

# The Effect of Loyalty Program on Customer's Loyalty in the Tourism Establishment – A Case Study of Musango Bus Service Company Limited, Mile 17 – Buea, South West Region

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## ABSTRACT

Customer loyalty refers to a situation where a customer develops a long standing preference or loyalty towards a particular product or service and companies that create the best customer experience and deliver the highest levels of customer confidence are the ones that stay in business longer and aren't forced to sell their goods and service at skinny or straggling margins. As the customer comes to your business for any service, it is better for the employees as well as management to ask themselves what we are doing right or are we providing the type of service or brand that will lure or make the customer to come back another time to get what he or she needs from our business. You should do well to remember that as a business owner or employees of a business, your time is limited and so you are not able to answer every phone call that comes into your business, hence things like missed calls, extensive ringing and putting customers on hold can cause frustration and decrease loyalty not leaving out the fact that there are always days when you may be stressed and less polite than usual. A growing number of consumers want businesses to be active in their communities and if a company serves as a driver of change, customer loyalty benefits considerably and loyalty connects consumers to a brand across every touch point impeccably. In Musango Bus Service Company limited like any other business, loyal customers reduce costs associated with consumer education and marketing, especially when they promote this travel agency through, word-of-mouth to their friends and relations. They also offer free travel tickets to customers after the purchase of travel tickets from eight to twelve.

**KEYWORDS:** customer, loyalty, customer loyalty, experience

## 1.0 INTRODUCTION

The movement of people through the various means of transportation in urban areas is highly complex because of the modes involved and the multitude of origins and destinations as well not leaving out the amount and variety of traffic. Conventionally, the focus of urban transport has been on passengers as cities were seen as locations of greatest human interactions with the intricate traffic patterns linked to movement and also for leisure activities (Circella and Mokhtaiian, 2017).

Travelling in Cameroon is both very tiring and an escapade and roads come in wide variety with some which are paved and very smooth while some are unpaved this is because they have clearly not been maintained in a decade and have too many pot holes and hence because of the numerous potholes there is an increase in the travel time from one urban town to the other (www. blog.rachelchaikof. com).

Official statistics revealed that there is about 50,000 km of roads in Cameroon, of which only 5,000 km are paved and the rest is earth roads and is poorly maintained (www.google.com).

It should be noted that the government of Cameroon is definitely working on improving the road situation but they are doing it at a snail pace or very slowly. If you have decided to settle in Cameroon, you will probably have to move from one place or urban town to another during your stay, whether it is long or short and for this, you can choose among different means of transports. It should be however noted that the country's transports network is not very developed, unlike many foreign countries ([www.expats.com](http://www.expats.com)).

In order to bring sanity in the transport sector, the government of Cameroon through its ministry of transport after conducting an audit tries to urge illegal interurban transport companies to comply with laws within a stipulated period of time or face a penalty of having their agencies being closed ([www.businessincameroon.com](http://www.businessincameroon.com)).

There are many reliable and confident bus companies in the country which provide travelling services to people travelling to and from all parts of the country and customer loyalty of any of the travel agency or bus services will depend if their aim is to provide quality, reliable and safe services, with courtesy, that value is of equal value or proportionate to the price of the money paid by the customer (Abam, 2017). Brand loyalty stems out of a firm's reliable effort to deliver the same product, every time, at the same rate of success and it should be noted that customer loyalty is build from the company to the customer - the more satisfied the customer, the more like he or she do repeat business with a company as this encourages customers to buy a particular brand regularly and to spend more money not leaving out to advertise the brand through mouth – to - mouth experience ([www.myaccountingcourse.com](http://www.myaccountingcourse.com)).

Business marketing and customer service departments should therefore spend important resources on customer loyalty that means management of these businesses should give great attention to retaining existing customers ([www.marketbusinessnews.com](http://www.marketbusinessnews.com)).

## **2.0 BACKGROUND OF MUSANGO BUS SERVICE COMPANY LIMITED**

Mile 17 Buea, South West Region is the head office of Musango Bus Service Company limited. It provides bus service and as well as interurban transportation. This travel agency has as slogan 'Take me with Lord'. In 2017 Musango bus service limited opened its VIP (VERY IMPORTANT PERSON) service section at affordable prices

to various destinations including Yaounde, Douala, Mutengene, Limbe Bafoussam, Bamenda. A mail and luggage service section also exist and the price depends on the weight and value of the luggage and this luggage and mails are send from one of its agencies to another as per the need of the customer. The VIP service owns a VIP shuttle section in limbe and this is mostly used by passengers from Limbe who want to catch up with the other buses travelling to Yaoundé and other towns. The VIP 70 seater buses are air conditioned, have WIFI, with hostess, snacks onboard and finally urinary on board. Musango bus Service Company like any other business tries to retain its customers through its brand loyalty, on the other hand, is much easier to maintain once established. It tries to do this by trying to keep the same product quality and the level of service it's provide to the customer thus making brand-loyal customers to feel save and they bother little to check out the competition ([www.wasamundi.com](http://www.wasamundi.com)).

## **3.0 LITERATURE REVIEW**

In the hospitality or tourism industry, human contact are necessary for the delivery of good service and it is at this moment that employees working at the front office need to show their best in order to sell the image or reputation and/or products of the firm or business (Abam, 2017).

There will be a repeat of purchase of the company brand or products by the customers when they feel satisfied with the quality of services rendered to them hence quality enhancement is increasing and that service quality and customer satisfaction is central and vital to any business (Abam, 2018).

Customers are become increasing conscious of their expectation and service industries or tourism business too are faced with pressure to have new customers and maintain existing ones and as far as customer retention is concern, most of the displeased consumers may not complain but they still however expect service recovery. But when some of them do notice service failure through experience or get information through word-of-mouth they automatically switch over (Abam, 2017).

A company's abilities to deliver an experience that sets its eye on its consumers will increase the amounts of consumers spending with the company and inspire the culture of coming back for a repeat purchase, it should be noted that an important factor in costumer experience need to lay emphasis on is the relationship between the employee and the costumer so as to deliver better services and thus improve on the customer experience (Abam, 2018).

Customer loyalty can be said to have occurred if a customer or customers decide to buy one exacting product, rather than buy products made by other business, it also indicates the degree to which consumers are loyal to a company's products and/or services and how they have a strong tendency to select one brand over that of the competitor.

#### 4.0 RESEARCH METHODOLOGY

This research also uses quantitative or qualitative method of data collection and Jary and Jary (1991) reveal that qualitative techniques rely on the skills of the in gathering data whereas quantitative methods place dependence upon the research instruments in use to gather data and analyse it for example the use of questionnaires which is a primary method of data collection.

#### 5.0 FINDINGS AND ANALYSIS

**Table 1: showing variables used to assess the effect of loyalty program on consumer's loyalty in the tourism establishment – a case study of Musango bus service company limited, mile 17 – Buea, South West Region.**

VARIABLE	AGREE	DISAGREE	NO IDEA
Level of awareness of about customer loyalty program in the agency	80%	15%	5%
Number of times customer have receive compensation for being loyal to the agency	50%	45%	5%
Customers opinion of good services about Musango bus service	88%	10%	2%
Awareness of reliability in delivering the service promised to the clients	70%	20%	10%
Hygienic conditions of the agency and their buses	92%	6%	2%

*Source: fieldwork, 2019*

From table 1 above, the researcher distributed questionnaires to 100 customers of Musango bus Service Company limited. This was done in other to examine the following questions in order to have a good knowledge of customers aware of loyalty programs at Musango bus Service Company limited.

**Looking at the level of awareness about customer loyalty program in the agency;** 80% of the respondents or customers reveal that they are aware of the existence of loyalty programs at Musango bus service limited, 15% disagree with the above statement and finally 5% say they have no idea about the existence of this program.

**Looking at the number of times customer have receive compensation for being loyal to the agency; as concerns this second variable**, 50% of the respondents indicate that they have receive some form of compensation for being loyal customers to this agency. Forty five percent (45%) of the respondents disagree with the above variable and finally 5% of the respondents reveal that they have no idea about people receiving compensation for being loyal to the agency.

**As concerns Customers opinion of good services about Musango bus service**; 88% of the customers or respondents are of the opinion that good services are offered at the agency while 10% of the respondents disagree with the above variable and finally 2% of the respondents say that they have no idea about such opinion of good services offered at the agency.

**Looking at the awareness of reliability in delivering the service promised to the clients**; 70% of the respondents agree that there exist reliability in the delivery of services by this agency while 20% disagree with that and finally 10% of the respondents indicate that they have no idea as concerns reliability.

**And finally looking at the hygienic conditions of the agency and their buses**; 92% of the customers think that or agree to the fact that Musango buses are always looking need as well as its staff and environment while 6% of the respondents disagree and finally 2% of the respondents reveal that they have no idea.

## 6.0 CONCLUSION

Companies can boost customer loyalty by maintaining overall low prices and they can also offer multi-purchase deals, special offers, and regular loyalty discounts and brand loyalty is all about how consumers perceive the company's brand through reputation, previous experience with the company, or promotional activities. This Musango bus Service Company has being doing by offering a free ticket to travel to any part of the country where its agency does operate after a client can show prove of eight tickets earlier used to travel on any of its buses. Also twelve tickets will give a client the opportunity to make a to and fro journey on any Musango buses to any desired destination where the agency thus operate. As a great means of marketing and keeping its customers loyal to its brand, this agency is also improving its website so as not to be left out in providing vital information to its customers (Abam,2019).

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