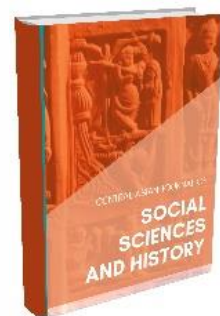




Available online at www.cajssh.centralasianstudies.org
**CENTRAL ASIAN JOURNAL OF
SOCIAL SCIENCES AND HISTORY**

Journal homepage: www.http://cajssh.centralasianstudies.org/index.php/CAJSSH



Factors Influencing Customer Satisfaction and Customer Loyalty in the Hotel Industry

Nabiyeva Dilafruz Bakhtiyerovna

Doctoral student of the «Silk Road» International University of Tourism and Cultural Heritage,
Uzbekistan

Abstract:

This article raises such issues as the importance of the customers to the hotel business, the importance of improving the hotel service quality, the level of satisfaction and loyalty of customers in the lodging industry. The article raises questions such as "What is customer loyalty?" and "What is the difference between customer loyalty and customer satisfaction?" "Ways to increase the level of customer satisfaction and customer loyalty?" and "How service quality affects customer satisfaction and customer loyalty" etc. The article pays special attention to modern marketing, new technologies, and the influence of these technologies on today's business. The article also gives advice to those who are interested in increasing customer loyalty in their business performance.

ARTICLE INFO

Article history:

Received 22-Oct-21

Received in revised form 20-Dec-21

Accepted 31-Dec-21

Available online 28-Jan-2022

Keywords: Loyalty, Hotel, Customer.

Service quality is relevant in all spheres of activity, including tourism. Hotels or tourism organizations that do not pay attention to service quality will not be able to ensure the competitiveness of their services under market conditions. This is because quality is the main foundation of competitiveness.

In today's globalized world, the manufacturer's market has become a consumer market. The competitiveness of any tourism organization depends on the quality of the services provided at a price that is acceptable to the consumer. Service quality is assessed only by the consumer and depends on his needs and wants.

The analysis of the economic situation in the national market and international experience shows that there is increasing competition in the hotel business, especially in the major cities, where the concentration of accommodation is greatest. We conducted a customer survey of B&B hotels in

Samarkand on customer satisfaction, along with the service quality. The study was part of an explanatory study with quantitative data. Here should be noted that B&B hotels were chosen because they have a higher occupancy rate than other hotels in Samarkand.

Service quality was defined in the 5-dimensional scale proposed by Zeithmal and Parasurman [1]. Thus, we have introduced service quality as a multidimensional construct with five dimensions, including Reliability, Responsiveness, Assurance, Empathy, and Tangible. To assess customer satisfaction, we used the measurement methods developed by Zeithaml & Bitner [2]. Customer loyalty assessment was taken from the method proposed by Zeithmal and Parasurman [1].

The research results show that customer satisfaction is low, so we can conclude that the level of loyalty will be low too. This means that in order to ensure the efficiency of the company, it is necessary to improve service quality and customer satisfaction.

Therefore, organizations need to implement quality systems that help meet client expectations. An accurate understanding of customer wants, needs, demand, the way to improve the level of customer satisfaction, and customer loyalty, are the most important assets of the hotel business in today's competitive environment.

Service quality can be divided into two categories: functional quality and technical quality [3]. Functional quality represents tangible aspects of a service, such as premises and physical evidence, while technical quality represents intangible aspects of a service, such as service processes. Defining key attributes of service quality is important because customers have certain standards for attributes and their absence negatively affects their perception.

In order to maintain the level of customer satisfaction, hotels have to spend more and more money. According to a number of researchers, Improving customer service and overall customer satisfaction are among the factors that lead to increased customer loyalty and the desire to return them back to the hotel» [2].

«Service quality is the degree where a service meets or exceeds the customer expectations». In today's globalized world every customer purposely seeks quality in this service, while they demand a higher service quality. In another word, service quality is the difference between expectations and what they actually receive from the service.

Service quality is mainly focused on meeting the needs and requirements of clients, as well as on how well the services provided meet the expectations of customers. Studies have shown that quality of service has a direct and positive impact on customer satisfaction. [6] [7] [11].

Service quality plays a vital role as there is a significant relationship between service quality and customer satisfaction. Consequently, as the quality of service improves customer satisfaction increases which leads to customer loyalty increment. Here, customer satisfaction acts as an intermediary between service quality and customer loyalty in the lodging industry.

Customer loyalty is a complex and difficult construction to define. One of the most accepted and frequently cited definitions is that given by [12] which defines customer loyalty as: «a deep-rooted obligation to re-buy or re-purchase the preferred product or service in the future, despite situational influences and marketing efforts that may cause a customer dissonance» [12].

The most important key of customer loyalty is customer satisfaction.

Customer satisfaction is the customer's assessment of whether the service meets the buyer's needs and

expectations. Customer satisfaction is an important element in the development of customer relations, and it relates to the evaluation and perception of the consumers. [13]. Customer orientation in the hotel business is an important element of the marketing concept. With the increasing competition in the service economy and the recent global crises, the provision and targeting of high-quality services to clients has become more important than ever [8].

Satisfaction is directly related to the customer experience, clients want more than just value, they want to be stunned and surprised by companies showing that they are doing everything possible to satisfy their needs and wants.

Consumers are limitless and enthusiastic about their needs and the desire to purchase service as they pay for that. [16], [17], [14]) Consumers want to feel the joy of each hard-earned dollar they spend on products and services [9], [18], [17]. Companies should understand that this is the basic idea for satisfying the needs and wants of customers [20], [8]. To meet customer needs in the 21st century, product quality, innovation, research and development (R&D) have become an integral part of the organization's strategy [20], [8], [9].

Research shows that customer satisfaction affects an organization's productivity, for example, satisfied clients are loyal because they trust the organization and repurchase the product or service ([15], [18], [20]. If organizations fail to meet customer expectations, this may lead to customer dissatisfaction [16]. Customer dissatisfaction leads to the loss of loyal customers because the company will lose its strategic advantage over its competitor as well as will lose its market share as potential customers are the main segment of the market [16].

If the customer loses their trust, hotels will have difficulty convincing the dissatisfied customer to buy their product or service, even if they launch a new product that is better than the previous one. A dissatisfied buyer will complain to the seller or a third party about their dissatisfaction with the brand, which will affect new and potential customers [19], [14].

The result of customer satisfaction by improving the quality of services and increasing their level of loyalty contributes to:

Organizations to satisfy their clients and gain their trust;

Organizations can achieve a higher level of customer satisfaction than their competitors due to their strategic plans, which means that organizations have to be competitive over their competitors since competition here is the customer.

Here should be noted that by satisfying customers' needs, the company will be able to increase its market share. By gaining a market share, an organization can increase its revenue and increase revenue for its shareholders.

In order to improve competitiveness and level of customer loyalty in hotels of Uzbekistan, the following activities are required:

- Customer service requires special attention, as satisfaction and trust are formed throughout the customer experience. Whether the client eventually stays with the company or discards the alternative (competitor) depends on the level of service quality offered by the company since clients have a natural tendency to repurchase service if they value the service quality. Therefore, it is very important for the organization that customers are satisfied with each service provided, the

organization must support its customers and make changes according to customer needs and wants rather than to the needs of the organization.

- Hotels need to consider the interests of their clients and how their corporate activities affect them. Taking into consideration this responsibility, hotels should try to satisfy their clients by offering better services.
- In the hotel business, managers must attract and retain guests, by focusing on those factors that are known to influence customer decisions. Thus, hotels need to constantly improve themselves and search the way to find current trends in their industry in order to respond effectively to the needs and demands of customers.
- Service quality influences corporate results, such as improved customer relations, and encourages customer loyalty. Nowadays, customers are increasingly aware of their rights; hence, organizations need to make continuous progress on their service quality in order to support changing demand and growing competition, as well as to win customer loyalty.
- Hotel managers need to understand the factors influencing customer needs in order to attract new customers, support existing customers, and prevent customer loss and reduce marketing costs.
- To encourage and motivate employees and their interest in providing customer service;
- Additional services need to be provided in order to tailor the needs of the guests;
- Provide services to customers within the promised time. If the hotel is unable to provide the promised service for any reason, prior notification and apologies should be given to customers;
- Another important factor is price. Therefore, the creation of an appropriate price strategy at different times and for different people is the main principle in the development of the level of customer loyalty;

Increasing the level of customer satisfaction and customer loyalty in the lodging industry is a key element in the organization of hotel services. Therefore, the study of factors influencing the behavior of hotel customers and the relationship between satisfaction as well as loyalty is a priority in today's globalized world.

Customer satisfaction by improving the service quality will result in a larger number of potential long-term loyal customers who will use the services of the hotel throughout the customer life cycle, and this will help to increase hotel profits and access to the necessary money, as well as the future expansion of the hotel business. In addition, here should be noted that hotels would be able to pay good dividends to their shareholders and finally can maximize the welfare of their shareholders.

Literature Review

1. Zeithaml, VA, Berry, LL, & Parasuraman, A. (1996). The behavioral consequences of service quality. *The Journal of Marketing*, 31-46. <https://doi.org/10.2307/1251929>
2. Zeithaml, VA, & Bitner, MJ (2003). *Services Marketing: Integrating Customer Focus Across the Firm*. New York: Mc Graw-Hill
3. Cronin Jr, JJ, & Taylor, SA (1992). Measuring service quality: a reexamination and extension. *The journal of marketing* 55-68.
4. Lemy, D., Goh, E., & Ferry, J. (2019). Moving out of the silo: How service quality innovations can

- develop customer loyalty in Indonesia's hotels. *Journal of Vacation Marketing*.
5. Grönroos, C. (1984). A service quality model and its marketing implications. *European Journal of marketing*, 18(4), 36-44.
 6. Parasuraman, A., Zeithaml, VA, & Berry, LL (1988). Servqual: A multiple-item scale for measuring consumer perceptions. *Journal of retailing*, 64 (1), 12.
 7. Makanyeza, C., & Chikazhe, L. (2017). Mediators of relationship between service quality and customer loyalty: Evidence from the banking sector in Zimbabwe. *International Journal of Bank Marketing*, 35 (3), 540-556.
 8. Bhakane, B. (2015). Effect of customer relationship management on customer satisfaction and loyalty.
 9. Veysel YILMAZ & Erkan ARI, (2018) Investigating the Relationship between Service Quality Dimensions, Customer Satisfaction and Loyalty in the Turkish banking sector: An Application of the Structural Equation Model
 10. Cengiz Yilmaz (2018) Effects of Customer Complaint Management Quality on Business Performance in Service Businesses
 11. Yılmaz C., Varnalı, K., and Kasnakoğlu, B.T. (2016). "How Do Firms Benefit from Customer Complaints," *Journal of Business Research*, 69: 944-955.
 12. Oliver, RL (1997). *Satisfaction: A Behavioral Perspective on the Consumer*. New York: McGraw
 13. Kotler, Philip & Armstrong, Gary. (2013). *Principles of Marketing*, 12th Edition. Erlangga Publisher
 14. Paulo Rita, Tiago Oliveira, Almira Farisa (2019) Impact of e-service quality and customer satisfaction on customer behavior when making online purchases.
 15. Sallaudin Bin Hassan (2019) The mediating effect of corporate image and student satisfaction on the relationship between service quality and student loyalty in TVET.
 16. Enna HIRATA (2019) Service characteristics and customer satisfaction in the liner industry.
 17. Özgür Davrasa, Meltem Caber (2019) Analysis of hotel services by their symmetrical and asymmetrical impact on overall customer satisfaction: comparison of market segments.
 18. Sungjun Joe (2019) The influence of fellow shoppers on complaining behavior: the regulatory role of gender.
 19. Julia Koch, Sven-Olaf Gerdt (2020) Determinants of company sustainable performance and their implications for customer satisfaction in the hospitality industry.