The impact of brand image and customer satisfaction on customer loyalty in hotels in Colombo district

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Abstract

Brand image, customer satisfaction and customer loyalty have been recognized as most dominant factors in success of any business organization especially in the service-oriented business such as hotels. Most hotel establishments consider customer satisfaction as a tool in achieving customer loyalty. But they may not consider hotel brand image as a strong predecessor of customer loyalty. Therefore, there is an issue as most hospitality managers assume that businesses can increase customer loyalty by only satisfying customers. Hence, the primary objective of the study is to investigate the impacts of customer satisfaction as well as brand image on customer loyalty in the hotel industry. Based on the nature of the research problem and the objectives, a quantitative research approach was employed and the convenience sampling technique was used to collect the primary data from 100 of visitors of hotels in Colombo district. Descriptive and inferential analysis were used to analyse the data and multiple regression analysis was adopted to test the hypotheses. According to the data analysis, the major findings indicates that there is a significant and positive impact of hotel brand image and customer satisfaction on customer loyalty in hotels in Colombo region. This study suggests that the development of customer loyalty relies not only on the potential of the hotel manager to increase performance-related customer satisfaction but also on his or her ability to produce a positive hotel image. Hotel managers should make effort to create favourable image about the hotel regarding factors such as brand location, employee attitudes, facilities, and the services of a hotel. Therefore, the research findings contribute to a better understanding of possible strategies to hospitality managers for increasing loyal customers for their businesses.