

## **Relationship Marketing: Advantages, Limitations and its Effect on the Customer Loyalty at University Hotels.**

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### **Abstract**

Relationship marketing is an important tool to overcome the marketing challenges related to environmental changing. The objective of this research is to study the structure, procedures, obstacles and the impact of relationship marketing system applied at the university hotels. This study was applied to university hotels in Middle Egypt governorates (Assuit, El Minia, Beni Suief and El Fayoum). The main hypothesis of this study was that "The relationship marketing procedures influences significantly the customer loyalty through the structure of relationship marketing system at university hotels". The research method adopted in this research combined two techniques; the first one was semi-structured interviews with the general managers and their assistants. The second technique applied questionnaire survey for university hotels' customers. The validity and reliability of the study tools were tested. The Cochran's formula was used to determine the optimal sample size based on the pilot study results. The study sample included all managers of studied hotels and a total number of 203 of customers. Data collected was analyzed statistically using SPSS version 21. The researchers used correlation and regression coefficients, variances analysis tests and path analysis test to test the validity of the study hypotheses. Results of the study indicated that; "There is a statistically significant effect of the relationship marketing procedures on customers' loyalty in the university hotels", this influence is separate from the effect of structure of the relationship marketing system in the university hotels, "There are statistical significance differences between university hotels at Middle Egypt with regard to the level of relationship marketing procedures" and "There are low levels of limitations in the use of relationship marketing with 95% confidence interval for mean at university hotels". The study tested the significance of the study model and equation that represents the influence of relationship marketing structure and procedures on customer loyalty at university hotels and suggested some recommendations.

**Keywords:** Relationship Marketing - University Hotels - Middle Egypt.

## Introduction

Relationship marketing is an approach for developing huge dealings with a firm's main stakeholders by encouraging mutual commitment, trust, long-term engagement and creating exchanges of mutually beneficial value (Badi, 2016 and Gummesson, 2010). The importance of this research is to study the use of marketing relationship at the university hotels as an important means to market these hotels especially located in Middle Egypt region, and to determine how to ensure the customers loyalty at these hotels.

## The study problem

The relationship marketing approach in terms of comprehensive and accurate concept is not applied in general in most small and medium-sized enterprises (Badi, 2016). This problem was concluded from the pilot study that adopted at the beginning of the research, where it shows that most of the customers of the university hotels have low degree of loyalty to university hotels (0.25 for mean), additionally there is a lack of employees experience at these hotels concerning how to serve and maintain the customer loyalty (0.42 for mean). As well, according to the pilot study there is no clear system for the use of relationship marketing (0.2 for mean). Therefore, the problem of the study emerged from this perspective in how to attract, retain and strengthen the relationship with the current and new customers of university hotels.

## Objectives of the study

1. Analyzing the structure and procedures of relationship marketing in the university hotels.
2. Measuring the impact of the relationship marketing system on University hotels customers' loyalty.
3. Identifying the obstacles of applying relationship marketing approach at University hotels.
4. Providing a proposed model for the study as well as a statistical equation showing the influences of the structure and procedures of relationship marketing on the customers' loyalty in the university hotels.

## Literature review

### Relationship marketing

According to Huang (2015), the definition of relationship marketing is including all marketing activities for establishing, developing and maintaining successful relational exchanges. In the past decade, relationship marketing investments improved customer trust, commitment and relationship satisfaction (Palmatier et al., 2009).

Cacciolutti and Lee (2016) agreed with Srivastava and Reibstein (2005) in that marketing has a vital role in determining the strategic orientation and performance outcomes of the strategic decisions. In addition, Dolnicar and Ring (2014) assured that marketing ties consumer needs and market offers. How marketing is perceived by consumers and suppliers is critical, where it must be perceived as advantageous by both sides (Gronroos, 2009).

Tripadvisor (2015) assured that hotel marketers need to revisit their approaches for building a positive and lasting relationship with all customer segments, in addition to encourage online

booking and hotel brands through developing websites which attract customers and increase loyalty (Brlgihan, 2016).

Lee et al., (2015) referred that relationship marketing's role is prevalent in the hospitality industry by which service firms develop and sustain long-term relationships with valued customers. Relationship marketing allows service providers to treat selective customers differently with customized value and entertain that constantly changing service needs of customer, therefore creating competitive marketing advantages over competitors (Vargo and Lusch 2004).

The business institutions are adopting customer relationship marketing as a strategy to collect data for developing customer value and satisfaction. Also, companies are focusing on customer satisfaction rate that is considered a strong positive relationship between customer service quality and loyalty (Rashed, 2003).

### **Customer satisfaction**

Customer satisfaction is a common research variable, due to its culminating effect on customers' future behaviors such as repurchasing and spreading positive reviews to potential new customers about a particular product or service (Jani and Han 2014).

Jani and Han (2011) agreed with Han and Ryu (2009) in that there are two factors affecting customer satisfaction; service environments perceived cost/price and consumption emotions. Lin (2010) referred that establishments which offer toys and video games for customers have a strong significant positive effect on customers' loyalty.

Orth et al., (2010) noted that there is a positive relationship between satisfaction and some key variables as experience, conscientiousness extraversion and agreeable emotions. Milfelner and Korda (2011) agreed with Lai et al., (2009) that the concept of customer satisfaction can be applied at the up and low levels. The overall satisfaction aspect of a hotel service affects determining guests' image and loyalty to a hotel services (Clemes et al., 2009).

The impact of customer satisfaction on customer' loyalty varies with the nature of the customer experience. Where, frequent customers have loyalty due to their image of services, while new customers' loyalty is motivated by their level of satisfaction (Brunner et al., 2009). Countryman and Jang (2006) stated that hotel guests' impressions point that atmospheric elements that include style, layout colors and lighting could change guests' image of a hotel over time.

Loyalty as a concept has been categorized into cognitive, affective, conative and action loyalty phases (Brunner et al., 2008). Relationship marketing is a considerable interest both to academics and practitioners (Gummesson, 2004). In a range of competitive industries including the hospitality and tourism sector, relationship management is seen as a sustainable competitive advantage that allows organizations to operate more effectively (Kim and Cha, 2002).

Relational bonds of relationship marketing have been defined as psychological, emotional, economic or physical attachments in a relationship that is fostered by association, interaction and service to bind parties together under relational exchange (Smith, 1998). Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing his or her perception and expectation (Kotler, 2000). Baran et al. (2008) referred that satisfaction is a positive and affective

behavior resulting from the appraisal of all aspects of other parties' working relationship. Meanwhile, in business dimension, guest satisfaction involves the ability of organization to maintain a positive relationship with its customers (Buttle, 2006).

There is a relationship between satisfaction and loyalty, where customer satisfaction is the mediating variable that might change the customers' status, whether they will become loyal or not (Abd Wahab et al., 2016).

### **Guest Loyalty**

Mckercher et al., (2012) defined loyalty as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand purchasing despite situational influences and marketing efforts. Loyal customers are defined as frequent, repeat purchasers who feel a sense of belonging to an organization and who are reluctant to change even in the presence of similar offerings from other firms (Henry, 2000).

A loyal program which provides rewards that can be used for future purchase is a widely adopted promotion strategy by online retailers with the intention of increasing customer retention and resultant profits. However, the profit contribution of loyalty program in offline markets is highly controversial (Lim and Lee, 2015).

In the hospitality industry, the role of customer satisfaction is very important. The service-profit chain establishes this link between employee satisfaction, customer loyalty and productivity (Ineson et al., 2013). The objective of loyalty programs is to retain valued customers with a firm, additionally to make customers feel special, important and appreciated by rewarding them with preferential incentives (Lacey et al., 2007). In service environment loyalty programs, service quality and customer satisfaction are commonly recognized to be factors influence the formation of consumer loyalty (Shi et al., 2014).

Customer loyalty is a customer's attachment to a brand, store, manufacturer, service provider or other entities based on favorable attitudes and behavioral responses such as repeat purchase. In addition, customer loyalty is very essential to the organization in order to retain its current customers (Zakaria et al., 2014). Increase in customer loyalty will increase profits, reduced costs to acquire new customers. Also, the increasing competition, particularly in the service industry, has caused firms to become very concerned in attaching potential customers and trying to maintaining long-term relationships with their current customers (Abdul-Rahman and Kamarulzaman, 2012).

### **Relationship marketing structure**

Berry (1995) defines three levels of relationship marketing; level one is relationship marketing using pricing stimuli or tangible benefits to keep customer loyalty, level two is relationship marketing adopting the social perspectives of a relationship which is conducted by regularly communicating with customers, a third level of relationship marketing offers solutions to the customer's problem and it is designed into the service-delivery system rather than relying on the relationship building skills.

Debbrown (2017) stated that creating a plan for relationship marketing gives hotel's structure and system. Hotel can provide a repeatable experience to each contact on hotel list, thus every customer gets attention and feels appreciated. Seymour (2012) reported that there are many procedures that hotel can do to deal with its potential customers as follow: Focus on customer needs, be available, offer Information and resources, personalized greetings, provide ongoing support, be honest, show respect, customer appreciation and connect with customer.

### Relationship marketing procedures

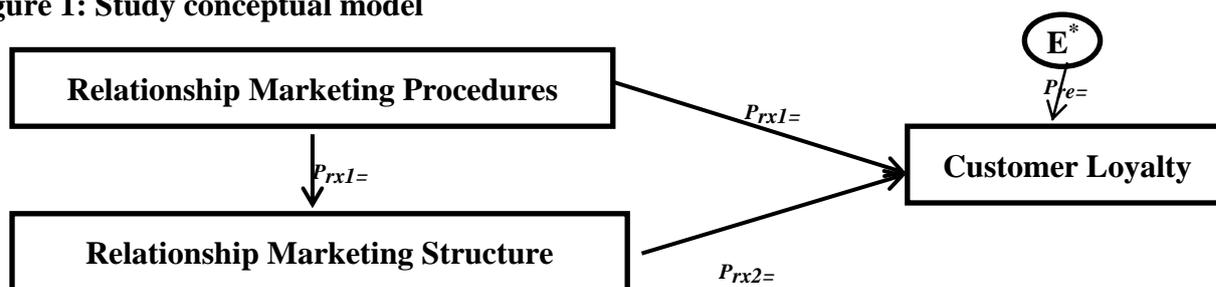
Debbrown (2017) agreed with Hashem (2012) and Nguyen (2006) in that relationship marketing has the following key procedures:

- Connection to the customers in trust way, where trust is an important component in establishing and maintaining successful inter organizational systems.
- Commitment in promises, it is a useful construct for measuring customer loyalty likelihood and predicting future purchase frequency.
- Social bonding, bonding is defined as the dimension of a business relationship between parties acting in a unified manner toward desired goal.
- Communication, it plays a central role in providing an understanding of the exchange partner's intentions and capabilities.

### Study conceptual model

From the literature review, the researchers suggested the following model that explains the relationship and the influence of both variables "Relationship marketing procedure" and "Relationship Marketing Structure" on "Customer loyalty" at university hotels. The significance of regression and relationship coefficients will be tested during the study.

Figure 1: Study conceptual model



### Methodology

The research method adopted in this research combined two techniques, the first one was semi-structured interviews with the general managers and their assistants of university hotels at four governorates (Assuit, El Minia, Beni Suief, and El Fayoum) in order to determine the structure of the relationship marketing system, the relationship marketing procedures, level of customer loyalty and identify limitations in the use of relationship marketing at university hotels. Interviews with key elements of the organization are a way of ensuring an experienced vision of who is inserted in it and could induce a faster knowledge of what is analyzed (Paula et al. 2012). The

second technique was the questionnaire survey for customers; respondents were users of all services that offered at university hotels, with the aim to understand the users' loyalty in relation to the relationship marketing structure and procedures. As a way to collect opinions and suggestions on the research tools, as well as the analysis of the same, a panel of experts in the field of hospitality management was consulted. Eighty customers' forms and eight managers' forms were distributed as a pilot study at Middle Egypt governorates (Assuit, El Minia, Beni Suief, and El Fayoum). Then the questionnaires were modified according to respondents' comments. Data collected from a pilot study have been tabulated and analyzed using SPSS 21 statistical package.

### Hypotheses

- 1- The relationship marketing procedures influences significantly on the customer loyalty through the structure of relationship marketing system at university hotels.
- 2- There are no significant differences been the level of structure of relationship marketing system applied at university hotels and the standard level.
- 3- There are no significant differences between the level of relationship marketing procedures at university hotels and the standard level.
- 4- There are no significant differences between university hotels at Middle Egypt with regard to the level of relationship marketing procedures.
- 5- There are no significant difference between managers and customer's overview concerning the level of relationship marketing procedures applied at university hotels.
- 6- There are high levels of limitations in the use of relationship marketing with 95% confidence interval for mean at university hotels.

### Results

Table 1: analyzing of pilot study data

$\sigma^2$	$Z$	$e$	Levene's Statistic	Levene's Sig.
0.13	1.96	0.05	2.6	0.12

Table (1) show that Levene's coefficient is not significant Sig=0.12, Levene's test is used to assess the homogeneity for a variable calculated for research samples. If the resulting p-value of Levene's test is more than some significance level (the researchers used 0.05 significance level) the obtained equal variances in samples are likely to have occurred based on random sampling from a population with equal variances (Nodstokke and Zumbo, 2010). The researchers used Cochran's formula of sample size to calculate the research sample size as follows (Shkeeb, 2014):

$$n = \frac{Z^2 \sigma^2}{e^2}$$

Where:

$\sigma^2$  : Variance of community     $Z$  : Standard degree     $e$  : Maximum allowed error

From the previous formula and table (1), the researchers calculated a convenient sample size for this research, where the maximum allowed error ( $e$ ) was 0.05, this value is suitable for discrete

data (Shkeeb, 2014), standard degree ( $Z$ ) was 0.05 and the variance of the sample ( $\sigma^2$ ) was 0.13. Applying these values to the Cochran's formula reveals that the appropriate sample size for this research is 200 participants. A total of 250 questionnaire forms were distributed to customers of university hotels at four governorates, only 225 customers positively shared the questionnaire. Among 225 received questionnaires, only 203 questionnaires were valid and complete. All managers are targeted and positively participated in an interview. The gathered data was checked, coded, entered into SPSS for analysis.

### Reliability Analysis

Table 2: Reliability analysis of the independent variables used in the research

The Axis	No. of statements	Alpha Coefficient
The structure of relationship marketing system	7	0.819
Relationship marketing procedures	10	0.9
customer loyalty	8	0.75
Limitations in applying relationship marketing	3	0.8

Table (2) indicated that each item has more than 0.7 Cronbach's Alpha, this means that all items are valid (Henson, 2001).

Table 3: Sample characteristic

Variable		No.	Percentage
Respondents	Managers	8	4%
	Customers	203	96%
Region	Assuit	51	24%
	El Minia	52	24.7%
	Beni Suief	50	23.7%
	El Fayoum	58	27.6%

The survey results showed that 8% was managers (eight managers) where all hotel managers participated in the interview and 96% was customers. A stratified sample was used where a population is split into four non-overlapping subpopulations (Paula et al. 2012), as shown in table (3) each governorate was roughly represented in terms of sample size.

Table 4: Managers Descriptive Statistics

The Axis	Mean	95% Confidence Interval for Mean*	Attitude
The structure of relationship marketing system	4,3	4. - 4.5	Strongly agree
Relationship marketing procedures	4.1	3.8- 4.3	agree
Customer Loyalty	3,8	3.5-4.1	agree
Limitations in applying relationship marketing	2.66	2.1-3.1	disagree

**95% Confidence Interval for Mean of the study population =  $\bar{X} \mp t_{0.025,55} * Std.Error$**

From the previous table it is obvious that 95% confidence interval for mean of the structure of relationship marketing system is between 4 as a lower bound and 4.5 as a Middle pound, 95% confidence interval for mean of relationship marketing procedures is between 3.8 as a lower bound and 4.3 as a Middle pound, 95% confidence interval for mean of customer loyalty is between 3.5 as a lower bound and 4.1 as a Middle pound and 95% confidence interval for mean of limitations in applying relationship marketing is between 2.1 as a lower bound and 3.1 as an Middle pound. This meant that there are low levels of limitations in the use of relationship marketing with 95% confidence interval for mean at university hotels and this result coincided that the sixth hypothesis of the study is invalid.

Table 5: Customer descriptive Statistics

The Axis	Mean	95% Confidence Interval for Mean*	Attitude
The structure of relationship marketing system	3,4	3.3 - 3.5	Neither agree nor disagree
Relationship marketing procedures	3.5	3.4- 3.7	Neither agree nor disagree
customer loyalty	3,7	3.6-3.8	agree

**95% Confidence interval for mean of the study population =  $\bar{X} \mp t_{0.025,55} * Std.Error$**

Table (5) indicated that 95% confidence interval for mean of the structure of relationship marketing system is between 3.3 as a lower bound and 3.5 as an Middle pound, 95% confidence interval for mean of relationship marketing procedures is between 3.4 as a lower bound and 3.7 as an Middle pound, 95% confidence interval for mean of customer loyalty is between 3.6 as a lower bound and 3.8 as an Middle pound.

To compare the point of view of managers and customers about the level of relationship marketing procedures applied at university hotels, an independent sample t-test was used as showed in table (6).

Table 6: Differences between managers and customers overview concerning the level of relationship marketing procedures applied at university hotels.

Variable	Group	Levene's Test		t-test for Equality of Means	
		F	Sig.	T	Sig.
relationship marketing procedures	- Managers - customers	2.2	.139	5.3	.000

The results of table (6) shows that there are significant differences between managers and customers overview concerning the level of relationship marketing procedures applied at university hotels where Levene's Sig. is (0.139) and t-test Sig. is (0.000). This result coincided that the sixth hypothesis of the study is invalid. Concerning these differences, one could say that, it

seems that there is a problem in managers' understanding of customer attitudes and there are inadequate procedures used in relationship marketing applied at university hotels.

### Study variables analysis

#### The structure of relationship marketing system at university hotels

The purpose of this variable was to measure the framework of the relationship marketing system applied at university hotels. The collected data is illustrated in table (7):

Table 7: Factor analysis of relationship marketing system at university hotels

Statements	Loadings
Service quality is suitable to customer expectation	0.98
There is a clear policy to deal with customer complains	0.97
There is a continues studies to develop and enhance customer services	0.99
The hotel interests in developing its internal marketing system	0.99
The hotel management focuses on developing its relationship with all its customers without discrimination	0.88
There is a focus on building social relationships with customers and exploiting social events to connect with them	0.97
There is a customer database that used to communicate with them even after they leave the hotel	0.92
Sums of squared loadings	0.95

Factor analysis shown in table (7) attempted to identify key variables or factors that explain the pattern of correlations within a set of observed variables. Statistical loading should not be less than 0.6 (Fabrigar, et al., 1999). Factor analysis showed that all seven elements were loaded on one factor explained 95% of the variation in the primary variable.

Table 8: Statistics for the structure of relationship marketing system at university hotels

Statements	M	SD	Sig.
Service quality is suitable to customer expectation	3.8	0.66	0.001
There is a clear policy to deal with customer complains	3.4	0.82	0.000
There are continuous studies to develop and enhance customer services	3.2	0.96	0.000
The hotel interests in developing its internal marketing system	4.5	0.53	0.033
The hotel management focuses on developing its relationship with all its customers without discrimination	3.3	0.9	0.000
There is a focus on building social relationships with customers and exploiting social events to connect with them	3.5	0.8	0.000
There is a customer database that used to communicate with them even after they leave the hotel	3.9	0.64	0.088
Statistics for all variables	3.5	0.63	0.000

M = Mean SD = Standard deviation Sig. = significance degree of one-sample T-Test

Table (8) mentioned that the most effective variable was “The hotel interests in developing its internal marketing system”, where the mean value was (4.5) and standard deviation was (0.53). On the other hand, the least effective variable was “There are continuous studies to develop and enhance customer services”, where the mean value was (3.2) and standard deviation was (0.96). The overall mean of the above variables was (3.5), the standard deviation of means values was (0.63) and p-value of one-sample T-test was (0.000) which indicated that there are significant differences between the structure level of relationship marketing system applied at university hotels and the test value (4), this value was selected because it was a suitable value that referred to a degree of “agreement”. In the other word, respondents’ awareness of all variables is less than the test value, this result coincided that the second hypothesis of the study is invalid.

### **Relationship marketing procedures at university hotels**

The purpose of this variable was to measure the relationship marketing procedures applied at university hotels. The collected data is illustrated in table 9:

Table 9: Factor Analysis of relationship marketing procedures applied at university hotels

Statements	Loadings
The hotel connects to the customers even after leaving the hotel	0.6
The hotel exploits various occasions to connect with customers	0.6
The various means of communication (telephone, email, Facebook, etc.) are used.	0.94
The hotel participates customers in the decisions of the services provided to them	0.68
The hotel is interested in good treatment of customers in all positions	0.67
The hotel management contributes positively to solve customers' problems	0.7
The hotel management meets its promises to customers and check their expectations	0.62
The hotel management develops positive individual relationships with consumers	0.7
The hotel management is studying and trying to understand the needs of the customers and see what they think about constantly	0.6
The hotel gives incentives to employees when they satisfy the desires of a large number of customers	0.63
Sums of squared loadings	0.66

Factor analysis shown in table (9) stated that all ten elements were loaded on one factor and explained 66% of the variation in the primary variable.

Table 10: Statistics for relationship marketing procedures applied at university hotels.

Statements	M	SD	Sig.
The hotel connects to the customers even after leaving the hotel	0.36	0.69	0.000
The hotel exploits various occasions to connect with customers	0.38	0.61	0.000
The various means of communication (telephone, email, Facebook, etc.) are used.	4.1	2.8	0.558
The hotel participates customers in the decisions of the services provided to them	3.1	0.9	0.000
The hotel is interested in good treatment of customers in all positions	3.2	0.9	0.000

The hotel management contributes positively to solve customers' problem	3.3	0.99	0.000
The hotel management meets its promises to customers and check their expectations	3.5	0.82	0.000
The hotel management develops positive individual relationships with consumers	3.3	0.93	0.000
The hotel management is studying and trying to understand the needs of the customers and see what they think about constantly	3.7	0.62	0.000
The hotel gives incentives to employees when they satisfy the desires of a large number of customers	3.8	0.89	0.451
Statistics for all variables	3.5	0.64	0.000

M = Mean SD = Standard deviation Sig. = significance degree of one-sample T-Test

Table (10) indicated that the most effective variable was “The various means of communication (telephone, email, Facebook, etc.) are used”, where the mean value was (4.1) and standard deviation was (2.8). On the other hand, the least effective variable was “The hotel participates customers in the decisions of the services provided to them”, where the mean value was (3.1) and standard deviation was (0.9). The overall mean of the above variables was (3.5), the standard deviation of means values was (0.64) and p-value of one-sample T-test was (0.000) which indicated that there are significant differences between the relationship marketing procedures applied at university hotels and the test value (4), this value was selected because it was a suitable value that referred to a degree of “agreement”. In the other word, respondents’ awareness of all variables is less than the test value, this result coincided that the third hypothesis of the study is invalid.

### **Customer loyalty at university hotels**

The purpose of this variable was to measure the customer loyalty at university hotels. The collected data is illustrated in table 11.

Table 11: Factor Analysis of the customer loyalty at university hotels

Statements	Loadings
There is positive customers behavior towards the hotel	0.82
Costumers deal with the Hotel frequently	0.8
The hotel offers all the services that meet the needs of the customers	0.7
Customer satisfaction is periodically analyzed and solutions are found	0.76
The concentration is more on customer loyalty than on profitability	0.6
The adoption of relationship marketing helps to improve the mental image of customer s about university hotels	0.75
Customer spending increases on hotel services when repeating the visit	0.6
Customers of university hotels use the word of mouth to market their services	0.61
Sums of squared loadings	0.67

Table (11) stated that all eight elements were loaded on one factor explained 67% of the variation in the primary variable.

Table (12): Statistics for the customer loyalty at university hotels

Statements	M.	SD	Sig.
There is positive customers behavior towards the hotel	4.1	0.48	0.001
Costumers deal with the Hotel frequently	4.2	0.51	0.000
The hotel offers all the services that meet the needs of the customers	3.3	0.9	0.000
Customer satisfaction is periodically analyzed and solutions are found	3.2	0.9	0.008
The concentration is more on customer loyalty than on profitability	2.6	1	0.000
The adoption of relationship marketing helps to improve the mental image of customer s about university hotels	3.4	0.94	0.000
Customer spending increases on hotel services when repeating the visit	3.8	0.67	0.000
Customers of university hotels use the word of mouth to market their services	3.9	0.61	0.504
Statistics for all variables	3.7	0.51	0.000

M = Mean SD = Standard deviation Sig. = significance degree of one-sample T-Test

Table (12) showed that the most effective variable was “Costumers deal with the Hotel frequently”, where the mean value was (4.2) and standard deviation was (0.51). On the other hand, the least effective variable was “The concentration is more on customer loyalty than on profitability”, where the mean value was (2.6) and standard deviation was (1). The overall mean of the above variables was (3.7), the standard deviation of means values was (0.51) and p-value of one-sample T-test was (0.000) which indicated that there are significant differences between the customer loyalty at university hotels and the test value (4), this value was selected because it was a suitable value that referred to a degree of “agreement”. In the other word, there is a low level of customer loyalty at university hotels.

### **Limitations in the use of relationship marketing at university hotels**

The purpose of this variable was to study the limitations in the use of relationship marketing at university hotels. This variable was negatively coded, because it speaks negative as opposed to other questions, since for analysis the researchers need to have all questions either positive or negative so as to get proper, so the data of this variable was recoded. The collected data is illustrated in table 13:

Table 13: Factor Analysis of the limitations in the use of relationship marketing at university hotels

Statements	Loadings
It is difficult to communicate with customers because of the privacy of their information.	0.6
The weakness of technological capabilities impede communication with customers	0.7
The weakness of staff experience hinders good customer relationship	0.61
The lack of training courses for staff hinders good communication with customers	0.2
Sums of squared loadings	0.66

Table (13) stated that just three elements were loaded with value exceeded (0.6) on one factor explained 66% of the variation in the primary variable. Just one variable was loaded with value less than (0.6), so that, the researchers deleted it.

Table 14: Statistics for the limitations in the use of relationship marketing at university hotels

Items	M	SD	Sig.
Statements			
It is difficult to communicate with customers because of the privacy of their information.	2.25	0.88	0.001
The weakness of technological capabilities impede communication with customers	2.5	1.3	0.0014
The weakness of staff experience hinders good customer relationship	3.25	1.38	0.17
Statistics for all variables	2.66	0.56	0.000

**M = Mean SD = Standard Deviation Sig. = significance degree of one-sample T-Test**

Table (14) showed that the overall mean of the above variables was (2.66) and the standard deviation of means values was (0.56) which indicated the low level of limitations in the use of relationship marketing at university hotels. The most effective limitation was “The weakness of staff experience hinders good customer relationship”, where the mean value was (3.25), standard deviation (0.49) and p-value was (0.170), this mean that there are no significant differences between the weakness of staff experience at university hotels and the test value (4), on the other word, there is a lack of employees experience at university hotels. On the other hand, the least effective variable was “It is difficult to communicate with customers because of the privacy of their information”, where the mean value was (2.25) and standard deviation was (0.88). This means that communicating with customers using their information as a marketing relationship tool is constantly available. The overall mean of the above variables was (2.66), the standard deviation of means values was (0.56) and p-value of one-sample T-test was (0.000) which indicated that there are significant differences between the limitations in the use of relationship marketing at university hotels and the test value (4), this value was selected because it was a suitable value that referred to a degree of “agreement”. In the other word, there is a low level of limitations in the use of relationship marketing at university hotels, this result also coincided that the fifth hypothesis of the study is invalid.

To test the first hypothesis of the study, path analysis was used. Path analysis is a good presentation tool to estimate a set of simultaneous regression equations where there are intermediate variables and indirect effects because the causal variables are correlated (Akintun, A., 2012), to make a path analyses, Pearson correlation coefficient and beta regression coefficients were tested as shown in tables (15) , (16):

Table 15: Correlation between relationship marketing procedures and relationship marketing structure

Variables	Relationship marketing procedures
Relationship marketing Pearson Correlation	0.722**
structure Sig. (2-tailed)	0.000
N	211

\*\*Correlation is significant at the 0.01 level (2-tailed).

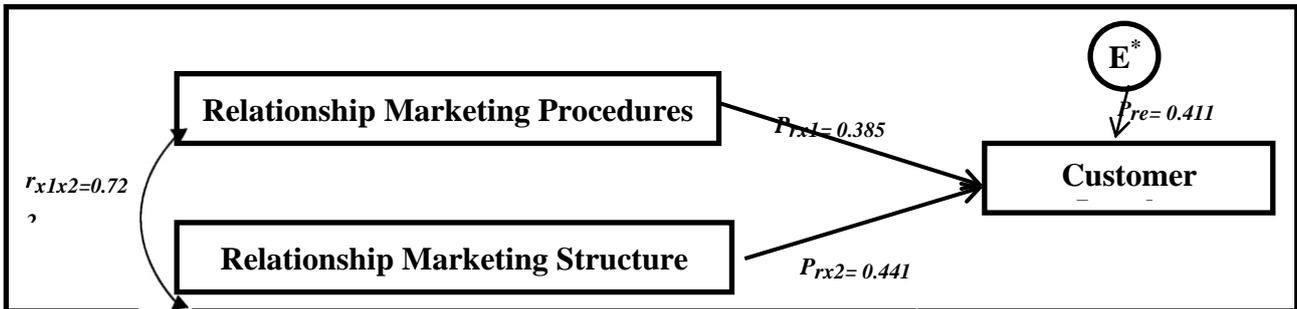
Table 16: Multiple regression coefficients for influence of relationship marketing structure and relationship marketing procedures on customer loyalty

Model	R <sup>2</sup>	Beta	T	Sig.
(Constant)			9.805	.000
Relationship marketing structure	0.589	0.385	5.994	.000
Relationship marketing procedures		0.441	6.867	.000

a. Dependent variable: customer loyalty

From tables (15) and (16) the, (R) value (0.772) referred that there is a strong degree of correlation between relationship marketing structure and relationship marketing procedures at university hotels, as well as the coefficient of determination (R<sup>2</sup>) is (0.589), suggesting that 58.9% of the variation of customer loyalty was explained by the both variables (relationship marketing structure and relationship marketing procedures) at university hotels. The following path analysis model can be drawn to illustrate these influences.

Model 1: Path analysis model for the influences of relationship marketing structure and relationship marketing procedures on the customer loyalty at university hotels



Source: researchers design

\* Epsilon beta coefficient = 1- R<sup>2</sup>

From the previous model, the following equation can be inferred to predict the customer loyalty from both variables (relationship marketing structure and relationship marketing procedures) as follow:

Equation 1: The influences of relationship marketing structure and relationship marketing procedures on the customer loyalty at university hotels

<b>Customer loyalty = 0.385 relationship marketing structure + 0.441 relationship marketing procedures + 0.411</b>
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Source: researchers design

Mediator multiple regression was tested, where a mediation analysis is typically conducted to better understand an observed correlation between X variable and Y variable (MacKinnon et.al,

2007). On the other word, this analysis used to test if "the relationship marketing structure" variable is a mediator that controls the significance of the previous model.

Table (17): Regression coefficients for influence of relationship marketing structure on relationship marketing procedures

Model	R Square	Beta	t	Sig.
(constant)			11.637	.000
Relationship marketing procedures	0.496	0.704	14.333	.000

From the results of table (16) and table (17), it seems that all regression coefficients statistically significant,  $P < 0.05$ , so the variable of (relationship marketing structure) is consider as partial mediation not all mediation because the direct effect (relationship marketing procedures) is still significant after adding the mediator (relationship marketing structure) into the regression equation. This result coincided that the first hypothesis of the study is invalid. That means that relationship marketing procedures do not applied at a systematic relationship marketing structure at university hotels.

To test fourth hypothesis ANOVA test was used as follows:

Table (18): Differences between university hotels at Middle Egypt with regard to the level of relationship marketing procedures

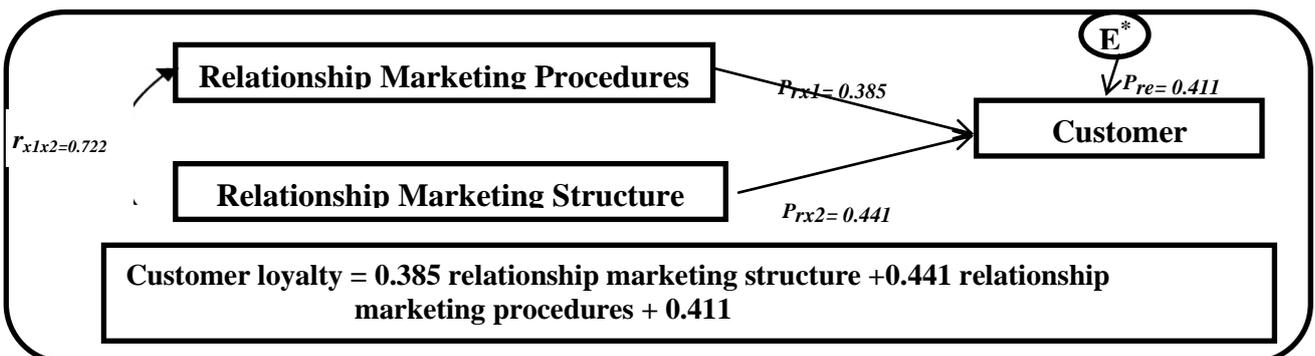
procedures	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	28.252	3	9.417	33.484	.000
Within Groups	58.218	207	.281		
Total	86.470	210			

From the previous table it obvious that sig. value is (0.000) that means that there are significant differences between university hotels at Middle Egypt with regard to the level of relationship marketing procedures. This result coincided that the fourth hypothesis of the study is invalid.

**Study model and equation**

The study tested the significance of the following model and equation:

figure 2: The study model and equation



### Study Limitations

The study was conducted on applying the relationship marketing approach in the university hotels at Middle Egypt region (Assiut - Minia - Beni Suef - Fayoum). The previous hotels were selected as an example of the university hotels due to the repeated complaints from their customers (according to the pilot study results); additionally, as well as geographical proximity and lack of interest in researches applied to middle Egypt hotels, especially university hotels.

The field study was organized in interviews with the hotel managers and their assistants, in addition to distribution of customer questionnaires that were judged by experts during the period from March to July 2017

### Conclusion and future research implications

Relationship marketing is an important tool to help overcome the marketing challenges of environmental changing, The research method adopted in this research combined two techniques; the first one was semi-structured interviews with the general managers and their assistants of university hotels. The second technique was the questionnaire survey for university hotels' customers. A five-dimensional Likert scale was used to determine the attitude of the respondents about the study variables. The validity and reliability of the study tools were practically measured by presenting them to a group of industry experts and statistical experts, as well as they statistically measured by using both the Factor Analysis test and Cronbach's Alpha coefficient. The Cochran's formula was used to determine the optimal sample size based on the pilot study results. The sample of the study consists of number of all eight managers and assistant managers of university hotels and number of 203 of university hotels customers. The data collected was analyzed statistically using SPSS version 21. The results of the study indicated that: the relationship marketing procedures influences significantly on the customer loyalty independent of the structure of relationship marketing system at university hotels, there are significant differences between the level of structure of relationship marketing system applied at university hotels and the standard level, there are significant differences between the level of relationship marketing procedures at university hotels and the standard level, there are significant differences between university hotels at Middle Egypt with regard to the level of relationship marketing procedures, there are significant difference between managers and customer's overview concerning the level of relationship marketing procedures applied at university hotels and there are high levels of limitations in the use of relationship marketing with 95% confidence interval for mean at university hotels. For further researches, it is suggested to test the significance relationship between the study variables (marketing relationship structure and marketing relationship procedures) on guest loyalty at other sectors of hotels. it is also suggested to explore the relationship between customer loyalty and other factors such as (service quality, service rates, and employee's experiences)

### Recommendations

1. The university hotel management should follow the following procedures to achieve relationship marketing:

- Build a detailed database for customers and manage an internal system to serve customers.

- Building the customer data base on a class basis as each segment of the customer segments represent a relative weight different from the rest of the other segments, where some segments are valuable for the other.
- Search and provide new services to the most valuable customers depending on their needs and desires.
- Developing and modifying many aspects of the University hotel's procedures to meet customer needs such as communication system, providing information, room services, food and beverage service, and dealing with customer complaints.

2. University hotels should conduct a comprehensive survey of their existing customers and target new customers by phone calls, sending e-mails or postcards to enhance their participation in hotel decisions such as deducting price of a service, reducing room rates and meals or take their opinions about the provided services.

3. Providing suitable promotional offers to guests and keep guests informed about everything that is new through the means of media (audio and visual), as well as, means of electronic marketing and social networking sites.

4. Focusing permanently on positive word of mouth use among the employees of the university hotels and among the hotel customers, this is achieved through the nature of the relations between the word of mouth parties in terms of the quality and nature of provided information and services.

5. Training and developing the university hotels workers skills in the manner of dealing with customers, this is reflected in the service quality and thus the relationship marketing success.

6. Application of the tested study model and equation to develop the relationship marketing structure and procedures in order to achieve positive impact on the loyalty of customers at the university hotels.

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