SERVICE QUALITY MANAGEMENT PRACTICES AND CUSTOMER RETENTION IN SELECTED LUXURY HOTELS IN WUKARI, TARABA STATE

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Abstract

This study explored service quality management (SQM) practices on customer retention in luxury hotels in Wukari, Nigeria. Specifically, the study examined the effect of tangibility, reliability, responsiveness, empathy and assurance on customer retention in luxury hotels in Wukari. A survey of 384 customers from five luxury hotels in Wukari was conducted, and multiple linear regression analysis was used to examine the relationship between SQM practices (tangibles, reliability, responsiveness, empathy, and assurance) and customer retention. The findings indicate that all SQM practices significantly affect customer retention, with reliability exerting the greatest influence, followed by responsiveness; assurance; tangibility and empathy. The study concludes that luxury hotels in Wukari should focus on enhancing SQM practices, particularly in areas of reliability and responsiveness, to improve customer retention and foster loyalty. The study recommends that luxury hotels in Wukari should prioritize enhancing their physical facilities and amenities to ensure customer loyalty and retention and hotels should focus on consistently delivering dependable quality services, such as timely check-ins/check-outs and reliable room services. This approach is expected to lead to a significant boost in customer retention, driving repeat business and contributing to overall business success.

Keywords: Service Quality, Management, Customer, Customer Retention, Repeat Business.

Introduction

Service quality management (SQM), an approach that strives to improve standards, relationships and best practices in retaining customers over the years has been in declined. This is because some of the practices that tend to bring customers and encourage loyalty are downplayed and not given adequate attention thereby reducing repeat business. Malik et al., (2020) have attributed this decline in quality service and the management of organizations to unreliability, tangibility,

declined assurances, poor communication etc. which has reduced customer patronage. Seth et al., (2005) in Malik et al., (2020) believes that proper focus on the five dimensions of service quality like tangibility, reliability, responsiveness, empathy, and assurance would increase customer patronage and repeat business. The understanding of these concepts and their application to ensuring customer retention and improving service quality is a subject for further investigation.

Customer retention on the other hand has emerged as a pivotal factor for success within the luxury hotels, particularly within the Nigerian context. For businesses to thrive there must be a shift to quality service and customer focused. This is because the Nigerian hospitality industry, which is predominantly driven by private enterprises, is integral to the country's economic framework. The significance of retention strategies therefore underscored the industry's expansive growth, which reflects a notable increase in both the scale and the economic contributions of luxury hotels (Grönroos, 1997 in Salim, 2022). It is important to exemplify the fact that luxury hotels are increasingly viewed as vital contributors to national economic development, not merely in terms of revenue but also through job creation and regional development (Salim, 2022). According to him, as global and local competition intensifies, the ability to retain customers has become a crucial determinant of a hotel's long-term viability and success.

Accordingly, luxury hotels in Nigeria are characterized by intense competition, with numerous high-end establishments vying for market shares. This competitive landscape necessitates the implementation of sophisticated service quality management practices to secure and expand customer bases. Recent literature has shifted focus from traditional marketing strategies to those that emphasize long-term customer benefits (Seiler et al., 2003 in Salim, 2022).

Statement of Problem

Service Quality Management (SQM) practices is believed to become a pivotal strategy in enhancing customer satisfaction and retention across various industries, including the luxury hotels. SQM practices aim is to build and maintain strong relationships with customers by leveraging technology and data to tailor services and address customer needs effectively. However, despite the extensive implementation of SQM strategies, there is a notable lack of consensus on their effectiveness, particularly in the context of luxury hotels. While some studies, such as those by Almohaimmeed (2019) and Salah and Abou-Shouk (2019), have reported positive outcomes related to customer satisfaction and loyalty, others, including Sofi et al. (2020) and Dastane (2020), have identified limited or non-significant effects of SQM on these metrics. Similarly, Dewnarain et al. (2021) found a disconnect between social SQM activities and positive word of mouth and responsiveness. Gil-Gomez et al. (2020) also focused on SQM's role in sustainability and digital transformation without exploring its direct impact on customer outcomes. These discrepancies

underscore a critical gap in the empirical understanding of how SQM practices affects customer retention in luxury hotels particularly within the context of Wukari, Taraba State.

Hypothesis of the Study

The hypotheses for the study on the effect of various SQM practices on customer retention in luxury hotels in Wukari can be stated as follows:

H_1: Service Tangibility has no significant effect on customer retention in luxury hotels in Wukari.

H_2: Service Reliability has no significant effect on customer retention in luxury hotels in Wukari.

H_3: Service Responsiveness has no significant effect on customer retention in luxury hotels in Wukari.

H_4: Service Empathy has no significant effect on customer retention in luxury hotels in Wukari.

H_5: Service Assurance has no significant effect on customer retention in luxury hotels in Wukari.

Service Quality Management (SQM)

Peppers and Rogers (2011) in Salim, (2022) defined SQM as a comprehensive approach to managing a company's interactions with current standards, best practices and future customers which leverages data and technology to enhance customer service and drive sales growth. According to them, SQM systems help businesses manage customer relationships through detailed tracking and analysis of customer interactions. Buttle and Maklan (2019) described SQM as "a business strategy designed to improve relationships with customers by understanding and anticipating their needs. They emphasized that SQM systems integrate various forms of customer data to provide insights that help in personalizing customer interactions and improving overall service quality. Also, Greenberg (2010) in Dewnarain et al. (2021) defined SQM as "a strategy and technology for managing and analyzing customer interactions and data throughout the customer lifecycle." He noted that SQM aims to improve customer service relationships, assist in customer retention, and drive sales growth by using data to create a more personalized customer experience.

Tangibility: Tangibility is a critical dimension of service quality that encompasses the physical attributes of a service environment that customers can see and touch. This includes the overall cleanliness, condition, and aesthetic appeal of physical facilities, as well as the appearance and presentation of staff and equipment (Zeithaml, Parasuraman, & Berry, 1990). In the luxury hotel industry, tangibility is particularly important as it directly affects guests' first impressions and overall perceptions of service quality. For instance, the opulence of the lobby, the quality of the room furnishings, and the maintenance of the hotel's exterior all contribute to the sensory experience of the guest (Bitner, 1992 in Dewnarain et al. 2021). Tangible elements like high-quality linens, well-designed interiors, and modern facilities signal the hotel's commitment to excellence and can significantly impact customer satisfaction and loyalty (Schneider & White, 2004 in Dastane, 2020). The above mentioned factors have had great decline in hotels in Wukari and reduced customers

patronage and repeat business. Therefore, investing in high standards of tangibility can differentiate a luxury hotel in a competitive market and enhance the overall guest experience.

Reliability: Reliability refers to the consistency and dependability with which a service provider delivers on their promises and commitments. It reflects the accuracy and dependability of service performance and is a fundamental component of service quality (Bakotić & Rogošić 2017; Njelita & Opara 2023). They argued that in luxury hotels, reliability involves delivering services as promised, such as honoring reservations, providing accurate billing, and maintaining consistent quality of service. For example, a reliable hotel ensures that guests receive the type of room they booked, that their requests are fulfilled promptly, and that any issues are resolved effectively. High reliability therefore fosters trust and confidence in the service provider, which is crucial for building long-term relationships with guests. It also reduces the likelihood of service failures and enhances the overall customer experience by providing a sense of stability and predictability.

Responsiveness: Responsiveness is the dimension of service quality that measures a service provider's willingness and ability to assist customers promptly and effectively. It involves the speed and effectiveness with which service providers address customer inquiries, requests, and complaints (Parasuraman et al., 1988 in Njelita & Opara 2023). In the context of luxury hotels, responsiveness is crucial for managing guest expectations and ensuring that their needs are met in a timely manner. This could include quick responses to room service requests, prompt resolution of complaints, and proactive communication regarding any potential issues. Responsive service enhances guest satisfaction by demonstrating attentiveness and a commitment to addressing customer needs, which can lead to increased guest loyalty and positive word-of-mouth recommendations.

Empathy: Empathy involves understanding and addressing the unique needs and preferences of individual customers. It is characterized by personalized attention and genuine care for customers' well-being and experiences (Njelita & Opara 2023). In luxury hotels, empathy is demonstrated through personalized interactions, where staffs make an effort to understand guests' specific preferences, respond to their personal needs, and offer tailored services (Njelita & Opara 2023). This could include remembering guests' names, accommodating special requests, and providing thoughtful gestures that enhance the guest experience. Empathy helps in building strong emotional connections with guests, leading to greater satisfaction and loyalty. By showing that they truly care about each guest's experience, luxury hotels can create memorable stays that encourage repeat visits and positive reviews (Ladhari, 2009 in Njelita & Opara 2023).

Assurance: Assurance pertains to the confidence and trust that service providers instill in their customers through their competence, courtesy, and ability to deliver promised services (Parasuraman et al., 1985 in Dastane, 2020). According to them, assurance encompasses the skills, knowledge, and

professionalism of the staff, as well as the security and safety measures implemented by the service provider. In luxury hotels, assurance is critical for creating a secure and reliable environment where guests feel confident in the service they receive (Zeithaml, 1988 in Dastane, 2020). Drawing from their assertions, assurance includes having well-trained staff who can handle various situations with professionalism, ensuring the security of guests and their belongings, and providing clear and accurate information about services. High levels of assurance contribute to customer trust and satisfaction by ensuring that guests feel well taken care of and secure throughout their stay.

Customer Retention

Customer retention is a critical focus for businesses across various industries, as it directly impacts long-term profitability and growth. According to Lakshman & Faiz (2021) customer retention involves the strategies and actions a company takes to keep its existing customers engaged, satisfied, and loyal over time. Retaining customers is generally more cost-effective than acquiring new ones, as loyal customers are more likely to make repeat purchases, refer others, and provide valuable feedback (Zeithaml, 1988 in Lakshman & Faiz, 2021). Therefore, effective customer retention strategies often hinge on understanding and meeting customer needs consistently. A key aspect of this is building strong relationships with customers, which fosters trust and loyalty. Accordingly, customer retention is significantly influenced by the perceived quality of service, where customers who experience high levels of service quality are more likely to remain loyal to the company.

Moreover, customer retention is not just about preventing customers from leaving; it also involves creating positive experiences that encourage customers to stay. This can be achieved through personalized services, regular communication, and by addressing any issues promptly and effectively (Parasuraman, Zeithaml, & Berry, 1988 in Salem 2021). According to them companies that excel in customer retention typically have systems in place to monitor customer satisfaction and respond to customer feedback, ensuring that they can adapt to changing customer expectations. Customer retention therefore is an approach that requires a deep understanding of customer behavior, a commitment to service excellence, and ongoing efforts to maintain and enhance customer relationships. By focusing on retention, companies can build a stable and loyal customer base, which is essential for long-term business success.
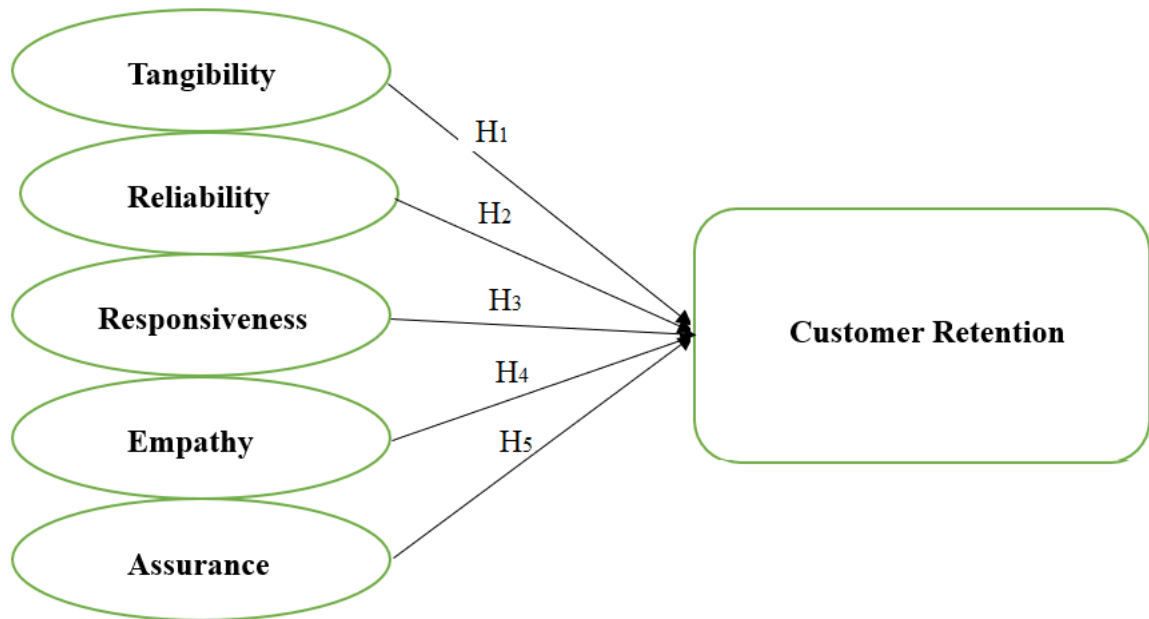
Conceptual Model of the Study

Figure 1: Author's Conceptual Framework

Theoretical Framework

The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry in 1988, is a widely recognized framework for assessing service quality across various industries. The model identifies five dimensions of service quality: tangibility, reliability, responsiveness, empathy, and assurance. These dimensions collectively captures the essential elements of a customer's service experience, providing a comprehensive measure of service quality. The model posits that customers evaluate service quality by comparing their expectations with their perceptions of the actual service received (Seth et al., 2005). Any gap between expectations and perceptions indicates a shortfall in service quality, which can affect customer satisfaction and loyalty (Malik et al., 2020). The SERVQUAL model has been extensively used to identify areas of improvement in service delivery and to design strategies that enhance customer satisfaction and retention.

In the context of this research, the SERVQUAL model offers a robust theoretical foundation, using the five dimensions of the SERVQUAL model to assess how various aspects of service quality influence customer retention. For instance, the tangibility dimension is particularly relevant in luxury hotels, where the physical environment and aesthetics play a crucial role in shaping customer perceptions. Similarly, reliability and responsiveness are critical for maintaining customer trust and ensuring repeat patronage. By utilizing the SERVQUAL model, this research aims to identify the

specific service quality dimensions that most significantly impact customer retention in luxury-rated hotels in Taraba State. This approach provides valuable insights into how luxury hotels can enhance their service quality to achieve higher levels of customer loyalty and retention.

Empirical Review

Njelita & Opara (2023) conducted a study on Service Quality Management and customer Loyalty in hotels in Anambra and Enugu States using reliability, tangibility, empathy and assurance constructs to measure customers loyalty, utilizing structural equation modeling with data from 258 customers. The study found that SQM practices strongly affects customers loyalty and recommended an improvement in enhancing tangibility, reliability, empathy and customers assurance measures in luxury hotels in the states. Their study aligns significantly with the current study because it suggests similar approach to handling customer retention in luxury hotels even though the scope is different. However, the SEM employed did not categorically state how the populations were drawn and the choice of Enugu and Anambra states.

A similar study by Dewnarain et al. (2021) explored the role of social customer relationship management (SCRM) in fostering customer brand engagement, focusing on hotels in Mauritius. Utilizing structural equation modeling with data from 373 hotel customers, the study examined how social CRM activities drive service process innovation and customer engagement. Results revealed that while SCRM activities could stimulate service innovation leading to increased customer engagement, the anticipated link between social media usage and positive word of mouth was not supported. This study underscores the significance of implementing effective SCRM strategies to enhance customer engagement but also points out limitations in achieving expected outcomes through social media alone. As good as the study revealed the relationship between SCRM and customer engagement, it failed to show details of SEM in the utilization of social media which is very critical in modern luxury hotels over the world.

Marinakou and Giousmpasoglou (2019) in their study explored talent retention strategies in the luxury hotels to improve customer retention. The findings highlight the importance of a supportive culture and tailored approach to talent management building. Their study tallied with the current work of the researcher, however, it did not show the methodology employed in analyzing data coupled with the type of inferential statistics used.

Sofi et al. (2020) investigated the impact of four relationship management (RM) practices of customer orientation, RM organization, managing knowledge, and RM-based technology on customer satisfaction within the hospitality sector of Kashmir. The study employed a modified survey instrument administered to customers of three and four-star hotels in Kashmir. Using systematic random sampling, 176 responses were analyzed through exploratory factor and regression analyses.

The findings indicated a significant and positive relationship between RM dimensions such as customer orientation, managing knowledge, and RM organization on customer satisfaction. In their study however, RM-based technology showed a weak effect on satisfaction, suggesting that technology was underutilized for analyzing customer data and customizing services, suggesting the need for hotels to leverage RM technology more effectively to enhance customer satisfaction.

Gil-Gomez et al. (2020) explored the impact of SQM components sales, marketing, and services on sustainability dimensions, including economic, environmental, and social aspects. The study proposed a research model to assess SQM's role in sustainable business practices. The findings support the view of SQM as a tool for enhancing sustainable business practices and innovation. By integrating SQM into sustainability efforts, businesses can achieve better outcomes across economic, environmental, and social dimensions, positioning SQM as a critical element in green IT and sustainable business model innovation. Their study even though it focused on another scope, tallied with the thinking of this current study of SQM practices to achieving customer retention.

A similar work by Dastane (2020) investigated the influence of digital marketing on online purchase intention and the mediating role of CRM in Malaysia's e-commerce sector. Using data from 202 online shoppers, the study applied structural equation modeling to assess the impact of digital marketing and the mediating effect of CRM. While digital marketing positively influenced purchase intention, CRM did not significantly mediate this relationship. The study contributes to the understanding of how digital marketing strategies affect consumer behavior and highlights the need for further exploration of CRM's role in this context. Their study raised some fundamental issues on the role of CRM on digital marketing but did not show the mediating effect through multiple regressing analysis and how online purchasing intentions could be managed. However, it showed a pointer to digital marketing relationship to online purchasing intention.

Methodology

Research Design: The study utilized a descriptive survey research design, focusing on luxury-rated hotels in Wukari, Taraba State. This design allowed for the collection of data at a single point in time to examine the relationship between service quality management practices and customer retention.

Population of the Study: The population targeted in this study consisted of customers in the luxury hotels in Wukari metropolis, Taraba State, out of which five hotels were selected specifically; Credence Hotel, Soyama Hotel, Elim Top Suite, Rohi Grand Suit, and La-Palm Suite & Resort. The reason and choice of these five is that they are the luxury hotels around Wukari LGA.

Sample Size Selection: The sample size was calculated using Cochran's formula, which is appropriate for infinite and large populations:

$$n_0 = \frac{Z^2 \cdot p \cdot (1-p)}{e^2} = \frac{1.96^2 \cdot 0.5 \cdot (1-0.5)}{0.05^2} = 384.16$$

Where: n_0 = Required sample size; Z = Z-score corresponding to a 95% confidence level (1.96); p = Estimated proportion of the population (0.5 for maximum variability); e = Margin of error (0.05).

The calculated sample size was approximately 384 respondents, with 77 participants equally allocated to each of the five hotels under study.

Sampling Procedure: A multi-stage sampling technique was employed. First, the population was stratified based on the luxury classification of the hotels. Simple random sampling was then applied within each stratum to select the final sample from the five luxury hotels customers. Questionnaire were given to customers by the receptionist in the various luxury hotels and were collected after two weeks of administration.

Validation of Research Instrument: The research instrument was validated through content validity, by experts in the field of business administration thereby ensuring that it adequately captured the constructs related to service quality management and customer retention.

Reliability of Instrument: The reliability of the instrument was tested using Cronbach's alpha to ensure internal consistency. A threshold of 0.7 was considered acceptable for the instrument's reliability.

Data Analytical Technique: Descriptive statistics and regression analysis were employed to assess the effect of service quality management strategies on customer retention. The regression model used in the analysis was:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where: Y = Customer retention (dependent variable); X_1, X_2, X_3, X_4, X_5 = Independent variables (tangibility, reliability, responsiveness, empathy, and assurance); a = Intercept; $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Coefficients for the independent variables; e = Error term
A 5% significance level was used to test the significance of the independent variables in the model.

Data Presentation and Analysis

Effect of Tangibility on Customer Retention in Luxury Hotels in Wukari

Table 1: Tangibility and Customer Retention in Luxury Hotels in Wukari

Question	SD(%)	D(%)	N(%)	A(%)	SA(%)
The physical facilities of the luxury hotels (e.g., lobby, rooms, and amenities) are visually appealing.	23 (6.2)	33 (8.9)	52 (13.9)	168 (45.0)	97 (26.0)
The appearance of hotel staff is professional and well-groomed.	15 (4.0)	25 (6.7)	70 (18.8)	124 (33.2)	139 (37.3)
The equipment and technology used in the hotel (e.g., Wi-Fi, TV) are modern and well-maintained.	19 (5.1)	27 (7.2)	62 (16.6)	128 (34.3)	137 (36.8)

Source: Researcher field study, 2024

Table 1 presents the results tangibility and Customer Retention in Luxury Hotels in Wukari, the majority of respondents have a positive perception of the physical aspects of luxury hotels in Wukari. Specifically, 45% strongly agree and 26% agree that the physical facilities, such as the lobby, rooms, and amenities, are visually appealing. Similarly, 37.3% strongly agree and 33.2% agree that the appearance of hotel staff is professional and well-groomed. Furthermore, 36.8% strongly agree and 34.3% agree that the equipment and technology used in the hotel, including Wi-Fi and TV, are modern and well-maintained. Overall, the results in Table 1 suggest that luxury hotels in Wukari are meeting high standards in terms of tangibility, which is likely to contribute to positive customer retention.

Effect of Reliability on Customer Retention in Luxury Hotels in Wukari

Table 2: Reliability and Customer Retention in Luxury Hotels in Wukari

Question	SD(%)	D(%)	N(%)	A(%)	SA(%)
The luxury hotel consistently delivers the services as promised.	22 (5.9)	29 (7.8)	57 (15.3)	148 (39.7)	117 (31.3)
I can depend on the hotel to handle any service-related issues effectively.	18 (4.8)	31 (8.3%)	63 (16.9)	146 (39.2)	115 (30.8)
The hotel meets my expectations in terms of service quality.	16 (4.3)	30 (8.0)	60 (16.1)	141 (37.8)	126 (33.8)

Source: Researcher field study, 2024

As shown in Table 2, the opinion of the responses with regards to the effect of Reliability and Customer Retention in Luxury Hotels in Wukari, the majority of respondents perceive luxury hotels in Wukari as reliable and consistent in their service delivery. Most respondents (31.3%-33.8%) strongly agree that these hotels consistently deliver services as promised, effectively handle service-related issues, and meet their expectations in terms of service quality. A significant proportion (37.8%-39.7%) also agree with these statements, indicating a positive perception of reliability. However, a small percentage (4.3%-5.9%) of respondents strongly disagree, suggesting that some hotels may not be meeting expectations consistently.

Effect of Responsiveness on Customer Retention in Luxury Hotels in Wukari

Table 3: Responsiveness and Customer Retention in Luxury Hotels in Wukari

Question	SD(%)	D(%)	N(%)	A(%)	SA(%)
Hotel staff are prompt in responding to my requests or inquiries.	20 (5.4)	28 (7.5)	58 (15.6)	145 (38.9)	122 (32.7)
The hotel handles complaints or problems efficiently.	17 (4.6)	30 (8.0)	55 (14.7)	139 (37.3)	132 (35.4)
I am satisfied with the speed of service provided by the hotel staff.	21 (5.6)	29 (7.8)	62 (16.6)	141 (37.8)	120 (32.2)

Source: Researchers field study, 2024.

Table 3 shows results on responsiveness and customer retention in luxury hotels in Wukari, the majority of respondents are satisfied with the responsiveness of luxury hotels in Wukari. Specifically, 32.7% strongly agree and 38.9% agree that hotel staff are prompt in responding to requests or inquiries. Similarly, 35.4% strongly agree and 37.3% agree that the hotel handles complaints or problems efficiently. Additionally, 32.2% strongly agree and 37.8% agree that they are satisfied with the speed of service provided by the hotel staff.

Effect of Empathy on Customer Retention in Luxury Hotels in Wukari

Table 4: Empathy and Customer Retention in Luxury Hotels in Wukari

Question	SD(%)	D(%)	N(%)	A(%)	SA(%)
Hotel staff show genuine concern for my needs and preferences.	19 (5.1)	26 (7.0)	61 (16.4)	143 (38.4)	124 (33.2)
The hotel staff provide personalized service tailored to my individual requirements.	22 (5.9)	27 (7.2)	64 (17.2)	140 (37.6)	120 (32.2)
The hotel creates a comfortable and welcoming atmosphere for guests.	18 (4.8)	29 (7.8)	59 (15.8)	144 (38.6)	123 (33.0)

Source: Researchers Field study, 2024.

The results on the effect of Empathy on Customer Retention in Luxury Hotels in Wukari is presented in Table 4. It reveals that luxury hotels in Wukari excel in demonstrating empathy towards their customers. A significant proportion of respondents (33.2%-33.0%) strongly agree that hotel staff show genuine concern for their needs and preferences, provide personalized service, and create a comfortable and welcoming atmosphere. Additionally, a substantial percentage (37.6%-38.6%) agree with these statements, indicating that luxury hotels in Wukari are successful in creating a warm and inviting environment that caters to individual needs. This empathetic approach is likely to foster strong customer relationships and drive retention, as customers feel valued and understood.

Effect of Assurance on Customer Retention in Luxury Hotels in Wukari

Table 5 shows the results on assurance and customer retention in luxury hotels in Wukari. It revealed that luxury hotels in Wukari excel in providing assurance to their customers. A substantial majority of respondents (32.4%-35.1%) strongly agree that hotel staff are knowledgeable and confident, making them feel secure and safe during their stay. Additionally, a significant percentage (36.5%-40.8%) agree that the hotel provides clear and accurate information about its services and policies, further reinforcing the sense of assurance. This high level of assurance is likely to contribute significantly to customer retention, as guests feel confident in the hotel's ability to meet their needs and provide a secure environment.

Table 5: Assurance and Customer Retention in Luxury Hotels in Wukari

Question	SD(%)	D(%)	N(%)	A(%)	SA(%)
The hotel staff are knowledgeable and confident in their roles.	16 (4.3%)	25 (6.7%)	60 (16.1%)	151 (40.5%)	121 (32.4%)
I feel secure and safe during my stay at the hotel.	14 (3.8%)	27 (7.2%)	58 (15.6%)	152 (40.8%)	122 (32.7%)
The hotel provides clear and accurate information about its services and policies.	17 (4.6%)	24 (6.4%)	65 (17.4%)	136 (36.5%)	131 (35.1%)

Source: Researchers field study, 2024.

Effect of Service Quality Management Practices on Customer Retention in Luxury Hotels

Table 6 presents a Model Summary. The results reveal a strong correlation between customer retention and the predictors in luxury hotels in Wukari, with a high R-value of 0.732 and an R Square value of 0.535, indicating that approximately 53.5% of the variation in customer retention can be explained by the predictors. The ANOVA results confirm that the model is significant (Sig. = 0.000), highlighting the collective contribution of the predictors to customer retention. This suggests that the model is a good fit for explaining customer retention, and that the predictors - tangibles, reliability, responsiveness, empathy, and assurance - play a crucial role in determining customer retention in luxury hotels in Wukari.

Table 6: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.732	0.535	0.52	0.423

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	121.567	5	24.313	22.765	0.000
Residual	105.982	367	0.289		
Total	227.549	372			

Source: Researchers field study, 2024.

The results on the estimated coefficients are presented in Table 7. It reveals that all predictors have a significant positive impact on customer retention in luxury hotels in Wukari. The results show that reliability has the strongest impact (0.328), followed by responsiveness (0.281), assurance

(0.202), tangibility (0.213), and empathy (0.145). This means that for every one-unit increase in each predictor, customer retention increases by the corresponding coefficient value. The constant term (1.540) represents the baseline level of customer retention when all predictors are zero. With all p-values significant (Sig. = 0.000), the analysis confirms that each predictor plays a crucial role in driving customer retention, highlighting the importance of focusing on these key aspects to enhance customer loyalty in luxury hotels.

Table 7: Coefficients

Variable	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
Constant	1.540		5.678	0.000
Tangibility	0.214	0.213	4.679	0.000
Reliability	0.310	0.328	5.433	0.000
Responsiveness	0.275	0.281	4.982	0.000
Empathy	0.160	0.145	3.987	0.000
Assurance	0.195	0.202	4.250	0.000

Source: Researchers field study, 2024.

Discussion of Findings

The results of this study align with previous research on service quality management (SQM) and relationship management (RM) in the hospitality industry. Njelita and Opara (2023) and Sofi et al. (2020) highlighted the importance of implementing effective SQM and RM strategies to enhance customer engagement and satisfaction. Similarly, this study found that tangibles, reliability, responsiveness, empathy, and assurance are crucial predictors of customer retention in luxury hotels in Wukari.

The study's findings also support the view of Gil-Gomez et al. (2020), Njelita and Opara (2023) who positioned SQM and RM as a critical element in sustainable business practices and innovation. Additionally, the results resonate with Libai et al. (2020) and Njelita and Opara (2023) who emphasized the transformative role of artificial intelligence (AI) in SQM and CRM, enabling more tailored customer interactions and predicting customer lifetime value. The study also aligns with Marinakou and Giousmpasoglou (2019), who explored talent retention strategies in the luxury hotels to improve customer retention. The findings highlight the importance of a supportive culture and tailored approach to talent management.

Conclusion

This study examined the effect of service quality management (SQM) practices on customer retention in luxury hotels in Wukari, Nigeria. The findings revealed that tangibility, reliability, responsiveness, empathy, and assurance are significant predictors of customer retention. The study contributes to the existing body of knowledge on SQM practices in the hospitality industry by identifying key SQM predictors, contextualizing SQM practices in the Nigerian hospitality industry, providing practical implications for hotel managers, and laying the groundwork for future research.

Recommendations

Based on the findings from this study, the following recommendations were proffered;

i. Luxury hotels in Wukari should prioritize enhancing their physical facilities and amenities to ensure customer loyalty.

ii. Hotels should focus on consistently delivering dependable services, such as timely check-ins/check-outs and reliable room service to ensure customer retention.

iii. Hotels should train their staff to be more attentive to customer needs, promptly addressing complaints and actively solving problems to reassure customers.

iv. Hotels should foster an empathetic culture where staffs are encouraged to understand and address customer concerns and emotions.

v. Hotels should ensure that their staffs are knowledgeable, courteous, and confident, instilling a sense of security and trust in their interactions with customers.

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