

## **SIGNIFICANCE OF THE MARKETING CONCEPT ON CUSTOMER DELIGHT IN THE HOSPITALITY INDUSTRY, GHANA-WEST AFRICA**

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### **ABSTRACT**

The business world today is influenced by customer demand. Satisfying and delighting the customer with respect to desired needs and wants is absolutely crucial not only to gain competitive advantage but also for the business' survival. As the marketing concept emphasizes a coordinated effort to satisfy customers' needs and achieve the organization's goals, it is prudent that businesses strive to apply this marketing philosophy in order to make customer experience better. The marketing concept demands that, the strategic decisions made by the company are taken keeping the needs and wants of customer in mind. This helps to ensure customer happiness and a continual improvement in business performance. This study attempts to investigate the relationship between the application of the marketing concept and customers' utmost happiness, to identify the material factors influencing customer satisfaction in today's changing marketing environment, and to reveal the importance of marketing research to businesses within the hospitality industry in Ghana. Survey was carried out on 60 institutional customers in Ghana. The result of the study shows a strong support for the hypothesis that the application of the marketing concept has a positive correlation with the indicators of customer delight as it results in satisfaction, high market shares, increased sales and profits. The study recommends that businesses continuously nurture the relationships that it has with its customers and even go above their expectations in order to sustain customer's interest in its operations. Moreover, in order to apply the marketing concept effectively and improve business performance, managers are required to know what the market needs and expects from the business through market research.

**KEYWORDS:** Marketing Concept, Customer Satisfaction, Business Performance, Marketing Strategies, Relationship

### **INTRODUCTION**

In the marketplace today, any business needs repeat customers to survive. Customers have become more knowledgeable and choosy in terms of their needs and how they are treated by products and service providers. To win them, a business needs to offer excellent customer service that will make customers feel happy.

Excellent customer service coupled with their satisfaction allows customers to spread positive word of mouth to others who may then try the product or service you offer for themselves and in their turn become repeat customers. Good customer service is the lifeblood of any business. The kind of services given to the customer before, during and after the purchase of the product has an influence on his/her decision to make repeat purchases. You can offer promotions and slash prices to bring in as many new customers as you want, but unless you can get some of those customers to come back, your business won't be profitable for long.

For the hospitality market to appeal to customers, grow and achieve an increase in demand and profits coupled with high market share, it should be able to offer improved services that appeal to customers. This will definitely lead to customer satisfaction and delight.

## REVIEW OF LITERATURE

Most marketing gurus seem to elaborate on the need for good and quick services to delight customers. Today, the customers experience with the business on his first transaction with the business has a major implication on his decision for further repeat purchases. The customer satisfaction with a company's products or services is often seen as the key to the company's success and long-term competitiveness.

The application of the marketing concept has been shown to be significant to the development and the accomplishment of an organization's goals and objectives. The marketing concept, which emphasizes on focusing on the needs of the customer, when applied successfully, can be a vital source of competitive advantage for any organization.

In the marketing environment today, there seems to be a paradigm shift from customer attraction to customer retention. The customer is the pivot point and all marketing activities must operate around this central point. The objective of marketing is not the maximization of profitable sales volume, but profits through the satisfaction of customers. It is, therefore, essential that businesses identify the customers, establish a rapport with them, identify their needs and deliver the goods and services that would meet their requirements. (Drucker, 2000).

Amstrong (2006)<sup>1</sup> indicated that, the higher the level of satisfaction and delight a customer has is one of the determining factors in the success of any business. Thus, sales increase, profits also increases, and market share as well. He expressed that, customer delight is the lifeblood of any business. You can offer promotions and slash prices to bring in as many new customers as you want, but unless you can get some of those customers to come back, your business won't be profitable for long.

In a related development, Gilles (2010) added his voice that, customer complaints are like medicine. Nobody likes them, but they make us better. He said that, customer complaints creates profits and are probably more like preventative medicine because they provide advanced warning about problems. By listening carefully to customer complaints and meeting their needs, we can identify opportunities for training employees, improving products and services, educating customers - and improving our business's bottom line; all geared towards their utmost happiness.

Boswell (2005), suggests that, in order to meet and exceed the needs of customers and deliver satisfaction in industries characterized by high competition, firms need to conduct market research to know and meet each individual customer's needs and expectations. An organisation that adopts the marketing concept accepts the needs of potential customers as the basis for its operations. Business Success is dependent on satisfying customer needs.

According to Berry and Parasuram (2000), in their article "the relationship between customer satisfaction and sales, bad customer service can translate into lower sales and may eventually lead the collapse of a business in the long run. They indicated that, good customer service, and satisfaction however, can increase your sales and the number of business referrals that you receive.

Richards (2002), expressed that, all successful businesses must pay attention to customer satisfaction since without your customers you have no business. He indicated that, the higher the level of satisfaction a customer has is one of the determining factors in the success of any business. Thus, sales increase, profits also increases, and market share as well. He again said that, good customer service is the lifeblood of any business. You can offer promotions and slash prices to bring in as many new customers as you want, but unless you can get some of those customers to come back, your business won't be profitable for long.

In addition, Nelson Boswell (2005), in his book ‘the impact of customer satisfaction on business financial performance also commented it takes 20 years to build a reputation and five minutes to ruin it. According to him, a sale is not something you pursue, it is something that happens to you while you are immersed in serving your customer. He further stated that, good customer service is positive and motivating. By excelling in it, you are giving value to your customers. Giving excellent service is a must today he stressed.

Also, Howard,( 2010) in his book “customer complaint verses sales generation” indicated that. Customer complaints are like medicine. Nobody likes them, but they make us better. He said that, customer complaints creates profits and are probably more like preventative medicine because they provide advanced warning about problems. By listening carefully to customer complaints, we can identify opportunities for training employees, improving products and services, educating customers - and improving our business's bottom line; all geared towards increasing sales.

Customer delight is all about bringing customers back. And about sending them away happy – happy enough to pass positive feedback about your business along to others, who may then try the product or service you offer for themselves and in their turn become repeat customers.

Based on the review of literature, the following factors influencing customer service have been chosen for this study;

- Active listening to Customers
- Market segmentation, targeting and positioning
- After sales services to customers
- Meeting and exceeding customers needs
- Treating customers with courtesy and respect
- Giving feedback to Consumer complaints
- Conducting marketing research from customers and other stakeholders

## OBJECTIVES OF THE STUDY

The following are the objectives of the study:

- To identify the important factors which affect customer satisfaction and delight.
- To evaluate the relationship between application of the marketing concept and business performance
- To reveal the importance of conducting marketing research to business and make recommendations accordingly.

## HYPOTHESIS FOR THE STUDY

On the basis of the various factors influencing customer satisfaction, the following hypotheses are developed for the study:-

***H<sub>0</sub>***: The indicators of marketing concept have no impact on customer satisfaction and delight

***H<sub>1</sub>***: The indicators of marketing concept have a significant impact on customer satisfaction and delight.

## METHODOLOGY

As the main aim of the study is to discover the impact of marketing concept and its application on firms and businesses in the hospitality industry in Ghana, 60 respondents were selected by stratified random sampling method from

the chosen hotels and restaurants with the population of about 60 employees, management and institutional customers.

This study is based on both primary and secondary data. Primary data were collected through a well-structured close-ended questionnaire which was administered personally to the banks' employees. The questionnaire was prepared to investigate the effectiveness of training and development programmes of the banks. Various responses were measured by 5-point Likert scale consisting of highly satisfied, satisfied, neutral, dissatisfied and highly dissatisfied dimensions. The secondary data used in the study were also collected from related journals, books, magazines, websites and company records.

Cronbach's alpha coefficient method, Regression, t-test and Chi-square analyzes were used to establish the relationships that exist between the hypotheses. Analyses of data and testing of hypotheses were performed using SPSS version 20. The analyses have been in conformity with the objectives and the hypotheses of the study. The data collection period for the study was undertaken from January, 2015 to January, 2016.

## RESULTS AND DISCUSSIONS

### Reliability Statistics

Cronbach's Alpha	No of Items
.987	60

Cronbach's alpha was calculated to measure the reliability of the questionnaire and the results obtained. The value of Cronbach's alpha is 0.987 which is very high, thus showing the higher reliability of the instrument used in the study. This shows the data is satisfactory because they meet the minimum acceptable level of 0.7.

**Table 1: Demographic Characteristics of Respondents (N=60)**

Demographics	Description	N	%
Gender	Male	38	63.0
	Female	22	37.0
	<b>Total</b>	<b>60</b>	<b>100.0</b>
Age	18-25	10	16.0
	26-33	14	23.5
	34-41	14	23.5
	42-49	14	23.5
	50 years and above	8	13.6
	<b>Total</b>	<b>60</b>	<b>100.0</b>
Qualification	Graduate	22	37.0
	Postgraduate	23	38.3
	Professional	8	13.6
	Others	7	11.1
	<b>Total</b>	<b>60</b>	<b>100.0</b>
Functional Area	Customer Service	18	29.6
	Finance	7	11.1
	Human Resource	2	3.7
	Sales and Marketing	23	39.5
	Production and Quality	10	16.0
	<b>Total</b>	<b>60</b>	<b>100.0</b>
Years of Experience	Less than year	8	13.6
	1 – 5years	13	21.0
	5 – 9years	16	25.9
	10years and above	23	39.5
	<b>Total</b>	<b>60</b>	<b>100.0</b>

Source: Field Data

The table above shows majority of the respondents (63.0%) are Males and can be found in the Age category of 26-49 years. Further, most of them (38.3%) are Postgraduates (Masters/PhD) holders in terms of Educational Qualification and are working in the sales and marketing department of the business. (39.5%). Lastly, in terms of their Years of working Experience with the business, (39.5%) have spent ten years and above. This is partly due to the fact that the firm happens to be a family business.

#### To Evaluate the Relationship between Application of the Marketing Concept and Customer Delight

**Table 2: Model Summary of Factors Influencing the Marketing Concept and Customer Delight**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.952 <sup>a</sup>	.907	.890	.58590

a. Predictors : ( Constant)

#### ANOVA<sup>b</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	166.769	9	18.530	53.979	.000 <sup>a</sup>
	Residual	17.164	50	.343		
	Total	183.933	59			

Predictors:(Constant), Active listening, Market segmentation, After sales services Meeting and exceeding customers needs, Treating customers with courtesy and respect, Giving feedback to Consumer complaints, Conducting marketing research from customers and other stakeholders

B. Dependent Variable: customer delight

#### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.033	.189		.176	.861
<i>Active listening,</i>	.728	.351	.426	2.074	.043
<i>Market segmentation,</i>	-.671	.332	-.399	-2.021	.049
<i>After sales services</i>	1.127	.253	.794	4.464	.000
<i>Meeting and exceeding customers needs,</i>	-.567	.413	-.321	-1.372	.176
Go above customers expectations	-.518	.326	-.250	-1.590	.118
Respect and courtesy	.875	.414	.436	2.113	.040
<i>Giving feedback to Consumer complaints</i>	.033	.189	.336	.176	.861

a. Dependent Variable: customer satisfaction and delight

The Regression coefficient 'R' = 0.952 or 95.2% which means that correlation between the dependent variable and the independent variables is positive. The coefficient of determination 'R<sup>2</sup>' = 0.907 indicating that 90.7% of variation in dependent variable is explained by independent variables. The F-test value of 53.979 is significant because the significance level is = .000 which is less than 0.05.

Hence, the null hypothesis will be rejected and alternative hypothesis will be accepted that application of the marketing concept is highly correlated with an in customer satisfaction and delight.

This also indicates that the correlation between dependent variable and independent variables is statistically significant and the regression model is valid. As shown in the above stepwise regression summary table, it is clear that among all the seven strategies/factors influencing marketing concept application are positively related to customer delight. Hence, the researcher rejects the null hypothesis and concludes that there is sufficient evidence, at the 5% level of significance, that there is correlation between application of the marketing concept in business and the happiness of customers.

**Table 3: Chi-square Test Results of Factors Influencing Application of the Marketing Concept and Customer Delight**

Research Hypotheses	Chi-Square Value	Df	Asymp. Sig. (2-Sided)	Results
<i>Active listening</i>	666.185 <sup>a</sup>	6	.000	Supported
<i>Market segmentation,</i>	424.286 <sup>a</sup>	6	.000	Supported
<i>After sales services</i>	110.015 <sup>a</sup>	6	.000	Supported
<i>Meeting and exceeding customers needs,</i>	71.707 <sup>a</sup>	6	.000	Supported
Go above customers expectations	92.739 <sup>a</sup>	6	.000	Supported
Respect and courtesy	223.213 <sup>a</sup>	6	.000	Supported
<i>Giving feedback to Consumer complaints</i>	67.258 <sup>a</sup>	6	.000	Supported

Predictors:(Constant), Active listening, Market segmentation, After sales services Meeting and exceeding customers needs, Treating customers with courtesy and respect, Giving feedback to Consumer complaints, Conducting marketing research from customers and other stakeholders.

From the table, the results of Chi-square tests for all the hypotheses are in significant level. The chi-square values are greater than 0.05 significant levels. Therefore, the null hypothesis is rejected and alternative hypothesis is accepted at 5% significant level. This shows a strong association between the strategies/factors influencing marketing concept and the delight of customers.

### **Benefits of Customer Satisfaction and Delight**

From the review of literature, some major factors influencing business growth were selected and respondents were asked to indicate those factors which affect the business most. The following shows their responses.

**Table 4**

Marketing Performance Factors	Mean	Std. Deviation	N
Increase in Profits	2.7896	0.88872	60
Increase in Sales	1.9999	1.00998	60
Customer Acquisition	2.6897	1.32725	60
Customer Retention	2.8666	0.89947	60
High Market Share	1.8333	1.07619	60
Customer Satisfaction	2.9954	1.29525	60

*Source: Field Data*

The table above represents some key benefits/indicators of customer satisfaction and delight. The highest ranked indicator is Customer Satisfaction with the mean of 2.9954 and standard deviation of 1.29525. Next is Customer retention with a mean of 2.8666 and standard deviation of 0.89947. Third is increase in profits with a mean of 2.7896 and standard deviation of 0.88872.

The rest are customer acquisition with a mean of 2.6897 standard deviation of 1.32725. Next is increase in sales with a mean of 1.9999 and standard deviation 1.00998, and finally High market share with a mean of 1.8333 and standard deviation of 1.07619.

The ranking responds demonstrates that, the application of the marketing concept is not necessarily the availability and mere delivery of products and services to the customer, but through giving to customers their needs and wants, and going above them which leads to the delight and satisfaction the customer requires.

**Table 5: T-test**

	Paired Samples Test	T	Df	Sig.(2tailed)
Pair 1	Strategies/Factors influencing the marketing concept and the delight of customers	15.065	59	.000

The tables above represent t-test on the dependent and independent variables. The paired sample test shows a t value of 15.065, a degree of freedom of 59 and a significant value of 0.000. Since the significant value is less than 0.05, the null hypothesis of the the study is rejected and the alternative hypotheses accepted; concluding that there is a strong correlation between application of the marketing concept and customer delight.

## **FINDINGS, CONCLUSION AND RECOMMENDATIONS**

The findings from the study indicate that firms in the hospitality industry should continue to hold up the culture of providing feedback to customer complaints as early as possible since it has a great impact on the business success.

Moreover, it was found that respondents expect the company to conduct market research at frequent basis from customers, as compared to competitors and other stakeholders in order to deliver satisfaction and value.

In conclusion, this paper evaluated the relationship between application of the marketing concept and its results on business performance identified the important factors influencing customer satisfaction and revealed the importance and benefits of conducting marketing research to businesses. The study provides an insight of applying the marketing research



and its effectiveness. This represents the views of the customers who make purchases with respect to the services of the industry.

In line with objectives, all the selected factors influencing the marketing concept were found to be positively correlated with customer delight.

An organisation that adopts the marketing concept accepts the needs of potential customers as the basis for its operations. Business Success is dependent on satisfying customer needs.

### **MANAGERIAL IMPLICATION**

Based on the results of this study the following some of the implications other firms and businesses seeking to improve customer satisfaction and deliver value. It is prudent that businesses continue to acknowledge the fact that customers are the heart of the business. Thus, they need to keep a close eye on its customers and deliver to them better services and products to boost demand, profits and increase its market share. It was found that respondents expect the company to conduct market research at frequent basis from customers, as compared to competitors and other stakeholders in order to deliver satisfaction and value.

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