



Digitalization Impact on Customer Loyalty and Customer Satisfaction at Luxury Hotels in India

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Abstract- With the advent of digitalization, the emerging and novel trends has been witnessed in society and businesses (Tihinen & Kääriäinen, 2016). Digitalization is also one of the effective among the determinants to placate customer requirements or manage customer complaints. The primary requirements expressed by the customers during their transaction with business organizations are (Loris, 1998) direct resolution of problems related to particular product/service, online access to information provided by the company, and ability to provide interactive support through digitalization.

To survive in the highly globalized economy, customer satisfaction is the key to turn customers into loyal customers. It is imperative for the organizations to produce superior quality products and services for competitive edge that yield highly satisfied and loyal customers (Fecikova, 2004). Customer satisfaction has been a major objective of any business unit. Hansemark and Albinsson (2004) have mentioned that customer retention and market share of the companies' affect each other. Especially, in the service industry establishing and maintaining long-term relationship with customers (Gronroos, 1994; Berry, 2002) is the major key to success. Today, the customers have a wide array of choice with the emergence of new online channels leading to the high demand for differentiated products. This is very much evident in the hotel sector of this industry. In this cut-throat competition, the service firms are working hard to create added value for its customers for building customer loyalty.

This research is empirical in nature as survey has been conducted by designing the questionnaire. As the research design is more formal and structured, hence it is descriptive research design. This study has been investigated with 242 sample size and the findings suggest the among various factors digitalization of services plays key role in customer satisfaction for Indian consumers in context to luxury hotels and also establishes relationship to build customer loyalty among customers availing services of luxury hotels in India. The purpose of this paper is to identify the determinants of customer's satisfaction in context to luxury hotels in India by applying exploratory factor analysis. Customer satisfaction is the independent variable whereas customer loyalty is the dependent variable. Further this paper also hypothesizes that there exists a significant relationship between customer satisfaction and customer loyalty by conducting regression analysis and explores the impact of customer satisfaction on customer loyalty by applying ANOVA. This paper also emphasizes the role of digitalization in context to the luxury hotels in India.

The result indicates that digitalization is the key for gaining competitive edge for gaining the customer attention in the hotel sector. Therefore, digitalization of services presents an opportunity for the hotel sector to be in consistent touch with its customers leading to its growth and profitability. Luxury Hotels are aiming to provide their guests with innovative solutions and emerging technologies such as IoT, Virtual Reality & big data leading to increased intensity of customer touch points chiefly to attain their satisfaction, improved experience and greater customer loyalty.

Keywords: Customer Relationship Management (CRM), luxury hotels, IoT, customer loyalty, customer satisfaction, Innovative Solutions, India

I. INTRODUCTION

Customer loyalty is pivotal in marketing research and is one of the major causes for organizations to practice relationship approach with their customers. In the last few decades, the hotel industry has progressed into a global village, where customers' needs are very demanding and availability of hoteliers are present across street. Today, customers are having plethora of choices when it comes to accessing the services of a hotel with wide array of market offerings. This makes the environment of this industry very competitive. It becomes essential for hoteliers' to establish and maintain loyalty with its regular

customers for its survival. The relationship between customer satisfaction and customer loyalty especially in hotels sector seems to be unclear (Akunja2020). There are very limited literatures and studies that exist in context to the luxury hotel sector in India which are related to customer satisfaction and customer loyalty and therefore the need for this study came into picture. The purpose of this study was to understand the impact of customer satisfaction on customer loyalty in the luxury hotel sector in India. The study used stratified and systematic random sampling techniques.

Kandampully & Suhartanto (2000) suggested that the application of variety of amenities into hotel sector like restaurants, rooms, nightclubs, bars or fitness clubs is no more considered a luxury. These services have become an essential component of lifestyle for many. The upcoming challenge for hotel sector in today's era is to improve customer's experience by combining sophistication with elegance and style. To maximise the lifetime value of the customers, hoteliers are finding ways to identify the most important factors that affects customer loyalty.

The foremost challenges in the hospitality industry for managers are to offer and maintain customer satisfaction and loyalty. As rightly said by Ha & Jang (2009) customer satisfaction is important in linking purchasing and consumption with post purchase experiences. Higher the satisfaction level more enduring the relationships will be developed (Hennig-Thurau & Klee, 1997). A few researchers like (Anderson, Fornell, & Lehmann, 1994; Fornell, 1992) also emphasized that improved levels of customer satisfaction also facilitates in improving brand goodwill, customer loyalty and etc. Hence taking this into account, this study focuses to understand the determinants of customer satisfaction in context to luxury hotels and further investigate the relationship between customer satisfaction and customer loyalty.

Further, this paper discusses the various variables taken for the study which includes customer satisfaction and customer loyalty in the review of literature section; followed by research methodology section leading to analysis and interpretation section and further discussing its scope and limitation and concluding the topic by mentioning the digitalization impact on customer loyalty and customer satisfaction at luxury hotels in India.

II. LITERATURE REVIEW

The variables taken for this study are customer satisfaction and customer loyalty in context to luxury hotels in India. Each variable is explained in detail in the following paragraph given below.

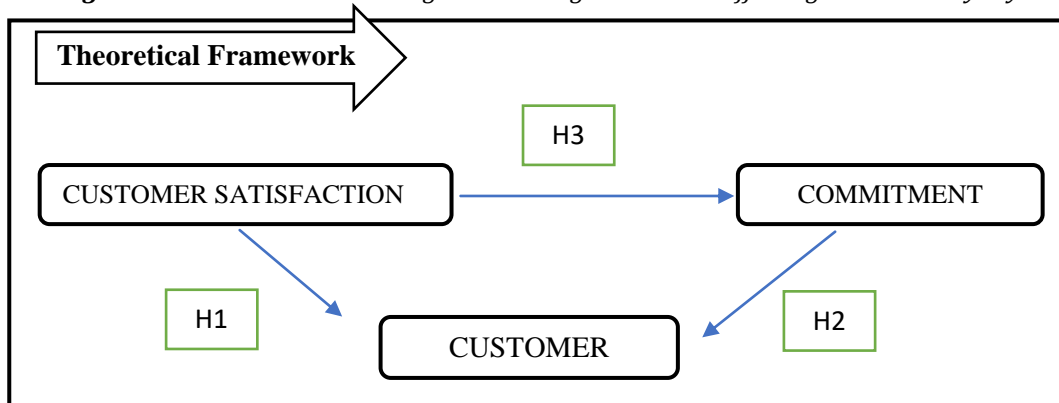
2.1 Customer Loyalty - Retaining loyal customer is an indispensable marketing plan in the hotel industry as suggested by (Sui & Baloglu, 2003; Rather, 2017; Rather & Sharma, 2016a; 2016b; Rather & Sharma, 2017; Sharma & Rather, 2016). According to (Casalo, Flavian, & Guinaliu 2007; Rather & Sharma, 2017; Sharma & Rather, 2016) loyalty is considered to be a critical element in accomplishing profitability and sustainability. Customer loyalty leads to brand equity by diminishing vulnerability to cutthroat marketing activities, growing marketing communication, increased profits and expanding prospects, (Keller, Parameswaran & Jacob, 2011). Few research advocates that loyalty has of three constructs. These being attitudinal, behavioural, and composite (Bowen & Chen, 2001; Rather, 2017; Rather & Sharma, 2017). Behavioral perspective of loyalty has been demonstrated as word-of-mouth references, repeat purchase intentions, intensity, frequency, percentage of purchase (Baloglu, 2002). The attitudinal perspective of loyalty has been demonstrated as the favourable attitude with a service provider/brand due to the variables like trust, confidence and emotional connect (Baloglu, 2002; Bowen & Shoemaker, 2003; Morgan & Hunt, 1994). The composite perspective to loyalty presents holistic comprehension of loyalty and covers behavioral as well as attitudinal measures (Harris & Goode, 2004; Li & Petrick, 2008; Rather, 2017; Rather & Sharma, 2017).

2.2 Customer Satisfaction and Customer Loyalty - Customer satisfaction has been the centrifugal of any marketing idea as it has the capacity to accelerate the competitiveness of any service firm (Heitmann, Lehmann, & Herrmann, 2007; Mittal & Kamakura, 2001). Customer satisfaction has been defined as the customer's overall evaluation of the performance with a brand/offering (Johnson and Fornell, 1991). (Song, Veen, & Chen, 2011) accentuated that the degree of satisfaction with the service or product is determined by the level of satisfaction and/or dissatisfaction experienced by the customer. The hotelier can gain a competitive edge over its competitors, if the level of customer satisfaction is upsurged (Mittal & Kamakura, 2001). Many studies also reflect that customer satisfaction has a direct impact on customer loyalty (Kandampully & Suhartanto, 2000). Previous research have also shown evidences of a positive relationship between customer satisfaction and loyalty in the hotel sector (Han & Ryu, 2009; Kandampully

& Suhartanto, 2000; Mittal & Kamakura 2001; Rather,2017; Rather & Sharma, 2016a). Service quality is considered to be the predictor of customer satisfaction and it further accentuates as the predictor of the customer loyalty (Akbar & Parvez, 2009;Abbasi et al, 2010; Farooq et al., 2019).A lot of research is available in proving the relationship between customer satisfaction and customer loyalty, but much review is not available to establish the relationship between customer satisfaction and customer loyalty in luxury hotels in India and the impact that customer satisfaction has on customer loyalty. This study under investigation is an attempt to this direction.

This section presents a conceptual model illustrating relationship between customer satisfaction and customer loyalty in Figure 1. The structure of the conceptual model is proposed by Rather & Sharma (2017). This model clearly exhibit that customer satisfaction has a direct relationship with customer loyalty.

Figure. No 1: The Schematic Diagram Showing the Factors Effecting Customer Loyalty



Source: Rather, RA., & Sharma, J (2017) "The Effects of Customer Satisfaction and Commitment on Customer Loyalty: Evidence from The Hotel Industry",JOHAR - Journal of Hospitality Application & Research Volume 12 Issue 2.

Digitalization

In the early 1970s, the adoption and implementation of technology in the hospitality industry began and has continually evolved and progressed over the last many decades (Collins & Cobanoglu, 2008; Kasavana & Cahill, 2007; Sammons, 2000). According to the earlier research and literature, digitalization, or digital transformation, refers to "the changes associated with the application of digital technology in all aspects of human society" (Stolterman & Fors, 2004).Further it has been accentuated by(Ristova & Maglovski, 2018) that the digitalized services are usually launched and established in improving the customer satisfaction, rate of performance and functionality of hotel employees.

III. RESEARCH OBJECTIVES

1. To determine the factors of customer satisfaction in context to luxury hotels in India.
2. To explore the relationship of customer satisfaction on customer loyalty for luxury hotels in India.
3. To examine the impact of customer satisfaction on customer loyalty for luxury hotels in India.
4. To identify the digitalization impact on customer loyalty of luxury hotel.

IV. RESEARCH METHODOLOGY

The present study is based on both exploratory cum descriptive analysis. The exploratory study has a more flexible and versatile approach as no formal procedure is employed in this study.

4.1 Variables, Scaling and Measurement and research tools

The scales of customer satisfaction and customer loyalty in context to hotel industry are adopted from the study of (Ammari, & Nusair, 2015), and (Basri et al., 2014). All items have been measured using one to

five-point Likert scale; these items of the questionnaire were tested. In the present study, the Cronbach alpha for the customer satisfaction was found to be .968 which was above 0.70 so the questionnaire was found to be highly reliable. Hence further research was carried out by conducting surveys and collecting primary data from the representative sample of the population.

After exhaustive literature review, the current study employed the instrument in the form of questionnaire that used 31 items of customer satisfaction in context to hotel industry. To meet the first objective, exploratory factor analysis was conducted by using SPSS software. For investigating the relationship between customer satisfaction and customer loyalty in context to luxury hotels in India, regression analysis was employed. Further, to examine the impact of various factors of customer satisfaction on customer loyalty in context to luxury hotels in India test of ANOVA was applied.

4.2. Sampling Unit and sample size: This included hotels that have the status of luxury hotels (in the category of 4-stars and 5-star hotel) of Delhi and NCR. Finally, 242 usable questionnaires were considered for further analysis.

V. ANALYSIS AND INTERPRETATION

To meet the first objective of this study exploratory factor analysis was conducted. The step used before conducting exploratory factor analysis is to examine the suitability of data and its adequacy by conducting Kaiser Meyer Olkin (KMO) test. The value of KMO should be more than 0.6 and the significant level in Bartlett's test should be less than 0.05.

Table Number 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.942
Bartlett's Test of Sphericity	Approx. Chi-Square	5623.948
	Df	465
	Sig.	.000

In the above given Table Number 1, the KMO statistic computed as 0.942, which is quite higher than 0.6 and this indicates that the value falls in the acceptance region of the factor analysis model. Here, through Bartlett's test of sphericity, chi-Square statistic is 5623.478 with 465 degree of freedom. The significance of Bartlett's test is 0.000 which is less than 0.05. Hence, both the result of the test indicates an appropriate factor analysis model. Further, the researchers decided to use principal component analysis method to analyse data in the factor analysis model. The primary concern of this method is to decide the number of minimum factors that will account for maximum variance. Principal components are the identified factors; a high absolute value of a coefficient indicates that the factor and the variables are closely related. To increase the interpretability of the factors, the factor loaded is rotated. During rotation if the axes are maintained at right angles and if it generates uncorrelated factors then such a rotation is called orthogonal rotation (Bajpai,2017). Varimax rotation was employed in this study and it is an orthogonal rotation.

The communality values for all items of customer satisfaction lie between .752 to .516. The value of all the items is high enough to conduct factor analysis. Next, Total variance is explained in the given table given below.

Table Number 2: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	16.046	51.761	51.761	16.046	51.761	51.761	5.778	18.640	18.640
2	1.360	4.386	56.147	1.360	4.386	56.147	5.513	17.784	36.423
3	1.061	3.424	59.571	1.061	3.424	59.571	4.227	13.635	50.058

4	1.021	3.295	62.866	1.021	3.295	62.866	3.970	12.808	62.866
5	.959	3.092	65.959						
6	.858	2.766	68.725						
7	.767	2.474	71.199						
8	.751	2.423	73.622						
9	.701	2.262	75.885						
10	.662	2.134	78.019						
11	.594	1.915	79.934						
12	.578	1.865	81.799						
13	.563	1.817	83.616						
14	.544	1.754	85.371						
15	.478	1.542	86.912						
16	.442	1.426	88.338						
17	.399	1.288	89.625						
18	.369	1.190	90.816						
19	.355	1.146	91.962						
20	.302	.975	92.936						
21	.272	.877	93.813						
22	.253	.815	94.629						
23	.247	.795	95.424						
24	.239	.772	96.196						
25	.234	.754	96.949						
26	.194	.627	97.576						
27	.179	.579	98.155						
28	.171	.552	98.707						
29	.163	.526	99.232						
30	.129	.417	99.649						
31	.109	.351	100.000						

Extraction Method: Principal Component Analysis.

This table number 2 clearly indicates that the cumulative percentage of rotation sums of squared loadings confirms that four factors of customer satisfaction for luxury hotels explain closely 62.866% of the variance. According to the percentage of variance criteria, the general recommendation is that the factors explaining the 60-70% of the variance are retained in the model and here four factors are explaining 62.86% variance. In this study, the eigenvalue criteria were used to figure out the number of factors to be retrieved. According to this criterion, the factor having the value of more than one eigenvalue is included in the model. From the above table, it is quite clear that only four components have a value of more than one, and therefore, it is decided that there are four factors that determine customer satisfaction in the context of availing services at luxury hotels in India.

Next, the result of the Varimax rotated factor loading matrix is presented in table number 3.

Table Number 3: Varimax rotated factor loading matrix

Statements	F1	F2	F3	F4
HOSPT5 - In this hotel I get an impression that I am treated like a queen/king.	0.787	0.145	0.21	0.186
HOSPT1- The employees here take care of all my needs without having to ask them for.	0.641	0.246	0.256	0.178
AMB 2- I get amazed with the interior design and architectural decoration of this hotel.	0.64	0.341	0.261	0.267
HOSPT 3 - The employees here communicate well and are good listeners.	0.635	0.262	0.262	0.298
HOSPT 2- At this hotel, the employees create an atmosphere of comfort and relaxation.	0.626	0.228	0.335	0.392
HOSPT 4 - The employees here are empathetic as they devote their time patiently listening to my queries and responding to them accordingly.	0.559	0.177	0.164	0.423
CSVA2 - Hotel has high quality guest facilities.	0.571	0.471	0.038	0.368
AMB 5 - The employee follows proper dress code, and the ambience of this hotel combine very well to create an elite atmosphere.	0.533	0.341	0.43	0.16
AMB 3 - This hotel has beautiful accommodation.	0.514	0.432	0.343	0.194
CPD - Employees always provide necessary customer information and use digitalized services like IoT to update us with latest news.	0.208	0.803	0.089	0.235
SSS1- Room amenities (T.V., lamp, phone, etc) are well provided with various digitalized services like smart rooms, beacons and tablets, use of chat box (Artificial Intelligence), personal mobile apps etc	0.217	0.754	0.214	0.234
FOEX 1- Check In procedure is smooth using digitalized services like virtual reality and customer can get the feel of the services before booking the room.	0.328	0.66	0.205	0.162
FOEX 2- Hotel has an easy reservation process through online and offline mode as well.	0.113	0.63	0.337	0.279
SSS2 - Hotel service processes simplified for quick service through digitalized services like IoT, personal mobile apps etc.	0.313	0.635	0.195	0.27
EE 1- Service delivery Employees have knowledge and skills to provide quality.	0.368	0.591	0.409	0.127
PRICE - Prices of services in the hotel are reasonable.	0.24	0.107	0.684	0.223
BPD 2 - This hotel is known for its Quality food and beverages.	0.266	0.169	0.647	0.287
FOEX 3- Frontline employees resolve most customer complaints.	0.191	0.414	0.619	0.195
BPD 1 - Cleanliness of the room at par	0.217	0.523	0.546	0.183
VALU 3 - This hotel has variety of in-room facilities, such as coffee maker, ironing board, hair dryer for my daily conveniences, mini-refrigerator with a small kitchen and dining space and aided by digital services.	0.22	0.341	0.257	0.69
VALU 1 - This hotel offers a 24-hour services like online booking, digitalized payments system, customer feedback recorded and through chat box facilities and other facilities like virtual reality tour of the hotel etc.	0.204	0.178	0.195	0.674
VALU 2 - Whenever I remember this hotel, I get excited by an array of awesome amenities it provides, particularly innovative digital services like online booking, 24 hrs enquiry handling and acceptance of payments through digitalized modes	0.315	0.239	0.116	0.67
VALU 4 - This Hotel ensures consistency in service by taking support of digital services like IoT, Mobile app and advanced Artificial Intelligence services as well.	0.223	0.243	0.388	0.644

Source: Authors

From the above table No 3, it is quite clear that out of 31 variables only 23 variables have high factor loading after rotation as the rest of the 8 variables have low factor loading.

The **first factor** as shown in the table given below is formed out of 9 variables. These variables are associated with intangible factors like hospitality of employees and ambiance of the hotel. All the variables in this factor reflects the experience that the customer attains after availing services of a luxury hotel; to manage customer experience is one of the most critical factors (Badgett et al., 2007; Verhoef et al., 2009; Garg et al., 2012). Hence, the first factor is named as **customer encounter management**.

The **second factor** as shown in the table given below is formed out of 6 variables. These variables are associated with the core product required in a hotel and a well-planned customer-focused internal support and customer-oriented information systems through digital services to deliver quality service leading to customer satisfaction. This factor is named as **customer digitalized engagement system**.

The **third factor** as shown in the table given below is formed out of 4 variables. These variables are associated with the customer value. Customer value is defined as “when the buyer chooses a product or a service which offers to deliver the most benefits (tangible or intangible benefits) along with the cost associated with it (Kotler, Keller, Koshy and Jha, 2013). Eventually the luxury hotel service providers are trying to create lifetime value for the customers or customer equity (Zeithaml, Bitner. Gremler and Pandit, 2013).Hence the name of this factor is **customer value creation**.

The **fourth factor** as shown in the table given below is formed out of 4 variables. These variables are associated with taking care of each and every detail of the service delivery by offering innovative ways by using digitalized services to satisfy customers. Hence, the variable given below shows that how luxury hotel work hard encompasses all possible methods to become potential product by providing customer services consistently and continuously through digitalized services. By providing customized facilities, 24-hour free and reduced parking and consistency in services through digitalization, shows the service providers commitment towards taking care of customer needs and wants from every aspect, making them excel in their endeavour. Hence this factor is defined as **customer digitalized services**.

To study the relationship between customer satisfaction and customer loyalty, multiple regression is used. The hypothesis framed are as follows:

Null Hypothesis (H_{01}): There is no significant relationship between customer satisfaction and customer loyalty for the ones who are availing services at luxury hotels in India.

Alternative Hypothesis H_{a1} : There is a significant relationship between customer satisfaction and customer loyalty for the ones who are availing services at luxury hotels in India.

Table No 4: Model Summary

Model	R	R squared	Adjusted R Square	Std Error of the estimates
1.	.641 ^a	.411	.400	.49138

Predictors: (Constant) F4 F2 F1 F3
Dependent variable: Customer loyalty

Interpretation of the above table 4: The value of R should be more than 0.5 and in the above table the value of R is 0.641 which is greater than 0.5. Hence there is a significant relationship between customer satisfaction and customer loyalty in context to luxury hotels in India. While R square defines the variation in dependent variable on the basis of independent variable. Here the above table the value of R square is 0.411. This means that there is 41.1% variation among the study variables.

Hence, the null hypothesis is rejected and the alternative hypothesis is accepted. It can be inferred that there is a significant relationship between customer satisfaction (the independent variable) and customer loyalty (the dependent variable) for the customers of luxury hotels in India.

Table No 5: ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	36.433	4	9.108	37.722	.000 ^a

Residual	52.155	238	.241			
Total	88.588	242				

a. Predictors: (Constant), F4, F2, F1, F3

Interpretation of Table No 5: This table shows the F statistics is 37.722 and this value is greater than the tabulated value of 0.5. This depicts that model is accurately fit for finding out the strength of relationship between customer satisfaction (the independent variable) and customer loyalty (dependent variable). Furthermore, significance value is $p < .000$, which is less than 0.05, hence the strength of relationship can be found.

Following null hypotheses were framed to understand the strength of each factor of customer satisfaction on customer loyalty. These are as follows:

H02: There is no impact of customer encounter management on customer loyalty among customers availing services of luxury hotels in India.

H03: There is no significant effect of customer digitalized engagement system on customer loyalty for customers availing services of luxury hotels in India.

H04: There is no significant effect of customer value creation on customer loyalty of Indian luxury hotel customers.

H05: There is no significant effect of customer digitalized services on customer loyalty of Indian luxury hotels customers.

Table No 6: Coefficients explained

Model	Unstandardized Coefficients			Standardized Coefficients		
		B	Std Error	Beta	T	Sig
1	(Constant)	1.155	.246		4.699	.000
	Customer Encounter Management	.144	.053	.193	2.71	.007
	Customer Digitalized Engagement System	.3	.061	.327	4.938	.000
	Customer Value Creation	.062	.069	.067	0.89	.374
	Customer Digitalized Services	.193	.063	.201	3.063	.002

Regression coefficient for customer encounter management is 0.144 which mean that each additional score of the value of customer encounter management will provide increased customer loyalty by .144 or 14.4 percent. The calculated t-values for customer encounter management is 2.77, which is greater than the tabular t-value (1.670), that is calculated t-value > tabular t value, and the sig. column in the table is .007 which means that probability value is far below 0.05. **Hence, we reject null hypothesis H₀₂ and accept alternative hypothesis.** This means that factor customer encounter management has a direct effect on customer loyalty by 14.4 percent.

Similarly, Regression coefficient for customer digitalization engagement system is 0.30 which mean that each additional score of the value of customer engagement will provide increased customer loyalty by .30 or 30 percent. The calculated t-values for customer encounter is 4.938, which is greater than the tabular t-value (1.670) and the sig. column in the table is .000 which means that probability value is far below 0.05. **Hence, we reject null hypothesis H₀₃ and accept alternative hypothesis.** This means that factor customer digitalization engagement system of customer satisfaction has a direct effect on customer loyalty by 30 percent.

But, regression coefficient for customer value creation is 0.062 which mean that each additional score of the value of customer value creation will provide increased customer loyalty by .062. The calculated t-values for customer value creation is 0.89, which is lesser than the tabular t-value (1.670), and the sig. column in the table is .374 which means that probability value is greater than 0.05. **Hence, we accept**

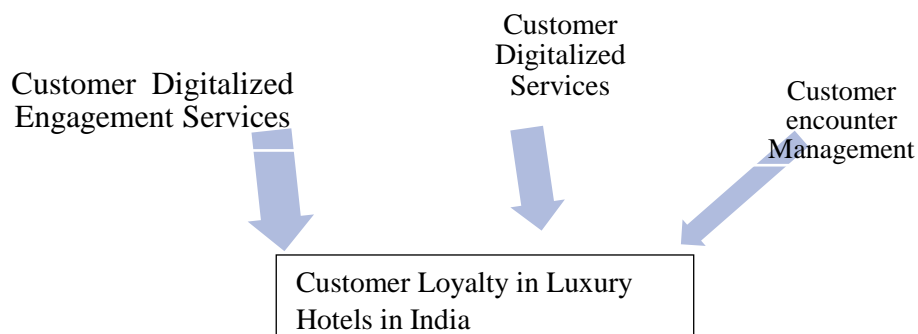
null hypothesis H₀₄ and reject alternative hypothesis. This means that factor customer value creation has no impact on customer loyalty.

Similarly, regression coefficient for customer digitalized services is 0.193 which mean that each additional score of the value of customer digitalized services will provide increased customer loyalty by .193 or 19 percent. The calculated t-values for customer personalized is 3.063, which is greater than the tabular t-value (1.670), and the sig. column in the table is .002 which means that probability value is far below 0.05.**Hence, we reject null hypothesis H₀₅ and accept alternative hypothesis.** This means that factor customer digitalized services have a direct impact on customer loyalty, that is by 19 percent.

To sum up, 3 factors are found to have an impact on customer loyalty. These factors are customer encounter management, customer digitalized engagement system and customer digitalized services which has an impact on customer loyalty. The most influential factor is customer digitalized engagement system, followed by customer digitalized services and then customer encounter management, whereas customer value creation management do not impact customer loyalty among the customers of luxury hotels. In numerical values, at present by the summing the value of impact of customer digitalized engagement system and customer digitalized services have upon customer loyalty is 49 percent, which is quite high.

Finally, the analysis will be incomplete if the importance of digitalized services is not mentioned in this study. The analysis of this study clearly shows that the implementation of digitalized services like virtual reality tour of the hotel, IoT services in every step of customer experience, feedback mechanism through personalized mobile apps and chat boxes, listening to customer complaints and resolving their problems through various digitalized services, going an extra miles for providing day in and day out services through digitalized services has brought a completely new dimension for luxury hotels to succeed and have competitive edge over its other counterparts like mid-range hotels in the country.

Proposed Theoretical Model: 3 Dimensions of Customer satisfaction on Customer Loyalty



Source: Authors

VI. SCOPE AND LIMITATIONS OF THE STUDY

Now a further research is required to replicate our findings in related or other hospitality settings and to suggest important boundary terms and moderating conditions.

VII. CONCLUSION

There are innumerable ways to implement the customer loyalty creation in the hospitality industry, but the most known and widespread way is by creating loyalty through customer satisfaction. The successful understanding of customer satisfaction tools and strategy helps organizations to reap the benefit of increasing sales and finally creating long-lasting customer-retention and loyalty (Alomtai, 2009).The major finding of this study is that in Indian luxury hotel context customer value creation is tangible in nature and has no major impact on creating customer loyalty. This implies that today customers are looking beyond customer value creation. It is quite evident from the findings that intangible factors like customer digitalized engagement system, customer digitalized services and customer encounter plays a

major role for developing and maintaining customer loyalty in context to luxury hotels in India. This study supports the theory that digitalization is key for gaining competitive edge for acquiring the customer attention in the hotel sector as proposed by (Ristova & Maglovski, 2018). Therefore, digitalization of services presents an opportunity for the hotel sector to be in consistent touch with its customers leading to its growth and profitability. Luxury Hotels in particular are aiming to provide their guests with innovative solutions and emerging technologies such as IoT, Virtual Reality & big data leading to increased intensity of customer touch points chiefly to attain their satisfaction, improved experience and greater customer loyalty. Digitalization is now becoming widely accepted trend in all service industries, particularly the ones which are targeting high-profile customers.

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