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Customer Loyalty in Hospitality Industry: Key to Success

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Abstract: *Customer happiness is widely acknowledged in marketing literature as a crucial precondition for brand loyalty. Furthermore, most research has been done independently on the connections between the two pleasure models and brand loyalty. This study aims to investigate how consumer happiness and brand loyalty are impacted by three customer perceptions: price fairness, brand image, and brand loyalty. To test the theories, a convenience and judgmental sample survey consisting of 584 visitors from three distinct Damascus hotels was employed. The findings show that customer loyalty is strongly impacted by customer satisfaction. Brand loyalty is also impacted by price fairness and brand image. To increase customer happiness, price justice, and brand image are nearly equally important.We advise managers to view price fairness as the cornerstone for increasing customer happiness, brand loyalty, and brand image as a value addition for consumers*

Keywords: Loyalty, Brand image, Customer Satisfaction, Price fairness

I. INTRODUCTION

An elevated degree of customer satisfaction confers numerous advantages to the brand, including heightened brand loyalty, improved reputation, diminished price elasticity, favorable word-of-mouth, and decreased switching costs. Customer happiness is thought to be one of, if not the best, measures of a company's profitability. An intentional paradigm change from the emphasis on satisfaction to the pursuit of loyalty as a strategic corporate aim has been advocated for in response to criticisms of depending exclusively on consumer satisfaction surveys (Castañeda José Alberto, 2011).According to Oliver (1999), the transformation "seemed to be a worthwhile change in strategy for most firms because business realized the value of having a devoted clientele (Hayat Muhammad Awan, 2015). The change in how loyalty is measured stems from a desire to comprehend retention better—a component of loyalty that has a direct bearing on a business's bottom line (Taylor, 1998).Companies and customers can both profit greatly from brand loyalty. A brand that satisfies customers' expectations might serve as an indicator of success. Customers are more comfortable buying a brand they are familiar with and believe will live up to their expectations when they receive a familiar and positive signal from it. This comfort would primarily stem from the brand's established credibility based on prior encounters. Customer loyalty helps businesses build their brand equity by making them less susceptible to aggressive marketing tactics from rivals.

According to a study by Bain & Co. (Frederick F. Reichheld, 2001), a company's profitability can rise by 40 to 95% with a 5% increase in customer loyalty, and a 1% gain in customer loyalty is equal to a 10% reduction in costs.Additionally, according to Kapferer (2005), "Brand loyalty is a marketers' Holy Grail." Understanding these notions' antecedents is essential for controlling client happiness and loyalty. (Kapferer, 2017). According to a number of academics, explicit images could lead to more devoted customers (Al-Msallam, 2015).According to empirical data, the image does affect satisfaction, and in many industries, this has a positive correlation with loyalty (Bloemer, 1998)

Price is still another crucial element influencing customer satisfaction, (A Parsu Parasuraman, 1994) but prior research has hardly looked into it. According to Voss et al. (1998), customer happiness may be impacted by pricing decisions. They also drew attention to the paucity of research on the potential impact of price decisions made by consumers on satisfaction levels.

Objective:

To analyzethe effect of customer loyaltyand itsrole in makingthe hospitality industry successful.

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II. RESEARCH METHODOLOGY

We have referred to secondary data like peer-reviewed journals, research articles,websites,books, etc.

III. LITERATURE REVIEW

According to Parasuraman, Zeithaml, and Berry (1994), earlier customer satisfaction studies frequently disregarded the effects of product quality and consumers' perceived price. Furthermore, there hasn't been any concurrent research done up to this point on the connections between perceived quality, brand image, pricing fairness, satisfaction, and loyalty. In the context of the hotel sector, this article seeks to investigate the links between brand image, price fairness, satisfaction, and loyalty.

Because satisfaction is a predictor of purchasing behavior, including intentions to repurchase, choose a different brand, and switch behaviors, it is important in marketing (Oliver, 1993; McQuitty et al., 2000). According to Fornell (1992), contentment is defined as "Overall evaluation after purchase." Oliver (1997) provided a more nuanced definition of satisfaction, referring to the "customer's fulfillment response." It is an assessment that a feature of a good or service, or the good or service itself, has offered (or is offering) a level of consumption-related satisfaction that is joyful, including levels of under- or over-fulfillment. Kotler (1997) provides a definition of satisfaction as "the emotional state a person experiences when evaluating a product based on how well or poorly it meets their expectations."

According to this paradigm, evaluating a consumer brand entail contrasting real performance with predetermined benchmarks. There could be three things: (1) Confirmation: when performance satisfies expectations, resulting in sentiments of indifference. (2) Positive disconfirmation: a situation in which satisfaction stems from performance that is judged superior to expectations.(3) Negative disconfirmation: when an individual's performance is judged below par, leading to an unhappy situation.Consequently, it is widely acknowledged that comparisons between customers' expectations and the perceived performance of the product are necessary to ascertain whether they are satisfied or not (Yi, 1990). Additionally, transaction-specific and cumulative consumer satisfaction are distinguished by marketing scholars (Johnson et al., 1995; Andreassen, 2000). According to Oliver (1980, 1993), transaction-specific consumer satisfaction is an assessment made after a particular purchase occasion.

Conversely, cumulative customer satisfactionis an overall assessment derived from the full product purchase and usage experience throughout time (Johnson and Fornell, 1991; Fornell, 1992; Anderson et al., 1994). When it comes to anticipating customers' future actions and the success of the business, this is more fundamental and helpful than transaction-specific consumer pleasure.According to Oliver's recommendations, the satisfaction reaction will be expressed in the degree of brand affection. Oliver (1999) observed that by satisfying repeated usage over time, consumers at the affective stage would build a good attitude toward the brand or like it. Brand Loyalty: The term "insistence," which was first used by Copeland in 1923, gave rise to the concept of "loyalty." The final stage of a consumer's attitude toward a demand for branded goods is insistence. At this point, customers who choose to buy a good or service do not accept alternatives. In consumer and marketing studies, the idea of brand loyalty has been thoroughly examined since Copeland. Brand loyalty is defined by Oliver (1999) as "a deeply held psychological commitment to rebuy or patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior".

Based on the cognitive effect conation pattern, Oliver (1999) postulated four escalating brand-loyalty stages. Cognitive loyalty is the initial stage. Consumers' brand loyalty is determined by their knowledge of a certain brand. Affective loyalty, or favorable customer sentiments about a brand, is the following stage. Conative loyalty, also known as behavioral intention, is the third step. This purchase of a "good intention" is a fervent commitment. This wish could lead to unfulfilled action. At the final level, known as action loyalty, clients turn their intentions into deeds. At this point, customers feel both action inertia and a strong desire to get beyond barriers in order to complete a transaction. Even while action loyalty is ideal, it can be challenging to both quantify and monitor.

The exploration of the relationship between satisfaction and loyalty has been the focus of numerous studies (Olsen, 2007; Balabanis et al., 2006; Suh and Yi, 2006; Auh and Johnson, 2005; Yang and Peterson, 2004; Szymanski and Henard, 2001). Customers who are happy with a product or brand are more likely to refer it to others, are less likely to move to a competing brand, and are more likely to make additional purchases (Bennett and Rundle-Thiele, 2004).

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Similar to this, Szymanski and Henard (2001) promoted satisfaction as a direct antecedent of loyalty using a meta-analysis of satisfaction. Fornell (1992) similarly proved that loyalty is directly influenced by satisfaction, but he discovered that this relationship relies on the industrial setting.

Brand Image:

From the viewpoints of the firm and the customer, brand image has received a lot of attention in marketing literature. The company's strategy is centered on enhancing marketing efforts in conjunction with brand positioning and image maintenance tactics. The way a consumer approaches a brand is determined by how they perceive its image and equity. The ability of a firm to assess how customers understand its brand image and its ability to manage its brand positioning strategy—which effectively reveals the equity of the brand to a consumer—have an impact on the relevance of the brand in the market (Kotler, 2001).

"The set of beliefs, ideas, and impression that a person holds regarding an object" is how Kotler (2001) defines the image. Conversely, brand image was defined as "a set of perceptions about a brand as reflected by brand associations in consumer's memory" by Keller (1993) (p. 3). Aaker (1991) offered a definition of brand image that is comparable to Keller's, defining it as "a set of associations, usually organized in some meaningful way."According to Keller (1993), customers' recollections of a brand are linked to its image. Brand traits will affect customers' decisions during the purchasing process, and marketing initiatives and individual consumer characteristics will also have an impact on consumers' perceptions of brands and intentions to buy. Therefore, a powerful brand needs to have a distinct brand image.

Price Fairness:

Kotler and Armstrong (2010) define price as the total of the values that consumers exchange for the advantages of obtaining or utilizing a good or service, or as the sum of the money that is charged for such a good or service. However, pricing was defined by Stanton et al. (1994) as the sum of money or products required to purchase a certain mix of another good and its ancillary services. Price was highlighted by Anderson et al. (1994) as a crucial component of customer satisfaction since it is typically the first thing that comes to mind when consumers assess the value of a service they have purchased.

Generally speaking, perceived sacrifice decreases with decreasing perceived price Subsequently, there is an increase in satisfaction with the perceived pricing and the entire transaction(Zeithaml, 1998).However, it's also conceivable that buyers use the price as a guide. It suggests that a reduced perceived or monetary cost does not always equate to greater enjoyment. Customers typically use the notion of "equity" to assess prices and service quality before determining how satisfied or dissatisfied they are (Oliver, 1997). A recent study on pricing fairness and customer satisfaction has been documented in the marketing literature (Hermann et al., 2007; Kukar-Kinney et al., 2007; Martin-Consuegra et al., 2007). Consumer evaluations of a seller's pricing and whether it is reasonable, acceptable, or defensible are referred to as price fairness (Xia et al., 2004; Kukar-Kinney et al., 2007).

The Connection Between Price Fairness, Brand Loyalty, and Brand Image: Johnson et al. (2001) state that a customer's recollection of an organization is crucial to how they perceive a company's image.Previous image could emerge as an explanatory variable of the buy intention in this context, since the consumer may invoke the experience from the past in future purchase intention. Additionally, when a company builds a brand based on its understanding of the market and then translates that brand into the consumer's perception of the brand, this strategy increases both customer happiness and brand loyalty.

As pricing justice and brand image were frequently left out of earlier marketing research on consumer happiness, this study aims to show the connections between these components. The fairness of prices is a significant factor in determining customer happiness. Furthermore, the findings offer verifiable empirical proof that brand image has a positive relationship with customer happiness, which is just as significant as price equity.

IV. CONCLUSION

The primary goal of this research is to investigate how consumer satisfaction and loyalty are impacted by brand image and fair pricing. According to the study's findings, the earlier conclusions have been confirmed (Cronin et al., 2000;

Lee, 1998; McDougall and Levesque, 2000; Stephen et al., 2007). When consumers are happier, they develop greater loyalty toward a brand. Additionally, previous research done by Bloemer and Kasper, 1995; Fornell, 1996; Lee, 1998; Oliver, 1999; McDougall, and Levesque, 2000is consistent with this. Furthermore, price fairness and brand image were significant factors in customer satisfaction. While many have discussed the relationship between customer happiness and loyalty as well as the factors that hinder customers from being satisfied, no empirical study has simultaneously examined price fairness and brand image.

Therefore, in an overall customer satisfaction program, managers shouldn't focus solely on pricing fairness. Establishing a strong brand image is essential for increasing customer happiness. You cannot downplay or only partially emphasize any of them.Expectedly, price fairness and brand image have a favorable relationship with brand loyalty. The price is the required concession made by the client in return for the service. Customers, on the other hand, are only truly loyal when they return to a business out of habit or satisfaction with the price and service they receive. In light of this, the best course of action for a marketing manager in the mobile industry is to guarantee the fundamental quality of services offered at a reasonable price, and then prioritize brand image to offer extra value in order to retain customers.The significance of the image, pricing equity, and customer happiness in fostering loyalty is underscored by this study.

Therefore, it is essential to keep all chain hotels' service standards uniform. Where the chain hotel has properties across multiple nations, this could be challenging. Customers place a high importance on consistency, but they also value personalized treatment. For this reason, it's critical that a chain hotel preserve its uniqueness through individualized care. Hence, regular provision of excellent hotel amenities, enhanced by the individualized services of housekeeping personnel, can foster customer loyalty.The study's findings add to the expanding corpus of information in the fields of hospitality and service management. This study might be repeated in other service industries or in chain restaurants.

The author comes to the conclusion that a company's capacity to grow and retain a sizable and devoted client base is a key factor in determining its long-term success in the marketplace. Nonetheless, it's critical to understand that client loyalty is non-preferential and time-specific, necessitating ongoing commitment. As is the case in most relationships, hotel organizations must thus continuously work to win and keep the loyalty of their patrons, or else they run the danger of losing it to someone else.

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