

DETERMINATION OF LOYALTY FACTORS IN HOTELS INDUSTRY –A STUDY REFERENCE TO CHENNAI CITY

A.Prakash.,M.Com.,M.Phil.,

M.Com.,M.Phil.,M.B.A.,M.Phil.,M.Sc(Psy),FCMA.,Ph.D.
Full Time Research Scholar,(Ph.D)
Presidency College
Chennai- 600 005.

Dr.G.Ravi

M.Com.,M.Phil.,M.B.A.,M.Phil.,M.Sc(Psy),FCMA.,Ph.D.
Research Guide and Supervisor,
Presidency College,
Chennai- 600 005.

Abstract :*The aim of this research is to analyse the determination of loyalty factors in the hotel industry. Brand Loyalty is the only tool for any company to survive in a severe competitive. Brand helps in creating relationships between consumer and producer. The main objective of the study and determines the loyalty of the customers toward service provider.. The research hypothesis, There is no relationship between customer's satisfaction and loyalty.The sampling techniqueutilized in this research is purposive sampling. There are 521 respondents taken as the sample of thisresearch. The findings of this imply technology involved, this hospitality industry motivated the customer to regularly visit the star hotels. Appropriate customer relationship and confidence building stagiest of star hotel customers magnetically attracts the customers toward hotels and that make them visit the hotels regularly. It is also found that historical cost hinter the regulated visit of the customer to the star hotels.*

IndexTerms - Customer loyalty, Objective, Hypothesis, Sample Size, Star hotel industry.

I. INTRODUCTION

The advertising discipline first took a curiosity in brand loyalty on an educational stage with the understanding that brand loyalty existed best on the behavioural stage. At the moment, brand loyalty was measured using motives reminiscent of purchase sequences, percentage of complete purchases, and purchase chance. This suggestion ended in a center of attention on the rate, performance, and high-quality with the expectation that customers would improve a repeated purchase pattern if these explanations met the customer's criteria.

Because it grew to be obvious that brands regularly held an emotional element as well as a practical one, advertising tactics shifted their center of attention on relationships and price creation. It has thus become common for each researcher and marketers to deal with brands as having each a rational and an emotional component. This has in flip contributed to creating a more complicated environment for researchers. To at the present time authors are still no longer in entire contract in admiration of what add-ons to use when measuring brand loyalty (VishwasMaheshwari 2014).

It's the preference of the patrons to make a purchase order for a detailed manufacturer because of its attributes, photograph, first-rate, points and fee, and they are traditionally committed to purchasing and regarding different folks, due to company loyalty their occasional buyer turns into typical by means of increasing frequency of buy. Manufacturer loyalty may be very foremost of the group to increase their earnings, volume, to get a top class rate, to maintain their shoppers rather than seek. There's an enormous the change between replicate buy and company loyalty due to the fact that replication buyer is purchasing of brand generally and loyalty is the influence occurring by using actions. The brand loyalty happens when the customer has a massive relation toward the brand expressed by replicating buy. The purchasers who're brand loyal do not review the company, they just make a purchase order confidently on the foundation of their experiences. Loyalty is mentioned in the context of attention and the fact that non-loyal customers are unconscious was once emphasized. Nonetheless, the most common hindrance encountered within the reviewed reviews is the failure to attain a shared definition of loyalty considering that despite the fact that patron loyalty could also be a key variable that explains preserving the patron at hand. It has been mentioned at the time, whether or not loyalty is an angle or a combo of attitude and behavior. The behavioural strategy explains loyalty centered on the standards together with the percentage in consumption, consumption likelihood, probability to eat the product once more, repeated consumption behaviour and multi-directional behavior (KesiinroOlalekanRasheed 2015).

BRIEF LITERATURE REVIEW

Sandra Maria Correialoureiro (2011) the articles measure the online risks and a benefit, brand awareness/associations, perceived quality and explains, brand equity and brand was used to understand the context of internet banking. The empirical research based on main difference characterizing the customer segmentation in the place of residence.

Dr. Jaskaran Singh Dhillon(2013) the study measured the service quality and customer brand loyalty in the hotel industry. The study examines the customer perceptions of service quality dimensions impact their hotel brand loyalty in developing country India.

Dr. Muhammad Ehsan Malik (2013) the study examines the brand awareness and brand loyalty on purchase intention. The empirical study that the brand and brand loyalty have a strong positive association with purchase intention.

Samira Shokati (2013) the study is trying to examine role brand and to retain customers and all so promote their behavioral pattern toward brand loyalty. It is understood that the customer brand loyalty is a type of brand commitment to retain the customer by handing the effective factors on brand loyalty such as brand credibility, responding, request, effective cognitive backup, and value, emotions, trust and brand equity.

Christo A Bisschoff (2014) this article measured brand loyalty for application in the banking industry. To validate the brand loyalty an exploratory factor analysis was done to determine the importance of each of the influencing factors of the brand loyalty. It is concluded that the various factors that are directly proportionate with the brand loyalty.

VishwasMaheshwari (2014) the study about the relationship between value certain and to brand loyalty. The value certain is the dependent variable which alone does not have any immediate influence on the brand loyalty. It is found that the no considerable impact on

the consumer's preference to word brand loyalty, but the factor such as price and other alternative factors influence the desire brand loyalty.

Muhammad Rizwan (2014) the empirical study stressed on the brand helps in creating relationships between customer and producer. It indicates that the service quality, perceived quality, perceived value, brand trust and customer satisfaction on brand loyalty. It is clear from the review that the better understanding about brand loyalty among customers for companies to analysis and part played by each element in the progress of brand loyalty.

JianaDaikh (2015) the study Customer satisfaction and brand loyalty have been addressed as marketing goals for many companies. This study investigated the impact of customersatisfaction on brand loyalty for durable goods. It is understood that the customer satisfaction has significant factor that affect brand loyalty.

Dr. Njoku (2015)the research focused on the measurement of customer loyalty through the delivery imperative case of fast food industry in the West African region. The study analysis the customer loyalty and failure on customer satisfaction.

Samaan (2015) the study is to determine the correlation between customer satisfaction and brand loyalty construct with brand loyalty have mosted been studied separately. This study is to employ the effects of the customer perception on customer satisfaction and brand loyalty. It is concluded that the customer satisfaction and brand loyalty also to improve brand image as an added on value for customers.

RESEARCH GAP

- After reviewing the national and international literatures on the research, identify their predominant gaps. As a status below no international and national study developed the dimension of service, quality of hotel industries in Chennai city.
- There is no special address on the determination of factors of brand loyalty.
- No study encountered the problem of determining the relationship between service quality dimensions and brand loyalty among the star hotels in Chennai city.
- Based on these three gaps the researcher intended to venture the parent research work.

OBJECTIVES OF THE STUDY

- To determine the loyalty of the customers toward service provider.

RESEARCH HYPOTHESIS:

H 1: There is no relationship between customer's satisfaction and loyalty.

RESEARCH DESIGN AND METHODOLOGY

The study is conducted among customers of casual dining restaurants in the city of Chennai. The study is based on both primary data, as well as secondary data. The primary data is used to obtain the respondents' opinion on their dining experiences and their perception of service failure and recovery, satisfaction and behavioral intention. The secondary data pertain to the theoretical knowledge with regard to service failure and recovery.

Sources of data

The primary data is collected through a structured close ended questionnaire containing statements, dichotomous and multiple choice questions. The secondary data are compiled from books, journals, periodicals, reports, theses and websites.

Questionnaire Design

The questionnaire consists of six parts-the first part ascertains the demographic factors, the second part consists of statements relating to various kinds of service failures and severity of failures, the third part consists of statements relating to the service recovery efforts of restaurants, the fourth section contains statements relating to the customers' attitude towards the restaurant, the fifth section consists of statements relating to customers' satisfaction levels and the last part contains statements relating to customers' future behavioural intention. All the statements in the questionnaire are rated on Likert's 5 point scale.

Sample Size

The researcher circulated 730 questionnaires in different geographic bases of Chennai and was able to derive 540 of them. Out of these, only 521 were found usable for research. Hence the sample size is 521.

Sample Selection

To make the sample more balanced with regard to the lifestyle, occupation, culture and socioeconomic status of the residents of Chennai, the data were collected through stratified convenience sampling method. The distribution of questionnaires among the three regions of Chennai is presented in the following table:

Name of the region	No of questionnaires distributed	No of questionnaires received	No of questionnaires found usable for study
North Chennai	91	62	55
Central Chennai	334	248	246
South Chennai	305	230	220
Total	730	540	521

Pilot Study:

A pilot study was conducted with a sample size of 100 to test the reliability and validity of the statements given in the questionnaire. The reliability is confirmed through Cronbach's Alpha test and validity through Hotel ling's T-Square test. The computed Cronbach Alpha values and t values of all the statements are given in the following table:

From the above table it is found that all Cronbach Alpha values are greater than 0.70 for the sample size of 100. It implies that the statements used by the researcher in the research instrument are highly reliable and can be used for the main study. The significance of Hotel ling's T Square values indicates that the statements possess high internal consistency for applying multivariate tests in the study.

Statements	Range	No of statements	Cronbach Alpha	Hotel ling's T square	Significance
Service Failure	1-5	25	0.924	394.898	0.000
Severity and Attribution	1-5	6	0.769	333.744	0.000
Service Recovery	1-5	19	0.912	357.101	0.000
Trust and Commitment	1-5	5	0.867	27.778	0.000
Customer satisfaction	1-5	5	0.836	41.936	0.000
Behavioral Intention	1-5	8	0.704	321.306	0.000

Tools of Analysis:

The primary data collected through a structured questionnaire are subject to statistical analysis using the SPSS 18 version (Statistical Package for Social Sciences)

1. Simple Percentage Analysis is used to identify the contribution of demographic and occupation of details of customers.
2. T- test is applied to find the significant differences among the respondent's opinion.
3. Factor Analysis is applied on the services quality dimension and customer stratification to confirm the facts.
4. Cluster Analysis is employed to find the significant differences among the customers.
5. One way analysis, variance is found suitable to measure the influence of an independent variable on the dependent factors.
6. Non Parametric Chi Square Analysis of Association is suitably used to find an association between a cluster of customers and their opinion.
7. Linear Multiple Regression Analysis is applied to determine the relationship between service quality dimension and customer stratification.

Analysis and Discussion:

The following table gives the relationships between service quality dimension and the depended variable regulative visit.

From the above table, this found that R square = .200 this implies the independent variable create 20% variance on the depended

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.448 ^a	.200	.188	.84846

variable regulative visit of customers. The relationship between in depended and depended variables is vaulted through the following ANOVA table.

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.326	8	11.541	16.031	.000 ^b
	Residual	368.580	512	.720		
	Total	460.906	520			

From the above table, it is found F=16.031, P=.000 are statistically significant at the 5% level this implies there is a significant relationship between service quality dimension and the regulative visit of the customer to star hotels. This gives to the individuals' verification of influences in depended variables.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.092	.182		6.002	.000
	Tangibility	-.096	.054	-.075	-1.776	.076

Reliability	-.121	.067	-.091	-1.817	.070
Responsiveness	-.020	.067	-.017	-.304	.761
Assurance	.062	.068	.046	.916	.360
Technology	.192	.056	.170	3.445	.001
CRM	.162	.059	.132	2.742	.006
Cost	-.230	.056	-.176	-4.147	.000
Confidence	.462	.061	.336	7.554	.000

From the above table it finds that technology (beta = .170, t = 3.445, P = .001), CRM (beta = .132, t = 2.742, P = .006), confidence (beta = .336, t = 7.554, P = .000), Cost (beta = -.176, t = -4.147, P = .000) are statistically significant at the 5% level this implies technology, CRM, and confidence are positive related because the beta value is positive were as the cost is negatively related to regular visit of the customer to the hotels. This implies technology involved, this hospitality industry motivated the customer to regularly visit the star hotels. Appropriate customer relationship and confidence building stages of star hotel customers magnetically attracts the customers toward hotels and that make them visit the hotels regularly. It is also found that historical cost hinder the regulated visit of the customer to the star hotels.

The following table gives the relationships between service quality dimension and the depended variable customer motivated.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.449 ^a	.201	.189	.76871

The table shows that R square =.201 this implies the independent variable create 20% variance on the depended variable motivated of customers. The relationship between independence and depended variables is vaulted through the following ANOVA table.

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	76.297	8	9.537	16.140	.000 ^b
	Residual	302.548	512	.591		
	Total	378.845	520			

The table shows that F=16.140, P=.000 is statistically significant at the 5% level. This implies there is a significant relationship between service quality dimensions and motivated of the customer to star hotels. This gives to the individual verification of influences in depended variables.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.531	.165		3.224	.001
	Tangibility	.061	.049	.053	1.245	.214
	Reliability	-.018	.061	-.015	-.296	.767
	Responsiveness	-.003	.060	-.002	-.044	.965
	Assurance	.086	.061	.071	1.395	.164
	Technology	.086	.051	.084	1.702	.089
	CRM	.018	.054	.016	.330	.742
	Cost	.052	.050	.043	1.024	.306
	Confidence	.437	.055	.350	7.878	.000

The analysis that the confidence (beta = .350, t = 7.878, P = .000), are statistically significant at the 5% level. This implies confidence is positively related because the beta value is positive, whereas the no negative value to customer motivated to the hotels. Hence this implies that confidence-building involved this hospitality to customer motivated the star hotels.

MAJOR FINDINGS:

1. This implies technology involved, this hospitality industry motivated the customer to regularly visit the star hotels. Appropriate customer relationship and confidence building stages of star hotel customers magnetically attracts the customers toward hotels and that make them visit the hotels regularly. It is also found that historical cost hinder the regulated visit of the customer to the star hotels.
2. This implies confidence is positively related because the beta value is positive, whereas the no negative value to customer motivated to the hotels. Hence this implies that confidence-building involved this hospitality to customer motivated the star hotels.

Reference

- [1] Sandra mariacorreialoureiro (2011) “brand equity and brand loyalty in the internetbanking context: fimix-pls market segmentation” Francisco Javier Miranda: journal of service science and management.
- [2] Dr. Jaskaransingh dhillon (mar. - apr. 2013) “brand loyalty in hospitality sector in India: a case study of Indian hotels in goa-kerala” iosr journal of business and management (iosr-jbm) e-issn: 2278-487x, p-issn: 2319-7668. Volume 9, issue 3
- [3] Prof. Dr. Muhammad Ehsan Malik (may 2013) “importance of brand awareness and brand loyalty in assessing purchase intentions of consumer” international journal of business and social science Vol. 4 no. 5.
- [4] Samira Shokati (2013) “effective factors on customers brand loyalty in iranian banks” journal of business economics, and management studies Vol.1, no.9
- [5] Prof Christo a bisschoff (November 2014) “a model to measure the brand loyalty of financial institutions” Mediterranean journal of social sciences, Vol 5 no 23
- [6] Vishwas Maheshwari (2014) “determinants of brand loyalty: a study of the experience-commitment-loyalty constructs” international journal of business administration Vol. 5.
- [7] Muhammad Rizwan “effect of brand trust and customer satisfaction on brand loyalty in bahawalpur” journal of sociological research issn 1948-5468 2014, Vol. 5, no. 1
- [8] Jiana Daikh (5-7-2015) “a research proposal: the relationship between customer satisfaction and consumer loyalty” Johnson & wales university scholarsarchive@jwu.
- [9] Dr. Njokum.ePh.d, kalua alexanda “customer loyalty and brand failure: an imperative case of fast food industry in the west Africa African region” Singapore an journal of business Economics, and management studies Vol.4, no.4, 2015
- [10] Samaan (October 2015) “customer satisfaction and brand loyalty in the hotel industry” European scientific journal /special/ edition, Vol.1 issn: 1857 – 7881 (print) e - issn 1857- 7431.

