Implications of Customer Service on Customer Life Time Value in Tourism Sector in Kisumu County, Kenya.

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Abstract

In the wake of globalization, every sector in the economy is facing new challenges, the greatest of which is to contend with new competition emanating from various countries across the globe. The tourism sector, which is strongly linked to hospitality sector, is one of the industries which have been strongly affected by globalization. Thus with the increasing competition rises the need for strategies to create a competitive edge. This study aims to assess tourists' perceptions towards quality tourism services provided at Kenya tourism sites, and to measure tourist satisfaction by examining the impact of customer service on customer life time value. These sites included Kisumu museum, Dunga Beach, Impala Park and Kit Mikai. In this study, four hypotheses were developed and proposed a study model. The target population consisted of 2500 tourists from the four tourists' destinations in Kisumu County from which a sample size of 250 was used as respondents. Empirical data were collected from tourists via a survey that yielded 180 usable questionnaires, these data were analyzed using a series of linear regressions to determine the relationship between customer service and customer life time value. The findings confirmed that customer service directly impacted tourists life time value which yielded customer satisfaction throughout destination facilities, destination accessibility and destination attraction. The findings show that the independent variables customer service is a significant determinants of Customer Life time Value ($F_o=5.123>F_c=3.860$) with an $R^2=54.6\%$.

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As a result, this study concluded that there is a significant impact of the customer service on customer life time value, and therefore customer service quality plays an important role in tourism by increasing the level of tourist satisfaction and life time experience. The results in this study supported the evidence that there are positive impacts of components of tourism product on tourist Life Time Value. This study provided some theoretical and managerial implications based on the findings to academicians and tourism sector, the researcher recommended that the management in tourist destination should train the employees on the importance of customer service on tourists' life time value.

Keywords: Customer loyalty; Customer Service; Customer Life Time Value; Tourism Sector; Consumer Behavior; consumer decision-making; Customer Experience.

1. Introduction

1.1 Background to the Study

In the wake of globalization, every sector in the economy is facing new challenges, the greatest of which is to contend with new competition emanating from various countries across the globe. The tourism sector, which is strongly linked to hospitality sector, is one of the industries which have been strongly affected by globalization. Thus with the increasing competition rises the need for strategies to create a competitive edge [1].

A service is a type of economic activity that is intangible, is not stored and does not result in ownership. A service is consumed at the point of sale. Services are one of the two key components of economics, the other being goods. Examples of services include the transfer of goods, such as the postal service delivering mail, and the use of expertise or experience, such as a person visiting a doctor or a teacher teaching students. Therefore customer service is the service provided to customers before, during and after purchasing and using goods and services. Good customer service provides an experience that meets customer expectations. It produces satisfied customers. Bad customer service can generate complaints. It can result in lost sales, because consumers might take their business to a competitor [2]

According to [3] good customer service involves developing bonds with customers, hopefully leading to long-term relationships. It creates advantages for both customers and the business alike. Customers benefit because the business is providing a service that meets their needs. The business benefits because satisfied customers are likely to be repeat customers. However, good customer service is not easily achieved and takes time to establish. It requires investment to deliver consistent standards. An industry made up of companies that primarily earn revenue through providing intangible products and services. Service industry companies are involved in retail, transport, distribution, food services, as well as other service dominated businesses [4]

Customer service is an important element for making a successful business. An organization can have a wonderful product, but without excellent customer service the item will never be purchased. Customer service is frequently cited as an important objective of any successful business entity yet little attention has been given to exactly know the role of customer service is in the supply chain.

The customer interacts with a company through a number of channels and the level of service that is afforded the customer goes a long way to achieving customer satisfaction and in turn more orders for the company. Many companies think that their only contact with the customer is through the sales and marketing staff, but this is no longer the case. The customer interacts through other departments such as shipping, quality control, accounts receivable or a repairs service. Each of these departments must offer the same high level of customer service in order to maintain excellent customer satisfaction. The customer will also interact with a company through its online presence, either a website where they can buy products, or check on shipping, or through social media. These instances require that the customers receive the highest level of customer service leading to the benefits received by applying high standard customer.

Tourism is one of the top and fastest growing sectors in the world; it plays a very important role in the economy and stimulated the growth of other economy [5]. The Travel and Tourism industry has outperformed the global economy in 2012, it growing faster than manufacturing, retail, financial services and communications. The industry has grown its total contribution to GDP by 3% and increased the number of jobs by five million to 260 million, and therefore one in 11 of all jobs in the world are now supported by Travel and Tourism. More than 10% of all new jobs created in 2012 were from the industry. According to the World Travel and Tourism Council's economic research, in 2012, Travel and Tourism's total economic contribution was US$6.6 trillion in GDP. This contribution represents 9% of total GDP [1]

In Kenya, tourism plays an important role in the national economy and contributes highly to the country's GDP compared with the other sectors. Tourism's contribution to the Kenyan economy was estimated to be US$3.4 billion and accounts for approximately 12.4 per cent of the country's GDP in 2010. It provides the Kenyan economy with hard currency and creates new jobs. The tourism sector is a promising sector in Kenya due to Kenya being considered as an attractive country for tourists in the world for reasons such as the diversity of nature, the deep-rooted cultural heritage, and the country's political stability. In addition, Wild beast migration became one of the "Seven Wonders of the World", and that attracts more tourists from around the world.

Kenya had been visited by more than 1.25 million tourists in 2010 which an increase of 16.5% from 2009 which was about 1.08 million tourists. The tourism statistics between 2006 and 2010 indicate that the tourism sector in Kenya is growing rapidly. Hence, the tourism income in 2010 has increased by 65% from 2006 which was about US$2.06 billion [6]. Kisumu which is the third largest city in Kenya is a destination with many iconic tourist attractions, such Kisumu museum, Dunga Beach, Impala Park and Kit Mikai. Tourism is of vital importance to the national economy of Kisumu. When this sector is given the much attention by the stakeholders, then it can be the Kingdom's largest export sector, the second largest private sector employer, and the second highest producer of foreign exchange [7].

1.2 Objectives of the study

The study's main objective was to establish the implications of customer service on customer life time value in tourism sector in Kisumu County, Kenya.

The study was also guided by the following specific objectives;

    i.   to determine the effect of destination facilities on tourist customer life time value

    ii.   to investigate the relationship between destination accessibility and customer life time value

    iii.   to find out the effect of destination attraction on customer life time value

1.3 Hypothesis of the study

H_o1: there is no statistical relationship between customer service and customer life time value in tourism sector

H_o2: there is no positive relationship between the destination facilities and customer life time value in tourism sector.

H_o3 there is no positive relationship between the destination attraction and customer life time value in tourism sector.

H_o4 there is no positive relationship between destination accessibility and customer life time value in tourism sector.

2.0 Literature Review

The main purpose of this chapter is to review studies in relation to customer service and customer lifetime value.

2.1 Customer Service

[7] describes customer service as encompassing all points of contact between the customer and the supplier, the international customer service association has sited customer service as a function within a business that bails customer satisfaction as their responsibility and provides that satisfaction through the fulfillment of sales order, demand and information needs. [8] says that customer service management mainly focuses on internal management and measures to customer service.

2.1.1 Customer Service Elements

A number of elements are commonly associated with customer service, although the degree of importance attached to any of them carried from firm's / company to company depending on customer needs. [9] customer service as undertaken or categorized into three; pre-transaction, transaction and post-transaction.

2.1.2 Pre-Transaction Elements.

The pre-transaction elements tend to be non-routine and policy stated. These activities although not specifically involved with logistics, have a significant impact on product sales. The specific elements of pre-transaction customer services included: A written statement of customer policy, In this policy the customer service would

be based on customer needs define services standards, determine who and with what frequency and also the capability of the policy being implemented.

Customers receive service policy statement, this makes little sense to provide a level of service designated to improve market penetration and then fail to inform the customer of what is being provided. Giving the customer a written statement reduces the likelihood that they will have unrealistic expectation on performance. In Organization structure although no organization structure is best suited to successful implementation of all customer policy, the structure selected should facilitate communication and cooperation among those functions involved in implementing the customer services policy. System flexibility should be able to handle unplanned events such as shortage of energy service policy, products and strikes. Management services such as training manuals and seminars are designed so as to help customers to improve on service and product usage. The above transaction elements are essentials of a successful marketing strategy.

2.1.3 Customer Service Approaches and Strategy

According to [6] it is appropriate to develop customer service strategies that enhance firm's profitability. Five approaches to strategy development that helps the firm to establish appropriate customer service policies. These include; Understanding customer reaction to product or service failure i.e. customer response to stock outs, analyze trade off of costs or revenue, activity based costing (ABC) analysis looking at the most profitable customers, Internal and external customer service audit and competitive position matrix.

2.1.3.1 Customer Service Strategy

A company has a corporate culture, whether that is steeped in tradition over a hundred years or a new technology start-up with a casual approach, and that defines how business is conducted with the customer. No matter what the corporate culture, the focus must always be on the customer. When determining how a company approaches customer service, they will often adopt a customer service strategy that is usually made up for a number of elements.

- **Communications**

Each customer wants to feel that they are the most important customer, so they need to be communicated with so that they never need to contact you because of the lack of information. For example, if you are manufacturing and shipping an item to a customer, then the customer will want to know how far the item is along the manufacturing path, and then when it is shipped, they will require tracking information. If the customer has to call to find out information, they will be less satisfied as it is taking them time to call, and it is costing your company money for someone to spend time finding out the information for the customer. With new technologies such as Customer Relationship Management (CRM) and social media websites it is possible to communicate with the client electronically to inform them of new products, sales, or promotions that may interest them.

- **Convenience**

For a customer there is nothing worse than having to accommodate the limitations of your supplier. For example, if a customer is open from 7AM to 4PM, they do not want to accept deliveries after hours because a vendor can only deliver after 5PM. Good customer service dictates that you will be available when it is convenient to the customer. If the customer wants a service call before they open for business then providing that is good customer service and will instill excellent customer satisfaction. The convenience also should be found on your online presence. A customer wants things to be convenient for them, so if they want to be able to review their order, check shipping and send a message, then they need that to be in one location and not spread over many pages, which is not as convenient and leads to poorer customer satisfaction.

- **Dependability**

The customer expects items they wish to purchase to be in stock. Good customer service should aim to have items in stock, as well as providing other services, such as accurate ordering, accurate pricing, and believable delivery dates. Dependability also relates to a company's online presence. If a company's website is not updated, shows the wrong prices, has dead links, or fails to process orders correctly, a customer will simply move on to the next vendor whose systems are dependable. A good customer service strategy should ensure that the company is looking at all aspects of its business to give a customer a feeling of dependability.

2.1.4 Customer Segmentation.

ABC approach to strategies requires differing levels of service to be offered to different segment based on their profitability to the firm. [6] notes that all customer service is viewed differently by different people or members in a given channel. In a distribution setting different combinations of technical or outcome versus functional or process aspect of service quality are important in different environments.

[8] and [12] noted that problems occur when different customers require different levels of service. Because of these differences there may be an incompatibility between the capability of the supplier and the requirement of a customer, in such a case outsourcing a third party can act as adapter. Third party organization can tailor management of the service delivery process to meet the specific needs of a customer.

2.1.5 Customer service interface, learning and information exchange.

Customer service is a critical interface between the distributors. The interface has significant implication for relationship and quality exchange of information. The relationship influences customer behavior both particularly relevant in distribution context. The process components of service encounter such as ability to perform promised service accurately and independently. There should be willingness to encounter and help customers and provide prompt service, knowledge and courtesy and employee's attentiveness of customers in customer learning and information.

According to [7] the important component of developing and implementing successful customer services is the capacity of a firm to appropriately access and utilize information about customers. [10] sees the role of the

customer as an information source for other members of the supply chain suggesting that the customer plays an expanded role of sharing information to enable the organization focus on the end user.

2.2 Customer Life Time Value

In marketing, customer lifetime value or often CLTV, lifetime customer value (LCV), or user lifetime value (LTV) is a prediction of the net profit attributed to the entire future relationship with a customer. Customer lifetime value can also be defined as the dollar value of a customer relationship, based on the present value of the projected future cash flows from the customer relationship. The prediction model can have varying levels of sophistication and accuracy, ranging from a crude heuristic to the use of complex predictive analytics techniques. Customer lifetime value is an important concept in that it encourages firms to shift their focus from quarterly profits to the long-term health of their customer relationships. Customer lifetime value is an important number because it represents an upper limit on spending to acquire new customers.

2.2.1 Purpose of customer life time value

The purpose of the customer lifetime value metric is to assess the financial value of each customer. As Don Peppers and Martha Rogers are fond of saying, "some customers are more equal than others. "Customer lifetime value differs from customer profitability or CP (the difference between the revenues and the costs associated with the customer relationship during a specified period) in that CP measures the past and customer lifetime value looks forward. As such, customer lifetime value can be more useful in shaping managers' decisions but is much more difficult to quantify. While quantifying CP is a matter of carefully reporting and summarizing the results of past activity, quantifying customer lifetime value involves forecasting future activity.

Customer lifetime value can also be seen as the present value of the future cash flows attributed to the customer during his/her entire relationship with the company. Present value is the discounted sum of future cash flows: each future cash flow is multiplied by a carefully selected number less than one, before being added together. The multiplication factor accounts for the way the value of money is discounted over time. The time-based value of money captures the intuition that everyone would prefer to get paid sooner rather than later but would prefer to pay later rather than sooner. The multiplication factors depend on the discount rate chosen (10% per year as an example) and the length of time before each cash flow occurs. For example, money received ten years from now must be discounted more than dollars received five years in the future.

Customer lifetime value applies the concept of present value to cash flows attributed to the customer relationship. Because the present value of any stream of future cash flows is designed to measure the single lump sum value today of the future stream of cash flows, CLV will represent the single lump sum value today of the customer relationship. Even more simply, CLV is the dollar value of the customer relationship to the firm. It is an upper limit on what the firm would be willing to pay to acquire the customer relationship as well as an upper limit on the amount the firm would be willing to pay to avoid losing the customer relationship. If we view a customer relationship as an asset of the firm, CLV would present the dollar value of that asset.

One of the major uses of CLV is customer segmentation, which starts with the understanding that not all customers are equally important. CLV-based segmentation model allows the company to predict the most profitable group of customers, understand those customers' common characteristics, and focus more on them rather than on less profitable customers. CLV-based segmentation can be combined with a Share of Wallet (SOW) model to identify "high CLV but low SOW" customers with the assumption that the company's profit could be maximized by investing marketing resources in those customers.

Customer Lifetime Value metrics are used mainly in relationship-focused businesses, especially those with customer contracts. Examples include banking and insurance services, telecommunications and most of the business-to-business sector. However, the CLV principles may be extended to transactions-focused categories such as consumer packaged goods by incorporating stochastic purchase models of individual or aggregate behavior.

2.2.2 Uses of customer life time value

Customer lifetime value has intuitive appeal as a marketing concept, because in theory it represents exactly how much each customer is worth in monetary terms, and therefore exactly how much a marketing department should be willing to spend to acquire each customer, especially in direct response marketing. Lifetime value is typically used to judge the appropriateness of the costs of acquisition of a customer. For example, if a new customer costs $50 to acquire cost of customer acquisition ((COCA), and their lifetime value is $60, then the customer is judged to be profitable, and acquisition of additional similar customers is acceptable. Additionally, CLV is used to calculate customer equity.

2.2.3 Advantages of customer life time value

CLTV assess management of customer relationship as an asset by monitoring the impact of management strategies and marketing investments on the value of customer assets, for example: Marketing Mix Modeling simulators can use a multi-year CLV model to show the true value (versus acquisition cost) of an additional customer, reduced churn rate, product up-sell. It also enables determination of the optimal level of investments in marketing and sales activities which encourages marketers to focus on the long-term value of customers instead of investing resources in acquiring "cheap" customers with low total revenue value

CLV implements sensitivity analysis in order to determinate getting impact by spending extra money on each customer, enable optimal allocation of limited resources for ongoing marketing activities in order to achieve a maximum return, it is a good basis for selecting customers and for decision making regarding customer specific communication strategies and allows measurement of customer loyalty (proportion of purchase, probability of purchase and repurchase, purchase frequency and sequence etc.)

2.2.4 Ways of increasing customer life time value

Customer lifetime value is a most critical metric for any business that wants to achieve a distinct competitive advantage. It is essential that all business understand how various interconnected factors influence customer lifetime value and work towards increasing it.

1. Maximize CLV through Targeted Up-Sell and Cross-Sell

Target prolific customers and mount a cross-sell and up-sell campaign to get customers' attention. Focus on increasing the net profitability of each transaction; thereby you'll be increasing your customer's present net value. If you successfully increase the total expected revenue of your average customer's purchase, you can dramatically increase that customer's CLV.

2. Keep Customer Satisfaction Ratings High

It's vital that you invite feedback from your customers, and then respond quickly and intelligently. Add reviews and ratings feature to your site, along with testimonial pages and real customer profiles. Link customer forums to your website, such as GetSatisfaction.com. Create customer wish list pages and get them to vote for what they want. Start a Twitter stream for customers. Step up your newsletters, providing valuable content, suggestions, tips and coupons. All of these efforts will result in high customer ratings on your site. Other customers will be drawn towards 3, 4 and 5 star reviews, even if there are a few negative remarks.

3. Work On Every Customer Interaction To Improve Profitability

Take advantage of each customer order as a way to build a relationship with that customer. Your CLV is greatly influenced by how long a customer remains a customer. Your task is to ensure your customer stays with you as long as possible. If your customer feels that they have a positive, trusting relationship with you, they'll stay on longer. Get to know them personally, by name; do follow up calls to ensure satisfaction. When a customer makes a number of purchases at your site, think of ways to reward him or her, via coupons, discounts and so on.

4. Dependability

The very first time a customer shops at your store, they should realize you're in for the long haul. You need to achieve this via an aggressive content marketing strategy, social media engagement, constant innovation, frequent product upgrades, excellent communication and customer relationship. Once customers realize that the organization is dedicated to excellent service, they will have life time experience.

5. Leverage inbound marketing to get the support of the industry and community.

Before releasing a major product, and get your customer salivating through preemptive viral videos, social threads, user forum discussions and webinars. Don't release the product till the excitement becomes palpable. Then unveil the product at a gala, to gain eyeballs from the Press.

6. Communicate regularly and always be Responsive

Frequently reacquaint customers to the products through newsletters. Do not let customers lose sight of what the organization have on offer. Reach out to them in as personal method as possible, to accelerate sales. Increase customer's Net Present Value (NPV), in order to maximize customer lifetime value. Connect with them on social media as well. Also, respond to every customer complaint with total diligence. Take customer suggestions seriously; document them and forward them to your internal departments

7. Offer Referral Programs

Increase customer's visit frequency while at the same time bringing down customer acquisition costs via referral programs. Offer anything as incentive for customer referral – a discount coupon, a chance to be profiled on the organization site, a free product or membership to an exclusive club in of the organization.

8. Segment Customers

Segment customers based on various factors such as purchase frequency, acquisition channel, location, various demographics and past purchase value. Segment your customers as important shoppers, brand shoppers and sale shoppers. For your important shoppers, offer enticements such as invitations to a launch or a sneak preview of a new product. Offer different enticements to brand shoppers and sale shoppers, to get them to become important shoppers as well.

2.3 Destination attractions and environment

These are the component elements within the destination that largely determine tourists' choice and influence their motivations to visit that destination. They include: Natural attractions: landscape, seascape, beaches, climate, flora and fauna and other geographical features of the destination and its natural resources. Built attractions: buildings and tourism infrastructure including historic and modern architecture; monuments; promenades, parks and gardens, convention centres, marinas, ski slopes, industrial archaeology, managed visitor attractions generally, golf courses, speciality shops and themed retail area. Cultural attractions: history and folklore, religion and art, theatre, music, dance and other entertainment, and museums. Social attractions: way of life and customs of resident or host population, language and opportunities for social encounters.

2.3.1 Destination facilities and services

These are the component elements located in the destination, which make it possible for visitors to stay and to enjoy in that destination. They include: Accommodation unit: hotels, holiday villages, apartments, villas, campsites, caravan parks, hostels, condominiums, farms, guesthouses. Restaurants, bars and café's: ranging from fast-food through to luxury restaurants. Transport at the destination: taxis, coaches, car rental, cycle hire. Sports/interest activity: ski schools, sailing schools, golf clubs and spectator stadiums; centres for pursuit of arts and crafts and nature studies. Other facilities: language schools, health clubs. Retail outlets: shops, travel agents, souvenirs, camping supplies. Other services: information services, equipment rental, tourism police.

2.3.2 Accessibility of the destination

These are the component elements including private and public transport aspects of the product that determine the cost, speed and convenience with which a traveler may leave his place of residence and reach a chosen destination. They include: Infrastructure: of roads, car parking, airports, railways, seaports, inland waterways and marinas. Equipment: size, speed and range of public transport vehicles. Operational factors: routes operated, frequency of services, prices charged and road tolls levied. Government regulations: the range of regulatory controls over transport operations [13].

A study conducted by [14], they confirmed that destinations' food image influenced travelers' visit intention positively. While [15] found that the most prominent motivations for tourism destinations choice in a third world country are: self-actualization in an appreciative, educational or cultural context and leisure/recreational pursuits. Attractiveness of destination, quality services, facilities/amenities, favourable location and accessibility of centres also emerged as important considerations in tourist destination choice.

2.3.3 Images of the destination

The destination image is a relatively recent addition to the field of tourism research [16]. The image of tourist destinations is an element of major importance [17- 23], ultimately influencing the final choice or behavioural intention [24]. However, pioneering studies on the image of tourist destinations, dating from the 1970s and also the 1980s present some theoretical and conceptual limitations [25,19,26,27]. However, several studies have illustrated that destination images do, indeed, influence tourist behaviour [17,28,29] define the concept of destination image as the expression of all objective knowledge, prejudices, imagination and emotional thoughts of an individual or group about a particular location.

Other authors define the image as the sum of all beliefs, ideas and impressions that people associate with a destination [30]. [31] define destination image as the subjective interpretation of reality by the tourist. Therefore, the image tourists have of a destination is largely subjective because it is based on the perceptions each tourist has of all of the destinations they have been to or have heard of [132]. In other words, the destination image is evaluated by the attributes of its resources and attractions [33] which motivate tourists to visit that destination [34-37]. Those destinations with strong, positive images are more likely to be considered and chosen in the travel decision process [38,39]. As a result, destination image has an important role for travel decisions [40,41,39].

2.3.4 Price to the consumer

The tourism product is made up of all the tourism destination specific and non-specific goods and services that are demanded during one day of holiday, its quantity is measured through the number of overnight stays and its value is the daily price of the holiday. The demand function is known with certainty, choosing the daily price is equivalent to choosing tourism expenditure. The market value of the holiday is determined by its price. Thus,

price coordination by means of a destination management and coordination provided by a tour operator supplying an all-inclusive holiday. The coordination of prices provided by the destination management allows setting a more efficient daily price for the tourism product, thus leading to an increase in overall tourism expenditure [42].

2.4 Customer Satisfaction

Customer satisfaction is defined as satisfaction based on an outcome that characterizes satisfaction as the end-state resulting from the experience of consumption, or a process that emphasizing the perceptual, evaluative and psychological processes contributing to customer satisfaction [2]. This definition, assessment of satisfaction is made during the service delivery process. Customer satisfaction can also be defined as feeling of the post utilization that the consumers experience from their purchase [43,44]. It is the feeling of happiness or unhappiness as a result of comparing the perceived performance of services or products with the expected performance. If the perceived performance does not meet the expected performance, then the customer will feel disappointed or dissatisfied [45].

A consumer is deemed to be satisfied upon the experience weighted sum total produce a feeling of enjoyment when compared with the expectation [46]. In tourism studies, customer satisfaction is the visitor's state of emotion after they experiencing their tour [47,48]. Customer satisfaction is one the most areas being researched in many tourism studies due to its importance in determining the success and the continued existence of the tourism business [49]. Destination holiday's customer satisfaction is the extent of overall enjoyment that the tourists feel, the result that the tour experience able to fulfill the tourists" desires, expectation, needs and wants from the tour [24]

2.5 Relationship between Customer Service and Customer Life Time Value

Several studies have investigated the relationship between customer service and customer Life Time Value. For example, [50] revealed that customer service has significant impact and positive relationship with customer Life Time Value in Greek retailing industry. A study conducted by [51], which aimed to understand the relationship between customer service and customer satisfaction in various hotels in Murtinos. The study found that the image of the hotel affected by the existence of service and customer Life Time Value that support for the favourite image created by the hotel through the improvement of service quality and customer satisfaction.

[52] confirmed that service quality is positively related to bank's customer satisfaction in Greece. Another study was conducted by [53] they revealed that customer service is a strong antecedent and significantly related to customer Life Time Value in banking industry in Qatar. Similarly, [54] confirmed that customer service has a positive influence with customer satisfaction in non vessel owners and shippers in Taiwan. [55] revealed that service quality has strong influence and significantly and positively related to customer. Despite these numerous researches on customer satisfaction, limited studies have been conducted on the relationship between customer service and customer life time value and this might be the missing link between the tourist attraction to the tourist destinations more so in Kisumu County, hence this study seeks to establish the relationship between

customer service, customer life time vale and customer satisfaction in Tourism sector in Kisumu County, Kenya.

2.6 Conceptual Framework

In the study, the independent variable was Customer service which was measured by the facilities in the tourist sites. These included the services offered the restaurants, souvenir and the tour guides. It can be argued that when the services are satisfactory tourist will feel comfortable which may improve level of satisfaction; accessibility to the site which was characterized by availability of maps, parking and toilets. When tourist are able to locate the place and have an ample parking space plus an attractive toilet then this will give them a life time experience and finally attraction is very vital in customer service. This was measured by the attractiveness of the museum, the physical distribution and the process. All these affected the dependent variable which was Tourist Customer Life Time Value. The CLTV was measured by destination profitability, customer loyalty, customer referral and customer satisfaction with the services offered. When all these interact in an environment, then it is expected that the CLTV will improve and the country will continue to benefit despite other environmental challenges as shown in figure 1.
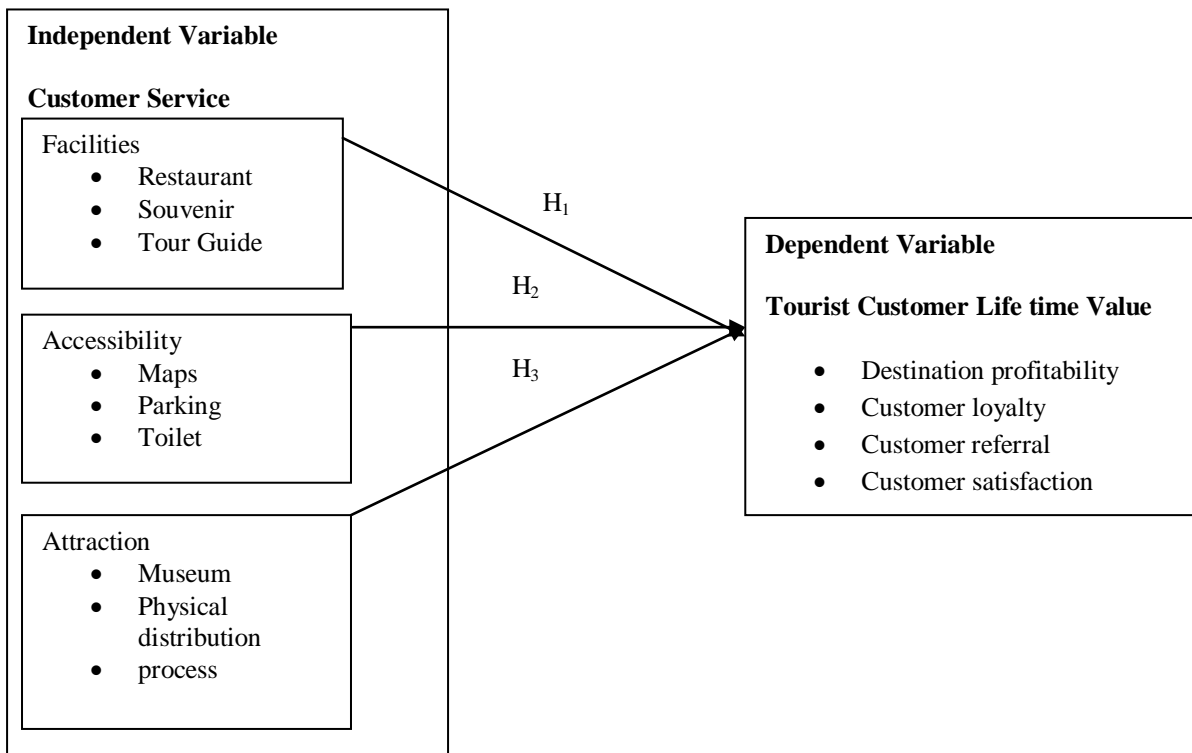
Independent Variable

Customer Service

Facilities
- Restaurant
- Souvenir
- Tour Guide

H_1

H_2

Accessibility
- Maps
- Parking
- Toilet

H_3

Attraction
- Museum
- Physical distribution
- process

Dependent Variable

Tourist Customer Life time Value

- Destination profitability
- Customer loyalty
- Customer referral
- Customer satisfaction

Figure 1: Conceptual framework

3. 0 Methodology

The study's questionnaire consisted of two parts, and they are: tourist satisfaction and customer service including, destination attractions; destination facilities; and accessibility of the destination. Using 5-point Likert-

type scale, the questionnaire was developed based on employed validated scales from the existing literature, which consists of 34 items as the following:

1. Destination facilities were measured with 21 items.

2. Destination accessibility was measured with 7 items.

3. Destination attractions were measured with 2 items.

4. Tourist Life Time Value was measured with 4 items

A total number of 250 questionnaires were distributed to tourists at Kisumu museum, Dunga Beach, Impala Park and Kit Mikai.; the data were collected at tourist centres from October 2013 until January 2014. This study yielded 180 usable questionnaires which were processed and analyzed by using the statistical software package of SPSS-18 to prove the proposed model.

4.0 Findings

An internal consistency test was conducted in regard to the whole data of participants for each variable in the study's questionnaire.

Table 1: Internal Consistency of Study's Questionnaire

Variable	No. of Items	Cronbach's Alpha
Destination facilities	21	.949
Destination accessibility	7	.881
Destination attractions	2	.706
Tourist satisfaction	4	.781
The whole questionnaire	34	.962

The results indicated that a Cronbach's Alpha coefficient was $\alpha = .949$ for destination facilities, $\alpha = .881$ for destination accessibility, $\alpha = .706$ for destination attractions, and $\alpha = .781$ for tourist Life Time Value as shown in Table 1. The scales in instrument had an acceptable internal consistency because Cronbach's Alpha scores were above the recommended 0.6 level (Amin, 2005). Therefore, the high Cronbach's Alpha coefficient in this study represents a high consistency and reliability among statements in questionnaire.

A total number of tourists participated in this study was 180 as shown in Table 2. Most tourists (52.2%) were females. The majority of tourists (54.4%) age between 31-50 years. But most of tourists (45%) were Bachelor degree holders. Most tourists (51.1%) were people who worked in private sector. Monthly income for the most of tourist (52.3%) was more than $1001. American tourists (30%) were the most people visiting tourist sites, followed by European tourists (26.1%), while African people (4.4%) were the less.

Table 2: Demographic Characteristics of Participated Tourists

Variable	Category	Frequency	Percentage %
Gender	Male	79	49.9%
Female	94		52.2%
Unknown	7		3.9%
Age	20-30 years	46	25.6%
31-40 years	49		27.2%
41-50 years	49		27.2%
51 years and above	28		15.6%
Unknown	8		4.4%
Education	High school	15	8.3%
Diploma	42		23.3%
Bachelor	81		45%
High education	38		21.1%
Unknown	4		2.2%
Job	Public sector	48	26.7%
Privet sector	92		51.1%
Non	28		15.6%
Unknown	12		6.7%
Monthly Income	Under $ 500	24	13.3%
$501-$1000	49		27.2%
$1001 - $ 1500	39		21.2%
$ 1501 and above	55		30.6%
Unknown	13		7.2%
Nationality	African	8	4.4%
American	54		30%
Arabian	17		9.4%
Australian	16		8.9%
Asian	28		15.6%
European	47		26.1%
Unknown	10		5.6%

The values of means and standard deviations for each variable in the study's questionnaire are presented in Table 3. The tourism facilities was the highest mean (3.68) indicating its importance from the point of view of the sample individuals while the Accessibility was the least mean (3.46) indicating less importance upon the sample individuals. The tourist Life Time Value (as dependent variable) was expressed by a mean of (3.66) and is considered as a very good Life Time Value.

Table 3: Means and Standard Deviations for the Study Variables

Service Quality	Mean	SD	Order
	3.68	.89	1
1. Destination Facilities (restaurant, souvenir and tour guide)			
	3.57	1.01	2
2. Destination Attraction (museum)			
	3.46	.85	3
3. Destination Accessibility (maps, parking and toilet)			

Dependent Variable	Mean	SD
Tourist Life Time Value	3.66	.86

The current study tested the main hypothesis and its sub-hypotheses by using a linear regression analysis. The results of correlation analysis revealed that there were very high significant correlations between all variables of this study, since the significant level was (P<.05). Hence, a linear regression model was necessary to conduct in order to indicate the impact of service quality on tourist Life Time Value as dependent variable.

H_{o1}: There is no positive relationship between the destination facilities (restaurant, souvenir, tour guide) and tourist Life Time Value

Destination facilities were proposed to have a positive relationship with tourist satisfaction in this study. This sub-hypothesis was tested by using a liner regression analysis as shown in Table 4.

Table 4: Linear Regression for Impact of Destination Facilities on Tourist Satisfaction

Independent Variable			Dependent Variable: Tourist Life Time Value		Hypothesis decision		
	R	R²	F	β	t	Sig.	
Destination Facilities	.739	.546	206.499	.739	14.37**	.000	Reject

Table 4 shows that destination facilities (restaurant, souvenir and tour guide) are a significant predicator of tourist Life Time Value. The regression results indicated that destination facilities had a positive relationship with tourist Life Time Value (β =.739, P=.000). More specifically, destination facilities explain (R^2) 54.6% of the variance in tourist Life Time Value, this means destination facilities are a moderate predictor in tourist Life Time Value. Consequently, the overall statistical results confirmed that relationship, and therefore hypothesis 1a is accepted.

Ho2: There is no positive relationship between the destination accessibility (maps, parking, and toilet) and tourist Life Time Value.

In this study, destination accessibility was proposed to have a positive relationship with tourist Life Time Value. A liner regression analysis was conducted to test this sub-hypothesis, and the results are presented in Table 5.

Table 5: Linear Regression for Impact of Destination Accessibility on Tourist Life Time Value

Independent Variable			Dependent Variable: Tourist Life Time Value		Hypothesis decision		
	R	R²	F	β	t	Sig	
Destination Accessibility	.755	.57	227.855	.755	15.09**	.000	Reject

The regression results showed that destination accessibility(maps, parking, toilet) is a good significant predicator of tourist Life Time Value as shown in Table 5, destination accessibility is positively related to tourist satisfaction (β = .755, P=.000). More specifically, destination accessibility explains (R^2) 57 % of the variance in tourist Life Time Value. However, the overall statistical results indicated that destination accessibility positively influenced tourist Life Time Value. Accordingly, hypothesis 1b is accepted and null hypothesis is rejected.

H_o3: There is no positive relationship between the destination attractions (museum) and tourist Life Time Value.

In this study, destination attractions were proposed to have a positive relationship with tourist Life Time Value. This sub-hypothesis was tested by a liner regression analysis, and the results are presented in Table 6.

Table 6: Linear Regression for Impact of Destination Attraction on Tourist Life Time Value

Independent Variable			Dependent Variable: Tourist Life Time Value n		Hypothesis decision		
	R	R²	F	β	t	Sig	
Destination Attraction	.561	.314	73.844	.561	8.593**	.000	Reject

As Table 6 shows, destination attractions (museum) are moderately positively related to tourist Life Time Value (β =.561, P=.000). The regression results showed that destination attractions is a significant predicator of tourist Life Time Value, more specifically, destination attractions explain (R^2) 31.4% of the variance in tourist Life Time Value n. However, the overall statistical results indicated that destination attractions positively impacted tourist Life Time Value. Thus, hypothesis 1c is accepted

H_o1: There is no positive relationship between customer service and tourist Life Time Value.

The above results indicated that all sub-hypotheses of hypothesis 1 are accepted and supported in this study. Consequently, hypothesis 1 was proposed to be accepted in this study. This hypothesis was tested by a liner regression analysis as shown in Table 7.

Table 7: Linear Regression for Implications of Customer Service on Tourist Life Time Value

Independent Variable			Dependent Variable: Tourist Life Time Value				Hypothesis decision
	R	R^2	F	β	t	Sig	
Customer Service	.780	.608	266.712	.780	16.331**	.000	Reject

The regression results showed that customer service (destination facilities, destination accessibility, destination attraction) is a good significant predicator of tourist Life Time Value as shown in Table 7, customer service is positively related to tourist Life Time Value (β = .78, P=.000). More specifically, customer service explains (R^2) 60.8 % of the variance in tourist Life Time Value. However, the overall statistical results indicated that customer service positively influenced tourist Life Time Value. As a result, hypothesis 1 (study hypothesis) is accepted which confirmed the positive relationship between customer service and tourist Life Time Value.

5.0 Conclusion

The study findings concluded that customer service (destination facilities, destination accessibility, destination attractions) has great effect on overall tourist Life Time Value. This study confirmed that customer service has a positive relationship with tourist Life Time Value. These results suggest that tourist Life Time Value can be enhanced by raising the level of customer service throughout destination facilities, destination accessibility and destination attractions. It was also found that tourists in Impala Park, Kisumu museums, Kit Mikai and Dunga beach are moderately satisfied with the level of tourism services. Similarly, this study confirmed the results of Abu Ali and Howaidee (2012), who found that destination facilities and accessibility and attraction have significant positive impacts on tourist Life Time Value in Naivasha National Park as one of the major tourism destinations in Kenya. The current study highlights the importance of customer service and its impact on tourist Life Time Value in Kisumu County.

5.1 Recommendations

The study's results are considered to be valuable to destination management, tourism organizations, Kenyan government and business in Kisumu County in evaluating the level of their current services. Therefore, this study suggests that the quality of tourism services has a positive impact on the level of tourist Life Time Value by enhancing destination facilitates, destination accessibility and destination attractions.

Every business manager knows that when a customer has a problem, the experience of resolving the issue has a profound impact on future purchases. This effect has been amplified as social media and web review sites enable customer service experiences to be widely shared with friends, colleagues, and the general public. But just how impactful are these customer service experiences on buying behavior and the lifetime value of a customer.

The destinations should build facilities like restaurants, Souvenir so that the tourists should access all the facilities they require in one place without need to undergo booking process in other Hotels. The destinations should also train their tour guides on the importance of customer service to tourists and their Life Time value.

The destinations should update information on their website and show clearly the map and roads leading the sites. They should also avail all the information about the site to enable the tourist make informed choice. The destination should also ensure that they deliver the promised customer service with zero error rates.

The tourists destinations should maximize customer lifetime value through targeted up-sell and cross-sell, keeping customer satisfaction ratings high, work on every customer Interaction to improve profitability, leverage inbound marketing to get the support of the industry and community, communicate regularly and always be responsive, offer referral programs, study the product lifecycle and leverage it, create a sense of urgency and segment customers.

5.2 Recommendation for further study

For further research, another study can be conducted among other tourist groups in other destinations in order to confirm the study's survey.

Further research should be carried out on the effect of product features on tourist satisfaction in tourist destination sites.

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