Factors affecting customer retention in the Hospitality Sector in Narok County, Kenya

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Abstract:

This comprehensive project aimed to investigate the factors influencing customer retention in the hotel industry, specifically focusing on Narok hotels. CRM is recognized as a strategic process for managing customer relations, increasing customer value, and ensuring customer satisfaction. The importance of CRM in the hotel industry is emphasized due to its potential to enhance profitability, guest loyalty, and competitiveness. Customer satisfaction and retention are crucial for hotels to succeed in a highly competitive market. The study emphasizes that hotels must prioritize fulfilling customer needs and implementing effective CRM strategies to improve personalized customer experiences, attract new customers, increase profits, and reduce customer maintenance costs. The role of CRM as a source of competitive advantage and a means to sustain long-term relationships with customers is emphasized. The challenges faced in achieving customer retention, including variety seeking behavior, increasing competition, high customer turnover, and the failure rate of CRM initiatives affect this sector greatly. Despite the growing amount of literature on customer retention factors, there is still a need for further research, particularly in the hotel industry. The research objectives focus on identifying strategies for customer retention, understanding how hotels measure success in customer retention, and determining reasons for customer loyalty. The corresponding research questions delve into these areas. The study suggests the importance of creating a strong onboarding experience, personalizing customer experiences, building trust, implementing customer feedback loops, and offering unique services to ensure customer retention. However, the study also acknowledges limitations, including the focus on Narok hotels as the research setting, the constraints of time, and the potential for unpredictable cooperation from the target population.

Key words: hospitality, customer retention strategies, hotels