

**THE ROLE OF CUSTOMER SERVICE IN CREATING COMPETITIVE EDGE IN
THE HOSPITALITY INDUSTRY IN GHANA WITH SPECIFIC EMPHASIS ON THE
HOTEL SECTOR.**

**A CASE STUDY OF THREE (3) HOTELS IN KUMASI METROPOLIS
SPECIFICALLY ROYAL LAMETA HOTEL, CRYSTAL ROSE HOTEL AND
MARIGOLD HOTEL**

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STATEMENT OF AUTHENTICITY

We have read the university regulations relating to plagiarism and certify that this report is all our own work and does not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

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SUPERVISOR’S DECLARATION

I heareby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision laid down by Christian Service University College

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ABSTRACT

As competition continues to increase, businesses are forced to find new and innovative ways of creating and keeping new customers. Loyalty means profitability.

Leading service firms not only lack in giving the customer good and quality service but they also lack the vision to create market for themselves.

The role of customer service in modern day business activities cannot be overlooked in the current state of business practices as it has developed different advantages and economic values to firms that take due considerations to customer services.

Certainly, this concept in marketing over the years has contributed enormously to the provision of high market returns in the form of sales and revenue to business who have adopted it as a strategy.

It is for this reason this study looked at the role of customer service in creating competitive edge using three hotels as a case study.

During the study, views of the hotel managers were sought by the use of questionnaires to further pursue the research questions that were identified.

Findings from the research however indicated that, customer service is a positive tool to be used to win the competition by being marketing oriented and customer focused.

ACKNOWLEDGEMENT

On behalf of the group members who put this research work together, we would like to acknowledge the contributions which were made by Mr. Santouh Frederick our supervisor throughout the entire work.

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We will also like to acknowledge the efforts of Jeofery Boakye our Teaching assistant who helped us with various literatures on the concept, advice and corrections.

DEDICATION

This project is dedicated first to God and His love, Grace and Care that have brought us this far. Then to our parents for having nurtured us to growth and bringing us to this stage of our education.

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CHAPTER ONE

INTRODUCTION

1.0 TOPIC

The role of customer service in creating competitive edge in the hospitality industry in Ghana with specific emphasis on the hotel sector.

A Case study of three (3) hotels in Kumasi metropolis specifically Royal Lameta Hotel, Crystal Rose Hotel and Marigold hotel

1.1 BACKGROUND TO THE STUDY

The success of every business enterprise in today's competitive world depends on the extent to which the firm is able to understand the environment within which it operates. The globalization of modern business led to changes in the business environment and as a result has affected the hospitality industry coupled with the current competition. It has therefore become necessary for managers in charge of hospitality firms to understand this changes which include political, social, economic and technological factors.

These factors have made the business environment more uncertain and turbulent (Teare, 12 Oslen M, 1992). To succeed in this regard, there is the need for firms to create differential advantages by satisfying the needs of their target market better than what their competitors do. This implies therefore, that organizations must be sensitive to both what customers need and how competitors operate.

Marketing developed initially in connection with selling physical product such as cars, steel and equipment. But today one of the major trends in many parts of the world is the phenomenal growth of services or products with little or no physical content. (Philip Kotler, John Bowen and James Markens, 1996 pg. 81). The hospitality and travel industries are part of this growing service sector (Philip Kotler, John Bowen & and Markens, ed, Pg. 81).

According to the Oxford English Dictionary Hospitality means “the reception and entertainment of guests, visitors or strangers with liberality and goodwill”, and as such hotels and restaurants which offer these services as defined by Oxford Dictionary could be classified under the services industry.

Since the late 1980s tourism has received considerable attention in the economic development strategy of Ghana. The number of tourist arrivals and amount of tourists' expenditure have steadily increased, while both public and private investment activity in various tourism sub-sectors have expanded. The government established a Ministry of Tourism in 1993 to underscore its commitment to tourism development, and with assistance from the United Nations Development Programme (UNDP) and the World Tourism Organisation (WTO), has prepared a 15-Year Tourism Development Plan for the period 1996 to 2010. Like most African countries, attempts to develop a viable tourism industry in Ghana can be traced to: the early part of the post independence period. This paper examines the tourism development experience in Ghana. It begins with a review of the current status of the industry, followed by an overview of the history of tourism planning, and an assessment of future development plans. The paper concludes by

discussing some critical factors that constitute challenges that will ensure success or could lead to failure.

1.2 STATEMENT OF THE PROBLEM

In many countries, the hospitality and tourism industry plays a very important role in the national economy in terms of its contribution as a major foreign currency earner and creation of job opportunities for the citizenry and hence receiving significant support from both governments and other corporate bodies.

With the deregulation of the hotel sector services, consumers now have more choices in selecting a service provider and are not willing to accept any inadequate service. When ordering a new service or maintaining existing service, customers take into account three factors: The quality of the service, the price and the customer service of the provider.

The first two are common and relatively objective and usually easy to control. So one can say that customer dissatisfaction is the most important factor. When a consumer decides to change a service provider it has effect on profitability and the firm loses the competition to rivals.

Customers also have high rising expectation of quality services. Due to this, customers will purchase or consume any product or service based on their perception of value. By knowing what customers expect, how their buying decision are made, how they want to be served will provide a clue to firms on how to meet the expectation of customers and provide quality services.

1.3 OBJECTIVES OF THE STUDY

The goal of this research project is to determine how hotels create competitive advantage as against their competitors in Kumasi Metropolis through customer service delivery.

Specific objectives that will be investigated include:

1.3.1 To find out the core and augmented services rendered by the three hotels in the Kumasi Metropolis.

1.3.2 Find out how the three hotels are creating competitive advantage over their competitors through customer service programmes.

1.3.3 To find out from existing customers how satisfying are the services the hotels offer them in Kumasi Metropolis.

1.4 RESEARCH QUESTIONS

1.4.1 What are the various customers' services rendered by the three hotels in Kumasi Metropolis?

1.4.2 How do these services helped them create competitive advantage over their competitors?

1.4.3 Determine how satisfying are the services offered by the three hotels?

1.4.4 What kind of services will best meet their needs and expectations?

1.5 SIGNIFICANCE OF THE STUDY

It is hoped that, this study will help bring out an untapped customer service programmes to be adopted by hotels in Kumasi Metropolis and which will help create competitive and differential advantage.

Secondly, it is expected that the outcome of the study would add to the body of existing knowledge in creating competitive differential advantage in the hospitality industry.

Additionally, this study will serves as bases for further research by people who have interest in the same area of study.

1.6 LIMITATION OF THE STUDY

Due to time and financial constraints, this study would be limited to three (3) hotels in Kumasi Metropolis.

CHAPTER TWO

LITERATURE REVIEW

This chapter takes a look at literature review on customers' service in general as well as the specifics in the hotel sector in Ghana.

2.0 SOURCES OF THE LITERATURE REVIEW:

This will focus on general marketing and customer service related issues as well as industry specific articles, it may include:

1. Books
2. Internet publications
3. Academic journals
4. Business magazine

2.1 TOURISM DEVELOPMENT EXPERIENCE IN GHANA

Victor B. TEYE

Since the late 1980s tourism has received considerable attention in the economic Development strategy of Ghana. The numbers of tourist arrivals and amount of tourists' expenditure have steadily increased, while both public and private investment activity in various tourism sub-sectors have expanded. The government established a Ministry of Tourism in 1993 to underscore its commitment to tourism development, and with assistance from the United Nations Development Programme (UNDP) and the World Tourism Organization (WTO), has prepared a 15-Year Tourism Development Plan for the period 1996 to 2010. Like most African

countries, attempts to develop a viable tourism industry in Ghana can be traced to: the early part of the post independence period. This paper examines the tourism development experience in Ghana. It begins with a review of the current status of the industry, followed by an overview of the history of tourism planning, and an assessment of future development plans. The paper concludes by discussing some critical factors that constitute challenges that will ensure success or could lead to failure.

2.2 HISTORY OF TOURISM DEVELOPMENT

The first major step in the formal development of tourism in Ghana was an evaluation of the Country's tourism resources in 1970, 13 years after independence in 1957 (Obuarn Committee, 1972). The objective was to catalogue and classify the potential tourism Resources for a five-year development plan covering the period 1972-1976. As a result of this study, the government issued a White Paper on Tourism, which identified investment areas for foreign participation, including various concessions and incentives for investors. Between 1972 and 1978, a number of important studies were carried out on various aspects of Ghana's tourist industry. Due to financial limitations as well as local technical constraints, most of these studies were funded and conducted by foreign agencies and personnel. Some of these studies included:

- An assessment by the United Nations Development Programme (UNDP, 1973) of tourism planning and development, and a review of human, resource requirements for the , tourism sector (Singh, 1978).
- Identification by the United States Agency for International Development (USAID) requirements for a comprehensive tourism development strategy (Stewart, 1973).

- A project by the United States International Executive Service Corps on the effective resource utilisation for tourism development (Egan, 1975).

To supplement these studies, a number of domestically sponsored projects were carried out, focusing primarily on tourism impact assessment. These dealt with foreign exchange earnings (Ghosh and Kotey, 1973), tourism multiplier effects (Ayittey, 1975) and sociocultural impacts (Addoatal.,1975).

Based on the studies identified above as well as others, there was a general consensus that Ghana had the potential to develop a viable tourism industry; however, there was the need to formulate a more comprehensive national tourism development plan to guide long-term sustainable development. It is important to identify a number of important factors and considerations that led to this decision, particularly because comprehensive national and regional tourism development planning is critical to successful tourism development in individual African countries. First, tourism was a new and technically unfamiliar industry for local planners and developers. Second, local technical expertise in tourism was almost non-existent. Third, domestic capital to support the pre-requisite general and tourism specific infrastructure was marginal. Finally, the scope for domestic and sub-regional (African) international tourism was limited by very low disposable incomes in Ghana and the West African sub-region). As a result, it was argued that Ghana's tourism industry would most likely be dependent on foreign markets, mostly Western Europe and North America.

This, it was further argued, would make the country susceptible to adverse economic and Social impacts, which needed to be carefully assessed.

2.3 SERVICE SECTOR

(Baker, 1991) has extensively examined the growth in the service sectors of an economy and its contribution to employment and Gross Domestic Product (GDP) of various national economies.

(Gamble, 1989) similarly observed the role of services in employment and revenue generation.

In the view of (Baker, 1991) the growth in the service sector has been due to the impact of technology, deregulation, increased competition and customer satisfaction. (Douglas Foster, 1984) observed that as economies develop and income levels increase, there will be a corresponding demand for services of all kinds. He added that, the service sector has been noted as a powerful economic sub-sector that a lot of research and investigation has to be undertaken to underscore the role of the service sectors to the economies of countries such as Ghana. The obvious results of investigations of previous study are that service firms play a very important role in national economies.

Fundamentally, for any service firm to achieve its objectives, it must be market oriented. Market orientation ensures parity in the exchange, so that parties in the exchange are happy-(Quarde, 1987).Marketing has generated to create a pleasant, hospitable and unique image about a service(People's Daily Graphic, December 1994).In order to operate a profitable firm, effective marketing strategies must be consciously developed, implemented, monitored and controlled.

These can enhance the creation and sustainability of differential advantage over competitors. (Dan, 1978) and Berry have extensively discussed service marketing strategy. They observed that service marketing strategies can be carved from general conceptual strategy.

Philip Kotler in his marketing management, 9th edition, defines marketing as a "social act managerial process by which individuals and groups obtain what they need and through creating, offering and exchange services of value with others."

The U.K chartered Institute of marketing also defines marketing as the management process responsible for identifying, anticipating and satisfying customer requirements profitably.

A.R Modern in his book "Elements of marketing." 3rd edition, defines marketing as an activity which is directed at satisfying the needs and wants of customers through exchange process which occur in the market."

Stephen Ponge in his book "Introducing marketing" argues that marketing is the identification, stimulation and satisfaction of customer requirement at a profit.

Based on the definitions above, it is imperative that the element of customer care satisfaction and profitability running through all the definition. It is therefore clear for every organization to be marketing oriented as far as possible.

2.4 COMPETITIVE ADVANTAGE

(Porter, 1980) opinionated that competitive advantage is created but not inherited. According to (Porter, 1985), competitive advantage is based on certain competencies or core factors in an organization as opposed to comparative advantage which is based on natural endowments contrary to the thinking of pioneers and classical economists such as David Ricardo and Adam Smith. (Porter, 1980) cited among others a firm's structure, the degree of rivalry and strategy as sources of competitive advantage. As a result (Porter, 1980) proposed three generic strategies for

seeking competitive advantage. These include low-cost leadership, differentiation and focus marketing to win competition and valued product features. Focusing particularly is attractive when there are distinctively different market segments. The successful focused approach and unmatched skills in a serving limited market helps a firm defend itself against the five competitive advantages through cost efficiency forces of buyer power, supplier power, rivalry, substitute products and new entrants. In the view of (Porter,1985), competition serve as a source of pressure that can ginger firm's efficiency and encourage innovation as a way of sustaining a firm's existence, its customers and publics with whom it interacts and serves must accept it. In other words, the firm must be marketing oriented. Here firms make vigorous attempts to determine the needs, wants and perceptions of its targets market and make efforts to satisfy them.

An effective marketing strategy should identify a target market, choose a marketing program and provide for information gathering on customer reach on the proposed marketing mix.

(Jerome and Perrault, 1990) highlighted that tailoring a marketing strategy that is distinct can help create and sustain competitive advantage. (Berkowitz, 1982), shares a similar view. Infact mass marketing is regarded as undesirable (Kotler, 1997).It does not allow for efficient satisfaction and leads to the dissipation of scarce organizational resources. On the other hand, focus marketing strategy allows for efficient and effective need satisfaction.

Service firm strategy effectiveness is constrained by seasonality (Archer, 1973) has discussed the highly seasonal nature of the tourism sector and the consequences that it holds for the hotel sub-sector. Seasonality has negative implication for firms. In the hotel sector it could lead to the

wastage or idling of resources during off peak seasons. It is in the light of these facts that there is the need to create competitive advantage.

Service marketing strategy should be viewed from a strategic marketing perspective. Strategic marketing opposes short-term returns for long –term profits. (Craven,1976),has noted that understanding the strategic situation facing a firm marks a new chapter in marketing strategy planning and development. Haphazard and untimely reactive management does not point success even though no strategy is exclusively reserved for hospitality firms as the ‘one best’ strategy (Kotler,1997). A customer obsessed firm must be wary of both the micro and macro environment of business within which it operates because of the consequences it has for strategy effectiveness. This calls for a proactive rather than a reactive consideration of marketing strategy as a way of creating and sustaining competitive edge.

2.5 CUSTOMER CARE

According to Philip Kotler in his book "marketing management, 9th edition, customer care concept is a 'principle to guide the formation of processes and practices with the organization that can unify and integrate the activities of all the organizational members.' In the hospitality industry, the provisory and delivery of services involve a variety of interaction between providers and their customers. In particular, personnel are instrumental in the creation and provision of service quality and in so doing, the need to 'care' for the customers.

The concept of 'customer care' is concerned with customer satisfaction, putting the customers first, anticipating needs and problems, tailoring products and services to meet needs, and being 'nice' to the customers. In developing customer care strategies organizations are advised to take

into consideration the type of products and services they offer, their delivering systems, their environment and people so as to provide efficient and caring service, getting things right the first time and maintaining standards.

Marketing can be considered as having a fundamental philosophy which is based around customer care concept. In meeting the requirements of the customer, the management of the hotels organizes activities in such a way that the customer would be placed at the cardinal point with which the entire organization revolves. The objectives of all customer care programmes is to focus the whole business on the customer to eliminate the moments that erode exiting values and also create additional customer value.

Customer care has become increasingly recognized as a critical factor in the success of most business. Customer care has been the focus of a new approach for organization providing services as well as products.

2.6 BENEFITS OF CUSTOMER CARE

Again, Philip Kotler in his marketing management book, 9th edition, brings into attention and lay emphasis on the facts that without a focus on customer care, and services quality, the hospitality industry may face problems and complaints from both employees and customers. A proportion of discontented customers will complain and tell a number of others, generating in advance word-of-mouth publicity and some may switch to competitors. This is the main reason why the hotels are emphasizing on customer care in order to gain some advantages over their competitors. Some of the advantages are:

- Customer loyalty through satisfaction - looking after present customer can generate repeat purchase and increase business, and may tend to attract new customers from positive word-of-mouth communications.
- Customers retention to move cost effective than trying to attract new ones.
- Cost savings also account from getting things done for the first time.
- Increased opportunities for cross selling.

The hotels comprehensive add up-to date service knowledge among employees combined with developing relationship and support with customers enable staff to identify customer needs and suggest relevant services.

1. Employees' benefit — this may be seen in terms of increased job satisfaction, morale and commitment to the hotels, successful employer-employee and relationship and increased staff loyalty which contribute to reducing the rate of staff turnover and the associated cost of recruitment, selection and training services.
2. Committed and competent employees of the hotel will also make fewer mistakes and in turn lead to fewer customer complaints and hence contributes to further cost savings.
3. Finally, good customer care and service enhances corporate image of the hotels and may provide insulation from price competition of which some customers may pay a premium for reliable service. Overall successful service leads to reduce cost of mistakes, operating advertising and increase in business performance and profitability.

There are also some determinants that the hotels have put in place and these are:

Reliability: the ability to perform the promised service dependably and accurately.

Responsiveness: the willingness to help customers and to provide prompt service.

Assurance: the knowledge and courtesy of employees and their ability convey trust and confidence.

Empathy: the provision of caring and individualized attention to customers

Tangibles: the appearance of physical facilities, equipment, personnel and communication materials.

2.7 THEORIES OF CUSTOMER CARE LINKED TO WHAT THE HOTELS ARE DOING

Customer care as explained earlier is all about making sure that the various need and wants of customers are researched into and in the process used the outcome to satisfy them effectively and efficiently.

It is upon this that the hotels have embarked upon intensive core values and habits that they think will help management to really produce services to satisfy their customers.

The core values have been divided into four (4) namely:

1. To be responsive to their market and sensitive to their customers, this means that their activities and operations will be customer oriented. They will aim to achieve the highest level of customer satisfaction. They will strive to delight their customers and retain their confidence in their services by anticipating customer needs and responding to them.
2. The value promptness and efficiency in service delivery. Their responsiveness and sensitivity to customers will be evident in their ability to meet customer needs in record time.

It is not enough to simply meet customer needs: these needs must be met with as little waste as possible. The idea is to complement quality service delivery with efficiency. Deliver, but

deliver on time.

3. They believe in their people aim to pursue sound people management. Their greatest is you-their people. That is why management has put in place constant and consistent training programmes to benefit staff. Management will continue to assist you to develop your competencies for your personal good and the general good of the hotels.
4. They will deploy their technical capacity to facilitate creativity and leadership in ICT. This means they will bring their strengths and capabilities and innovativeness to bear on the hotel sector.

Aside this core values, the hotels have taken into consideration some habits in order to satisfy their customers effectively, some of which include:

To be proactive-taking initiative to act first instead of waiting to respond or react (poor) to situation.

Begin with the end in mind-carefully think through product or service you want to provide and in your mind's eye, picture the product.

CHAPTER THREE

METHODOLOGY

3.0 RESEARCH DESIGN

Due to the behavioral and attitudinal traits associated with customer service, coupled with the brain behind the study, Descriptive research was considered. Descriptive survey involves the collections of data such as primary and secondary data to answer questions relating to the current status of the understated topic. (Babbie, 2000).

The researcher employed this type of research design because the study seeks to collect data to describe or explain how customer service delivery is used to create competitive advantage by hotels.

The researchers also employed a combination of quantitative and qualitative approach in the data collection and analysis since the study has to do with perceptions of customers.

3.1 DATA SOURCES

Data was collected from two main sources: Secondary and Primary.

Secondary or data that have already been collected for some purpose other than the study at hand.

Primary data is collected specifically for the study. The research questions here are several, including: should data be collected by observation or questionnaire.

3.2 DATA COLLECTION METHODS

Data collection method used for the study include: Administering of personal questionnaire, personal interviews and observation.

The researcher used both secondary and primary data. With the former, it is often information that has been collected already, sometime for different purpose, but of use to our study. Sources of secondary data include:

Trade journals, internal records of the hotels, research centers, reports of Ghana Tourist Board, Ministry of trade and industry and others from related books.

The primary data was collected first hand through the administration of questions to respondents. Observations were also made on how customers were being served at the various hotels by the researcher. The questionnaires were administered personally.

3.3 POPULATION

The targeted population for this study covers all customers of all hotels in the Asante region. This was to enable the researchers collect adequate data which will be highly representatives to make the study reliable and increase confidence of its result or findings.

However due to resource constraint in terms of funds, time, human resources and other materials, the researchers have no choice than to narrow the population down by selecting only a sample which is deemed to be representative for the study. Three hotels were selected for the study specifically Royal Lameta Hotel, Marigold Hotel and Crystal Hotel.

3.4 SAMPLING AND SAMPLE SIZE

The sample size consist of customers of the three hotels selected for the study thus customers 108 of Royal Lam eta, 108 from Marigold hotel and 109 from Crystal Rose hotel. Also the researcher collected data from management of these hotels which consisted 60 employees of the hotels, and sourced 15 management views on customer service program.

In order to curb the problem of unreturned questionnaires the sample size was increased to 325 to cater for such situations.

3.5 SAMPLING METHODS

The sampling procedures employed were non-probability sampling technique. This was considered best for the study because the researcher want to avoid the issue of being accused of influencing the selection of respondents. The particular methods used in selecting the respondents were convenience and Quota sampling methods.

3.6 DATA COLLECTION FORMS

Three set of questionnaires were used thus one set of questionnaires were administered to management and staff of the three hotels. The other set of questionnaires were designed and administered to customers or client of the three hotels. Customers were not restricted to only in-customers- those who stay for a day or more, but cover also out-customers thus those customers who visit the hotels for services such as drinks, food, swimming among other things. Considering the research approach employed and the kind of information needed to better

describe the phenomenon at stake, closed and opened ended questions were used to collect the data.

The opened ended questions sought to find out perceptions and feelings of customers about customers' service offered them by the hotels. Whilst the closed ended questions sought to find out from staff and management of the hotels the kinds of customer services they provide to customers.

And also to find out how it has helped them create competitive edge over rivals.

In all 325 questionnaires were administered to customers of the three hotels, 60 questionnaires administered to the staff and 15 to management of the hotels.

3.7 DATA COLLECTION, ANALYSIS AND INTERPRETATION

The researchers used descriptive statistics to analyze the data collected. Statistical tools such as frequency tables and percentage charts were used to describe the data.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the analysis and interpretation of the data collected for the study of the three hotels selected to find out the role of customer service in creating competitive advantage and its implications in the hotel sector in Kumasi metropolis.

In all 400 questionnaires were administered. Out of this number, 60 questionnaires were administered to employees, Fifteen 15 questionnaires to management and 325 questionnaires to customers of the three hotels.

4.0 NUMBER OF QUESTIONNAIRES RECEIVED

Out Of 325 questionnaires administered to the customers of the three hotels, 300 were received, remaining 25. The fifteen which were administered to management of the hotels were all received. 52 out of the 60 questionnaires administered to the employees of the three hotels were received remaining 8.

Analysis of the researchers' data was based on the use of quantitative and qualitative methods.

The data was analyzed around the following key areas of the study:

- The core and augmented services offered by the three hotels.
- Ways by which the hotels compete in among themselves.
- The augmented services customers expect to receive from these hotels.

Table4.1: CORE SERVICES PROVIDED

Hotels	Accommodation	Restaurant	Bar	Swimming pool
Marigold	Y	Y	y	n
Crystal Rose	Y	Y	y	y
Royal Lameta	Y	Y	y	y

Source: Field survey, 2011.

Y =yes

N=no

From the above table, it shows that royal lameta provides more core services than Marigold and Crystal Rose hotels. This range of services provided by Royal Lameta create the impression which is perceived by customers as satisfying their needs better than the other two hotels (Marigold and Crystal Rose) hence given it competitive advantage over them. For instance a guest who wants to get access to the saloon does not need to go outside the hotel to do so since Royal Lameta offered that service whilst the other two do not.

Table 4.2: Augmented services offered.

Hotels	Internet services	DSTV	Intercom	Laundry	Room service	Furnished reception
Marigold	Y	Y	y	n	Y	Y
Crystal Rose	Y	Y	y	y	Y	Y
Royal Lameta	Y	Y	y	y	Y	Y

Source: Field survey, 2011.

Y =yes

N=no

From table 4.2 above a question was asked of the augmented services provided by the hotels. The responses shows that all the hotels provides similar augmented services such as internet services,intercom,room services,DSTV,luandry and well furnished receptions.

Table4.3: PRICING OF HOTEL SERVICES.

Hotels	Pricing methods used
Marigold hotel	Competitive pricing
Crystal Rose hotel	Competitive pricing
Royal Lameta hotel	Premium pricing

Source: Field survey, 2011.

From table 2 above, it indicates that out of the three hotels, two hotels (marigold and crystal rose) used similar pricing strategies thus competitive prices but royal lameta hotel uses a premium pricing strategy to reflect its service quality hence charges higher than the others. However, 95% of responses from the customers of the three hotels shows that they were satisfied with the prices charged and thus will keep patronizing their services. Refer to appendixes.

This shows that, none of the hotels has an edge over its competitor. Here, it appears that since they are using different pricing strategies, one cannot conclude that pricing of service in these three hotels gives any one advantage over the other. However, a competitive advantage of royal lameta in terms of customers might be the result of their pricing strategies or their service quality. As a consequence, further investigation need to be carried out to establish this fact.

Table 4. 4: DISTINGUISHING CUSTOMER SERVICE

Hotels	Accommodation	Restaurant and Bar	Internet cafe	Boutique	Swimming pool	Saloon	DSTV
Marigold	Y	Y	y	N	n	N	Y
Crystal Rose	Y	Y	y	N	y	N	Y
Royal Lameta	Y	Y	y	N	y	Y	Y

Source: Field survey, 2011.

From table 3 above, Royal Lameta has competitive advantage over the other two hotels through the use of their unique customer services such as Saloon and internet café. This competitive edge of royal lameta over the rivals (Marigold and Crystal Rose) is supported by ‘question’ of the management questionnaire. They were asked whether the hotel is patronized throughout the year which responses revealed that the hotel is patronized throughout the year with more than half of their rooms occupied throughout. Notwithstanding the above supporting question, question 2 of the customers’ questionnaire, where a question was asked whether these services were of high quality to customers. 137 out of 145 responded positively representing 94% and this fact also support the competitive edge Royal Lameta has over the hotels.

Table 4.5: COMPETITION IN THE OPERATIONS OF THE THREE HOTELS:

HOTELS	YES	%	NO	%	TOTAL	PERCENTAGE
MARIGOLD	5	100	-	-	5	100
CRYSTEL ROSE	5	100	-	-	5	100
ROYAL LAMETA	5	100	-	-	5	100
TOTAL	15	100	-	-	15	100

Source: Field survey, 2011.

From the above data, managers of the three hotels were asked whether their hotel faced challenges from competitors. The table above shows that the entire hotels faced competition from their rivals. And from their response shown on the above table, it implies that there is keen competition in the sector hence survival depends on creative customer services. This fact is supported by question 4 of the employee questionnaire which sought to find out the major customer services provided by the hotels and the responses indicated that all the hotels provides similar range of services which include: Accommodation, internet and swimming pool. Also, when a follow-up question was asked on the response of customers to these services, it was revealed that 90% of the customers were satisfied.

Table 4. 6: TECHNIQUES EMPLOYED BY THE HOTELS TO WIN CUSTOMERS

HOTELS	No. of managers	Discount	publicity	Staff relations	Price
MARIGOLD	5	Y	y	y	n
CRYSTAL ROSE	5	N	n	y	
ROYAL LAMETA	5	Y	y	y	y

Source: Field survey, 2011.

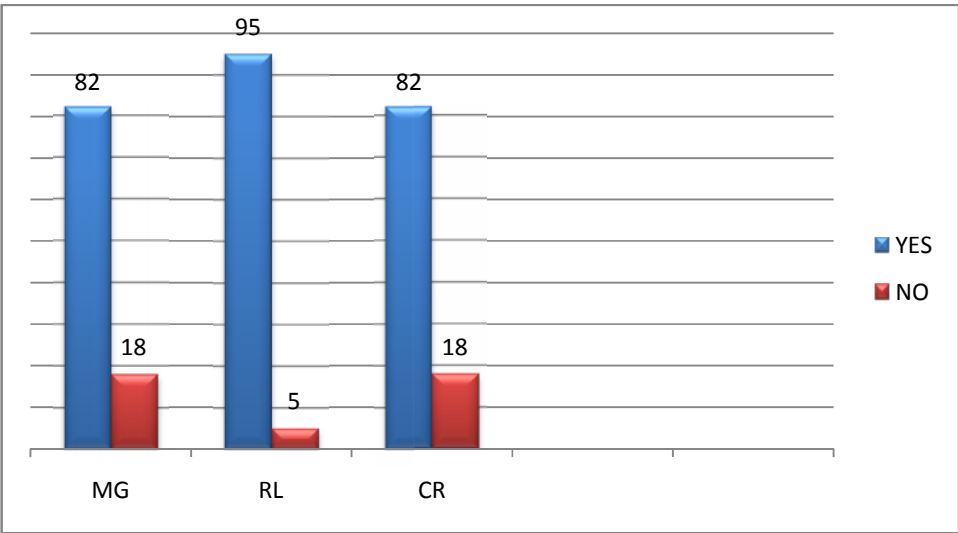
The table above presents information of a question which sought to find out the techniques employed by the three hotels to win customers. From the table it is indicated that marigold and royal lameta hotels uses techniques such as discounts which take the form of cash, repeat visits quantity and long stay discounts as well as publicity and staff relations which are common techniques used by the hotels.

Crystal Rose hotel used only staff relations as their core techniques to win and keep customers as seen in the above table. From the table it is clear that Royal Lameta would have greater competitive edge over the other two hotels since it has wide range of techniques in place to win and keep its customers.

4.1 CUSTOMERS EXPECTATION

Customers were asked a question of their expectation of the hotel services. From Marigold hotel, 96 out of the 110 customers, representing 87% wish the hotel to improve on their customer services. 113 out of the 120 customers representing 94% from Crystal Rose proposed that the hotel improve on its customer services whilst 121 out 145 customers representing 83% from Royal Lameta indicated that the hotel should improve on their customer services. This fact is supported by the question which sought to find out the impression about customer care services that are being provided by the hotels. The responses were that 101 out of the 110customers representing 91% of Marigold hotel answered very good, 114 out of 120 customers representing 96% from Crystal Rose hotel answered very good, whilst 140 out of the 145 customers representing 95% from hotel Royal Lameta answered very good. Additionally, the responses were supported by question 10 of the customer questionnaire which sought to determine whether the services rendered by the hotels were reliable. Almost all the customers (97%) of the three hotels answered yes.

Fig4. 1: QUALITY OF SERVICES



Source: Field survey, 2011.

MG-Marigold

CR-Crystal Rose

RL-Royal Lameta

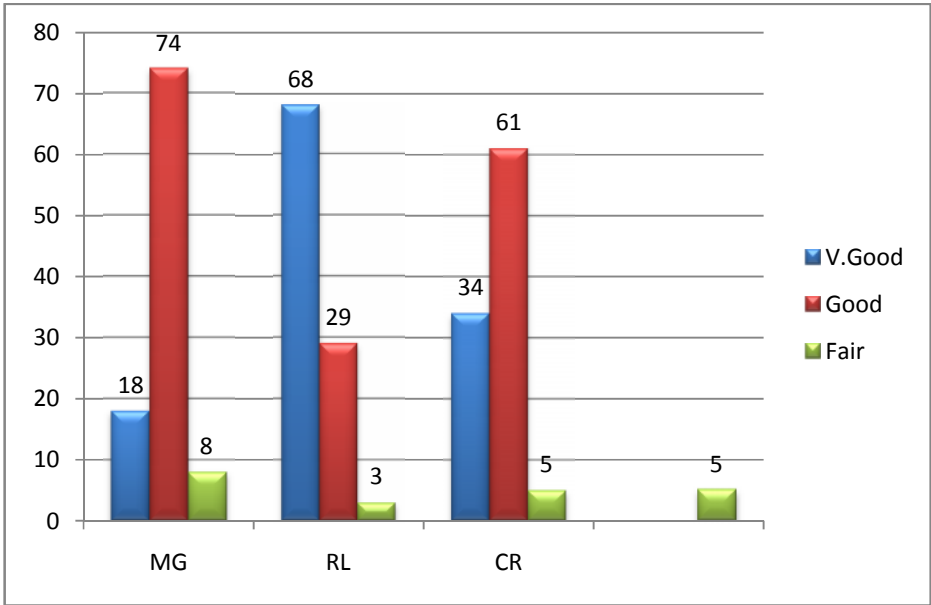
Respondents were asked whether the hotels services were of high quality. A whopping 95% from Royal Lameta indicated that the services were of high quality whilst 5% said no. From Marigold, 82% said yes, whilst 18% said no. At Crystal Rose 82% answered yes whilst 18% said no. It could be said from the responses that Royal Lameta has an edge over the other two hotels.

Table 4. 7: IMPRESSION OF CORE AND AUGMENTED SERVICES OF THE HOTELS

HOTELS	V.Good	%	Good	%	Fair	%	poor	%
MARIGOLD	20	18	81	74	9	8	-	-
ROYAL LAMETA	98	68	42	29	5	3	-	-
CRYSTAL ROSE	41	34	73	61	6	5	-	-

Source: Field survey, 2011.

Fig 4. 2: GRAPHICAL REPRESENTATIONS OF THE DATA IN TABLE 7.

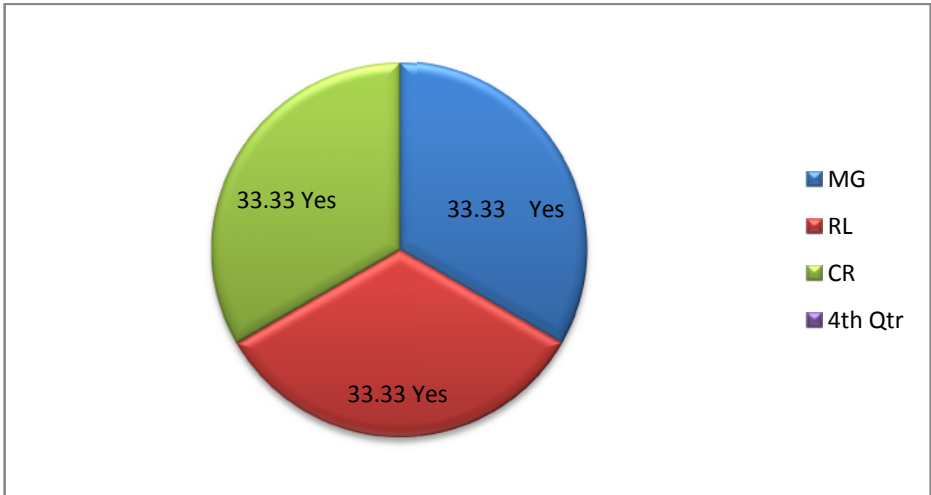


Source: Field survey, 2011.

Question was posed to find out from customers their impression about the quality of the customer services being provided by the hotels. 18% of them from Marigold answered very good, 74% said good and 8% indicated fair. At Royal Lameta, 68% said the services were very good, 29% indicated the services were good whilst 3% said they were fair. 34% from Crystal Rose hotel indicated very good, 61% said good and 5% answered fair.

From the responses, it could be concluded that Royal Lameta has competitive advantage over Marigold and Crystal Rose.

Fig 4. 3: CALIBRE OF EMPLOYEES



Source: Field survey work, 2011.

MG-Marigold

RL-Royal Lameta

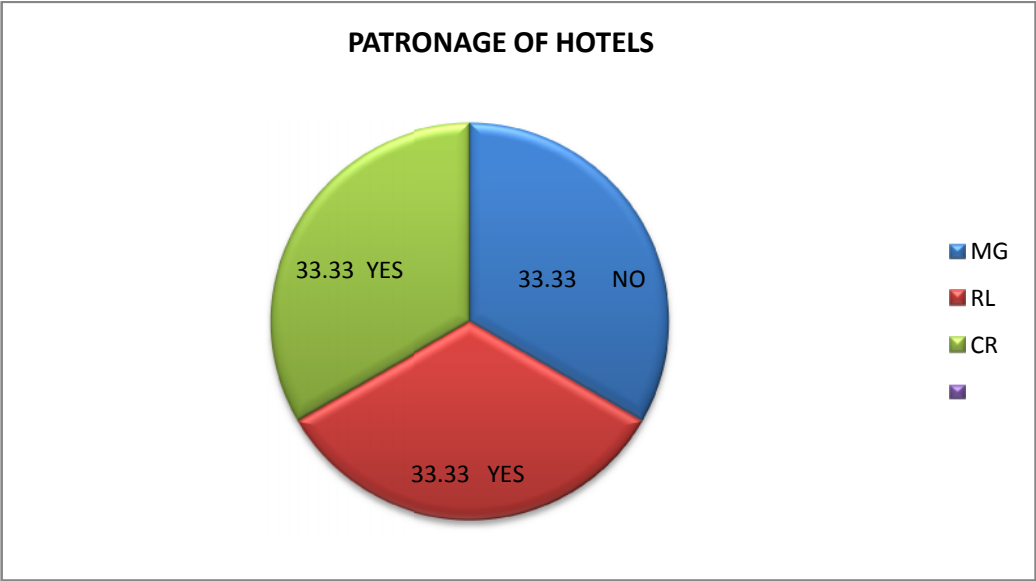
CR-Crystal Rose

The question on the right caliber of employees was posed to find out from management of the hotels how their employees handle their guests. From the 15 respondents of all the three hotels representing 100% claimed they have the right caliber of employees.

Table 4. 8: PATRONAGE OF HOTELS:

HOTELS	No. of managers	Yes	%	No	%
MARIGOLD	5	5		33.33	-
CRYSTAL ROSE	5	5	33.33	-	-
ROYAL LAMETA	5	5	33.33	-	-

Fig 4.4:GRAPHICAL REPRESENTATION OF TABLE 4.9



Source: Field Data, 2011.

MG-Marigold

RL-Royal lameta

CR-Crystal Rose

Fig 3 reveals that 33% of managers from Marigold indicated that they do not receive customers throughout the year because of the seasonality of the business. On the part of Royal Lameta, 33% of the managers respondent that the receive customers throughout the year.33% of the managers of Crystal Rose indicated that the hotel receive customers throughout the year. The managers of Royal Lameta and Crystal Rose attribute this to nearness of hotel to customers and quality services rendered.

CHAPTER FIVE

RESULTS, CONCLUSION AND RECOMMENDATION

In this study, attempt was made to find out the role of customer service in creating competitive advantage in the hotel sub sector.

5.0 RESULTS

The study revealed that the three hotels provides the following core services which

Include; Accommodation, Restaurant, Bar, and Swimming pool. Except for Marigold which has no swimming pool services.

We have also found out the following as augmented services provided by the hotels DSTV, Internet services, room services, intercom, saloon, laundry services, and furnished reception among others. The results confirms objective one of this study, which sought to find out the core and augmented services rendered by the three hotels and how they help in creating competitive edge.

Based on the analysis of the data gathered, it could be deduced that almost all(98%) of the employee and management responses indicated that competitive advantage can be created through Branding, location, physical evidence, staff-customer relationship . This observation confirmed the second objective, which sought to determine how the three hotels create competitive advantage over their rivals. This fact is also in line with the literature review. As (Porter,1985) observed that, competitive advantage is based on certain competencies or core

factors in the organization as opposed to comparative advantage which is based on natural endowments contrary to the thinking of pioneers and classical economist such as David Ricardo and Adam Smith.

From the analysis, responses gathered clearly indicated that all the three hotels provide core and augmented services to their target customers. 90% of the Customers of the three hotels indicated that the services provided better satisfy their needs. This observation confirms objective three of the study, which sought to find out from existing customers how satisfying, are the services of the hotels offer them.

5.1 CONCLUSION

As indicated in the introduction, this study was chosen in view of present researchers desire to know the role of customer service in the creation of competitive edge in the hotel sector.

Results from the study therefore revealed that competitive advantage could be created through the use of core and augmented service with the latter playing a very important role.

It was also found out that competitive edge creation depends on the branding, location, physical evidence and staff-customer relation to the numerous customers.

In summary, the study confirmed the theoretical and research findings in the literature review, that for a firm to create competitive edge it needs to have unique features and competencies.

5.2 RECOMMENDATIONS

5.2.1 We recommend that the hotels provide quality core services but much attention should be paid to their augmented services to win and sustain more customers.

5.2.2 From the facts we have gathered from this research project, it could be said that marketing is not the focus for the activities of these three hotels. The hotels under study do not have marketing departments to develop marketing strategies to guarantee customer focus. For example when they were asked how they price their services, it was found out that prices were charged based on the prevailing market trend.

As a result we recommend that hotels should avail themselves for the services of marketing consulting firms in order to compete effectively on their respective markets.

5.2.3 Internal marketing should also be taken seriously by firms operating within the industry like hoteliers because almost all of them are people oriented. This is because the employees, who are there, are their internal customers have their own goals just like the organizations have their goals which they expended their energy to achieve. The attitudes of employees being dissatisfied could affect their performances and quality of services provided.

It is therefore recommended that the management of the hotels under study should make the effort to improve the internal marketing of their hotels by motivating them with reasonable remuneration.

5.2.4 In a nutshell, hotels need to be very innovative, if they want to acquire and sustain leadership position and win repetitive purchase and customer loyalty.

Competing hotels understudy could imitate the marketing programmes of successful firms elsewhere in the country. An astute marketer, who wishes to use a firm's strategy to seek

competitive advantage so that its long-term profitability is guaranteed, should also desire to be technologically obsessed in its marketing practices and exhibit creative flair.

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APPENDIX

QUESTIONNAIRE FOR CUSTOMERS OF THE HOTELS

CHRISTIAN SERVICE UNIVERSITY COLLEGE DEPARTMENT OF BUSINESS

ADMINISTRATION

(MARKETING)

**PROJECT TITLE: THE ROLE OF CUSTOMER SERVICE IN CREATING
COMPETITIVE EDGE IN THE HOSPITALITY INDUSTRY: A CASE STUDY OF
THREE (3) HOTELS IN KUMASI METROPOLIS SPECIFICALLY ROYAL LAMETA
HOTEL, CRYSTAL ROSE HOTEL AND MARIGOLD HOTEL.**

The aim of this questionnaire is to get information pertaining to customer's views to see if the hotel is customer oriented. This is purely for academic purpose.

Please tick (✓) where appropriate and give information.

GENDER: MALE [] FEMALE []

1. What Core services have you enjoyed from the hotel?

Accommodation [] Restaurant [] Bar [] Swimming pool []

2. Are these services of high quality?

Yes [] No []. Give reasons

3. Did you enjoy any cordial relations with the employees of the hotel?

Yes [] NO []

4. Do you like or enjoy the hotel services?

Yes [] No []

5. Are prices of the hotel reasonable as compared to competitors?

Yes [] No []

6. Do you prefer the services of this hotel to other competitors?

Yes [] No [] Give

reasons:.....

7. Why did you choose this hotel instead of others in the locality?

Location [] Branding [] Physical evidence [] Staff-customer relation []

8. Are services of this hotel in terms of security, generally better than its competitors?

Yes [] No []

9. What is your impression about the core and augmented services at the hotel?

Very good [] Good [] Fair [] poor []

10. Do you consider the services of this hotel in terms of delivery as reliable?

Yes [] No []

11. Would you recommend this hotel to a friend?

Yes [] No []

12. What are your expectations of the hotel customer services?

.....

QUESTIONNAIRE FOR EMPLOYEES
CHRISTIAN SERVICE UNIVERSITY COLLEGE
DEPARTMENT OF BUSINESS ADMINISTRATION
(MARKETING)

PROJECT TITLE: THE ROLE OF CUSTOMER SERVICE IN CREATING COMPETITIVE EDGE IN THE HOSPITALITY INDUSTRY: A CASE STUDY OF THREE (3) HOTELS IN KUMASI METROPOLIS SPECIFICALLY ROYAL LAMETA HOTEL, CRYSTAL ROSE HOTEL AND MARIGOLD HOTEL.

The aim of this questionnaire is to get information pertaining to customer's views to see if the hotel is customer oriented. This is purely for academic purpose.

GENDER: MALE: [☐] FEMALE: [☐]

1. How long have you been working this hotel?
2. Have you been given any form of customer care service training by the hotel?

Yes [☐] No [☐]

3. Does the hotel have a customer care policy? Yes [☐] No [☐]

3b. If yes, how does it help the hotel?

.....

4. What are the core services provided by this hotel?

.....

5. What are the responses of customers to these services?

.....

6. Do you have a customer care officer in this hotel?

Yes [☐] No [☐]

QUESTIONNAIRE FOR MANAGEMENT.
CHRISTIAN SERVICE UNIVERSITY COLLEGE
DEPARTMENT OF BUSINESS ADMINISTRATION
(MARKETING)

PROJECT TITLE: THE ROLE OF CUSTOMER SERVICE IN CREATING COMPETITIVE EDGE IN THE HOSPITALITY INDUSTRY: A CASE STUDY OF THREE (3) HOTELS IN KUMASI METROPOLIS SPECIFICALLY ROYAL LAMETA HOTEL, CRYSTAL ROSE HOTEL AND MARIGOLD HOTEL.

The aim of this questionnaire is to get information pertaining to customer's views to see if the hotel is customer oriented. This is purely for academic purpose.

GENDER: MALE: [] FEMALE: []

POSITION.....

1. What techniques does the hotel use to win customers?

Discounts [] publicity [] Staff relations [] price [] others:

2. What are some of the distinguishing augmented services being provided by the hotel?

Accommodation [] DSTV [] Internet [] Saloon [] Intercom [] Room services []

3. Does the hotel have the right caliber of employees?

Yes [] No []

4. Is the hotel patronized by customers throughout the year?

Yes [] No []

Give reasons:

.....
.....

5. Does the hotel face any challenges from its competitors?

Yes [☐] No [☐]

6. Are regular training programmes a management policy?

YES [☐] NO [☐]

7. How are customer complaints addressed?

.....

8. What has been the impact of customer care programmes on sales?

.....

9. What benefit does customer care bring to your hotel?

.....

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**THE ROLE OF CUSTOMER SERVICE IN CREATING COMPETITIVE
EDGE IN THE HOSPITALITY INDUSTRY IN GHANA WITH SPECIFIC
EMPHASIS ON THE HOTEL SECTOR.**

**A CASE STUDY OF THREE (3) HOTELS IN KUMASI METROPOLIS
SPECIFICALLY ROYAL LAMETA HOTEL, CRYSTAL ROSE HOTEL
AND MARIGOLD HOTEL**

AMOUNG GARIDA BEN

MUMUNI JOSEPH SHAIBU

AMOAH GIFTY

HANNAH DARKWAH

CHANA FREDERICK

**STUDENT RESEARCH WORK PROJECT REPORT SUBMITTED TO
THE BUSINESS STUDIES DEPARTMENT OF CHRISTIAN SERVICE
UNIVERSITY COLLEGE IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF BACHELOR DEGREE OF
BUSINESS ADMINISTRATION.**

JUNE, 2011

CHRISTIAN SERVICE UNIVERSITY COLLEGE

The role customer service in creating competitive edge in the hospitality industry
in Ghana with specific emphasis of the hotel sector.

A case study of Three (3) Hotels in Kumasi Metropolis Specifically Royal Lameta
Hotel, Crystal Rose Hotel and Marigold Hotel

BY:

AMOUNG GARIDA BEN

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BUSINESS ADMINISTRATION.

JUNE, 2011

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