



Examining Antecedents on Chinese Customer Loyalty in the Boutique Hotel Business

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ABSTRACT

Recent developments in the hotel business have caused renewed interest in a new category, the boutique hotel, as a means of attempting a new growth stage. It is important to determine a study about relationship marketing in the boutique hotel context. So, this study aims to investigate the effect of perceived value and customer loyalty, and identify the mediating effects of trust and satisfaction between perceived value and customer loyalty in boutique hotels. By using a quantitative approach, this study collected the data from 400 customers in boutique hotels using a structured questionnaire. The results showed that perceived value had no direct influence on customer loyalty, but it indirectly affected customer loyalty mediated by trust and satisfaction in boutique hotels. At present, relationship marketing issue is a significant concept to support business achievement. This study helps academicians understand how the factors affect customer loyalty in the hospitality field, focusing on the boutique hotel business. For managerial implications, marketers can create great strategies to create customer loyalty toward the hotel business based on an increase in perceived value, trust, and satisfaction. Limitations and directions for future study are also addressed.

KEYWORDS

Boutique hotel; perceived value; satisfaction; trust; loyalty

Introduction

Customer loyalty is the best hotel business as it directly retains existing customers (Hussein et al., 2018; Oliver, 2015). If customers have loyalty, they will be willing to spend their money on hotel services, will be less likely to use the competitors' services, and will make repeated visit to the hotel. Moreover, the hotel would also grow its sales, which could increase profitability. Due to the benefits mentioned above, hotels need to accomplish customer loyalty. This view has been supported by recent studies (Chun et al., 2019; Modica et al., 2018).

The relationship-marketing is the process to gain long-term relationship between hotels and their customers. Moreover, relationship-marketing can help the hotels to maintain customer loyalty that has interest in the hotel sector