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Role of Customer Orientation on Customer Loyalty in the Hotel Industry in Kenya

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Abstract:
The purpose of the study was to establish the role of customer orientation on customer loyalty in the hotel industry in Kenya. The study used the non-experimental cross-sectional survey design. A total of 147 hotels listed in the Kenya Association of Hotel Keepers and Caterers (KAHC) guide 2014 were studied. A census sampling technique was used. The respondents comprised of 147 customer relationship managers or equivalent. Semi structured questionnaires were used to collect primary data. Qualitative and quantitative techniques were used to analyze the data. Qualitative and quantitative techniques were used to analyse the data. Quantitative techniques were used to analyze the data. The study findings showed that customer orientation has contributed to customer loyalty in the hotel industry in Kenya. The study concludes that employees were easily accessible, empowered to take initiative and their knowledge of hotel procedures was recommendable. Stakeholders in the hospitality industry should be aware that a loyal customer does not only engage in repeat patronage but also provides positive word-of-mouth to other people, thereby increasing the revenue of the hotel. The implication of this, therefore, is that a customer's change of patronage would have an impact in the long-term revenue of the hotel. Delivering quality service to customers is a must for success and survival in today's competitive hospitality industry.

Keywords: Customer orientation, customer loyalty, hotel industry

1. Introduction

It is important in the first instance to confirm that the main purpose behind customer oriented behaviours is to increase customers' long-lasting satisfaction and to create customer-loyalty. Therefore, studies have demonstrated that good customer oriented behaviours in an organization definitely ensures a tremendously positive impact on its performance (Kim, 2008; Yilmaz, Alpkan & Ergun, 2005). Similarly, King and Burgess (2008) reach the conclusion that customer orientation is a crucial factor in the successful implementation of CRM.

Anderson (2011), states that the business environment is more dynamic today than it was 50-60 years ago. These changes during the last century have led businesses into a new direction. The rise in globalization has led to demand of new products and services (Knight, 2000). The demands for advisory services have also been on the rise from companies who seek new ways of managing the fast-changing market. The concept of maintaining effective relationship with customers has been slow, but rapid advancements in ICT and data warehousing concepts, increased awareness of customers and the intense market competition has now given new dimensions to this domain (Intralak & Olssson, 2012). From an operations perspective, Bose (2002) pointed out that Customer Relationship Management (CRM) is an integration of technologies and business processes that are adopted to satisfy the needs of a customer during any given interaction.

Chen and Popovich (2003) point out that the reason for increased popularity of CRM is mostly due to the promising benefits it offers in the form of improved company's performance and long term customer retention for obtaining healthier financial payoffs. Customer Relationship Management applications have the ability to deliver repositories of customer data at a much smaller cost than old network technologies. Greenberg (2001) emphasized that CRM can increase the true economic worth of a business by improving the total lifetime value of a customer, adding that successful CRM strategies encourage customers to buy more products, stay loyal for longer periods and communicate effectively with a company. Curry and Kklou (2004) refer to the major benefits and reasons for adoption of CRM which include the following: customers from the competition will come to prefer your organization, a simplified, customer-focused internal organization will simplify the infrastructure, shrinking the workflow and eliminating non-productive information flow and profits will increase from more satisfied customers leading to a more compact, focused company.

The current business focus is more on customers instead of products or services focusing on customers' needs and wants to achieve customers' satisfaction and loyalty. Customer Relationship Managementis all about increasing profitability and enabling businesses to keep customers under control and making the customer feel they are actually a part of the business progress (Samsudin, Kaled, & Noor, 2010). A lot of companies are not just attracting customers, but are working at building long term relationships with customers (both local and foreign customers), suppliers, employees, distributors and the general public (Dominici & Guzzo, 2010).

Organizations need to focus on existing customers in order to ensure that they continue purchasing and continue supporting the product. Organizations can increase their profitability by between 20% and 125% if they boost their customer retention rate by 5 percent (Peck, Payne, Christopher, & Clark , 2004). Measuring the performance of CRM in the organization is very important to assist the companies to increase the revenue and enhance customer loyalty. Greve and Albers (2006) stated that the usage of CRM technology consistently has a strong impact on CRM performance. They propose that the more comprehensive CRM technology and higher CRM Technology usage, the better CRM performance across the phases of the customer lifecycle.

The "customer" is the most critical external environment in developing a market orientation and organizations should develop a customer-focused strategy (Tajeddini & Trueman, 2008b; Tajeddini, Trueman, & Larsen, 2006). Customers are often active participants in the service process and development, which may contribute to the process of innovation in the service industry. On the other hand, the critical role of employees who are in the front line of organizations should not be ignored (Tajeddini & Trueman, 2008b).

However, because of the unique characteristics of services, the customer is more critical for business. Thus, a large number of prior studies have focused on the notion of customer orientation in the services industry. For example, Hennig-Thurau (2004) notes that, because of the inherent intangibility and heterogeneity characteristics of service industries, customers often rely on the behaviour of service employees when judging the quality of a service. Customer orientation is characterized by the employee's desire to form long-term relationships with customers rather than serving the employee's own short-term interests (Bove & Johnson, 2000).

The competition among the hospitality industry emphasizes on retaining customers as much as possible. Hotels are often eager to look for effective and efficient activities that can identify, select, acquire, develop, and keep increasing loyal and profitable customers (Yi & Ku, 2008).Customer Relationship Management strategies have become increasingly important worldwide due to changes in expectations from customers as well as changes in the nature of markets (Berndt, Frikkie, & Lindie, Implementing a Customer Relationship Management Programme in an emerging market, (Berndt, Frikkie, & Lindie, 2005). In the hotel industry, CRM is a strategic imperative for attracting and increasing guests' patronage (Sigala, 2005). Customer Relationship Management helps companies make sense of customer needs, manage these relationships more intelligently and help predict the future (Dominici & Guzzo, 2010).

1.1. Research Problem
The hotel industry is one of the sectors contributing to the tourism industry in Kenya. Kenya's hotel infrastructure is dispersed over the entire country although the concentration varies widely. Recent advances in information technology have provided the tools for marketing managers to create a new generation of customer relationship management tactics. One such tactic that thousands of firms have considered, and which many have adopted, is to establish a customer loyalty program (Brown, 2000). The hotel industry in Kenya is facing an increasingly competitive market from other countries in Africa which signifies the greater need for the hotels to differentiate and retain their customers.

Absence of CRM dimensions or low consideration of CRM dimensions in the hospitality sector means there will be an increase in unemployment as well as affect other related sectors like transport (air, road, railway, sea and other infrastructure), agriculture, building and construction. Businesses that will not implement the CRM strategy in the hotel industry are likely to experience a decline in profits due to competition. As a result, the quality of services will be affected as hotels will need to cut down on their budgets, particularly on wages by laying off staff. Hotel expansion programmes will also be put on hold. New products and services in the hotel industry will not be launched and hotels can as well close down completely. There are many studies that have focused on CRM dimension and performance of organizations in different contexts such as banks but none of the studies linked CRM dimensions such as customer orientation. As a result, this study seeks to determine the role of customer orientation on customer loyalty in the hotel industry in Kenya.

1.2. Research Objective
The objective of this study is to explore the influence of customer orientation on customer loyalty in the hotel industry in Kenya.

2. Literature Review
This study analyzed the effect of customer orientation and customer orientation on customer loyalty in the hotel industry in Kenya.

2.1. Customer Orientation
Customer Orientation is viewed as customers' perception of the firm's atmosphere and culture to understand customers' needs. As such, if customers perceive that employees try to understand and help the customers, it is expected to lead to customer Satisfaction and Commitment. Also, it is also possible that customers would be more committed if customers perceive that the firm tries to learn about them to improve the service (Bang & Kim, 2013).

Current researches have revealed that service firms, like hotels, require a better understanding of customer orientation and its great importance to such firms and their performance (Kim, Lee & Yoo, 2006; McNaughton, Osborne & Imrie, 2002; Sin, Tse & Yim,

2005). As in the service oriented organization, the delivery of service in a hotel occurs when there is interaction between service providers and the service encounter. Hence in order to enhance service experience, hoteliers need to focus on customer interaction. Customer orientation can be achieved through a positive relationship between customer and service provider (Lee, Heon, & Ah Lee, 2006).

Research has supported that customer orientation leads to increase organizational performance (Asikhia, 2010; Liu, Luo & Shi, 2003; Zhou, Brown & Dev, 2009). Furthermore, customer orientation is also one of the market beneficial sources, it helps organization to understand customer, and hence it helps in delivering an appropriate plan to satisfy customer needs (Liu, Luo, & Shi, 2003). Nakata and Zhu (2006) assert that customer orientation encompasses the analysis of customers' needs, and responsiveness of organization to such needs. Customer orientation is seen to provide a firm with a better understanding of its environment and customers, which ultimately lead to enhanced customer loyalty and satisfaction. Research offers results that suggest a positive relation between customer orientation and customer loyalty such as; Slater and Narver (2004), Kirca, Jayachandran and Bearder (2005) and Chen and Lin (2011) who opine that the logic for expecting a strong link between a customer orientation and customer loyalty is based on the concept of a sustainable competitive advantage and a number of researchers have examined the link between customer orientation and loyalty.

2.2. Customer Loyalty

The term customer loyalty is used to describe the behaviour of repeat customers, as well as those that offer good ratings, reviews, or testimonials (Kumar & Advani, 2009). It is not only about customers doing a particular company a great service by offering favourable word of mouth publicity regarding a product/service, telling friends and family, but also, it is a process, a program, or a group of programs geared toward keeping a guest happy so he or she will provide more business. Iddrisu (2011) mentioned that loyalty is developed over a period of time from a consistent record of meeting, and sometimes even exceeding customer expectations. The ultimate goal is to develop happy customers who will return to purchase again and persuade others to use that company's products or services. This equates to great cost savings and profitability to the company through the keeping of current customers against attracting new ones as well as making stakeholders happy (Kotler & Gertner, 2002).

Building customer loyalty leads to positive outcomes such as augmented sales, a reduction in costs, more foreseeable profit flows (Terrill et al., 2000), increased competitive advantage and is critical to a firm's survival and growth (Reichheld, 1996). This is consistent with customer relationship management (CRM) theory which argues that a firm's overriding strategy should be the attraction and retention of profitable customers, because loyal customers will, in the long-term, buy more and pay a premium for doing business with those they trust and like (Peppers & Rogers, 2004).

Loyal customers are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers. However, there are many factors for such manner of customers to remain loyal. Geronikolas (2012) reports that the five factors in the hotel industry that are most likely to drive customers away include untrained and perceived rude staff; lack of cleanliness around the premises, in hotel rooms or within its restaurants; the guest's desire to experience new places ("need for change"); price, affordability, and value for money. Overall, hotel food and beverage standards appear as the most important in hotel tangibles and seem to be becoming increasingly significant in creating both a loyal base of satisfied customers and driving dissatisfied customers away. Other factors that appear frequently as elements driving business away are the actual hotel room (state, comfort, air condition or heating facilities), bad service issues concerning the hotel's reliability (delivering promised services, accurately and consistently), managerial behaviour towards special needs and situations that may occur, problems occurring with other guests (the general ambience the hotel's other customers create) and noise within the hotel or surroundings.

2.3. Theoretical Review

This study is based on the social exchange theory. Social exchange theory also seeks to explain what motivates actors to behave as they do (Thibaut & Kelley, 1959; Blau, 1964; Kelley & Thibaut, 1978). Social exchange theory views interpersonal interactions from a cost-benefit perspective, much akin to an economic exchange except that a social exchange deals with the exchange of intangible social costs and benefits (respect, honor, friendship, and caring) and is not governed by explicit rules or agreements. Like economic exchange, social exchange assumes that individuals take part in an exchange only when they expect rewards from it to justify the costs of taking part in it (Gefen & Ridings, 2002). The importance of the theory to the study emanates from the fact that, the theory implies that human interaction is a purely rational process that arises and leads to economic success where both the client and the business benefit. The theory favors openness as it was developed in the 1970s when ideas of freedom and openness were preferred. The theory assumes that the ultimate goal of a relationship is intimacy. The variable customer orientation is based on this theory because the theory is clearly based on intimacy on social cost benefit of each customer.

2.4. Conceptual Framework

A conceptual framework aims to broadly define a number of key terms and concepts that can be used in identifying and debating the issues. The dependent variable is the variable that the researcher wishes to explain and is also called the criterion or predictor variable (Kothari, 2009). The scholars further define a conceptual framework as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. The goals of a conceptual framework are threefold. Firstly, to describe existing practice, secondly, to prescribe future practice; and thirdly, to define key terms and fundamental issues. The conceptual framework is therefore based on one explanatory variable, and one dependent variable as shown diagrammatically in Figure 1 that illustrates the conceptualized relationship between the explanatory and dependent variables.
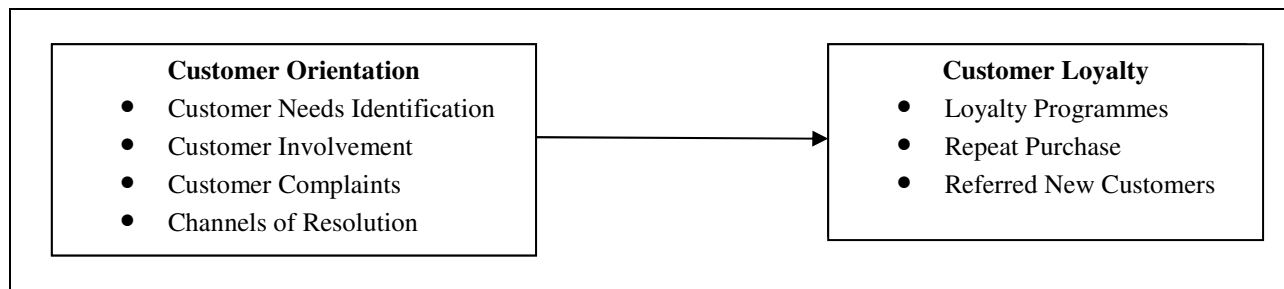
Customer Orientation
- Customer Needs Identification
- Customer Involvement
- Customer Complaints
- Channels of Resolution

Customer Loyalty
- Loyalty Programmes
- Repeat Purchase
- Referred New Customers

Figure 1: Conceptual Framework

2.5. Empirical Literature

The concept of CRM means different things to different people; depending on the working environment. Undoubtedly, CRM has recently become one of the most controversial issues and a focal-point in the business field (Balaram & Adhikari, 2010). It is worth mentioning that CRM is mainly based on the belief that establishing a sustainable relationship with customers is the cornerstone for obtaining loyal customers who are much more profitable than non -loyal ones (Dowling, 2002).

In this regard, the successful implementation of CRM strategy will be of great benefit to the organizations, adopting it, as such organizations can reap the benefit of increasing sales through better market segmentation, customizing products and services, obtaining higher quality products, gaining access to information and above all, ensuring long-lasting customer-retention and loyalty (Almotairi, 2009).

In recent era customers have become more sophisticated and they are enjoying more alternative options of brands. Thus, satisfying and retaining such customers is increasingly becoming more difficult for the organizations. Customer satisfaction can only be attained by continuously sensing the changing needs and preferences of customers, and by providing them with solutions that can better fulfill their need. Customer Relationship Management (CRM) is regarded as one among the best approaches in achieving goals of customer satisfaction and loyalty. However contemporary literature and publications on the subject of CRM may portrait it as a strategy that can bring fruitful results in any context. There are contradicting views of researchers; in literature about the effectiveness of CRM practices and policies (Ejaz, Ashfaq & Ahmad, 2013). The findings of this study indicated that CRM has only indirect impact on customer loyalty and word of mouth. No relationship was found between CRM and customer loyalty and between CRM and word of mouth. CRM have a positive impact on customer satisfaction and customer experience, which have impact on customer loyalty. So, the CRM practices neither make these customers loyal nor get them to speak for these restaurants.

These studies support an association between customer orientation and loyalty but most of these studies were conducted in US, Europe and Asia. The literature concerning the marketing orientation has concluded that the implementation of the customer orientation would lead to superior organizational performance. Additionally, customer orientation is significantly important in enabling firms to understand the market place and develop appropriate product and service strategies to meet customer needs increase their loyalty (Piercy, Harris & Lane, 2002).

The study hypothesizes that:

H_04: Customer orientation has no significant effect on customer loyalty in the hotel industry in Kenya.

3. Research Methodology

This study used cross-sectional survey of selected hotels and lodges in Kenya. The cross-sectional survey design is deemed appropriate because it accorded the researcher an opportunity to capture data from the respondents at a point in time and provide data that objectively shows whether significant associations among variables exist (Cooper & Schindler, 2008; Muganda, 2010). The cross-sectional survey design helped collect uniform and comparable data that captures respondents' similarities and differences across the sampled organizations to enrich the study findings. A total of 147 hotels listed in the Kenya Association of Hotel Keepers and Caterers (KAHC) guide 2014 were studied. A census sampling technique was used. The respondents comprised of 147 customer relationship managers or equivalent. Semi structured questionnaires were used to collect primary data.

A pilot study was conducted with 10% of the accessible population and the results were used to determine the reliability and validity of the instrument. Cronbach alpha statistic ranged from 0.8 to 0.9, indicating high reliability of data. The closer Cronbach's alpha coefficient is to 1, the higher the internal consistency reliability (Sekaran, 2008). Du Plessis (2010) stated that when calculating Cronbach's Alpha, results not exceeding 0.60 will reflect the lower level of acceptability.

Quantitative techniques were used to analyze the data. The data obtained from the research instruments was analyzed using Statistical Package for Social Sciences (SPSS). Other applications software used were Ms-Excel Windows 8 for case cleaning, variable screening and as a transit package in that the data from SPSS was saved in Ms-Excel first for it to be exported to SmartPLS; Analysis of Moment Structures (AMOS) version 21, which is essentially analysis of mean and co-variance structures, for Initial EFA, Confirmatory Factor Analysis (CFA), generation of fit models, Path Analysis and Structural Equation Modeling (SEM); STATA version 12.0 to test for assumptions of the variables used in the analyses; and R-GUI version 2.10.0 for building plots, for instance box-plots using the Ggplot2 package, and for univariate and multivariate testing of outliers in the dependent variable. Lastly, ATLAS was used for qualitative analysis. This study used AMOS to construct a conceptual model linking the variables under study. Accordingly, the study employed Confirmatory Factor Analysis (CFA) and SEM, in particular the path analysis, to construct the linkage between the dimension of customer relationship management and customer loyalty (Cheng & Zabid, 2011). In their study on

Impact of e-CRM Implementation on Customer Loyalty, Customer Retention and Customer Profitability for Hoteliers along the Vaal Meander of South Africa, Dubihlela and Khosa (2014) used confirmatory factor analysis to evaluate measurement model on multiple criteria, structural equation modeling to fit a theoretical model, and AMOS as a tool for analyzing data and conducting SEM.

4. Analysis for Customer Orientation

Customer orientation was operationalized by measuring customer need identification, customer expectations, customer complaints and channels of complaint resolutions. Table 1 shows that that majority (70%) of the respondents agreed that their hotel had clear knowledge of its customers and their needs, 10% remained neutral while a few (21%) disagreed. In regards to whether the managers in their hotel spend time with the customers, majority (76%) agreed while 15% disagreed and 10% were neutral. In addition, 74% of the respondents agreed that meeting their customers' needs was a priority compared to meeting their own internal needs while 21% disagreed and 4% remained neutral. The respondents were asked whether their hotel encourages their customers to get involved in the process of defining service targets and standards in the hotel where they work. Majority (68%) agreed while a few (24%) disagreed with 10% remaining neutral. the findings are in line with Nakata and Zhu (2006) who asserted that customer orientation encompasses the analysis of customers' needs, and responsiveness of organization to such needs.

In regards to whether their hotel knows exactly what aspects and characteristics of their service their customers value the most, majority (53%) of the respondents agreed while a few (30%) disagreed with 16% remaining neutral. Majority (64%) of the respondents agreed that their hotel surpasses their customers' expectations in regards the things which are most important for them. The respondents were asked whether the customers are encouraged to regularly give the hotel feedback about their business performance. Majority (89%) of the respondents agreed that the customers are regularly encouraged to give the hotel a feedback on their business performance while a few (2%) disagreed with 9% remaining neutral.

The respondents were asked to indicate whether their hotel responds quickly to their customers' comments and complaints, a majority (78%) of the respondents agreed while a few (9%) disagreed with 13% remaining neutral that their hotel responds quickly to their customers' comments and complaints. In addition, majority (81%) of the respondents agreed while a few (7%) disagreed with 12% remaining neutral that in their hotel everyone was responsible for solving their customers' problems. The real value to the company lies in the value they create for their customers and in the value the customers delivers back to the company. The value lies in the customer knowledge and how the company uses that knowledge to manage their customer relationships. Knowledge is the sole of CRM. Unfortunately, few companies are transforming the information to customer knowledge and therefore they miss the opportunity to provide value to their customers. However, applied in the right way, CRM is the tool that contributes to profit. If companies are transforming the customer data into knowledge and then use that knowledge to build relationships it will create loyalty, followed by profits (Mc Kim, 2002).

Table 2 shows the rate at which customers are loyal to the hotels. Customer loyalty was measured by loyalty programs, repeat purchase and referred customers. The respondents were asked to indicate whether the hotel has more than 5 customer loyalty programs. Majority (57%) of the respondents agreed that the hotel had more than 5 customer loyalty programs, while a few (22%) disagreed with 21% remaining neutral. The respondents were also asked to indicate whether they always reward their loyal customers with various none cash offers; majority (63%) of the respondents agreed while a few (15%) disagreed with 22% remaining neutral. The respondents were asked whether more than 50 percent of their hotel guests were repeat customers; 40% of the respondents agreed, while a few (29%) disagreed with 21% remaining neutral. Loyal customers are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers. However, there are many factors for such manner of customers to remain loyal. The respondents were further asked whether their repeat customers do not choose the hotel because of their prices, majority (59%) agreed while a few (22%) disagreed and 19% were neutral that their repeat customers do not chose the hotel because of the price. The findings agree with those of Krasnikov, Jayachandran and Kumar (2010) who investigated the impact of customer relationship management implementation on cost and profit efficiencies from the U.S. commercial banking industry. Specifically, the study examined the impact of CRM implementation on two metrics of firm performance operational (cost) efficiency and the ability of firms to generate profits (profit efficiency) using a large sample of U.S. commercial banks.

5. Data Analysis and Results

In this study, data analyses were conducted using a two-phase process consisting of confirmatory measurement model and confirmatory structural model. In their study on Impact of e-CRM Implementation on Customer Loyalty, Customer Retention and Customer Profitability for Hoteliers along the Vaal Meander of South Africa, Dubihlela and Khosa (2014) used confirmatory factor analysis to evaluate measurement model on multiple criteria, structural equation modeling to fit a theoretical model, and AMOS as a tool for analyzing data and conducting SEM. The first phase involved confirmatory factor analysis (CFA) that evaluates the measurement model on multiple criteria such as internal reliability, convergent, and discriminant validity. Prior to this was the exploratory factor analysis (EFA) whose key steps included the computation of factor loading matrix, communalities and principal components analysis (PCA).

Exploratory factor analysis (EFA) preceded CFA and it involved the determination of the pattern matrix, communalities and factor analysis using principal components analysis (PCA). The Kaiser-Meyer Olkin (KMO) test of sampling adequacy and Bartlett's Test of Sphericity were carried out to determine the fitness of the data for factor analysis with the results being presented in table 3. The test yielded a KMO statistics of 0.844 exceeding the KMO threshold value of 0.50 (Hair et al., 1998) for factorable items. On the other hand, Bartlett's test of sphericity showed a p-value of 0.000, showing that there were sufficient relationships among the variables to investigate. The results from the KMO and the Bartlett's test of sphericity suggest that the data in this study is suitable for factor analysis.

In the second step, structural equation modeling was conducted. The relationship between customer orientation and customer loyalty for every respondent was specified as an exogenous, manifest variable. In order to test the statistical significance T-value was calculated. To get the t-value you divide the standardized estimate by the standard error. In this case $\frac{0.656}{0.161} = \mathbf{4.0745}$ which is greater than 2. The threshold for t-value is 2(Fisher, 1926).This study found that there was a positive relationship between customer orientation and customer loyaltythis was evidenced by the standardized estimate value of 0.66 with a standard error of 0.161. In this regard, H_{04} was rejected. The test for significance for this model is shown in figure 2.

Therefore the model was significant at 95% significance level (α-level 5% for a 2-tailed test) with t=4.075 since the threshold for t statistics is 2. Popular α-levels are 10% (0.1), 5% (0.05), 1% (0.01), 0.5% (0.005), and 0.1% (0.001)(Fisher, 1926). Results have revealed that service firms, like hotels, require a better understanding of customer orientation and its great importance to such firms and their performance (Kim, Lee &Yoo, 2006; McNaughton, Osborne &Imrie, 2002; Sin, Tse&Yim, 2005). As in the service oriented organization, the delivery of service in a hotel occurs when there is interaction between service providers and the service encounter. Hence in order to enhance service experience, hoteliers need to focus on customer interaction. Customer orientation can be achieved through a positive relationship between customer and service provider (Lee, Heon, & Ah Lee, 2006).

6. Discussion and Conclusion
Customer orientation had a positive effect on customer loyalty in the hotel industry in Kenya. It can be concluded that employees were easily accessible, empowered to take initiative and their knowledge of hotel procedures was recommendable. This led to increased customer loyalty in the hotel industry. The findings are in line with Nakata and Zhu (2006) who asserted that customer orientation encompasses the analysis of customers' needs, and responsiveness of organization to such needs in line with the Social Network theory (Barnes, 1954) that there is need to gather information from customers, analyze the information and respond to customers. Customer orientation is seen to provide a firm with a better understanding of its environment and customers, which ultimately lead to enhanced customer loyalty and satisfaction. Research offers results that suggest a positive relation between customer orientation and customer loyalty (Slater and Narver, 2004); Kirca, Jayachandran and Bearder, 2005); Chen and Lin, 2011) who opined that the logic for expecting a strong link between a customer orientation and customer loyalty is based on the concept of a sustainable competitive advantage and a number of researchers have examined the link between customer orientation and loyalty. The findings imply that to attain customer retention hoteliers need to deploy finely targeted customer intimacy management programs and strategies targeting the customers that represent our current and future business. This is in line with the social exchange Theory which states that a human interaction is a rational process where both the client and the business benefit and the ultimate goal of the relationship is intimacy.

Customer orientation, particularly on service employee is very important to attract new customers and keep existing customers. With the performance of service personnel often constituting a major element of a service *per se*, the customer orientation of service personnel is often regarded as a main determinant of service firms' success. Customer orientation (CO) and the development of long-term relationships with customers are known conditions for growth and profit sustainability. Businesses use special treatments, inducements, and personal gestures to show their appreciation to customers.

Customer orientation and customer focus have become key words for businesses to succeed in the competitive market place. Customer orientation is critical for developing long term relationship with customers, gaining competitive advantage, maintaining growth and profit sustainability, and business success. Additionally, it helps firms achieve sustainable sales growth over time. Customer-oriented salespeople should avoid actions which sacrifice customer interest in order to increase the probability of an immediate sale. Instead, they should be willing to go the extra distance to protect the interests of their patrons. In the end this should pay off as customers reciprocate with positive word-of-mouth and loyalty.

Customer loyalty comes about as a result of satisfaction of the customers to the quality of services they receive in the hotels they patronize. Indeed, stakeholders in the hospitality industry should be aware that a loyal customer does not only engage in repeat patronage but also provides positive word-of-mouth to other people, thereby increasing the revenue of the hotel. The implication of this, therefore, is that a customer's change of patronage would have an impact in the long-term revenue of the hotel. Delivering quality service to customers is a must for success and survival in today's competitive hospitality industry.

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Annexure

	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed	MEAN	SD
CO 1	10(10%)	12(11%)	10(10%)	51(49%)	22(21%)	3.6	1.214
CO 2	5(5%)	10(10%)	10(10%)	60(57%)	20(19%)	3.76	1.024
CO 3	18(17%)	4(4%)	4(4%)	56(53%)	23(22%)	3.59	1.342
CO 4	16(15%)	9(9%)	10(10%)	49(47%)	20(21%)	3.48	1.324
CO 5	17(16%)	15(14%)	17(16%)	37(35%)	19(18%)	3.25	1.35
CO 6	1(1%)	15(14%)	22(21%)	64(61%)	3(3%)	3.5	0.81
CO 7	0(0%)	2(2%)	9(9%)	61(58%)	33(31%)	4.19	0.666
CO 8	2(2%)	8(8%)	25(24%)	48(46%)	22(21%)	3.76	0.936
CO 9	0(0%)	9(9%)	14(13%)	64(61%)	18(17%)	3.87	0.797
CO 10	0(0%)	7(7%)	13(12%)	38(36%)	47(45%)	4.19	0.9

Table 1: Customer Orientation

	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed	MEAN	SD
CL 1	10(10%)	13(12%)	22(21%)	43(41%)	17(16%)	3.42	1.183
CL 2	2(2%)	14(13%)	23(22%)	49(47%)	17(16%)	3.62	0.974
CL 3	21(20%)	9(9%)	22(21%)	41(39%)	12(11%)	3.13	1.316
CL 4	7(7%)	16(15%)	20(19%)	49(47%)	13(12%)	3.43	1.099
CL 5	8(8%)	21(20%)	23(22%)	47(45%)	6(6%)	3.21	1.071
CL 6	12(11%)	19(18%)	21(20%)	45(43%)	8(8%)	3.17	1.164
CL 7	6(6%)	11(10%)	19(18%)	43(41%)	26(25%)	3.69	1.129

Table 2: Customer Loyalty

Test		Coefficient
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.844
Bartlett's Test of Sphericity	Approx. Chi-Square	2030.214
	df	325
	Sig.	.000

Table 3: Results of the Test for Sampling Adequacy

Model	CFI	GFI	AGFI	RMSEA
Default model	0.974	0.917	0.866	0.07
Saturated model	1	1		
Independence model	0	0.357	0.214	0.375

Table 4: Model Fitness Indices for the Influence of Customer Orientation and Customer Loyalty
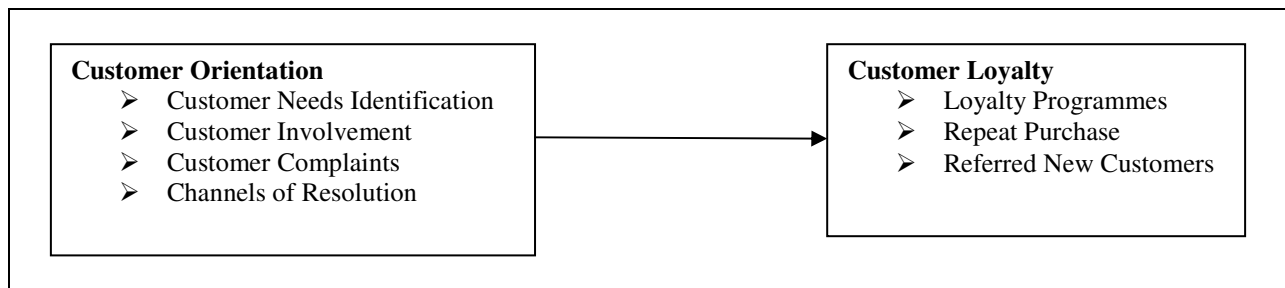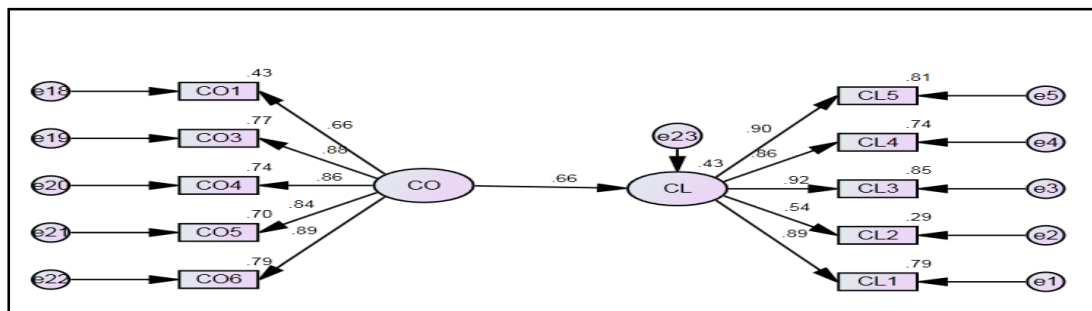

Figure 1: Conceptual Framework

Figure 2: Significance Test Result for the Influence of Customer Orientation on Customer Loyalty