

Theoretical Analysis and Cultivation Countermeasure of Customer Loyalty in Hotel Enterprise

L'ANALYSE THÉORIQUE ET LA CONTRE-MESURE DE CULTIVER LA FIDÉLITÉ DE LA CLIENTÈLE POUR LA RESTAURATION

Zhang Yan¹

Abstract: How to get the customers' satisfaction should become an important issue of the hotel's survival and developing. Based on the discussion about the theoretical and practical significance for the hotel enterprise to cultivate the customer loyalty, this paper suggests a practical advice for the hotel enterprise on how to cultivate the customer loyalty.

Key words: Hotel Industry, Customer Satisfaction, Customer loyalty

Résumé: De nos jours, comment défendre la clientèle devient un sujet important pour l'existence et le développement du restaurant. Ce texte recherche que la théorie et le sens réel sur la cultivation de la clientèle dans un restaurant, et il propose aussi des conseils réalisables à propos d'élever les clients pour la restauration.

Mots-Clés: la restauration, la satisfaction de la clientèle, la fidélité de la clientèle

1. THEORY CONNOTATION OF CUSTOMER LOYALTY

Since 1970s, CI strategy that aimed to build and spread enterprise image became very popular all around the world; later in 1980s, CS strategy became much more famous because of Customer Satisfaction. Later in 1990s, while CI and CS strategy was being well used, some more far-sighted entrepreneur noticed that what's more important to be successful in the competition is to own a number of loyal customers, therefore, CL strategy rose.

In the research of customer loyalty, a lot of scholars have identified customer loyalty over the aspects of consumers' repurchasing rate, persistency of relationship between customer and enterprise, purchasing ways of customers, purchasing rate, etc.. Someone identifies customer loyalty as three continuous purchasing. It means that the times of purchasing is a necessary condition to weigh customer loyalty, and loyal customer only comes with the possibility of continuous purchasing identical product many times. Someone uses purchasing rate to predict customer loyalty behavior, and divides customer loyalty into the loyalty to manufacturer-owned brand and dealer brand. And some people consider that customer loyalty

refers that when the customers feel satisfied, thus produces a kind of psychological tendency (manner orientation) with trust, maintenance and hope purchasing to a certain brand or operational organization.

The author considers that customer loyalty is not only a kind of psychological tendency (manner orientation), but also a kind of behavior. That is to say customer loyalty refers to a kind of psychological tendency (manner orientation) and behavior that with the customers satisfaction, based on the trust to operational organization and its products or service, continues repeatedly to purchase products or service from the same operational organization.

The research from Hotel Industry Research Center in American Cornell University considers that the major effect factor of customer loyalty is: value, benefit, (may controlled) the disbursement and (to hotel/brand) trust. Among the four factors, "benefit" and "trust" are the most important essential factors. This is because the reason for customers to buy products from the same hotel repeatedly is that they can get the satisfaction they need, and based on the trust, enable them to have the positive psychological orientation to this hotel, can effectively counterbalance benefit enticements from other hotels, maintain loyalty to this hotel.

¹ School of Tourism and Geography Science, Shen Yang University, China.

*Received 25 August 2006 ; accepted 6 October 2006

2. THE THEORETICAL AND PRACTICAL SIGNIFICANCE OF CULTIVATING CUSTOMER'S LOYALTY

The substance of market competition is a contest of getting more customers, which is the resource of hotel. In the long run, to increase customer's loyalty is only important driving force for hotel to get benefits.

2.1 Reducing the cost and Increasing the economic benefit

Generally speaking, cost of first sale is 5 to 10 fold of its second sale. For most of the companies, they can get benefits at the third time. One of the researchers has already pointed that they have to spend 5 fold to acquire a new guest than the maintenance of old one. In competitive and fair market, hotel has to invest large amount of money, such as advertising, promotion and time of knowing more new customers. When customers and hotels are getting more familiar, hotels cost on keeping the long and friend relation will gradually decline.

A research from Harvard Business Review has illustrated that customer's re-visiting can bring 25%-85% benefit. One more research also explained that satisfaction from one customer may provoke 8 potential businesses. At least one of these 8 will make a deal. On the contrary, dissatisfaction from one customer will affect pursuing attitude of 25 people. However, cost of acquiring one new customer is 5 fold of keeping one old customer. In 1994, one research experimented by Harvard university showed beneficial organization has roughly spend 5- 10 fold time, energy and human resources to get new customers compared with the maintenance of existing one.

2.2 Building up Good Reputation and Fostering Trusting Image

With the development of science and technology, people are surrounded by the information. Compared with other way of promotion, such as advertising, good reputation itself is surely an influential factor for the enlarging of business. The best way for business popularization greatly depends on loyalty and consistency of its customers. More important, popularization lies in customers spreading of their satisfaction for business or service, for instance, customers might recommend their favorite hotel to friends, colleges and so on. More than this, those customers have already introduced a good impression to those potential customers.

2.3 Enhancing employee's satisfaction and Improving Quality of Service

Hotel is a labor-intensive service work. Therefore, human resources is the most important factor as capital. Self-satisfaction from lower level employees is the basis for the sustainable development and competitive advantage of hotel. Mr. Kevin Wilson, creator of International Holiday-In Hotel, once presented that without satisfied employee, it is impossible to get satisfied customer. Without enjoyable working environment, it is impossible for customer to get cozy living environment.

To set up strategy of creating customers' loyalty will help to improve working environment, enhance their working efficiency and their self-satisfaction, and reduce cost of training and enrollment, so as to increase productivity. Then, it may keep the long term relationship between hotel and its employee. Furthermore, employee might realize their own working desire when they serve those satisfied and loyal customer. The more gain employees have on self-satisfaction, the better service quality hotel will offer, which further enhance the customers satisfaction and loyalty and increase the financial benefit of hotel. With the increase of financial benefit, employee's income level will be higher than before. This chain-reaction works in the following way, the more salary employees get, the more enthusiastic they will be, and then the more self-satisfaction they might have, and finally they will provide better service. Being offered the best service, customers will intend to keep this loyalty and their consistency for certain hotel, which can form a positive recycle.

Sum up, at present, if hotels prefer to create its own advantage, setting up a strategy of customers' loyalty is the most essential factor they need to consider.

3. THE STRATEGIES ON HOW TO CULTIVATE THE LOYALTY OF THE GUESTS IN HOSPITALITY INDUSTRY

3.1 Enhancing the guests' satisfaction percentage by implementing the Guests Strategies

There is common interest existing between the hotel and guests. The guests give money in exchange for the use value; the hotel realizes the value of the products and gains the profit by selling the goods and service. Therefore, the relationship between the hotel and guests is cooperation and dependence. The most primary and ultimate factor, which influences the loyalty of the guests, is the Guest Satisfaction. The Guest Satisfaction can be explained like this: the guest finally obtained the interest and value of the products which he or she

desired most, and to gain the guest satisfaction becomes the ultimate result in the battle of core competitive power between the hoteliers. This is the reason why we should upgrade the guest loyalty percentage by firstly increasing the guest satisfaction percentage.

3.1.1 Guests Strategies

What is Guests Strategies is that the staff of the hotel should take the guests as the relatives of the family, put the thinking of the guests into their shoes and continue to make the guests satisfied. Whether the hotel could obtain the supports from the guests or not decides the rise and decline of the hotel. Therefore, every employee of the hotel should foster the marketing thought of "Guests-focused". This is the foundation of cultivating the loyalty of the guests, as well as upgrading the guests' satisfaction percentages.

3.1.2 Paying regard to the psychological service for the guests.

The hotel should offer their guests "double service", that is to say, "functional service" and "psychological service". The functional service meets the actual needs of the customers; while in addition to this, the psychological service will bring along an experience to the customers. This is the reason why we try our best to satisfied the guests in both the two services mentioned above. In doing so, at the same time we obtain the satisfaction of the guests, we also improve their loyalty to us. To set up the guests files with writing down their features of needs and hobbies is an important way to offer them special services according to their special needs.

3.1.3 To create a wonderful experience for the guests and win their loyalty is the goal that many hotels have pursued for years.

Beyond philosophy holiday travel company offers the customers the experience stating like this: "we hope our customers will have a holiday experience through our reliable, friendly and accessible service. It is the method of obtaining loyal customers that express and pass on everything in time through a reliable way." SHANGRI LA Hotels & Resorts Group put forward four skills: recognized, predicting, flexible and compensating. They considered that the loyalty of the guests would be built through offering special services that can make the guests overcome with joy to the guests.

3.2 Implementing Strategic Human-Resource management and enhancing the satisfaction of the staff.

What is Strategic Human-Resource Management is to programme the activities of human resource management from a long-term and strategic perspective, and to take the staff as the strategic resource and the prime movers of winning the competition in the market.

The hospitality industry is labor-intensive service. As the invisible Capital, the human resource plays a most important role in the management of hospitality, for it is the impetus of sustainable development and main competitive advantages resource. At present, the actual-existing problems in hospitality become more and more severe, such as the drain of the talent, the imperfect of employee engagement mechanism, lack of attractions posts design and so on. In this case, the hotel managers should pay much attention to enhancing the satisfaction and loyalty of employees, so that enhancing the satisfaction and loyalty of the guests. The following aspects are the ones that should be attached importance to:

3.2.1 Cultivating the enterprise culture and teamwork spirit.

The values are the core of the enterprise culture and the common concept accepted by the employee. In addition it is also choice made by the decision-makers of the enterprise, in terms of the tendency of character, aims, management means of the enterprise. The goal of setting up the enterprise culture is to exert their enthusiasm and creativeness, so that the effective of human resource can be fully brought into play. At the same time, the hotel managers should pay much attention to building the teamwork spirit of the staff, and setting up and pushing the advertisement on the management concept of the enterprise. In doing so, the employees can concede the concept and finally turn it into their internal belief, so that the deep feelings and sense of belongings will be planted in the heart of the employees.

3.2.2 Perfecting the staff engagement mechanism, scientifically collocating the human resource.

First, the hotel manager should strengthen the systemized internal management and labor employment from a strategic, integrated and proposed view, preventing from the emergency of the phenomenon that the talent being disjointed and hotel manager being not choosy because of the shortage of the person with ability. Then, the manager should be strict with the rules and disciplines of employing every staff, and insist on the employment principles of choosing the right person, who have both ability and moral integrity, on right position. In addition, the manager should improve the structure of staff and set up a flexible mechanism of competing for recruits, survival the fittest.

3.2.3 Establishing a pattern "learning-style organization and flexibility management"

With the era of knowledge economy coming to us, to establish a pattern "learning-style organization and flexibility management" has a most important meaning to staff management, especially to the learned staff management. The learning-style organization can help the learned staff continue to self-educated, self-improved in such a constant learning organization.

They may feel being respected and enjoy the happiness of creation, communication and opportunities. The flexibility management is to create a concern and considerate atmosphere, which can provide the hotel staff with a sympathetic working environment. "The guest is the God, so is the staff", "Only a happy employee would make a guest happy".

3.3 Setting a brand, building up the image of hotel and then wining the guest's loyalty.

The brand has become a symbol of the hotel's compound strength. The ultimate loyalty of guests embodies in the loyalty to the brand. Therefore, the hotel should continue to publicize its own brand image, improve the brand management and enrich the brand connotation, in order to shape a good brand image and upgrade guests' faith and loyalty to the brand. For example, Shangri-La hotel group is the best in Asia and enjoys a high prestige in the world. This hotel group is trying their best to turn their hotels into paradises through their constant efforts and yeoman's service, so that they can give every guest to their hotel the most content and satisfaction.

3.4 Paying regarding to measuring and evaluating the guests' loyalty

To measure and evaluate the guests' loyalty, in other words, the analysis of definite quantity and determining the nature is of necessity. First, it can testify the result of

implementing the loyalty guest strategy. Through measure actual hotel guests' loyalty, compared with the predicted target or previous data in the same period, then correctly make the judgment of the result of implementing the loyalty guest strategy. Second, it enables the hotel manager to recognize and find out the problems and weak points in the process of building the guests loyalty. In addition, it can help managers obtain a better understanding of changing tendency in guests' demands and preference.

Hotels will do some surveys through many ways such as telephone or face-to-face conversations. For instance, Shangri-La Hotel chains impose building customer's loyalty as one of parts of its enterprise's culture and management strategy and mainly depend on questionnaires to do necessary customer's loyalty and satisfaction. The questionnaire is divided into ten parts covering every department in hotel management structure. In each part, there are some questions which needing customer to answer and the results of customers are ranked by ten levels as well which will show us if the services of employees are good or not.

4. CONCLUSION

To conclude, in a competitive buyer's market condition of hotel industry, a hotel can win the competitive advantage as long as it will get customers' satisfaction and win their royalty.

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THE AUTHOR

Zhang Yan, Doctor of Economics, Vice Professor in School of Tourism and Geography Science, Shen Yang University. Shenyang, Liaoning, 110041, P.R. China.

E-mail: Zhangyanln8166@sina.com