

The impact of Brand Image and Customer Loyalty in the Hospitality sector in Kolkata

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Abstract. The brand image of a hotel has long been seen as a key predictor of customer commitment and loyalty. Hoteliers can use brand imaging to improve their performance in areas like room sales and banquet sales. A negative brand image will result in disaster and the loss of devoted customers. The goal of developing a brand image is to provide more value to customers while also establishing a long-term, mutually profitable connection. Objective- All techniques are ineffective if a hotel's services do not please or meet the demands and wishes of its customers. Hotels can increase their market share and lower their operating costs by having loyal customers. This first investigation was based on relevant literature, and then research framework and hypotheses were established. Methodology- Respondents were gathered from Kolkata's hospitality industry through a survey. There were 120 questionnaires that may be used to assess normalcy, convergent, and discriminant validity. Result- According to the findings, the image of a hospitality business has a substantial impact on client commitment and loyalty. Conclusion- As a result, hotels must place a strong emphasis on building long-term, mutually profitable relationships with customers and cultivating loyalty as a competitive advantage in the marketplace.

Keywords: Hotel brand image; customer commitment; customer loyalty; hospitality sector

1 Introduction

The tourism and hospitality industry in India has emerged as a crucial driver of the country's services sector growth. India's tourism industry has exploded in recent years, and the country has enormous potential to become a major worldwide tourist destination. The Indian tourism sector is booming as a result of an increase in foreign visitor arrivals and a higher number of Indians visiting domestic sites than ever before. The major growth in recent years has come from within the domestic industry, with over 30 million Indians travelling within the country each year. Increased spending on leisure services is being driven by increased per capita income, a growing young population, and changing lifestyles.

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Hotels play a significant role in the tourism industry. They contribute to the entire tourism experience by providing high-quality facilities and services. The hospitality industry's fortunes have always been connected to the prospects of the tourism industry, and tourism is the industry's primary demand driver. The contribution of travel and tourism to capital investment is expected to expand at a rate of 6.5 percent per year from 2013 to 2023, which is higher than the global average of 5%. The Government of India's tourism strategy intends to speed up the implementation of tourism projects, construct integrated tourism circuits, strengthen specific capacity in the hospitality sector, and develop new marketing methods.

2 Literature Review

2.1 Tourism and Hospitality

Due to privatisation, liberalisation, and globalisation of economies around the world, the tourism and hospitality industry has transformed into one of the world's largest and fastest expanding businesses with a worldwide perspective. According to the World Travel and Tourism Council (WTTC), travel and tourism support almost 400 million jobs worldwide, whether directly in the business or in associated areas. International arrivals are predicted to reach around 1.5 billion by 2020, according to the United Nations World Tourism Organization. All of this has fundamentally revolutionised the industry over the last five years, and it will continue to do so in the future. For the next 10-15 years, the World Travel and Tourism Council has selected India as one of the world's fastest-growing tourist destinations. The inbound MICE industry, which has grown at a rate of 15% to 20% annually over the last five years, represents an opportunity.

2.2 Sector Overview

During the 2019–2020 year, the Indian tourism and hospitality industry grew by 23.6 percent. According to a report by the Planning Commission, the industry is India's third-largest foreign exchange earner, accounting for 6.2 percent of GDP and 8.8 percent of total employment. Agriculture, horticulture, transportation, handicrafts, and construction all have significant connections with it. Travel agencies, tour operating agencies, and tourist transport operating agencies are all part of the tourism sector, as are units that provide cultural, adventure, and wildlife tourism facilities, tourist surface, air, and water transportation, and convention/seminar units and organisations.

According to the Planning Commission, the sector provides more jobs per million rupees of investment than any other sector of the economy and is capable of employing a wide range of job seekers, from unskilled to specialist, even in rural areas. The World Travel & Tourism Council (WTTC) has also emphasised the sector's potential for job creation, claiming that by 2020, India's travel and tourism sector will be the world's second-largest employer, employing 87 million people directly or indirectly. According to industry estimates, India's travel and tourist industry is worth USD 35 billion, while the hotel sector is worth USD 26 billion and is likely to attract USD 12.17 billion in

investment over the next two years, according to market research firm Technopak Advisors. According to their predictions, the hotel sector will receive an additional US\$12.17 billion in inward investments over the next two years.

Revenues from travel (business, leisure, visiting friends and relatives, religious, meetings and conferences) and revenue from consumers eating out at any type of outlet (restaurants, fine dining, quick service restaurants (QSRs), takeaways, or any other form of unorganised eateries) are combined to estimate the size of the Indian hospitality industry.

Heritage tourism focuses on discovering a tourist destination's cultural heritage. India is well-known for its ancient culture and rich legacy. Temples, stately forts, parks, religious structures, museums, art galleries, and urban and rural locations all reflect the country's rich legacy. India is blessed with many sorts of flora and fauna due to its varied topography and distinct climatic conditions, and it has countless species of birds, animals, reptiles, amphibians, and plant life on offer for tourism. Wildlife photography, bird watching, jungle safaris, elephant safaris, jeep safaris, jungle camping, and ecotourism are all examples of wildlife tourism.

Meetings, incentives, conferences, and exhibitions (MICE) tourism is one of the most rapidly increasing segments of the worldwide tourism sector. It mostly caters to business travellers, primarily corporates. It hosts corporate meetings, international conferences and conventions, as well as events and exhibitions. The Ashok in New Delhi, the Hyderabad International Convention Centre in Hyderabad, and the Le Meridien in Cochin are pioneers in the Indian MICE tourism business, supporting domestic meetings and events.

2.3 Customer commitment

Customer commitment is defined as the expected outcomes of a market offering, such as product purchase or psychological ego associated with a brand (Tan, 2009). Customer commitment, according to (Moorman, 1992), is an enduring attitude toward a particular brand or firm that is linked to its brands or products. As an exchange partner, commitment is a long-term desire to believe in and maintain a valuable relationship with another (Robert M. Morgan, 1994); (Robert M. Morgan, 1994). In China, (Tan, 2009) investigated the impact of brand image on consumer loyalty and commitment. The results and analysis support the hypothesis that brand image has a beneficial impact on consumer loyalty and commitment.

2.4 Customer Loyalty

Customer loyalty, according to (Oliver, 1997), is described as a strong desire to acquire a favoured product or service again in the future. Because loyal customers are eager to (1) purchase more frequently; (2) spend money on trying new products or services; (3) advocate products and services to others; and (4) provide companies serious suggestions, businesses may optimise their profits (Reichheld, 1990). As a result, a company's success and profitability are linked by loyalty (Eakuru, 2008). Behavioral loyalty approach (Grahn, 1969); attitudinal loyalty approach (Rebekah Russell-Bennett, 2002) ;

(Jacoby, 1971); (Jacoby J. a., 1978); and integration of attitudinal and behavioural loyalty method (Rebekah Russell-Bennett, 2002) (Jacoby J. , 1971) (Jacoby J. a., 1978). (Dick, 1994); (Oliver, 1997); (Jacoby J. a., 1978); (Jacoby J. , 1971). Attitudinal loyalty is useful for examining loyalty variables, preventing switching behaviour (Paparoidamis, 2007), and predicting how long customers would stay loyal (Jacoby J. a., 1978). As a result, considering loyalty as an attitude-behaviour link allows for a more comprehensive analysis of consumer loyalty's antecedents and repercussions (Dick, 1994).

Sincerity, commitment, relatedness, and constancy to a belief, place, person, or organisation are all examples of loyalty. Customer loyalty refers to loyalty that is solely focused on customers. Customer loyalty can be defined in a variety of ways. Each of them, however, overlooks the fact that allegiance is inextricably linked to emotions. Customer loyalty is built on a consistent positive emotional experience, physical attribute-based happiness, and the perceived value of an experience, including the product or services.

Customer experience management is the most cost-effective strategy to improve customer happiness, retention, and loyalty. Retaining customers is less expensive than gaining new ones. Customers that are loyal not only secure revenue, but they are also more likely to purchase high-margin auxiliary items and services. Customers who are loyal to the company save money on consumer education and marketing, especially if they become brand promoters.

2.5 Corporate brand image

According to (Gary Davies, 2004), anything can be a brand, including a corporation, corporate, or name. Brand image, according to (Keller, 1993), is a consumer's memory of a brand. Corporate brands are difficult to mimic intangible assets for businesses, and they differ from product brands in that they emphasise the importance of brand values (Chernatony, 1999). According to (JL, 1997), when customers buy things from a corporation, they are not simply buying products but also receiving a set of values. Corporate brands are a collection of values that characterise the company (JL, 1997), and a favourable corporate brand image not only helps companies compete, but it also encourages customers to buy again (Porter, 1997). Consumers that have a positive perception of the brand have greater perceptions of quality, value, satisfaction, and loyalty (Johnson, 2001).

2.6 Corporate brand image, Customer Commitment and Loyalty:

Corporate image has been identified as a significant predictor of loyalty. (Aaker, 1991) suggested that a strong brand with high equity will have a large number of committed customers, leading to high and ongoing interaction and communication between customers and brands. (Martineau, 1958) stated that if customers favour the store's image, they will likely develop a certain level of loyalty, and (Aaker, 1991) suggested that a strong brand with high equity will have a large number of committed customers, leading to high and continuing interaction and communication between customers and brands.

(Selnes, F, 1993) also confirmed that corporate brand image has an impact on brand loyalty.

When personality traits are employed to portray corporate brand image in an off-line situation, however, (Davis Gary, 2002) discovered that it had an indirect influence on brand loyalty via customer satisfaction. Customer commitment can be defined as a commitment to an organisation or its core competencies, such as its brand, brand associations, such as brand image and brand reputation, and it should be understood that customers can express emotional feelings and a desire to maintain a relationship with a brand, rather than simply purchasing products from it on a regular basis (Tan, 2009). Commitment is the most important component in predicting consumer loyalty (Stowe, 2003); (Eakuru, 2008); (Ibrahim, 2008). Customer loyalty is the result of a commitment that has been approved (Dorsch, 1998); (Ibrahim, 2008).

3 Research Hypothesis

H1: The corporate brand image is a direct path to consumer commitment and is a crucial factor.

H2: Customer commitment follows a direct path and is a crucial component in customer loyalty.

H3: The corporate brand image is a direct path to consumer loyalty and is a crucial determinant.

4 Methodology

To analyse the links between corporate brand image and consumer commitment and loyalty, a quantitative, non-experimental, and explanatory study was done. The original data was acquired via a self-designed questionnaire administered to randomly selected respondents in Kolkata, West Bengal in October of 2021. The secondary data was gathered from a variety of sources, including websites and old academic journals. Random sampling was carried out by creating a self-designed questionnaire and distributing it via Google Form among the respondents, who included students from the hospitality industry, hospitality education professionals, and hoteliers. The total number of respondents (n=120) ranged in age from 15 to 45 years old and worked in the Kolkata hotel business. The primary data was analysed using pie charts as pictorial representations.

5 Result and Discussion

1. Does brand image of the hotel select your choice of stay?
120 responses



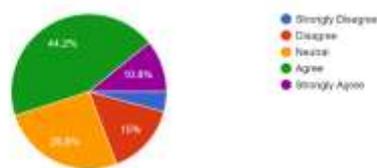
A self-made questionnaire was float in the population and as per the above result it is very clear that 28.3% of population feels that brand image of the hotel is the important driving force to select a hotel to stay. Even 61.7% of population feel that sometimes it is important to consider the brand image of the hotel to select a safer stay.

2. Customer Loyalty changes with the brand of hotel
120 responses

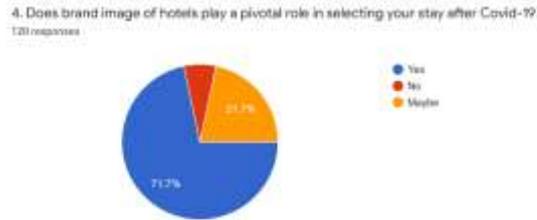


A self-made questionnaire was float in the population and as per the above result it is very clear that 50% of the population agrees that their loyalty towards a brand changes with the change in brand of hotel. Further it can be also discussed that they might be committed towards a specific brand, and might change their loyalty with that brand as well.

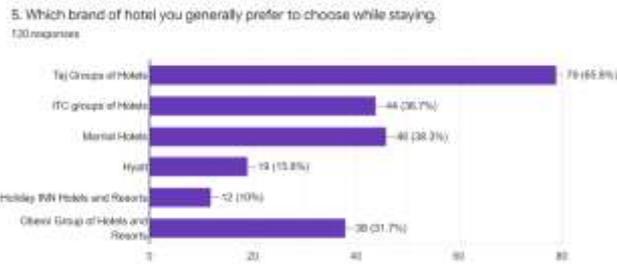
3. Guest Satisfaction is effected by the image created by the hotel through advertisement
120 responses



A self-made questionnaire was float in the population and as per the above result it is very significant that 44.2% of population believes that their level of satisfaction increases with the brand image created by hotel. Even 10.8% of population strongly believes that it highly influences the satisfaction level of the of the guest when they see the specific brand of hotel is advertising the services of the hotel.



A self-made questionnaire was float in the population and as per the above result it is very significant that the choice of brand of hotel to stay after pandemic is very important area under consideration of the guest. 71.7% of population believes that after the pandemic they became sensitive towards the brand as they maintain all the Covid protocol. 21.7% of population believes that pandemic may change their selection and loyalty towards the brands. The result is quite clear that brand loyalty in the majority of the guest has changed and they have inclined towards the major brands providing all the facilities of Covid protocol and became loyal to the brand.



A self-made questionnaire was float in the population and as per the above result it is very interesting to see the Taj Group of Hotels wins the race in the preference of the population. 65.8% population prefers Taj Group of Hotels for their stay. Then comes the Marriot Hotels, ITC Group of Hotels and last is Oberoi Group. It is clear that Taj has succeeded to create an brand image inside the guest through their world class services and providing guest satisfaction. They have actually created a loyal base of customer for themselves.

6. Feedback form plays a major role in creating brand image of the hotel also increase customer loyalty.
130 responses



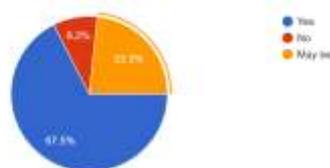
A self-made questionnaire was float in the population and as per the above result it is very significant that the feedback form is very helpful while creating goodwill and brand image in the mind of customers. It is very clear from the above result that 60% of populations actually thinks feedback form helps in getting a better image of the hotel from the eyes of the guest and thus helps in creating a loyal and committed customers. Feedback form helps in rectifying any faulty service in the hotel also helps to add more service to increase the satisfactory level of guest.

7. What are the factors responsible for customer loyalty in hotels.
120 responses

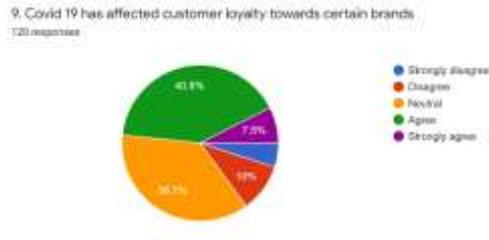


A self-made questionnaire was float in the population and as per the above result it is very clear that that 90% of population feels that good service is the major driving force for the guest to build a loyalty towards the guest. Also it is very interesting to see that polite and well trained staffs and as well as good service is also an important aspect. Thus the above result shows us that this factors are actually a pivotal role in creating a loyal and committed guest or consumers for them.

8. Business travelers are more sensitive towards the brand image of hotels
120 responses



A self-made questionnaire was float in the population and as per the above result it is very significant to observe that the 67.5% of the population supports the notion that business travellers are more sensitive towards the brand of the hotel. They generally choose to stay with the big brands like Taj, Oberoi, Marriot as it suits them and their status. They generally choose a hotel of stay on the basis of their company profile and their own profile and societal status.



A self-made questionnaire was float in the population and as per the above result it is very significant that the choice of brand of hotel to stay after pandemic is very important area under consideration of the guest. 40.8% of population believes that after the pandemic they became sensitive towards the brand as they maintain all the Covid protocol. Population believes that pandemic has changed their selection and loyalty towards the brands. The result is quite clear that brand loyalty in the majority of the guest has changed and they have inclined towards the major brands providing all the facilities of Covid protocol and became loyal to the brand. They might not just go back to the brand they were loyal, can also change them if needed.



A self-made questionnaire was float in the population and as per the above result it is very interesting to see that 40% of population believes that social status doesn't have any effect the choice of the stay and selection of the brand, although 39.2% of population thins that social status actually doesn't affect the choice of stay or brand. It is just the personal preference of the individual which makes their inclination towards a specific brand and even make them loyal towards it.

6 Conclusion

The research looks at how corporate brand image affects customer commitment as well as consumer loyalty in the hotel industry. Three hypotheses were tested based on the findings of the literature research and frameworks. The findings of this study reveal that corporate brand image has a direct relationship with customer commitment and is a crucial determinant.

The result supports H1, and it is in line with (Johnson, 2001); and (Davies, 2003). The results for hypothesis 2 show that customer commitment is a direct channel and a factor that has a considerable impact on customer loyalty. As a result, this theory is supported, and the outcome is compatible with (Eakuru, 2008).

The results for hypothesis 3 show that the corporate brand image is a direct path and a factor that has a considerable impact on customer loyalty. As a result, this theory is supported, and the findings are compatible with those of (Tan, 2009), (Johnson, 2001), (Martineau, 1958), and (Selnes.F, 1993). According to the findings, a company's brand image has a large impact on customer commitment and loyalty, and customer commitment has a significant impact on customer loyalty for the sample.

As a result, hotels must place a special emphasis on these characteristics in order to develop a long-term and mutually profitable relationship with customers, as well as establish loyalty as a competitive advantage in the market. It's also worth noting that, following the pandemic, the selection and choice of stay and brand is altered, and is influenced by the government's procedure. So, if a hotel wants to develop a devoted and committed customer or consumer in this new normal, they must follow the protocol's rules and regulations and make the customer feel at home and protected.

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