

A Study On Understanding The Impact Of Customer Perception And Satisfaction On Customer Loyalty In Hotel Aggregator Business

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ABSTRACT

The economies world-wide are changing at fast pace and they have realized that providing delightful experience to their customers is the harness that will help to climb the mountain of success especially, in service sector. The service sector, in particular, hotel industry believes that customers comes first and profit next. The satisfied customers are not only loyal to the organization but also brings new customers. Customer loyalty, in this study, is taken as the intention to stay with organization, intention to recommend and willingness to say positive things about the organization to others. This study is conducted to know the impact of customer satisfaction with respect to the hotel stayed and image of the hotel aggregator on the customer loyalty. The study is carried out in the city of Hyderabad with the sample size of 170. The primary data is collected through a well-structured questionnaire. The secondary data is collected through journals and magazines. For the purpose of analysis SPSS software version 20 was used. The relation and impact of the variables on customer loyalty was carried out through multiple regression analysis. The results showed that the hypothesis taken are positive and statistically significant.

Keywords: Customer satisfaction, Image of the hotel aggregator, Customer loyalty, Hotel aggregators, Multiple regression analysis.

INTRODUCTION

With the Globalization in India, hospitality industry, in precise, hotel industry has grown rapidly. The customers of a hotel are not restricted to travelers but employees' professionals, delegates and the list goes on. It says that when there is a market there will be several innovations that takes place. One of such tremendous business ideas is the Hotel Aggregator business. Their core offering is accommodation services to customers *aggregator Business Model* is a network model where the firm collects the information about a particular good/service provider, make the providers their partners, and sell their services under its own brand. Some of the hotel aggregators in India are Wudstay, Hotelbids, OYO, FabHotels, Pajasa apartments, Vista rooms, Treebo, etc.

For a service industry, particularly hotel industry, retention of customers plays a very significant role. Hence the service quality, customer satisfaction impacts customer loyalty and they are interrelated to each other. Customer loyalty is a complicated concept. Oxford Dictionary defines loyalty as a state of true to allegiance. Customer satisfaction and image are two factors that have been identified as important antecedents of customer loyalty (Selles, 1993; Ostrowsky, O'Brien, & Gordon, 1993).

LITERATURE REVIEW

Kandampully, Jay & Suhartanto, Dwi. (2003) stated that the Customer loyalty is the foremost aspect of the hospitality industry to sustain in the market. As per Akbar, M.M. & Parvez, N. (2009), Customer satisfaction plays an important mediating role between service quality and customer satisfaction. Ivanka Avelini Holjevac, Suzana Markovic, Sanja Raspor. (2010) mentioned that the quality of service plays an important role and it became one of the biggest contemporary challenges in service industry. Heals of ounded that the efficiency of customer satisfaction measurement with GCC's depends on the measurement methodology and also only reliable and valid data can provide valuable information for management decisions regarding a hotel's offering. Hamad Saleem & Naintara Raja (2014) proposed that the service quality and customer satisfaction are directly related and service quality also enhanced customer loyalty. Dimyati, Mohamad. (2015) quantified that marketing communication for company is a way to be in relation with customers. Zia-ur-Rehman, Ahmad Baig, Saud, Ehtsham Javed, Tasneem Aslam & Shafique, (2015) said that Brand loyalty refers to the positive attitude of a customer towards a particular brand with a view to repurchase and retain with the same brand. Khadka, K. (2017) stated that customer play a crucial role in satisfaction and loyalty and

he is the root of success and suggested that a survey should be carried to figure out the metrics of satisfaction. Nita Umashankar, Morgan Ward, Darren Dahl, (2017) urged other researchers to continue in the line of research by examining how service recovery efforts may moderate the relationship between complaining and loyalty in strong-tied relationships. Betsy Stringam, John Gerdes (2019) mentioned in his research that you never get a second chance to make a first impression. For an industry like travel and tourism which is the world's largest service industry, this line apt a lot.

NEED FOR THE STUDY

The high range of attracted customers and increased reduction in customer patronage observed in one of the largest hotel aggregators in India, FabHotels, seems to suggest that the current practices in aggregator industry is weak. This problem in sisted for the study to identify the difference in satisfaction levels of the customers with respect to the hotel aggregator and the hotel they stayed in and how this effects their loyalty.

OBJECTIVE OF THE STUDY

To study the impact of customer expectations and satisfaction on customer loyalty in hotel aggregator industry

SCOPE OF THE STUDY

The scope of this study has limited in identifying the relation and impact of customer satisfaction with respect to the hotel aggregator they booked the hotel rooms and the satisfaction with respect to the hotel they stayed. It shows the impact of the two variables on the dependent variable – customer loyalty. Also, the scope of the study is limited to the sample size of 170 and to the area of Hyderabad city.

METHODOLOGY

This research is quantitative in nature. There search has been carried out in Hyderabad target in gthose who stays in hotels. Sample sizes of 170 respondents have been taken into considerations, who are the customers of various hotel aggregators. Moreover, the selection of respondents was done through convenient sampling method. The respondents mainly include students, salaried persons, those who stayed in hotels. The research instrument was a well-structured questionnaire. The questionnaire has been carefully designed and positively worded to measure customersatisfaction on a five-point Likert scale. The statistical package, SPSS version 20 has been used to analyse the data. Further tool Multiple Regression analysis has been done. Moreover, to test the reliability of the various scales of the questionnaire and to check the adequacy of the sample size Kaiser-Meyer-Olkin and Chronbach's alpha test has been done.

DATA ANALYSIS: Multiple Regression Output

Dependent variable: Y - Customer Loyalty mean Average (Likeliness to repurchase, likeliness to recommend, likeliness to say positive things)

Independent variables: X1 – Customer satisfaction, X2 – Image of Hotel aggregator

Table – 1

		Customer Loyalty	Customer satisfaction	Brand Image
Pearson Correlation	Customer Loyalty	1.000	.388	.339
	Customer satisfaction	.388	1.000	.679
	Brand Image	.339	.679	1.000
Sig. (1-tailed)	Customer Loyalty	.	.000	.000
	Customer satisfaction	.000	.	.000
	Brand Image	.000	.000	.
N	Customer Loyalty	170	170	170
	Customer satisfaction	170	170	170
	Brand Image	170	170	170

Source: Primary data

Table - 2

Model	R	R	Adjusted R	Std. Error of	Change Statistics	Dubin-
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		Square	Square	the Estimate	R Square	F	df1	df2	Sig. F	Watson
					Change	Change			Change	
1	.401 ^a	.161	.151	.53335	.161	16.034	2	167	.000	2.061

a. Predictors: (Constant), Brand Image, Customersatisfaction

b. Dependent Variable: CustomerLoyalty

FINDINGS

- Majority of respondents in Hyderabad city preferring the hotel aggregator Oyo to book the hotels for stay and then FabHotels comes into picture. Most of the customers using hotel aggregators are salaried employees and students for majorly business and holiday purposes (nearly 76%).
- The data analysis with multiple regression technique proved that the customer loyalty is highly affected by both the variables customer satisfaction and brand image. The significance p-value proved that there is statistically significant relation between the dependent variable customer loyalty and the independent variables customer satisfaction and image of the hotel aggregator where the null hypothesis is rejected and alternate hypothesis is accepted.
- The customers of Fab Hotels are increasing from the last 1 month when compared to Oyo taking into consideration from the last 6 months statistics. Also, the small number of bookings (0-10 per month) are more in Oyo when compared to FabHotels but in case of bulk bookings (Above 20), FabHotels is competing with Oyo.

SUGGESTIONS

- The hotel aggregators should focus on the hotel staff behaviour since most of the customers are not satisfied.
- The hotel aggregators should make necessary practices for timely feedback from the guests stay in various hotels under its name. Because feedbacks are the main source to become perfect.
- The hotel aggregators should focus on service quality and standards in the hotel and try to meet their expectation as brand switching is quite common now-a-days.
- The hotel aggregators should provide flexible check-in and check-out timings as most of the customers were not satisfied.
- A different economic region can be studied to see the variation in the results that may occur due to different geographical areas.

CONCLUSION

The study conducted on the impact of customer satisfaction with respect to the hotel aggregators image and the hotel customers have stayed in on their loyalty towards the aggregator shows the result that there is a variation in satisfaction levels with respect to organization and the hotel. This means there are no standard norms of the organizations in most of the hotels and no proper control. The hotel aggregator industry is a double folded aspect where on one side it is the fastest growing business having vast scope but, on another side, there is a difference in satisfaction levels of the customers with respect to the hotel aggregator they booked the hotel and the hotel they stayed. This can be considered as the main problem especially in a service sector where satisfied customers play a very important role. This study helped us in identifying the relation between the image hotel aggregator where it includes various factors of the aggregator and the customer satisfaction with respect to the hotel experience they actually stayed. Both the variables have a very strong positive relation and they have strong impact on customer loyalty. Service quality plays a major role in satisfying customers and that satisfied customers not only stays with the organization but also brings new customers, timely feedbacks from customers and proper changes as per the feedbacks has to be made by the hotel aggregators in order to make their business lasts forever.

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