satisfied customers are more likely to become repeat visitors, the factors that drive customer loyalty, and the subsequent impact on the lodges' financial and operational performance. The further studies should also examine the influence of customer satisfaction on word-of-mouth recommendations and referrals within the context of Lewa Wildlife Conservancy. The studies should investigate how satisfied guests contribute to the positive reputation and marketing efforts of the lodges through their recommendations to friends, family, and social networks.

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## APPENDICES

### Appendix I: Introduction Letter

Dear Participant,

I am a student currently enrolled in the School of Business and Economics for the Degree of Masters in Business Administration (Marketing) of Kenya Methodist University (KeMU) and I am in the process of data collection required for completion of my course. I invite you to participate through answering the questionnaires in a research study entitled effect of customer satisfaction on organizational performance of lodges within Lewa Wildlife Conservancy.

Your responses will remain confidential and anonymous. Data from this study will be kept under secure systems and reported as a collective effort. If you agree to participate in this survey, please answer the questions on the questionnaire as best you can. It should take approximately 20 minutes to complete.

Thank you for your assistance in this important endeavor.

Yours faithfully,

Fatuma Halake

Bus-3-0939-3/2015

## **Appendix II: Questionnaire for Lodge Staff**

Thank you for your consent to participate in this study. Kindly answer the following questions as best as you can. Any information you give will not be used to victimise you in any way, but will be used for purposes on my study only.

### **Part A: Background Information**

#### **1. Please state your gender:**

Male [  ]                      Female [  ]

#### **2. Age Bracket**

25 years and below [  ]                      26-30 years [  ]                      31-35 years                      [  ]  
ears                      [  ]                      41-45 years [  ]                      above 45 years                      [  ]

#### **3. State the education level achieved**

Secondary school level                      [  ]                      College level                      [  ]  
Advanced diploma                      [  ]                      Undergraduate level                      [  ]  
Postgraduate level                      [  ]

#### **4. Period in the current position in the conservancy**

Below 5 years                      [  ]  
5- 9years                      [  ]  
10- 14                      [  ]  
Above 14 years                      [  ]

**5. To what extent do you believe the lodge values customer satisfaction?**

Very little extent [ ]                      little extent [ ]

Moderate extent [ ]                      Large extent [ ]

Very large extent [ ]

**Part B: Customer Loyalty on Organizational Performance**

**6. In your opinion does the lodge value customer loyalty?**

Yes [ ]                                      No [ ]

**7. To what extent does customer loyalty affect organizational performance in the lodge?**

Very little extent [ ]                      little extent [ ]

Moderate extent [ ]                      Large extent [ ]

Very large extent [ ]

**8. Kindly illustrate your agreement level to the statements below that relate to customer loyalty in the lodge. In doing so, use a scale of 1 to 5 whereby 1 symbolise "strongly disagree," 2 to symbolise "disagree," 3 to symbolise "neutral," 4 to symbolise "agree," and 5 to symbolise "strongly agree."**

Statements	1	2	3	4	5
Length of stay in the lodge is an indicator of customer loyalty and satisfaction					

Customers who are loyal to this lodge are more likely to recommend it to others					
Our lodge has retained majority of our customers signifying satisfaction					
Our customers keep coming back for more services which boosts our performance					
Customer loyalty has become a crucial strategic concern for this lodge					
Our loyal customers forgive the organization for some mistakes					

**9. Kindly list other ways in which customer loyalty influence organizational performance in your lodge.**

.....

.....

.....

.....

**Part C: Customer Behaviour on Organizational Performance**

**10. In your opinion is customer behaviour an indication of customer satisfaction?**

Yes [ ]

No [ ]

**11. To what extent does customer behaviour affect organizational performance in the lodge?**

- Very little extent                          little extent
- Moderate extent                          Large extent
- Very large extent

**12. Kindly illustrate your agreement level to the statements below that relate to customer behaviour in the lodge. In doing so, use a scale of 1 to 5 whereby 1 symbolise "strongly disagree," 2 to symbolise "disagree," 3 to symbolise "neutral," 4 to symbolise "agree," and 5 to symbolise "strongly agree."**

Statements	1	2	3	4	5
The number of complaints that our lodge receives are an indicator of the overall satisfaction of the customers					
Our lodge proactively seeks feedback from customers to address any issues before they result in complaints					
Our lodge experiences very low rates of churn indicating customer satisfaction					
Switching behaviour is rarely witnessed in our lodge which leads to improved revenues					
Customer defection can lead to negative word-of-					



"strongly disagree," 2 to symbolise "disagree," 3 to symbolise "neutral," 4 to symbolise "agree," and 5 to symbolise "strongly agree."

Statements	1	2	3	4	5
Our lodge focuses on improving the overall quality management and service supply culture					
Our assurance instils confidence and trust in customers and establishes a sense of security and trust in customers					
Our lodge is reliable as we are consistent in meeting customer needs and expectations					
We provide high levels of service quality which helps us to attract and retain customers					
We are always responsive to customers' needs and concerns which enables to retain customers and attract new ones					
We have a good customer relationship management system which helps to improve service quality					

**17. Kindly list other ways in which service quality influences organizational performance in your lodge.**

.....

.....





Moderate extent [ ] Large extent [ ]

Very large extent [ ]

**24. Kindly illustrate your agreement level to the statements below that relate to performance of the lodge. In doing so, use a scale of 1 to 5 whereby 1 symbolise "strongly disagree," 2 to symbolise "disagree," 3 to symbolise "neutral," 4 to symbolise "agree," and 5 to symbolise "strongly agree."**

Statements	1	2	3	4	5
Sales turnover has gradually increased in our lodge					
Our lodge has seen an increase in market share					
Profitability of the lodge has gradually increased					
We have not experienced employee turnover for a long time					
We have had increased cost savings as a result of customer retention					

### **Appendix III: Questionnaire for Customers**

Thank you for your consent to participate in this study. Kindly answer the following questions as best as you can. Any information you give will not be used to victimise you in any way, but will be used for purposes on my study only.

#### **1. Please state your gender:**

Male [  ]                      Female [  ]

#### **2. Age Bracket**

25 years and below [  ]                      26-30 years [  ]                      31-35 years [  ]

36-40 years [  ]                      41-45 years [  ]                      above 45 years [  ]

#### **3. State the education level achieved**

Secondary school level [  ]                      College level [  ]

Advanced diploma [  ]                      Undergraduate level [  ]

Postgraduate level [  ]

#### **4. To what extent are you satisfied with your experience at this lodge?**

Very little extent [  ]                      little extent [  ]

Moderate extent [  ]                      Large extent [  ]

Very large extent [  ]

#### **5. How likely are you to continue staying at our lodge?**

Very unlikely [  ]                      Unlikely [  ]                      Neutral [  ]

Likely [ ]                      Very likely [ ]

**6. How likely are you to recommend our lodge to your friends and family?**

Very unlikely [ ]                      Unlikely [ ]                      Neutral [ ]

Likely [ ]                      Very likely [ ]

**7. To what extent do you feel a sense of loyalty to this lodge?**

Very little extent [ ]                      little extent [ ]

Moderate extent [ ]                      Large extent [ ]

Very large extent [ ]

**8. Kindly illustrate your agreement level to the statements below that relate to service quality at the lodge. In doing so, use a scale of 1 to 5 whereby 1 symbolise "strongly disagree," 2 to symbolise "disagree," 3 to symbolise "neutral," 4 to symbolise "agree," and 5 to symbolise "strongly agree."**

Statements	1	2	3	4	5
The staff here is polite and courteous					
The check-in and check-out processes are efficient					
The room is always clean and well-maintained					
The amenities (Wi-Fi, TV, pool) are satisfactory					
The food and beverage offerings are of high quality					
The overall value for the price paid is reasonable					

**9. To what extent would you rate this lodge as a trustworthy and reliable choice?**

Very little extent [ ]                      little extent [ ]

Moderate extent [ ]                      Large extent [ ]

Very large extent [ ]

**10. To what extent would you agree that this lodge has a strong brand identity that sets it apart from competitors?**

Very little extent [ ]                      little extent [ ]

Moderate extent [ ]                      Large extent [ ]

Very large extent [ ]

## Appendix IV: Introduction Letter from KeMU



KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya

Fax: 254-64-30162

Tel: 254-064-30301/31229/30367/31171

Email: [deanrd@kemu.ac.ke](mailto:deanrd@kemu.ac.ke)

### DIRECTORATE OF POSTGRADUATE STUDIES

April 24, 2023

Commission Secretary  
National Commission for Science, Technology and Innovations  
P.O. Box 30623-00100  
**NAIROBI**

Dear Sir/Madam,

**RE: FATUMA HALAKE (REG. NO. BUS-3-0939-3/2015)**

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the Department of Business Administration, undertaking a Master's Degree in Business Administration. She is conducting research on: "Effects of Customer Satisfaction on Organizational Performance of Lodges within Lewa Wildlife Conservancy".

We confirm that her research proposal has been defended and approved by the University.

In this regard, we are requesting your office to issue a research license to enable her collect data.

Any assistance accorded to her will be highly appreciated.

Yours sincerely,

  
Dr. John M. Mwachisi (PhD)  
Director, Postgraduate Studies

Cc: Dean SBUE  
CoD, Business Administration  
Postgraduate Coordinator  
Supervisors

## Appendix V: NACOSTI Research Permit

  
REPUBLIC OF KENYA

  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **553191** Date of Issue: **30/May/2023**

**RESEARCH LICENSE**



**This is to Certify that Miss. Fatuma Halake of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Meru on the topic: EFFECTS OF CUSTOMER SATISFACTION ON ORGANIZATIONAL PERFORMANCE OF LODGES WITHIN LEWA WILDLIFE CONSERVANCY for the period ending : 30/May/2024.**

License No: **NACOSTI/P/23/26185**

**553191**  
Applicant Identification Number

  
Director General  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION

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