



Factors Influencing Customer Retention in Kanchipuram Hotel Industry

K. Sridevi¹ and P.Sundara Pandian²

¹Department of Commerce, Sri Malolan College of Arts and Science, Madhurantagam

²Department of Commerce, V.H.N. Senthikumara Nadar College (Autonomous), Virudhunagar.

Abstract - In a country like India, having a huge size of population, services sector has its huge potential. Development of services sector can transform the burden of large size of manpower into an asset by its proper utilizations and thereby can generate a huge size of income for the nation as a whole. The Indian tourism and hospitality industry has materialized as one of the key drivers of growth among the services sectors in India. Without the tourism industry there would be no hospitality industry and without the hospitality industry the tourism industry would have a large gap. Due to the large gap, there would be no fixed place for tourists to stay and there is a decreasing trend to travel the particular area. So it creates tourism activities such as tours, excursions and tourist attractions. Tourism contributes to 6.23 percent to the National GDP and 8.78 percent of the total employment in the country for the year 2016. Constant transformation, functional growth and improving standards have gained the hospitality industry of India approval all over the world. Among this hotel industry is a highly flourishing, lucrative and competitive market. To compete in such a market, the hotels should focus on maintaining good relations with the customers and in satisfying the customers. Customer retention refers to the ability of a company or product to retain its customers over some specified period. Customer retention is an important factor in today's increasingly tourism competitive markets which should be concerned seriously. The aim of this study is to empirically explore the factors influencing on customer retention in the hotel industry. A simple random sampling method was adopted to collect data from the study of kanchipuram district and the analysis of the influencing factors based on the integrated research approach for the hotel industry. A company's ability to attract and retain new customers is related not only to its product or services, but also to the way it services its existing customers, the value the customers actually generate as a result of utilizing the solutions, and the reputation it creates within and across the marketplace.

Keywords: Customer Retention, hotel industry, Technology factor, Cost factor, service factor, customer retention factor and loyalty factor.

1. INTRODUCTION

Among the service sector, hotel industry is an important service industry in India. Excellent customer service is vitally important in the hospitality industry. The hospitality industry is a broad category of fields within service industry that includes lodging, event

planning, theme parks, transportation, cruise line, and additional fields within the tourism industry. The hospitality industry is a multibillion-dollar industry that depends on the availability of leisure time and disposable income. A hospitality unit such as a restaurant, hotel, or an amusement park consists of multiple groups such as facility maintenance and direct operations such as servers, housekeepers, porters, kitchen workers, bartenders, management, marketing, human resources etc. (Service Sector in India 2014).

The hotel industry is highly competitive and the right knowledge about customer values and demands is essential to differentiate from competitors and gain sustainable competitive advantage. Implementing traditional marketing strategies is often no longer enough to achieve this goal. Relationship marketing has increasingly become more important, as this concept suggests more focus on retaining the customer and creating a win-win situation with a long-term perspective (Oscar H. Pedraza Rendón, Rubén Molina Martínez, María S. Ramírez Flores). In traditional marketing there is more focus on acquisition. Most importantly a good balance between acquisition and retention directed to the right segments is essential for future success. The hotel business is rapidly developing due to growing demand for such services as well as the growing opportunities for travel. As a result, hotels face demanding customers, since the requirements for quality grow with an increased use of hotels' services, in order to increase the competitive ability of a hotel, the issue of customer loyalty is also important. Some of the characteristics of the successful activity of the business organisation are presentation and