



CUSTOMER COMPLAINT MANAGEMENT AND PERFORMANCE OF HOSPITALITY FIRMS: A STUDY OF SELECTED HOTELS IN OWERRI, IMO STATE

IHEMEREZE KESIDE EJIKE (Ph.D)

Department of Marketing,
Faculty of Management Sciences,
Imo State University, Owerri

ONYIA NONSO DANIEL

Department of Marketing,
Faculty of Management Sciences,
Imo State University, Owerri

ABSTRACT

This examined the effect of managing customer complaint on the performance of hospitality firms using All Season and Concord Hotel Owerri, Imo State as the case study. Four research hypotheses guided the study. In the methodology; the researchers employed descriptive survey research design and questionnaire served as our instrument of data collection. Data analysis was done using SPSS version 21.0, with the help of Pearson correlation at 0.05 level of significance. The study revealed that there is significant effect of apology on customer retention in hotels, there is significant effect of compensation on customer patronage in hotels, quick timeliness response leads to customer satisfaction, and there is significant relationship between quality of service and customer loyalty in hotels. Based on these findings, it was recommended that whenever there is poor service, the staff of the hospitality should tender apologies to customer to achieve customer retention. Also, the hospitality industry should make provision for compensation of customers based on poor services, so as to achieve customer patronage.

Keywords: *Customer Complaint, Management, Performance, Hospitality Firms, Apology, Customer Retention, Compensation, Customer Patronage, Quick Timeliness Response, Customer Satisfaction, Quality of Service and Customer Loyalty.*

INTRODUCTION

One of the business strategies aimed at enhancing effective customer commitment to the organization is customer complaint management. This is because customers are the engine of every business. For this reason, there is need to effectively handle customer complaint so as to continue to achieve organizational high performance (Mbaenyi, 2018). Customers become dissatisfied and will complain when they experience products or services that perform below expectations (Matusitz & Breen, 2019). Complaints should be attended to and resolved as soon as possible even though it may appear to be irritating, time-consuming and costly, otherwise it can lead to reputational damage caused by bad publicity (Tronvoll, 2012). Handling customers complaints promptly represent the last opportunity that an organization has to address the dissatisfaction from customers and to retain them (Vincent & Webster, 2015).

Reactions from dissatisfied customers should be welcomed with open arms as direct feedback from customers gives the organization an excellent opportunity to learn from and to correct mistakes and errors (Thøgersen, Juhl & Poulsen, 2013). If complaints are well handled, it restores customer confidence, give feedback to the organization, and help them to improve performance levels (Ramsey, 2013; Hughes & Karapetrovic, 2016). All of the information produced by customer complaints must be analyzed to enable strategic planning; hence, how complaints are handled and resolved should be a driver of satisfaction rather than a consequence of dissatisfaction. Handling customer complaints often represent the last opportunity that an organization has to address the dissatisfaction from customers and to retain them (Vincent & Webster, 2015).

For that, reactions from dissatisfied customers should be welcomed with open arms as direct feedback from customers gives the organization an excellent opportunity to learn from and to correct mistakes and errors, restore customer confidence and to use the feedback strategically for organizational improvements (Johnston 2011; Hughes & Karapetrovic, 2016). The goal of effective customer complaint management system is to achieve customer retention, satisfaction, which will lead to high performance in the hotel. When companies retain effective customer complaint handling procedures, customer attrition is reduced, customer satisfaction is increased, sales figures are boosted and customer loyalty and retention assured (Robert-Lombard, 2011).

To him, listening to customer complaints, being understanding and jotting down salient points to gather relevant facts, discussing the complaint and following up with effective solutions was a very effective complaint handling process. Tronvoll (2012) insist that complaint handling procedures are different in various companies, reaping varying levels of success. Practically, some companies see the potential benefits of effectively handling customer complaints and they do that to achieve business success and growth.

Based on that, this study focused on managing customer complaint in hospitality industry using All Season and Concord Hotel Owerri, Imo State as the case study.

STATEMENT OF THE PROBLEM

Handling customer complaints effectively has become a real point for competitiveness. This is because, when companies show an inability to deal with customer complaints, customer allegiance could be affected, resulting in high customer turnover and low customer retention. Morrisson & Huppertz (2010) posited that, when companies fail to effectively handle customer complaints, that particular customer could be lost. Consequently, the loss of one customer could cause a chain reaction where a lot of customers are lost: reducing market share, profitability, patronage, customer retention/loyalty, and increasing negative perceptions about the hospitality firm.

In light of these assertions, it is imperative that hotels perfect their customer handling procedures to avoid the bleak repercussions that come with failure. The challenge here is that, most hotels hardly, if not never, assess their customer complaint procedures to find out if it is delivering in terms of handling customer complaints effectively. Some hotels adopt a nonchalant approach to customer complaints, especially if it is related to customer service. In light of these assertions, it is imperative that hotels perfect their customer handling procedures to avoid the bleak repercussions that come with failure.

RESEARCH HYPOTHESES

This study is guided by the hypotheses stated below.

Ho1: There is no significant effect of apology on customer retention in hotels.

Ho2: There is no significant effect of compensation on customer patronage in hotels.

Ho3: Quick timeliness response does not lead to customer satisfaction in hotels.

Ho4: There is no significant relationship between quality of service and customer loyalty in hotels.

CONCEPTUAL REVIEW

Customer Complaint

A complaint is an expression of dissatisfaction, about the standard of service, actions or lack of action by an organization to an individual. According to Tronvoll (2012), it is an action taken by an individual which involves communicating something negative regarding a product or service. Complaining was a natural consequence of low

satisfaction, not an opportunity to increase satisfaction; hence complaint resolution has become more important than complaints per se. Customer complaint (CC) refers to the responses triggered by perceived dissatisfaction that is neither psychologically accepted nor quickly forgotten in consumption of a product or service (Homburg & Fürst, 2015). A commonly used definition of customer complaining behaviour was suggested by Singh (1988), cited in Oki (2014) who conceptualized it as a set of multiple (behavioral and non-behavioral) responses, some or all of which are triggered by perceived dissatisfaction with a purchase episode.

Complaint Management

Complaint management is the way in which companies systematically handle problems in customer relations. According to Johnston (2011) cited in Hansen et al. (2019) it involves the receipt, investigation, settlement and prevention of customer complaints and recovery of the customer. A customer complaint is a report from a consumer providing documentation about a problem with a product or service or again, is any expression of dissatisfaction by a customer or potential about customer delivery or a product by the company or its agents. Tronvoll (2012) argue this processes can be likened to information processing in an organization. The goal is to stabilize customer relationships that are at risk and to assure a specific level of quality by creating a consistent business environment regarding personnel.

Dee et al. (2014) define complaint management as a process that is used to resolve customer concerns. Johnston (2011) indicates that it consists of many sub-processes for the receipt, investigation, settlement, prevention, and recovery of complaints. Complaints management has an impact on customer retention and ultimately on revenue. When a problem is resolved successfully, the satisfaction level of the customer is increased and will tell five of their closest acquaintances about it compared to telling three if the service was initially good (Eccles & Durand, 2017) cited in Hoffman et al (2013). However if the initial service was bad and not resolved, the dissatisfied customer will tell between ten to twenty other people (Edvardsson, Tronvoll & Höykinpuro, 2011). Typical factors contributing to dissatisfaction may involve poor employee behaviour, poor reliability of service, and the cumbersome design of information.

Tronvoll (2012) adds that higher information control and weaker ties between the consumer and the service provider enhance customer complaints. Therefore, management needs to establish the processes and service providers' responses in terms of service-recovery activities, organizational responses and implications for customer experience outcome like problems of lost customer lifetime value and behavioral intentions. Complaint behaviour is not being well handled in terms of customer service (Ndibusi & Ling, 2016). There is need of feedback and action to reduce their

negative effect. They include acting expediently to resolve the issue; acknowledging mistakes without being defensive; not arguing with customers; openness in solving the problem; considering the possibility of compensation trying to regain the goodwill of customers (McCole, 2014).

Customer Complaint Management Strategies and Organizational Performance Variables

There are many complaint management strategies which can enhance performance of hotels. They are discussed here thus:

- 1. Apology and customer retention:** This means statement of acceptance of responsibility for what goes wrong and it is very strategic in service recovery process (Goodman, Malech & Boyd, 2017). It refers to an admittance of and acceptance of service failure and an expression of remorse. In the collective view of Tedeschi and Norman (2015) apology as confession of responsibility for negative events include expression of remorse. In typical customer complaints management, apology has two goals: one is to convey in most sincere manner that the organization accepts responsibility for the problem and two is to express regret. Apology according to Ofori-Okyere et al (2015) is the lowest level of action following a service failure. Other authors in the words of Ofori-Okyere and Okimandey (2015) were of the opinion that apology will have little effect when a customer experiences service failure and expect some reward for the loss. It is the position of Fluss (2014) that companies that encourage customer complaints stands the chances of retaining them than ones that assumed that customers are satisfied. This the author held that satisfied and well treated customers are more prone to come back for repeat purchase rather than going elsewhere.
- 2. Compensation and customer patronage:** This comprises of refunds, replacements and or discounts given to complainants upon service failure by the organization. This is same with the view of Davidow (2013) which he explained as the benefit that the organization provides to address a customer complaint. It is made up of series of tangible benefits ranging from monetary rewards, discounts to intangible rewards that can be considered to have psychological compensation. Employee behaviour is one of the several approaches adopted to solve problems that accompany service failure. To this end, Estelami (2010) highlighted some of the employee behaviour that can be applied in situation of service failure as: empathy, Friendliness, responsible, careful, and informative behaviour of the service personnel. Davidow (2013) developed a frame work on employees' behaviour to cover the interpersonal aspect of handling complaints by including other behaviours like attentiveness i.e. listening carefully to the complainant's problem and credibility that is,

explaining the problem. The possible failure points in service delivery according to Cranage (2014) is the physical surroundings of the place where the service is been delivered.

Thinking along the same line, Hoffiman, Kelly and Chung (2013) were in support of Cranage (2014) when he theorized that there are clearly three main types of service failure points which usually happened in the physical environment and identified them as: cleanliness issue, mechanical problems, and facility design issues. Compensation policy refers to the company's laid down rules relating to how tangible resources can be assigned to rectify and compensate for service failures. Giving dissatisfied customers something of value as compensation rather than just apology is often a more effective way of assuaging them in the event of service failure. The efficacy of the compensation policy of a firm is determined by fairness, need, value and rewards of service recovery outcomes (Chebat & Slusarczyk, 2015). Studies suggest that the fairness of the compensation policy of firms have positive effect on recovery evaluation; just as being responsive and accountable to errors greatly assuages customers' pain and also demonstrates the firm's efficiency in its service delivery in spite of initial setback (Seawright et al, 2018). The responses of the service provider to customers' complaints are vital to post-complaint satisfaction.

3. Timeliness and customer satisfaction: This approach looks at the time horizon within which the complaints of aggrieved customers are responded to (Ateke & Kalu, 2016). The quicker it is the better for the organization and its image in the market place. Same opinion was equally held by Victor (2016) when they maintained that there is a positive correlation between timeliness attentions to customer complaints and repurchases intentions. Prompt responses serves as good facilitation, which comprises of the organization's laid down policies and procedures aimed at providing support for customers that have complains. Activities such as toll- free lines, availability of comments cards, service guarantees, and hassle- free complaints procedures. Facilitation has a positive relationship with customer repurchase intentions. When organization responds very fast to customer complaint, it leads to customer satisfaction (Muhammad and Huma, 2017).

For Oki (2014), customer satisfaction, increases sales, promotes working relationships, improves employee - manager relationships and enables valuable succession planning. In such a system, organizational knowledge and learning is successfully preserved and advanced. Oki (2014), customer satisfaction exists in five forms, which are; contentment, pleasure, relief, novelty, and surprise. It takes retained and job-mastered employees to be responsive in providing customers with top-notch satisfaction they desire according to those prototypes. This dimension is concerned with dealing with customer's requests, questions and complaints promptly and

attentively. Robinson (2008) posits that a good relationship with the people that a company is dealing with is much more important than exclusive profitability. Therefore, retaining employees who understand the business, the need of customers and the essence of relationships cannot be overemphasized for organizational performance.

4. Quality of service and customer loyalty: Many customers in a hospitality business like hotels are concerned of the level of service quality they get. This quality of service could be offered to customers when there is employee retention as older employees are more experienced in providing customer service (Victor, 2016). Sometimes, low customer retention is caused by poor employee retention. This means that Customer needs and expectations are changing when it comes to hotel services and their quality requirements. Service quality has been identified and documented as one of the key driving forces for organizational survival, sustainability and is crucial for the firm's accomplishment (Amanfi, 2012). Also, having employees who have mastered the job remain the key promoters and drivers of quality service delivery. Employees' role performance and adaptability are considered as major determinants of service delivery effectiveness, because they reflect the most important outcome of the service delivery, which is its ability to satisfy customer needs and create customer value (Kostopoulos, Lodorfos and Kaminakis, 2015).

To dispense quality service to valued customers at the right time, form and place, most customer-focused organizations in the 21st century position their employees strategically to anticipate and satisfy customers' needs through employee retention (Oki, 2014). Piriyanthanalai and Muenjohn (2012) look at quality of service as dependent on employee satisfaction in the organization. Employee satisfaction is the engine that translates changes in the internal environment to the employee individual performance and service quality that lead to the necessary external customer service improvement as well as customer satisfaction level. When there is quality service, customer loyalty will increase. Customer loyalty is a strategy aimed at achieving customer happiness and comfortability with products, services and firms.

THEORETICAL REVIEW

The following theories relate to the research topic and the objectives set forth within the study.

Equity Theory

This theory was developed by Gilbert in 1977. Consumers are prone to spread a negative WOM when they perceive an unfair response to a service failure. When customers perceive that they have not been sufficiently compensated for the damage, they may feel even more annoyed than they were subsequent to the failure. This is because a report of a service failure may imply unfair treatment of the customer; service recovery must therefore re-establish justice – from the customer's perspective. With effective handling of complaints, consumers will perceive fair treatment. In the case of a service failure, individuals will perceive inequity and they will try to restore equity by complaining. This theory was used because complaining customers develop their equity or fairness perceptions by evaluating three facets of the complaint handling encounter: the fairness of the decision making criteria, procedures and policies used to accomplish the final outcome (procedural justice), the fairness of the obtained tangible outcomes (distributive justice) and the interactional justice or manner in which the service complaint handling process is carried out.

Equity theory is relevant where exchange takes place because it is a notion of fairness; and it is conceivable that one or both parties perceive inequity in an exchange. Equity theory seems quite tenable in a service failure context because consumers usually perceive an inequity following a service failure. When inequities arise, equity theory provides a meaningful framework for shaping consumer perceptions of satisfaction, purchase intent and many more. The relationship between equity sensitivity and recovery expectations has not been empirically established. Benevolent customers may hold less stringent expectations than entitled customers, but the existence of these groups has not been empirically established.

Perceived Justice Theory

This theory originates from the work of Blodgett and Anderson (1994). Service researchers have turned to theory of organizational justice to explain customers' reactions to service recovery. Justice perceptions are the individual subjective assessments of organizational responses. The subjective evaluation of the response of the complainant is crucial because perceptions are the subjective, often biased, interpretation of reality that account for individual behaviour. Blodgett and Anderson (1994) contend that prior research demonstrates that the behaviour of complainants depends largely on their perceptions of justice. Higher levels of distributive, interactional and procedural justice lead to more favorable re-patronage intentions and a decreased likelihood of negative.

Complainants who perceive that justice is not served likely become even angrier, engage in negative and exit. Distributive justice is outcome justice. It focuses on equity issues in the mind of the customer – an appraisal of the benefits received relative to the costs (money and time) associated with them. When the organization

does not deliver on expected benefits, leading to a sense of being unfairly treated, this necessitates recovery. Distributive justice involves dealing with decision outcomes; namely, the principles of equity and equality. Every customer who initiates a complaint expects some outcome to result from it and it is the expectation of positive outcomes that drives consumer complaint decisions.

Most often, however, dissatisfied consumers want a refund, replacement, or compensation when they complain, and most studies of post-complaint satisfaction show that distributive justice in the form of compensation has the greatest impact on customer satisfaction with recovery, repurchase intentions and loyalty. A complainant procedure is considered fair when it is allegedly easy to access, provides the complainant with some control over the disposition, is flexible and is concluded in a convenient and timely manner. Customers should be treated as individuals whose specific requests are acknowledged.

EMPIRICAL REVIEW

Some studies have been done in related area of this study. Some of them were summarized thus:

Husnain and Akhtar (2017) studied Relationship Marketing and Customer complaint: Evidence from Banking Sector in Pakistan. The purpose of this study is to provide an insight into the impact of relationship marketing strategy on customer loyalty of retail bank sector in Pakistan and to examines whether these relationship strengthen through improvements in banking relationship. A questionnaire derived from previous studies and relevant literature was completed by 100 university students having accounts in different banks and Convenience sampling used. Multiple regression analysis assessed the impact on customer complaint on of 2 key construct of relationship marketing (Trust, and conflict handling). Results indicate that relationship marketing have significant effect on customer complaint.

Muhammad and Huma (2017) focused on the consequences of complaint on customer loyalty. The study also investigates the moderating role of customer expertise between complaint and customer loyalty. The data used in the present study was collected by using a self – administered questionnaire. Data were collected from telecom industry of Pakistan; more specifically data source is the telecom users in Multan. Sample size is 500 and these questionnaires were distributed to collect data among top universities located in Multan. Out of 400 received questionnaires 330 were selected for analysis. SPSS (version 20.0) was used for analysis and statistical tools like ANOVA, correlation analysis and multiple regressions were used. The result of the present study shows that there exists a direct relation between complaint and customer loyalty.

Nauroozi and Moghadam (2019) investigated customer complaint with customer satisfaction and loyalty among customers of Ghavamin Bank in Sistan and Baluchestan Province. This is a functional research in terms of objective and a survey research in terms of methodology. The study population was composed of all customers of Ghavamin Bank in Sistan and Baluchestan. Cluster sampling was used with a sample size of 385 people determined by using Morgan table due to the unlimited statistical population. Data analysis was performed using descriptive and inferential statistics by means of SPSS software. The results indicated that there is a significant, direct relationship between the relationship complaint and customer satisfaction and loyalty.

Ramphal (2016) focused on complaints handling system for the hospitality industry. A content analyses was conducted on 20 complaints handling management system documents. This will hopefully assist the operations managers in the hospitality sector to understand the requirements of a complaint system and facilitate easy implementation so as to enhance customer satisfaction. It discovered that companies that operate well-designed complaints-handling processes may experience higher levels of customer retention and loyalty. Recent thinking suggests that organizations should encourage complaints as this first-hand information and experiences from the customer can add value to the organization if it is managed efficiently and effectively.

Okenwa (2016) examined the role of public relations on the complaint management in Nigeria business firms. The researcher selected business firms in Umuahia Abia State. Three research objectives, three research questions and two research hypotheses guided the study. Survey research design was used and questionnaire served as the instrument of data collection. The data collected were analyzed using simple percentage. The study reveals that effective public relations do project the image of an organization to enhance growth and sustainability. Also, the study discovered that public relation has positive effects on complaint management and survival in business organization.

Mbaenyi (2018) researched on public relations as an effective marketing technique for complaint management in Nigeria using First Bank Plc Owerri, Imo State as the focal point. The study was carried out to determine the impact of public relations on the marketing performance of Nigerian banks. In line with the above, four research objectives, four research questions and two hypotheses guided the study. The researcher revealed related literature in the study. Not only that, survey research design was used and questionnaire served as the instrument of data collection. The staff of the First Bank Owerri, Imo State is made up the population from 52 persons were sampled. The data collected were presented in tables and analyzed using simple percentage and analysis of variance (ANOVA). The findings revealed that public

relations strategies are one of the techniques of enhancing complaint management in banking.

RESEARCH GAP

Although, there are existing studies on this subject matter as stated in empirical reviewed. However, most of the empirical studies covered banking and telecom sectors and neglected hospitality business. None of the past studies used the exact variables employed in the objective of this study (such as apology, compensation and quick timeless response). Therefore research gap thus exists and there is need for this study so as to fill the research gap.

METHODOLOGY

- ❖ **Research Design:** The research design employed for the study is survey design.
- ❖ **Population of the Study:** The population of this study consisted the entire 36 and 20 management staff of Concord Hotel and All Season Hotel respectively in Owerri, Imo State (**source:** Personnel Units of the Hotels, 2021). Therefore, our study population was 56.
- ❖ **Sample Size Determination:** To determine the sample size, the formula of Taro Yamane was used. The formula is given as follows:

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

Where

n = the sample size

N = population

e² = square of maximum allowance for sampling error at 5% level of significance.

$$n = \frac{56}{1 + 56 (0.05)^2}$$

$$n = \frac{56}{1 + 56 (0.0025)}$$

$$n = \frac{56}{1 + 0.14}$$

$$n = \frac{56}{1.14}$$

$$n = 49$$

- ❖ **Sampling Technique:** In this study, the researcher used convenience sampling for the study. The need for using convenience sampling technique is to enable the researcher to select respondents from the study organizations using her own understanding/convenience. This method was used to select 49 as sample size.
- ❖ **Source/Method of Data Collection:** In this study, both primary and secondary data were used.
 - a. **Primary data:** The major primary source of data used by the researcher in this study is the questionnaire. For this study, primary data was used to minimize confusion and reduce time waste.
 - b. **Secondary data:** These data were collected from different sources like newspaper, magazine and journals. Published and unpublished textbooks were also relevance.
- **Data analysis technique:** The data collected were analyzed using mean statistics and Pearson product moment correlation coefficient (at 0.05% level of significance) through SPSS version 21.0.
- **Decision rule:** According to Asika (2008), it is very essential to establish the decision rules so as to determine the level of relationship among variables. Since the research questionnaire was constructed on four scale point, the mean point up to 2.5 is considered positive. According to Alvin, Burns & Ronald (2010) the decision rules for Pearson Product Moment Correlation Coefficient (PPMCC) could be presented thus:

Table 1: Pearson decision rule

Coefficient Range	Strength of Association
0.81 – 1.00	Very Strong
0.61 - .80	Strong
0.41 - .60	Weak
0.21 - .40	Very Weak
0.00 - .20	None

DATA ANALYSIS TECHNIQUES

It should be noted that out of 49 questionnaires distributed, only 47 were return and used.

Testing of Research Hypotheses

Table 2: There is significant effect of apology on customer retention in hotels.

S/N	Questionnaire Items	SA	A	D	SD	N	$\sum X$	X	Dec.
1	There is significant effect of apology on customer retention in hotels	33	11	2	1	47	170	3.6	Positive

The table above indicates that there is significant effect of apology on customer retention in hotels as the calculated mean of 3.6 is above the standard mean of 2.5; hence the null hypothesis is rejected.

Table 3: There is significant effect of compensation on customer patronage in hotels.

S/N	Questionnaire Items	SA	A	D	SD	N	$\sum X$	X	Dec.
2	There is significant effect of compensation on customer patronage in hotels	35	10	1	1	47	173	3.7	Positive

The above table shows that there is significant effect of compensation on customer patronage in hotels as the resulted mean of 3.7 is above the standard mean of 2.5; hence the null hypothesis is rejected.

Table 4: Quick timeliness response leads to customer satisfaction in hotels.

S/N	Questionnaire Items	SA	A	D	SD	N	$\sum X$	X	Dec.
3	Quick timeliness response leads to customer satisfaction in hotels	31	11	3	2	47	165	3.5	Positive

The above table shows that quick timeliness response leads to customer satisfaction in hotels as the calculated mean of 3.5 is above the standard mean of 2.5; hence the null hypothesis is rejected.

Table 5: There is significant relationship between quality of service and customer loyalty in hotels.

S/N	Questionnaire Items	SA	A	D	SD	N	$\sum X$	X	Dec.
4	There is significant relationship between quality of service and customer loyalty in hotels	30	9	4	4	47	159	3.4	Positive

The table above indicates that there is significant relationship between quality of service and customer loyalty in hotels as the calculated mean of 3.4 is more than the standard mean of 2.5; hence the null hypothesis is rejected.

TESTING OF RESEARCH HYPOTHESES

Restatement of Hypothesis One

Ho1: There is no significant effect of apology on customer retention in hotels.

To test the hypothesis one, data in table 2 were used.

H1	There is significant effect of apology on customer retention in hotels	Pearson Correlation = 0.82 Sig = 0.05 N = 47	VALID
----	--	--	--------------

The table above shows that the Pearson product moment correlation is 0.82 which indicates that there is significant effect of apology on customer retention in hotels.

Restatement of Hypothesis Two

Ho2: There is no significant effect of compensation on customer patronage in hotels.

To the test the hypothesis two above, data in table 3 were used.

H2	There is significant effect of compensation on customer patronage in hotels	Pearson Correlation = 0.83 Sig = 0.05 N = 47	VALID
----	---	--	--------------

The table above shows that the Pearson product moment correlation is 0.83 which indicates that there is significant effect of compensation on customer patronage in hotels.

Restatement of Hypothesis Three

Ho3: Quick timeliness response does not lead to customer satisfaction in hotels.

For the test of hypothesis three, data in table 4 were used.

H3	Quick timeliness response leads to customer satisfaction in hotels	Pearson Correlation = 0.81 Sig = 0.05 N = 47	VALID
----	--	--	--------------

The table above shows that the Pearson product moment correlation is 0.81 which indicates that quick timeliness response leads to customer satisfaction in hotels.

Restatement of Hypothesis Four

Ho4: There is no significant relationship between quality of service and customer loyalty in hotels.

For the test of hypothesis four, data in table 5 were used.

H4	There is significant relationship between quality of service and customer loyalty in hotels	Pearson Correlation = 0.80 Sig = 0.05 N = 47	VALID
----	---	--	--------------

From the table above, the Pearson correlation is 0.80. It means there is significant and positive relationship. The significance result which is 0.05 is lower than the Pearson correlation result meaning the variables (quality of service and customer loyalty) significantly related. Therefore, there is significant relationship between quality of service and customer loyalty in hotels.

Concise Table Result for Hypotheses Testing

S/N	Hypotheses	Statistical Tools Applied (Software R studio)	Result
H1	There is significant effect of apology on customer retention in hotels	Pearson Correlation = 0.84 Sig = 0.05 N = 47	VALID
H2	There is significant effect of compensation on customer patronage in hotels	Pearson Correlation = 0.83 Sig = 0.05 N = 47	VALID
H3	Quick timeliness response leads to customer satisfaction in hotels	Pearson Correlation = 0.83 Sig = 0.05 N = 47	VALID
H4	There is significant relationship between quality of service and customer loyalty in hotels	Pearson Correlation = 0.84 Sig = 0.05 N = 47	VALID

DISCUSSION OF FINDINGS

Test of hypothesis one showed that there is significant effect of apology on customer retention in hotels. For Mbaenyi (2018), this refers to an admittance of and acceptance of service failure and an expression of remorse. In typical customer complaints management, apology has two goals: one is to convey in most sincere manner that the organization accepts responsibility for the problem and two is to express regret (Amanfi, (2012). When a hospitality firm handles customer complaint with needed apology, it will encourage customer retention.

Test of hypothesis two revealed that there is significant effect of compensation on customer patronage in hotels. Hoffman, Kelly and Chung (2013) held that constant maintenance of physical facilities has a significant relationship with customer satisfaction and retention and that regular upkeep of physical facilities helps in no small measure in preventing service failure. The efficacy of the compensation policy of a firm is determined by fairness, need, value and rewards of service recovery outcomes (Chebat & Slusarczyk, 2015; Wirtz & Mattila, 2014).

Test of hypothesis three indicated that quick timeliness response leads to customer satisfaction in hotels. For Berg & Teigen (2019), prompt responses serves as good facilitation, which comprises of the organization's laid down policies and procedures aimed at providing support for customers that have complains. Activities such as toll-free lines, availability of comments cards, service guarantees, and hassle-free complaints procedures. Facilitation has a positive relationship with customer

repurchase intentions. When organization responds very fast to customer complaint, it leads to customer satisfaction (Muhammad and Huma, 2017).

Test of hypothesis four revealed that there is significant relationship between quality of service and customer loyalty in hotels. Piriathanalai and Muenjohn (2012) look at quality of service as dependent on employee satisfaction in the organization. Employee satisfaction is the engine that translates changes in the internal environment to the employee individual performance and service quality that lead to the necessary external customer service improvement as well as customer satisfaction level. A customer Hite and Hite (2014) argue who is loyal to a particular product/service will always add value to organizational growth, encourage patronage/sales growth of the firm, carry out business promotion for the firm and give information for the firm which will help it to achieve expansion.

CONCLUSION

This study focused on managing customer complaint in hospitality industry using All Season and Concord Hotel Owerri, Imo State as the case study. When an organization is achieving high profit, high customer base (retention and acquisition), and high employee impute in the system, we say that the organization is achieving high performance. Thus, the way a hospitality firm handles complaints can affect its business Success/performance in the long term. This is so because poor complaint handling may lead to dissatisfaction, and affect patronage. For that poor complaint handling procedures could damage company-customer relationship and cause customer dissatisfaction; hence it could cause low customer loyalty and customer retention. This study concludes that the achievement of organizational goals in hospitality firms depends on the extent customer complaint are managed.

RECOMMENDATIONS

Based on the findings and conclusions of this study, the following recommendations are made.

1. Whenever there is poor service, the staff of the hospitality firms should apologies to customer to achieve customer retention.
2. The hospitality industry should make provision for provision for compensation of customers based on poor services, so as to achieve customer patronage.
3. On regular basis, there is need for Quick and timeliness response to customer needs and wants to achieve customer satisfaction
4. Hospitality firms should offer very high quality of service to customer to achieve loyalty

REFERENCES

- Alvin, C.B. and Ronald, F.B. (2010). *Marketing research*. New Jersey, USA: Pearson Education Inc.
- Amanfi, B. (2012). *Service quality and customer satisfaction in public sector organizations: A case study of the Commission on Human rights and Administrative Justice*. Commonwealth Executive Master in Business Administration.
- Ateke, B.W and Kalu, S.E (2016). Complaint handling and post-complaint satisfaction of customers of eateries in Port Harcourt, Nigeria. *International Journal of Research in Business Studies and Management*, Volume 3, Issue 12, 16-26.
- Berg, L. & Teigen, M. (2019). Gendered consumer competences in households with one vs. two adults. *International Journal of Consumer Studies*, 2(1), 111-118.
- Chebat, J.C & Slusarczyk, W. (2015). How emotion mediate the effects of perceived justice on loyalty in service recovery situations: An empirical study. *Journal of Business Research*, 58(5), 664-673.
- Cranage, D. (2014). Plan to do to right: and plan for recovery. *International Journal of Contemporary Hospitality Management*, 16(4), 210-219.
- Davidow, M. (2013). Organizational responses to customer complaints: what works and what doesn't. *Journal of Service Research*, 5(3), 225-250.
- Dee, B., Karapetroviv, S. & Webb, K. (2014). As easy as 10001, 2, 3. *Quality Progress*, 3(6), 41-48.
- Eccles, G. & Durand, P. (2018). Complaining customers, service recovery and continuous improvement. *Managing Service Quality*, 8(1), 68-71.
- Edvardsson, B., Tronvoll, B. & Höykinpuro R. (2011). Complex service recovery processes. How to avoid triple deviation. *Managing Service Quality*, 21(4), 331-349.
- Estelami, H. (2010). Competitive and Procedural Determinants of Delight and Disappointment in Consumer Complaint Outcomes. *Journal of Service Research*, 2(3), 285-300.
- Fluss, D. (2014). Is it time to replace your complaint management system? *Customer Relationship Management*, 7, 56-5.
- Goodman, J. A., Malech A. and Boyd, S. (2017). Danger, angry customer. *ABA Banking Journal*, 79(1), 63-66.
- Hansen, T., Wilke, R., & Zaichkowsky, J. (2019). Managing consumer complaints: differences and similarities among heterogeneous retailers. *International Journal of Retail & Distribution Management*, 38(1), 6-23.

- Hite, C.F & Hite, R.E (2014). Reliance on brand by young children. *Journal of Market Research Society*, 37, 185-193.
- Hoffman, K. D., Kelley, S. W. and Chung, B. C. (2013). A CIT investigation of servicescape failures and associated recovery 42 strategies. *Journal of Services Marketing*, 17(4), 322-340.
- Homburg, C. & Fürst, A. (2015). How organisational complaint handling drives customer loyalty: An analysis of the mechanistic and the organic approach. *Journal of Marketing*, 6, 95-114.
- Hughes, S. & Karapetrovic, S. (2016). ISO 10002 complaints handling system: A study. *International Journal of Quality & Reliability Management*, 23(9): 1158 – 1175.
- Husnain, M. & Akhtar, M.W (2017). Relationship marketing and customer loyalty: Evidence from banking sector in Pakistan. *Global Journal of Management and Business Research: Marketing*, 15(10).
- Johnston, R. (2011). Linking complaint management to profit. *International Journal of Service Industry Management*, 12(1): 60-69.
- Kostopoulos, G., Lodorfos, G. & Kaminakis, K. (2015). The impact of service delivery system effectiveness on service quality: A hierarchical approach. *Journal of Management Studies*, Vol. 3 No. 1, 127-153.
- Matusitz, J. & Breen, G.M (2019). Consumer dissatisfaction, complaints, and the involvement of human resource personnel in the hospitality and tourism industry. *Journal of Human Resources in Hospitality & Tourism*, 8, 234-246
- Mbaenyi, U. (2018). *Public relations as an effective marketing technique for business growth in Nigeria using First Bank Plc Owerri, Imo State*.
- McCole, P. (2014). Dealing with complaints in services'. *International Journal of Contemporary Hospitality Management*, 16 (6), 345-354.
- Morrisson, O. & Huppertz J. W., (2010) "External equity, loyalty program membership, and service recovery. *Journal of Services Marketing*, 24(3), 244 – 254.
- Muhammad, S.M & Huma, A.T.I (2017). Consequences of relationship marketing on customer loyalty. *International Journal of Research Granthaalayah*, 5(2).
- Nauroozi, S.E & Moghadam, S.K (2019). The study of relationship marketing with customer satisfaction and loyalty: Customers of Ghavamin Bank in Sistan and Baluchestan Province. *International Journal of Innovation and Research in Educational Sciences*, 2(2).

- Ndibusi, N.O and Ling T.Y (2016). Complaint behaviour of Malaysian consumers. *Management Research News*, 29(1), 65-76.
- Ofori-Okyere, I., & Kumadey, G. (2015). An assessment of service failures and customer complaints management in the delivery of health care in the Municipal Hospitals in Ghana. *International Journal of Business and Marketing Management*, 3(1), 31-42.
- Okenwa, B.I (2016). *The role of public relations on the sustainability of corporate image in Nigeria business firms*.
- Oki, E.U (2014). The impact of employee retention on customer satisfaction in the Nigerian service organizations (a study of some selected hotels in Jos, Plateau State). *International Journal of Managerial Studies and Research (IJMSR)*, Volume 2, Issue 9, 140-154.
- Piriathanalai, W. & Muenjohn, N. (2012). Is there a link? Employee satisfaction and service quality. *World Journal of Management*, Vol.4 No. 1, 82 – 92.
- Ramphal, R.R (2016). Complaints handling system for the hospitality industry. *African Journal of Hospitality, Tourism and Leisure*, 5(2), 1-15.
- Ramsey, R.D (2013). How to handle customer complaints. *The American Salesman*, 48(10), 15-20.
- Robert-Lombard, M. (2011), “Customer retention through customer relationship management: The exploration of two-way communication and conflict handling,” *African Journal of Business Management*, 5(9), 3487-3496.
- Robinson, M.S (2008). *Understanding the resource-based view: Implications of methodical choice and a new creative context*. Faculty of Business, Queensland University of Technology.
- Seawright K.K., DeTienne, K.B., Bernhisel, M.P & Larson, C.L.H (2018). An empirical examination of service recovery design. *Marketing Intelligence and Planning*, 26, 253-274.
- Tedeschi, J.T and Norman, N. (2015). *Social power, self-presentation, and the self* in B.R Schlenker (Ed.). *The self and social life*. New York: McGraw Hill.
- Thøgersen, J., Juhl, H.J & Poulsen, C.S (2013). *Complaining: A function of attitude, personality, and situation*. Proceedings at American Marketing Association Marketing and Public Policy Conference 2003, Washington DC, May: 29-31.
- Tronvoll, B. (2012). A dynamic model of customer complaint behaviour from the perspective of service dominant logic. *European Journal of Marketing*, 46, 1/2, 284-305.

Victor, G. (2016). *Strategic management in business*. London: Addison- Wesley.

Vincent, N.A & Webster, M. (2015). *Emotions and response actions in consumer complaint behaviour*. ANZMAC 2005 Conference: Consumer Behaviour, 352-358.

Wirtz, J., & Mattila, A. S. (2014). Consumer responses to compensation, speed of recovery and apology after a service failure. *International Journal of Service Industry Management*, 15(2), 150-166.