

The Impact of Customer Service, Customer Satisfaction on Customer Loyalty in the Hotel Industry

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Abstract: Nowadays, many retailers around the world have customer loyalty programs to retain their customers. Customer loyalty is a long-term voluntary user solution for building relationships with a corporation. This article illustrates how customer service and satisfaction affect customer loyalty and how knowing these links may help a hotel maintain or attract more customers by boosting customer loyalty and thereby increasing revenue. Using sources such as Google Scholar, we reviewed the literature on customer service, customer satisfaction, and customer loyalty. The papers and reports we found did not specifically provide a specific definition of customer satisfaction with the various factors that determine it. Some researchers have noted that customer service and customer satisfaction can have an impact on customer loyalty, but have not specified the relationship between the three variables. We explain the relationship between customer service and customer loyalty, the relationship between customer satisfaction and customer loyalty, and the fact that customer service affects customer loyalty by influencing customer satisfaction and thus customer loyalty to help you better understand the relationship between customer service, customer satisfaction, and customer loyalty. Finally, we come to the conclusion that customer service influences customer loyalty, customer satisfaction influences customer loyalty, and customer service influences customer loyalty via influencing customer satisfaction.

1. Introduction

Due to fierce market competition, the quality of any product or service has become smaller and smaller. The homogeneity of such products makes product quality no longer the primary criterion for consumer choice [1]. Manufacturers that customers care about can meet their individual needs and provide them with the most timely service. Therefore, research on customers and loyalty adds new essential customers. Customer satisfaction and loyalty are two related concepts. However, these two views are clearly different. Customer satisfaction is actually the pleasure that needs to meet customer needs. This should be a psychological activity. Customer satisfaction is related to service attitude. The purpose of a hotel to satisfy customers is to try to change customers' attitudes towards a certain product or service. Loyal customers show strong intentions and purchase behaviors determined after consideration [2].

Many experts have debated the value of customer satisfaction as a fundamental component of a company's marketing strategy for the past two decades. In a highly competitive market, every business can gain a competitive advantage by enhancing customer satisfaction. Many researchers discovered a strong link between customer satisfaction and customer loyalty, emphasizing the importance of customer satisfaction in customer loyalty studies [3-6]. Furthermore, one of the most researched and proven constructs in relationship marketing research is trust [7]. Moreover, Ahmed, Riswan, Ahamad, and Haq stated that a customer cannot enroll in a loyalty program until the brand trusts them [8]. In

today's environment, the hunt for the antecedents of client loyalty has become more widespread, attracting the attention of researchers. The findings on loyalty for tangible goods do not apply to immaterial goods, such as services [9]. Furthermore, the factors that affect customer loyalty in the service industry are less thoroughly documented, and the reasons for this and its consequences vary by country [10]. As a result, it's crucial to understand the factors that influence consumer loyalty, especially in different situations [11].

This study will review research in the field of customer loyalty through a literature review and synthesize the influential relationships between customer service, customer satisfaction and customer loyalty with a view to discovering the internal logic between the three. We used the terms "customer service", "customer satisfaction", "customer loyalty" and "hospitality" as key words. We then searched Google scholar for articles from 2000 to the present, and filtered a total of 20 articles for inclusion in the following categorization.

2. The Relationship Between Customer Service, Customer Satisfaction and Customer Loyalty

Customer loyalty is a necessary condition for customer satisfaction: positive customer experience and the total value of the goods and services that customers receive from the company. Leninkumar, V. argues that customer loyalty is made up of multiple factors and is mainly based on two factors, attitude and behavior [11].

2.1 The Relationship between Customer Service and Customer Loyalty.

The hotel has always insisted that quality customer service will build customer loyalty [12]. Every point in the customer's journey is an opportunity to cement that loyalty. Each step is essential, including promotion, product pricing, distribution, and contact with customer service. Consumers may also make or break promises at every turn. It may seem unfair, but a bad experience can turn a potential loyal customer into someone who spreads a hotel company's bad reputation. Customer service is the support and assistance provided by the company to customers before or after consumers purchase or use company products or services [13]. The company must help consumers have a comfortable and enjoyable process. The hotel will strive to get more customers to participate in the hotel loyalty program. Although some people are not members of the hotel loyalty program, they still need to work hard to make a perfect hotel loyalty program to attract more consumers to become members of the loyalty program. Hotels can reward these consumers who participate in hotel loyalty programs on some meaningful days. For example, the Leadership Club is a membership program of the Leading Hotels of the World (LHW) [2]. Like other hotels, the program canceled the points system. This makes their reward system simpler. Consumers stay at LHW hotel every five times. They can remain once for free.

In hotels such as Ritz-Carlton and Marriott, the essential benefits provided by the hotel rewards program are the same as most hotels. They have their scoring system. They also saw the value of doing their best to attract and reward consumers and maintain loyal relationships [14]. Both the Marriott Rewards Program and the Ritz-Carlton Rewards Program include new experience markets. Consumers can redeem corresponding points through the points system here. This can meet their personal needs. Hotel program activities will also invite members who participate in the hotel loyalty program. Hotel reward members rarely have unique options. The plan also provides elite concierge service, which is the first choice for members [15]. This service includes additional benefits such as a personalized concierge service and guaranteed late check-out.

2.2 The Relationship between Customer Satisfaction and Customer Loyalty.

A buyer's commitment to buy a company's products, services, and brands for a lengthy period of time, regardless of new products and improvements from competitors, according to Oliver's study, and these customers are not coerced to switch [16]. Customers who are loyal to a firm have a positive impression of the company, would suggest it to others, and would purchase from it again [17]. According to Lam et al, customer loyalty is defined as confirmation of a service provider's repeated

patronage and referrals to other consumers [18]. Furthermore, consumers are thought to want to make repeat purchases in order to build a long-term relationship with the brand [19-20].

Client happiness is frequently cited as a crucial component in determining customer loyalty, according to Leninkumar, V. In the study of Heskett, Sasser, and Schlesinger, to put it another way, client satisfaction is measured as a direct effect of customer loyalty. According to Consuegra et al. and Wong and Zhou [21-22], one of the most important aspects in customer loyalty is satisfaction. Furthermore, according to Wong and Sohal, exceeding client expectations throughout a service improves the likelihood of a customer returning. Customers who are satisfied are more inclined to repurchase and talk positively about a firm, according to the majority of studies [23-24]. Although some researchers Oliver, Jones, and Reichheld pointed out that high customer happiness does not always imply high loyalty, the majority of the researchers Oliver, Jones, and Reichheld came to the conclusion that there is a clear correlation between customer pleasure and customer loyalty. Customer loyalty will increase when customer pleasure rises [25-27].

2.3 The Customer Service Affects Customer Loyalty by Affecting Customer Satisfaction and then Customer Loyalty.

Customer satisfaction can be achieved by using consumer service to match customer expectations. Retailers must provide exceptional customer service in order to meet customer expectations. The degree of customer service supplied to the market is determined by a number of factors, including the retailer's attributes, the competitor's service, the sort of items handled, the store's pricing image, the target market's revenue, and the cost of delivering the service. [28]. Long-term customer satisfaction can be achieved through satisfying customers through products and customer service. The retail mix and customer service are both important factors in making retailers happy customers [29]. When customer service meets or surpasses customer expectations, customer satisfaction is achieved [30]. Client satisfaction necessitates not only high-quality items, but also customer services such as payment options and after-sales support. Customer expectations, experience, and evaluation all influence customer satisfaction offered by customer service [31]. As a result, in addition to core items, customer service performance is critical in generating client satisfaction and loyalty. A lot of studies have found a link between customer pleasure and loyalty, such as [32-36]. Satisfaction and loyalty cannot replace each other [37-38] [16]. Customers may be loyal but not highly satisfied (for example, when there are few other options), or they may be highly satisfied but not loyal (for example, when there are many choices). Shankar and Amy, Bowen, and Chen's findings confirmed the non-linear and asymmetric relationship between customer pleasure and loyalty [37]. When the degree of contentment climbs over the threshold, purchase loyalty rises swiftly, and when the degree of satisfaction falls below the threshold, purchase loyalty falls rapidly. Customers that are satisfied are more likely to become repeat customers (or even loyal) customers, according to Guiltinan et al. [16]. Fornell discovered a substantial link between loyalty and satisfaction [20]. According to Mittal et al, the relationship between satisfaction and loyalty will change throughout time. The quality of products and services, on the other hand, is likely to have an impact on the relationship between satisfaction and loyalty [39].

Table 1. Analysis of 20 papers containing the phrase “Customer loyalty” (in an electronic search of the full text papers)

No. of papers	Context of “Customer loyalty” usage	References
5	The relationship between customer service and customer loyalty	([12] [13] [2] [14] [15])
13	The relationship between customer satisfaction and customer loyalty	([16] [17] [18] [19] [20] [21] [22] [23] [24] [25] [26] [27])
16	The customer service affects customer loyalty by affecting customer satisfaction and then customer loyalty	([28] [29] [30] [31] [32] [33] [34] [35] [36] [37] [38] [16] [20] [39])

3. Conclusion

We have researched and discovered 20 documents in this school. Customer service plays an important role between customer loyalty and customer satisfaction in the relationship. Because surveys and studies conducted at different customer services may lead to different conclusions. In general, the positive impact of customer satisfaction on online loyalty is greater than offline loyalty. In the future, researchers should pay more attention to the relationship between customer satisfaction and customer loyalty online and offline.

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