Hotel business: customer loyalty management

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Abstract. The relevance of the chosen direction of the research is due to the need to develop modern marketing management technologies for the adaptation, survival and further development of hotel and restaurant industry, taking into account the fact that the current situation characterized by a socio-economic crisis, has been aggravated by the consequences of the COVID-19 coronavirus pandemic, which together led to new challenges in the hotel and restaurant industry. The hotel and restaurant product is presented as a combination of material product, services and atmosphere, which together form a unique selling proposition in the hotel and restaurant industry. With this in mind, it is reasonable that consumer loyalty to establishments of the hotel and restaurant industry is characterized by customer satisfaction, adherence, advocacy and impressions, which together reflect the perception of the establishment, attitude towards it and future intentions. The use of the proposed scientific and practical approach will make it possible to determine the level of customer loyalty in the hotel and restaurant industry as a whole and for each of its characteristics, to make justified management decisions in accordance with the stage of customer loyalty formation. In order to increase customer loyalty in the hotel and restaurant industry in today's changing situation and conditions of uncertainty, a number of practical recommendations are given to ensure the unique competitive advantages of the hotel product, the introduction of modern information technologies, and improvement of the service quality.

1 Introduction

Global trends and challenges in the face of uncertainty in changes in socio-economic development, globalization and integration processes have a high dynamic of impact on all areas of economic activity, therefore, the development of the economic system in the countries will be hampered without a preventive response to external phenomena. This is especially true for the hotel and restaurant industry, which is international in nature and interacts with global megatrends and economic development cycles of society.

Russia demonstrates a policy of openness and integration into the global economic space. There are positive trends in increasing the volume and changing the structure of the inbound tourist flow.

Thus, forecasts regarding the further development and capacity building of the domestic hotel and restaurant sector have every chance of successful implementation, however, a

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high level of uncertainty and volatility remains, which is associated with global influences, including those caused by the COVID-19 pandemic, instability of the external environment and market conditions, market conditions fluctuations, aggravation of competition in the world market of tourist services [1].

It is an indisputable fact that since the beginning of 2020, significant changes have taken place in all areas of life, which will not only affect the functioning of the hotel and restaurant industry, but will also force the owners of the hotel and restaurant business, entrepreneurs and managing staff in this field to adapt to new challenges. Scientists have stated that the current COVID crisis has become a key impetus for reformatting the international and national economies, socio-economic relations, rethinking existing conditions and new opportunities [2]. As a result, taking into account the specifics of the industry, hotel and restaurant establishments face new challenges:

- restoring activities and ensuring the flow of visitors in the face of a significant drop in demand for temporary accommodation services;
- reduction of financial losses and bankruptcy prevention;
- maintenance of infrastructure and material and technical base in working condition;
- prevention of layoffs and preservation of human capital that has been formed over many years, since the loss of highly professional, prepared and well-trained employees will mean for the institution a loss of resources for quality service after the resumption of work;
- ensuring that the establishment and service meet the new standards of staff safety and customer stay during the pandemic, which will require an increase in costs and a review of the implementation of new service standards.

It is possible to solve these tasks only under the conditions of formation, stimulation and maintenance of demand for the services of hotel and restaurant establishments, which will ensure income stability and opportunities for survival and further development. But it should be borne in mind that the decline in demand for the services of hotel and restaurant facilities will continue in the future, this will be affected by the following factors:

- decrease in the purchasing power of the population;
- changes in the structure of consumption, purchasing power and lifestyle of people in Russia and the world as a whole;
- increasing fears associated with the spread of the virus and refusal to travel and visit crowded places;
- restriction of movement opportunities, which leads to a decrease in domestic tourist and inbound flows;
- formation of online communication skills, use of modern information technologies for holding conferences, meetings, meetings, etc., as a result of which business travel flows will be reduced.

The situation that has developed in the world, in Russia, in the industry is so difficult that most managers cannot adequately assess it, so they are trying to return to their usual rhythm of work. But, as realities show, people and life have changed, and even after the weakening of quarantine, changes are intensifying and continuing, so a return to what it was before the start of the pandemic should not be expected.

The new challenges that have arisen require not just the adaptation of management in hotel and restaurant establishments, but a radical transformation of management methods and principles, including changes in marketing technologies and tools [3] and managerial and strategic changes in the face of uncertainty, changes and the emergence of new risks [4]. It is evident that those institutions that step up marketing activities and look for new solutions in the field of creating competitive advantages and promoting their services will be able to resume work and develop.

According to the authors [5-7], the priority marketing paradigm in the hotel and restaurant industry in the new conditions will be customer-oriented individual service,
which requires the construction of a new model of relationship with customer, which, unlike the model of long-term interaction as a result of loyalty formation, should be based on strengthening loyalty to the establishment on the basis of reinforcement of the adherence and trust of guests, on the basis of constant adaptation of the products offered to the needs, requests, requirements and expectations of real and potential customers, which are changing rapidly. The need to change the paradigm of the relationship between hotel and restaurant establishments and customers is due to the following circumstances:

– the specifics of hotel and restaurant services and current trends in the development of the hotel and restaurant industry;
– features of decision-making when choosing establishments of the hotel and restaurant industry;
– new challenges associated with an increase in the risks of stopping the activities of hotel and restaurant establishments in the face of a worsening epidemiological situation and the introduction of new quarantine restrictions, which increases the likelihood of losing regular customers, so the priority of their retention is shifted towards attracting new ones.

2 Materials and methods

The problem of assessing and managing consumer loyalty is increasingly attracting the attention of scientists around the world, including in Russia. In their works, domestic scientists, based on the accumulated world experience in consumer loyalty issues, develop the theoretical aspects of [8-10], the authors are working on clarifying the conceptual and categorical apparatus [11, 12] develop methodological tools for assessing consumer [13-15]. Of particular relevance are the issues of formation and management of consumer loyalty in various areas of services: in tourism [16], restaurant business [17], trade [18], Hotel business [19, 20]. Despite the existing scientific work, new challenges necessitate further development of the theoretical and methodological foundations of loyalty management in order to ensure the stable development of enterprises in difficult business conditions, in particular, the hotel and restaurant industry.

On the basis of dialectical and abstract-logical methods, the evolution of theoretical approaches and methodology for managing customer loyalty in hotel and restaurant establishments has been studied, the logic of scientific research has been generalized, and the semantic structure of terms and classifications has been established. By using the methods of formal and dialectical logic, system analysis and synthesis, based on a critical analysis of the provisions of domestic and foreign researchers who studied relevant aspects of the customer loyalty management methodology, its essence and content are determined.

The evaluation of customer loyalty characteristics of hotel and restaurant services was carried out using an adapted methodology of the European Customer Satisfaction Index (ECSI).

To model the structural and logical scheme for assessing and managing customer loyalty, methods of consumer cost-benefit analysis are used within the framework of a perceptual approach.

The method for assessing the characteristics of customer loyalty in the hotel and restaurant industry on the Likert scale is improved and a scale to identify the level and stage of formation of customer loyalty in accordance with the characteristic coefficients is developed. Using marketing tools of influence, which are based on the proposed structural and logical scheme of customer loyalty management, practical proposals have been developed to ensure the unique competitive advantages of the hotel product, the introduction of modern information technologies, and improve the quality of service.
The scientific works and publications of scientists, materials of scientific conferences in the field of customer loyalty management in hotel and restaurant establishments were the scientific, theoretical and methodological basis of the study.

3 Results and discussion

Among the most controversial theoretical issues of consumer loyalty are the characteristics that determine it. In scientific society there is a widespread opinion about its three main characteristics: satisfaction, repeatability and/or regularity of purchase, willingness to recommend [21, 22]. However, industry specifics require clarification and justification of the characteristics of consumer loyalty of hotel and restaurant services.

Of course, the abovementioned characteristics are integral components of customer loyalty in the hotel and restaurant industry. Satisfaction is the key of them, it characterizes the general feelings of the client associated with the final result of the consumption of the product of the hotel and restaurant establishment, its compliance with needs, requests and expectations. High satisfaction is the basis for the formation of long-term relationships, which is manifested in the repeated choice of one or another hotel and restaurant establishment, which eventually becomes a favorite one for the client, and his choice becomes fully conscious. Accordingly, the behavioral loyalty of customers is formed, which ensures the repetition and/or constancy of visiting a certain institution of the hotel and restaurant industry.

At the same time, a type of loyalty that is more significant for the success of the institution in the market is perceived, which is formed under the influence of a combination of feelings, emotions, thoughts of the client as a result of interaction with the institution. And it is this type of loyalty that has industry-specific features of formation. The main specificity lies in the fact that the product of the hotel and restaurant industry integrates the material (culinary products and drinks in restaurants; rooms and related products - in the hotel industry) and intangible form (services), and also includes such an important element as the atmosphere, which together form a unique selling proposition for each establishment (Figure 1).

![Diagram](https://example.com/fig1.png)

**Fig. 1.** Components of a unique selling proposition in the hotel and restaurant industry.

The fundamental difference between the hotel and restaurant industry and enterprises in other business areas is that customer service takes place in a certain atmosphere, which, along with the principles of hospitality and service culture, forms an impression that manifests itself through certain emotions and affects the final result of the interaction between the guest and the establishment.
In general, a unique selling proposition, as a set of interrelated components, contributes to satisfying the needs for hotel and restaurant services, creating impressions and loyalty among customers, and not just a willingness to recommend the establishment to others, but advocacy activities. Advocacy is a broader application that is of particular relevance to the hotel and restaurant industry. Since the peculiarities of making a decision by customers about choosing an establishment to visit is a preliminary careful collection and study of information about the establishment, therefore, for establishments of the hotel and restaurant industry, it is extremely important to form and increase customer loyalty, as a prerequisite for their desire to share information about the establishment, their emotions and impressions, recommend it, write reviews and comments on the institution's website, in guest books, evaluate and comment on your impressions on specialized sites, etc. It is important for potential customers to make sure that they choose the right place to visit, and in this aspect, these are loyal customers who are satisfied and committed to the establishment that can help build trust and convince new customers to visit the establishment.

We consider it appropriate to single out commitment as a separate characteristic of the customer loyalty to the establishment, which provides a high probability of repeated or regular visits to the establishment of the hotel and restaurant industry. The commitment to the establishment contributes to formation of a positive attitude towards the institution, the perception of its brand and interest in the products offered.

High commitment is confirmed by such important attributes of behavior as trust and devotion to the establishment and its brand, which reduces sensitivity to the actions of competitors and / or possible negative phenomena (and they can happen, since the hotel and restaurant product is characterized by variability in quality, inseparability of production and consumption processes, high dependence on the professional and personal skills of the staff, coherence of work, etc.).

In addition, commitment to the establishment contributes to such an important outcome as customers involvement. The role and importance of the commitment is increasing while forming the consumption value of a hotel and restaurant product.

It is the close cooperation, combining the efforts of institutions and their clients in close interaction that can produce a greater effect. As a result, thanks to reliable partnerships and a feedback, managers of hotel and restaurant facilities will have objective and up-to-date information about the needs and requests of customers, their impressions and satisfaction, which will allow them to continue to offer a product that best meets and / or exceeds the expectations of a particular client.

Such cooperation and interaction with customers will allow managers to move from an intuitive approach to the implementation of personalized, individual service in the establishment, which will ensure winning the «heart» of customers.

Taking into account that most often the motives for visiting hotel and restaurant establishments are recreation, spending free time, entertainment, celebrating certain events, communication and meetings, the authors consider impressions to be an important characteristic of customer loyalty, which is formed under the influence of feelings experienced after visiting the establishments and, in combination with all factors, will contribute to the formation of the emotional component of loyalty.

Summarizing the above, it should be noted that customer loyalty in the hotel and restaurant industry is a generalized characteristic of the result of interaction, which is a complex structure (Figure 2), the components of which are interrelated components: satisfaction, commitment, advocacy and customer experience, which together reflect the perception of the institution, attitudes towards it and future intentions.
Fig. 2. Combination of customer loyalty characteristics of hotel and restaurant establishments.

Taking into account the modern challenges that necessitate the adaptation, survival and further development of the hotel and restaurant industry, it is important to manage customer loyalty, which involves assessing it and making corrective decisions in response to changing customer needs, requests and requirements.

To assess and manage customer loyalty of hotel and restaurant establishments, a structural and logical scheme is proposed (Figure 3), which regulates the sequence of research stages and includes scientific and methodological tools for conducting a survey, calculations and recommendations for making managerial decisions. The key method of collecting information about the characteristics of customer loyalty is a survey, which involves the development of a questionnaire with a list of questions that are formulated in the form of statements on which the respondent could express his agreement or disagreement.
Fig. 3. Structural and logical scheme for assessing and managing customer loyalty in establishments of the hotel and restaurant industry.

To obtain information about the characteristics of customer loyalty of hotel and restaurant establishments, the Likert scale was chosen, which is based on evaluative statements from absolute disagreement to full agreement with the proposed statement, and therefore suggests the possibility of using a 5-point assessment of the system proposed by
The wording of questions for assessing the customer loyalty in the hotel and restaurant industry, the statements and the corresponding assessments are given in Table 1.

**Table 1.** Formalized metric for assessing customer loyalty characteristics in the hotel and restaurant industry.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Evaluation (points)</th>
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<tbody>
<tr>
<td>Rate your satisfaction with the visit</td>
<td>Absolutely unsatisfied</td>
</tr>
<tr>
<td>Rate your friendliness towards the institution</td>
<td>Absolutely not friendly</td>
</tr>
<tr>
<td>Assess your readiness to tell about the institution, to recommend it to others</td>
<td>Absolutely not ready</td>
</tr>
<tr>
<td>Evaluate the positive impressions and emotions upon visiting the institution</td>
<td>Very negative</td>
</tr>
</tbody>
</table>

To assess customer loyalty based on the results of the survey, an index method was chosen, which involves the determination of the partial indexes loyalty according to characteristics and an the integral indicator using the following formulas:

1) determination of the total score for each parameter:

\[ B_i = \sum_{i}^{n} b_i \times q \]  \hspace{1cm} (1)

\( B_i \) – total assessment of the \( i \)-th parameter;
\( n \) – maximum number of points = 5;
\( b_i \) – the number of points assigned to the \( i \)-th parameter;
\( q \) – the number of answers according to the corresponding assessment.

2) partial index definition:

\[ I_p = \frac{B_i}{5 \times Q} \]  \hspace{1cm} (2)

\( I_p \) – partial index;
\( Q \) – number of respondents.

3) determination of the generalized loyalty index:

\[ I_L = \sqrt[4]{I_s \times I_p \times I_a \times I_i} \]  \hspace{1cm} (3)

\( I_L \) – integral index of loyalty;
\( I_s \) – partial index of satisfaction (satisfaction);
\( I_p \) – partial index of affection (partisanship);
\( I_a \) – partial index of advocacy (advocacy);
\( I_i \) – partial impression index (impression).

The third stage is to identify the level of loyalty, for which a scale of indicators from 0 to 1 is proposed, that is developed using a step of 0.25. Since a 5-point rating scale was chosen, including 4 levels (Table 2).
Table 2. Scale for determination of the levels and forms of customer loyalty in the hotel and restaurant industry.

<table>
<thead>
<tr>
<th>Loyalty Level Characteristics</th>
<th>Loyalty formation stage</th>
<th>Recommended Management Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing</td>
<td>Being arisen</td>
<td>Maintaining the achieved level of loyalty</td>
</tr>
<tr>
<td>Low</td>
<td>Being formed</td>
<td>Improvements, correction</td>
</tr>
<tr>
<td>Average</td>
<td>Increasing</td>
<td>Significant update, improvements</td>
</tr>
<tr>
<td>High</td>
<td>Formed</td>
<td>Development of resuscitation measures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Index value</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 0,25</td>
</tr>
<tr>
<td>0,26…0,5</td>
</tr>
<tr>
<td>0,51…0,75</td>
</tr>
<tr>
<td>0,76…1</td>
</tr>
</tbody>
</table>

Based on the results of identifying the level of customer loyalty in the hotel and restaurant industry, appropriate solutions are developed, the implementation of which will solve the tasks of its management for each of the certain stages of loyalty formation. In the context of the rapid and dramatic transformations taking place now, the tasks of loyalty management are becoming more and more complex.

The process of monitoring its level should be carried out systematically, which will allow you to quickly and flexibly respond to changes in the needs, requirements, requests and expectations of real and potential customers and ensure an increase in loyalty on this basis, and as a result of this, constant flows of visitors will increase, which is a necessary condition for the successful and stable development of the hotel and restaurant industry on the market.

4 Conclusions

In the conditions of a highly competitive market of hotel and restaurant services, as well as new challenges caused by modern changes that have affected all areas of life, the increasing role of customer loyalty, which acts as an indicator of the competitiveness of an enterprise, ensures the achievement of planned results and development prospects.

Given this, the formation and management of customer loyalty in the hotel and restaurant industry is of particular importance and requires constant attention. Its formation, level control and maximum efforts to improve it have become a priority task, the implementation of which is possible under conditions of constant monitoring, evaluation and corrective decision-making.

To increase customer loyalty in the hotel and restaurant industry, it is necessary to:
- provide unique competitive advantages of a renewable product, which requires the intensification of innovations;
- to introduce a personalized, individual approach to service, which requires the introduction of modern digital technologies for collecting and processing data on the behavior of customers, communicating with them;
- systematically improve the quality of service, look for non-standard solutions and creative ideas to meet the needs of customers and, on that basis, ensure that the results exceed their expectations.

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