

Factors Affecting Customer Retention of Star Class Hotels: With Special Reference to Galle District

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Abstract

Customer retention plays a vital role in the long-term success of the hospitality industry, especially within highly competitive environments such as star-class hotels. Despite efforts to attract new customers, many hotels in the region face challenges in retaining existing ones, leading to concerns about declining repeat visitation rates. This study investigates the key factors influencing customer retention in star-class hotels, with particular attention to service quality, price, food and beverage quality, and brand image. A quantitative research approach was adopted, utilizing structured questionnaires distributed through a Google Form among guests who had previously stayed at selected star-class hotels in Galle. Moreover, the convenience sampling was utilised in the study. Data were analysed using reliability testing, correlation, and regression analysis. The findings revealed significant relationships between all four independent variables and customer retention, highlighting the importance of delivering consistent service and value to build guest loyalty. Further, the regression achieved a strong fit, proving that brand image, service quality, price, and food & beverage quality significantly predict customer retention of Star Class Hotels in Galle District. The study offers practical recommendations for hotel managers to enhance customer satisfaction and retention, such as should improve service quality, competitive pricing, food and beverage standards, and brand image, while using customer feedback, employee training, and a strong service culture to enhance retention. By doing so, the hotels can build a customer-focused culture that increases satisfaction and strengthens long-term loyalty, while also identifying potential areas for future research across broader geographical regions and hotel categories.

Keywords: brand image, customer retention, food and beverage quality, price, service quality, star class hotels