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Analyzing the relationship between Customer Satisfaction and
Customer Loyalty

Case: Ritz-Carlton Guangzhou

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ABSTRACT

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This research aims to analyze the relationship between customer satisfaction and customer loyalty. The first objective of this research is to study the concepts of customers' satisfaction and loyalty and discover the factors influencing them. Secondly, the objective is to analyze the relationship between the concepts of customer' satisfaction and loyalty. The third objective is to discover how customers' satisfaction and loyalty can be increased. A set of recommendations for the case company are generated for its future development.

To achieve the research objectives, I studied literature, research on the concepts of customer satisfaction and customer loyalty. Relevant theories are drawn from in order to understand the concepts of customer satisfaction and customer loyalty.

Both qualitative and quantitative research methods are utilized as a single case study for the case company. In addition to literature and previous research, this work relies on my internship experience in the case company. Two in-depth interviews were conducted with the manager on duty and head of concierge department of the case company. In addition, a questionnaire survey was conducted with the customers of the case company to find out the factors which influence their satisfaction and loyalty. Furthermore, a SWOT analysis of the case company was conducted to recommend a strategy for its future development.

The results suggest that improving the case company's facilities and its employees' satisfaction and loyalty is necessary. The research results also indicate that high levels of satisfaction can build customer loyalty. The case company is provided with a set of recommendations for its future development.

Keywords: customer satisfaction, customer loyalty, factors, relationship

CONTENTS

1 INTRODUCTION

This thesis research aims to discover the relationship between customer satisfaction and customer loyalty. It is discovered from literature and previous research on relevant theories for this research. The factors that influence customer satisfaction and customer loyalty are explored. As Hill, Roche and Allen (2007,4) state, "to understand the difference between customers attitudes and behaviors and how the relationship between them works is crucial for managers involved in any aspect of customer management, since attitudes show the customers' satisfaction and behavior show customers' loyalty." The thesis research does not only discuss the concepts of customer satisfaction and loyalty, but also analyzes how customer satisfaction influences customer loyalty from the point of view of the research. As Hill et al. (2007, 7) also point out, "measuring customer satisfaction is to make decisions on how to improve it." Subsequently, this thesis research attempts to provide a set of recommendations for the case company's future development in order to increase both their customers' satisfaction and loyalty.

"The competition in today's market is the competition of service, which is based on the competition of customer satisfaction" (Wang 2002). Customer satisfaction is regarded as an invisible asset. It is not only an improvement for the development of hotel industry, but also can be used in predicting for the operation quality and development of enterprises. To satisfy the customer and build their loyalty are the basics for an enterprise to be improved and developed. In order to get a customer's expectation and beyond the expectation, understanding the customers' expectation in advance and taking effective methods is extremely important. Customer satisfaction can be used as a standard to test a hotel's service quality. Service standard must start from the demands of customers and end with the satisfaction of customers.

1.1 Background and motivation

The 21st century is a new period dominated by service, along with the progress of economic globalization and the high-speedy development of social economy in china,

on the other hand, human life quality has made progress continuously and China's tertiary industry has expanded rapidly too. As one of the mainstay industries, the hotel industry also has grown largely. Apart from that, the competition among the hotel industry has become increasingly keen. Especially in the hotel industry, since homogenization of hotel business and the consumer power have increased, the standards and requirements for the operation of hotel business have been increased as well. Today, the nature of competition in hotel industry has changed notably. In order to survive in the market, the most basic standard for an enterprise is to satisfy the customers. For most hotels, the percentages of market shares are no longer the most important factor, but the quantity of loyalty customers they have. Those companies that can please the customers and win their loyalty, they get the market. The target of competition in the hotel business has transferred from chasing the quantity of market shares to the quality of market shares, which is the quality of loyalty customers.

Hill et al. (2007, 31) give a definition of customer satisfaction as follows: "If the product matches customers' expectation, the consumer is satisfied; if it exceeds them, the consumer is highly satisfied; if it falls short, the consumer is dissatisfied." Hill et al. (2007, 31) also point out that "the core view of this definition is that satisfaction covers both customers' expectation and product as well." On the other hand, from the hospitality industry's point of view, service could also have been included. Generally, customer satisfaction is the feeling of consumers who have experienced the service quality or a product and then the judgments of satisfaction or dissatisfaction are made. There is no doubt that every single enterprise wants to keep their customers, not only to make their customers satisfied, but also make them be loyal. To make customers be loyal, they need to be satisfied with the products or services that they have experienced first. Therefore, in order to make customers satisfied and accordingly to be loyal, the service or product quality needs to be improved. Hence, analyzing the relationship between customer satisfaction and customer loyalty and improving them has played a very important role in competition with other hotels. Therefore, today, the competition is more likely to satisfy and win loyalty customers.

Since China has joined the World Trade Organization, a large number of famous foreign hotels have entered Chinese market. The case company is the first five star hotel in that

specific area located in the center of the city of Guangzhou. It is one of the most luxury hotels in China and it provides excellent service for the customers compared with other hotels. However, this specific hotel has more than 5 years' history and the premises and facilities are old. Additionally, today there are many international brands that have invested in that area. Therefore, considering this specific situation and comparing with the others luxury hotels, service is one of the most important factors to compete with others. On the other hand, most Chinese citizens would not choose this kind of a luxury brand very often considering the cost, hence, most customers are repeat guests. Therefore, in order to get the maximum profit, to make the customers satisfied and keep them loyal will be extremely important and a big contribution. This thesis research defines and analyzes the concepts of customer satisfaction and loyalty, discovering the relationship between them.

The motivation of this thesis research starts from my personal interest. Thanks to my school's curriculum, I had an opportunity to collect real work experience. It was my great honor to work as one of the gentlemen in the Ritz-Carlton in 2013. During this internship, I had dense interest in the luxury hotel industry coupled with my own internship experience in the case company drives me to the way of customer service. The knowledge which I learned and experience I gained help me considerably in completing this research work. This research work may help me explore more knowledge of customer service and gain a good understanding of how to improve service quality in order to make the customers be loyal. Furthermore, Ritz-Carlton is a very good case company because of its own culture.

1.2 Research objective and research questions

The topics of my work are the concepts of customer satisfaction and custoemr loyalty. The relationship between these two concepts is discussed by deriving from the definitions of these concepts. Furthermore, the factors that influence them are explored and analyzed as well. More specifically, the objectives of this research can be summarized and divided into two different parts.

The first objective of this research is to define and study the concepts of customer's satisfaction and loyalty and the factors influencing them. This study is an attempt to analyze what the concept of customer satisfaction and customer loyalty mean and entail and to explore what is the relationship between them.

The second objective of this study is to analyze the relationship between the concepts of customer' satisfaction and loyalty. The discussion of this relationship is based on the analysis of the factors, finding support from literature and my research. Lastly, this research also attempts to discover how customers' satisfaction and loyalty can be increased. A set of recommendations for the case company are generated for its future development. The suggestions are provided based on the SWOT analysis of the case company. Strategies are discovered for the case company to increase its customers' satisfaction and loyalty.

"The research questions are divided into two types, i.e. descriptive and explanatory" (De Vaus 2001, 1). On the other hand, W- Questions - 'who', 'what', 'where', 'when', 'why' and 'how', can be divided into those two types of questions. Among them, the 'who', 'what', 'where' and 'when' questions belong to the descriptive questions (White 2009, 46). In addition, in order to show clearly about what this research aims to accomplish, the descriptive question type is used in this thesis research. In order to achieve the objectives of this research, three research questions are addressed as follows:

1. What do the concepts of customer satisfaction and customer loyalty mean and what are the factors influencing them?

This research question focused on the concepts of customer satisfaction and customer loyalty. After enunciating the concepts of customer satisfaction and customer loyalty, the factors influencing customers' satisfaction and loyalty are discovered. To answer this question, the knowledge from literature for building the theoretical background is needed. In addition, a questionnaire survey is conducted among customers of the case company, the data collected is analyzed to discover what the factors influencing customers' satisfaction and loyalty are. The answer to this research question also contributes to answering the following research questions since understanding the

concepts of the main characteristic of this research is also very important, especially for creating strategies for the case company.

2. What is the relationship between the concepts of customer satisfaction and customer loyalty?

Based on the answer of the first research question and theoretical knowledge, this research question provides a detail description of the relationship between customer satisfaction and customer loyalty. The relationship between the concepts of customer satisfaction and customer loyalty is analyzed in order to find out how the relationship between them works. The analysis explores how high levels of satisfaction can contribute to building customer loyalty. In order to answer this question, the data collected from literature and the interviews conducted with the employees of the case company are analyzed.

3. How can customer satisfaction and customer loyalty be increased from the case company's point of view?

This research question aims to discover effective methods in order to help the case company improve the customer loyalty and satisfy the customers, create a stable group of customers, satisfied customers' demand, and ensure a notable share of the market that it operates in. Driving from the answers to the first research question, the factors that may influence both customer satisfaction and customer loyalty are indicated. Based on these factors, a set of recommendations and a strategy for the case company are provided.

1.3 Case company

The Ritz-Carlton Guangzhou opened in 2008. It is a cooperation program between the Ritz-Carlton hotel management company and the R&F estate company. The case company is also the first luxury five star hotel in Zhu Jiang new town .This area has already developed and became the central business district of Guangzhou city. The hotel

also has a very competitive location advantage. Opposite of hotel is the national museum of Guangdong province. Moreover, the right side of the hotel is the national library of Guangdong province. Besides the hotel is also very close to the land building of Guangzhou city-the Guangzhou tower. (TripAdvisor 2014)

The Ritz-Carlton Guangzhou hotel program mainly includes two parts. The first part is premium serviced apartment. The second part includes the hotel catering and entertainment. The internal of the hotel adopt the Elegant European classical design. It inherits the characters of the Ritz-Carlton. The hotel can also undertake all kinds of business meetings, catering activities and product launches or celebration activities. The hotel has totally 351 guest rooms and 91 luxury residences. The biggest bright spot and also the most attractive point of this hotel is luxury. (Ritz-Carlton Group 2014)

Service facilities of the Ritz-Carlton Guangzhou includes parking service, foreign currency exchange, airport pick up and drop off, luggage storage, meetings arrangement, laundry service, wake-up call, post service, business center, fitness center, swimming pool, retail shop, flower shop and hair salon. Ritz-Carlton Guangzhou has totally more than 1,000 square meters' space for meeting venues. The hotel includes two conference rooms with advanced equipment, 3 multifunction meeting rooms and ballrooms which can undertake 10 -800 people's meeting.

Catering Service

The Ritz-Carlton Guangzhou has many different catering services. The introduction of these catering services are given as follows:

1. Laiheen restaurant: the most luxurious Cantonese themed restaurant of Guangzhou.
2. Limoni western restaurant: it is managed by the Italian chef and collects the most top of wind from Italy.
3. Foods Buffy Restaurant: It has given a new definition for the traditional Buffy. There are six kitchens faced to the customers. You could watch a wonderful cooking show from them.

4. Pearl Lounge: It can also be regarded as a coffee shop. You can taste over one hundred top of tea and coffee all over the world. Here you can also enjoy the traditional English afternoon tea.

5. Churchill bar: Churchill bar is a British-style cigar bar with a huge amount of cigar collection and hundreds of different kinds of whiskey and cognacs. It has all kinds of cocktails and drinks.

6. H2O Barbecue: Here you could enjoy a barbecue party besides the poolside.

7. The Ritz-Carlton Spa: Here you can enjoy a full range of physiotherapy.

In Ritz-Carlton Guangzhou, most of customers are all kinds of business people. Sometimes there is some government stuffs from all over the world. Except these customers, the case company also has some royal customers. Also there are some famous stars from all over the world. For example during my training period, we have the guests, such as Avril Ramona Lavigne, Mayce Edward Christopher Webber and Kevin Garnett.

Information system

Most of the famous hotels are using a system called Opera. The Ritz-Carlton also has its own Opera system. Opera is a very famous information system for hospitality industry. Opera could be used in catering, tourism and hotels. Opera helps to manage the hotel and arrangement especially used a lot in Front office. For example the most basic way of using opera is check in and check out.

The mystique system is another system which is also the Ritz-Carlton's own distinguishing feature. Mystique system is also one of the whole Ritz-Carlton group's competitive advantages. This system is also one of the key success factors of the Ritz-Carlton. Mystique system helps to create the legend of personalized experience for the guest. Mystique system is a strong and powerful system record all of the guests' preferences. For example, after checking the list and finding out that one of the arriving guests likes eating fruits, then a small fruit bowl is going to prepared for this guest in the room before the guest arrive in the hotel. These references relies on the most

important resources of the Ritz-Carlton-Employees. Through the ladies and gentlemen of the Ritz-Carlton, during their communication with the customers, they will hunt and collect all kinds of preference from every single customer. (Robinson 2008)

1.4 Structure of the thesis

Figure 1 describes the structure of this thesis.

Research Methodology

Literature Review

Introduction

Conclusion

Analysis of Survey and Interview

Strategy for increasing customer satisfaction and loyalty
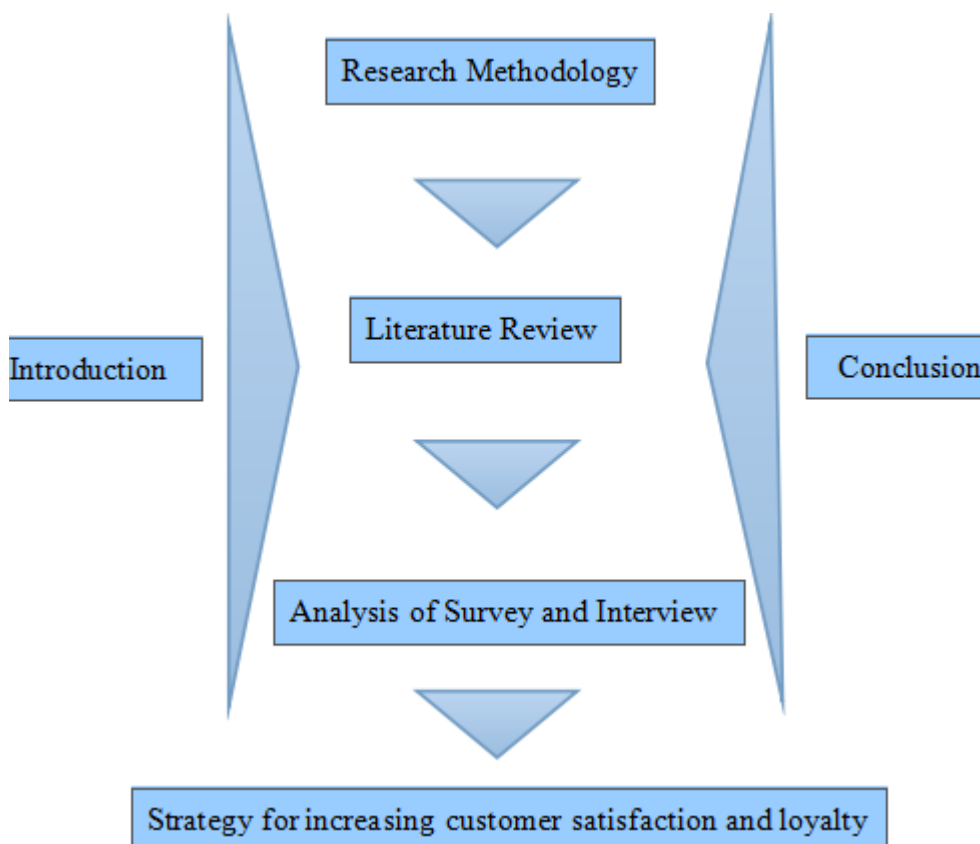
Figure 1. Structure of the thesis

As is shown in figure 1, this thesis is divided into 6 chapters. The first chapter provides a general outline of this research. It includes the research objective, background and motivation. Furthermore, the case company is also described concisely in this chapter. The second chapter focuses on discussing the research methodology of this thesis research. It describes the process of this research and discusses some limitations. In the third chapter, the concepts of customer satisfaction and customer loyalty are defined and

explained based on a literature review. In addition to the concepts of customer satisfaction and customer loyalty, the relationship between customer satisfaction and customer loyalty is explored. Moreover, the factors influencing customer satisfaction and customer loyalty are analyzed. In addition, the SWOT analysis of the case company is presented in chapter 4. Chapter 4 also processes and analyzes the data that are collected for this research, including data from the interviews and the questionnaire survey. Chapter 5 presents the results of this research, together with a set of recommendation has been provided for the case company. Chapter 6 presents the conclusions and discussions of this research, in addition to the suggestions for future research.

2 RESEARCH METHOLODOGY

This chapter presents the discussion of the research process and methodology used in this thesis research. Furthermore, some limitations in this research are presented.

2.1 Research process

As I pointed out in previous chapter, the topic of my work refers to the core concept of customer satisfaction and loyalty. Additionally, the relationship between these two concepts will be discussed based on the concepts analysis and factors influencing them. The research process began with a commission agreement signed by the manager on duty of the case company, Ms. Su Ying qi, who was also my supervisor during my internship. As I explained in previous chapter, during this internship I found myself keenly interested in the luxury hotel industry, in addition my own internship experience in the case company also drives me to the way of customer service. The knowledge I learned and experience which I had been through help me a lot for this research work.

In order to help explain the research results, two in-depth interviews were conducted, one with the manager on duty from the case company, Ms. Su Ying Qi, and another with the head of the Concierge department of the case company Mr. Deng Zhi Jian. A set of questions were asked to the interviewees. Both Su and Deng (2015) has many years' professional experiences in the hotel industry. The questions were sent by email and Wechat message to explain the questions. In addition, a questionnaire was designed and sent to the customers who had stayed in the case company, the questionnaire shows how satisfied and loyal they are and the factors which may influence customer satisfaction and customer loyalty will be discovered as well. A 2-week period was provided for the respondents to response to the questions. The data and information collected from the interviews and questionnaire were analyzed. Furthermore, I also studied literature to obtain basic knowledge about the concepts of customer satisfaction and customer loyalty.

2.2 Research method

White (2009, 90) indicates that "once a favorable research has been designed, the researcher can then choose appropriate methods of data collection and analysis." As was mentioned in previous chapter, 3 descriptive questions were formulated. Furthermore, the research methods and techniques applied in the research will be discussed in this chapter. Both qualitative and quantitative research methods were used in this research. In order to achieve the objective of this research, a single case study is used in this thesis research.

"The semi-structured interview guide provides a clear set of instructions for interviewers and can provide reliable, comparable qualitative data." (Cohen & Crabtree 2006.) Two semi-structured interview were conducted in this thesis research. According to Blaikie (2010, 199), "an in-depth interview are used as one of the most commonly qualitative method of data collection." Hence, the information collected from the in-depth interviews are used as qualitative sources in this thesis research. Furthermore, collected literatures also provide information in this research as qualitative sources. As Collis and Hussey (2009, 194) state, "interviews are a method for collecting data which the interviewees are asked questions, in order to find out what do they feel or think. These 2 interviews are conducted to find out both of the interviewees' opinions and knowledge concerning the objective of this research."

"Self-administered questionnaires are used as one of the most common quantitative methods to collect data." (Blaikie 2010, 199.) The questionnaire is conducted based on the objective of this research and the information collected from questionnaire are used as quantitative source. According to Collis and Hussey (2009, 192), "the aim of a questionnaire survey is to find out what people think, do or feel because this will help address the research questions." In order to get accurate information, all of the respondents are the people who has stayed in the case company as an in-house guest or who has consumed any products or services in the hotel. In addition, my own observation about the hotel is also used as a research method in this thesis research.

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2.2.1 Case study

"The essence of case study is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented and with what results." (Schramm 1971, emphasis added）"In order to acquire in-depth knowledge and explore a single case, a case study is used as a methodology in a natural setting using a variety of methods." (Collis & Hussey 2009, 82.) According to Blaikie (2010, 159), "case study can be used to make wider generalizations and can play a major role in the theory development." Yin (2009, 4) indicates that "case study is used in many situations as a research method, in order to contribute the knowledge of individual, group, organization and related phenomena." I used case study as a research method in this thesis research because it help me contribute my knowledge about the case company and examining the relationship between customer satisfaction and customer loyalty.

"Case study explains the presumed causal related to the real-life interventions that are too multiple."(Yin 2009, 19.) As was indicated before, both qualitative and quantitative research are used in this thesis research. Ghauri and Gronaug (2010,166) emphasize that "case study can be used to help support qualitative and quantitative research in this thesis research."

2.2.2 Data collection and analysis

In order to achieve the objective of this research, data are collected from different sources. First of all, observation is used based on my previous internship experience because I worked as a guest relations officer in the case company and I involved in providing service to the customer directly so I am able to understand the relationship between the employees and the customers.

Blaikie (2010, 204) indicates that "in qualitative studies, the data are collected and produced in one of two languages, the technical language of the researcher or the everyday language of respondents, additionally he also points out that in quantitative studies, data are collected in numbers." As was discussed in previous chapter, both qualitative and quantitative research methods are used as a single case study for the case

company. A questionnaire survey was conducted for the customers of the case company. Two in-depth interviews were conducted in order to gather the information from the management level of the case company about their opinion which related to the service and the customers of the case company. The reason that I chose Su as one of the interviewee is that she is the manager on duty of the case company. She is the person who can ensure the employees are offering excellent service for the customers. She is the person who deals with complains from the customers and handles requests from them as well. She works in the front office and she has the most valuable experience and knowledge about customer service and customer satisfaction. Deng is not only the manager of concierge department, but he is also one of the golden keys in the case company. He also works in the front office and involves himself in many kinds of service training activities. He also has his own distinctive knowledge and opinion about customer loyalty and satisfaction. Therefore, I chose both of them as interviewee to collect the maximum amount of data and also the most valuable information for my research. Furthermore, relevant literatures were used to collect information as well. The literatures help in identifying the relationship between customer satisfaction and customer loyalty.

2.2.3 Limitation of the research

Liturature suggests that satisfied customers will be more loyal than dissatisfied customers and that satisfaction is the basis of loyalty. Therefore, this research assumes that customer satisfaction creats the basis for customer loyalty. However, in a few cases customer satisfaction does not influence customer loyalty at all. Moreover, this needs to be considered under specific environment especially for hotel environment. Therefore, in these cases, some customers are not loyal even they are very satisfied with the hotel, because these customers just want to have different experience in different environment every time. Hence, this seems to be one of the limitations of the research.

The case company is a large size enterprise and has totally 351 guest rooms and 91 luxury residences. However, the date that I conduct the questionnaire survey is very close to the Chinese traditional new year, so considering this special period ,the occupancy of the room booking in the case company was lower than normal time. So

the questionnaires were sent to 80 customers of the case company. Additionally, some of the customers are foreign customers, sometimes there is cultural differences exists during the employees provide service for the customers. Some of the customers may not understand the way of engaging or communication.

3 CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

The concepts from relevant literature on customer satisfaction and customer loyalty are described in this chapter. This chapter also presents an understanding of the relationship between customer satisfaction and customer loyalty.

3.1 Customer satisfaction

Customer satisfaction means that the customers' feeling about their expressed demands or expectation have been fulfilled. According to Goodman (2009, 22), "customer satisfaction is complicate to define because normally it is extenuated by expectation. Customers will be satisfied if the product or service above demands or expectation." On the other hand, if the product or service below demands or expectation, customer will be dissatisfied (Schmitt 2003, 13) Satisfaction is also the feedback that given by the customers about the products' or services' quality and assessment of the products or service itself. It is a certain psychological experience which shows customers' happiness of their consumer behavior. Customer satisfaction is an erratic element, one certain product or service may satisfy a customer may not satisfy another customer. Therefore, in order to increase the customer's satisfaction the maximum, the factors which may influence customer's satisfaction must be understood properly.

As Goodman (2009, 22) empathizes, "customer satisfaction is complicate to define." The concepts of customer satisfaction is first introduced by Cardozo (1965, 244), he indicates that customers' consume behavior will be produced again and will not change to another product or service by increasing their satisfaction. However, the definition of customer satisfaction can be broadly fitted into two categories.

Customer satisfaction is defined based on the behavior during the consumption process in the first categories. This definition is made from the behavior of customer's point of view. It is considered that customer satisfaction as a feedback for a certain behavior during the buying behavior. It lays emphasis on the communication skills between customers and employees. It is believed that the behavior of the employees who can sell

directly or indirectly to the customers can influence buyer's decision. More specifically, satisfaction is the mentation of customers in order to judge if it is reasonable for the paid price compare with the gained benefit. Westbrook (1983) emphasizes that "customer satisfaction is the statue of emotion response." More specifically, when a customer can feel about the benefit of a product or service, the customer is willing to pay for the price and can tolerate with the rising price. Wilton (1988) defines customer satisfaction as a judgment for the difference between the quality of the product or service and customer's own expectation. According to this argument, customers will be satisfied if the quality of the product or service above demands or expectation. On the other hand, if the quality of the product or service below demands or expectation, customer will be dissatisfied.

Customer satisfaction is defined based on the feeling after the consumption behavior in the second categories. According to this argument, customer satisfaction an overall appraise for the consumption experience. It is a positive evaluation after consumption behavior. It may be an evaluation either for the process of consumption or the result of the consumption. "Customer satisfaction is an expression of overall attitude created after the consumption behavior. It can reflect the dislike-ability or likability of the product or service.

All these definitions lead up to the characteristic of customer satisfaction.

• Consistency

Customer satisfaction emphasized the importance of consistency. It is a reaction for certain consumption experience. It explores the comparison between customer's expectation and actual perception, through the comparison to discover if it has consistency in order to find out satisfied or dissatisfied judgment. (People Metrics 2010)

• Generalize

Customer satisfaction is an overall evaluation for the consumption experience of the customer, every single detail during the consumption process could cause dissatisfied

feeling. Hence, increasing the quality of the product or service can satisfy the customers, the loyalty of the customers can be increased as well.

3.2 Customer loyalty

It is complicated to give an appropriate definition of loyalty. Loyalty means a customer prefer to choose a product or service compare with its competitor. The definition of loyalty has been given in many relevant literature, however, there is no unified view to its definition. Goodman (2009, 85) indicates that "loyalty is best measured by continued buying behavior." According to Reichheld (2001, 44), "loyal is about earning people's enthusiastic commitment to a relationship that will improve their lives over a long term." Hence, customer loyalty is about to earning customers' trust and improve the enterprise' benefits. Gremler and Brown (1999, 34) claim that "customer loyalty shows a customer's positive attitude for the repeating buying behavior on certain product or service." Customer loyalty refers to the influences of quality, price, service and many relevant factors, these factors can create intensity feelings on certain product or service so that the product or service become preference. Griffin (2002, 2-4) believes that customer loyalty means the repeating purchase behavior based on personal preference of certain product or service. Loyalty customers are the most competitive advantage of an enterprise. Thomas and Tobe (2013) emphasize that "loyalty customers are more profitable." Furthermore, customer loyalty is mainly expressed through emotional loyalty and behavior loyalty. Among them emotional loyalty assumes that the customer is highly recognized and satisfied for the belief, behavior and vision impression of the enterprise. Moreover, behavior loyalty is expressed through the repeating buying behavior for the product or service of the company.

Loyalty has emotional elements in itself. Simple buying behavior cannot really explain loyalty. Repeating purchasing behavior does not necessarily reflects customer's certain preference. Sometimes this behavior may exist because of many barriers of changing. On the other hand, lower buying behavior may exist because of certain situation or just randomness. Repeating purchasing behavior shows that the customer is staying, however, it cannot show that the customer is loyalty. Loyalty customer should has

repeating purchasing behavior with highly attitude orientation. Hence, as I mentioned before, Gremler and Brown (1999, 34) "claim that customer loyalty shows a customer's positive attitude for the repeating buying behavior on certain product or service." Thus customer loyalty is not only a repeating purchasing behavior, but also a high quality of inclination. It is a combination of inclination and repeating buying behavior. It shows highly trust to the quality of product or service, also the belief for the enterprise and its product or service. Furthermore, if the same type produce or service is needed in the future, this certain product or service would be the first choice. This is the preference of the customer, moreover, as the result of preference, it turns to repeating purchasing behavior.

Gremler and Brown (1999) divide customer loyalty into three category which includes behavior loyalty, intentional loyalty and emotional loyalty. Behavior loyalty is the repeating purchasing behavior. Intentional loyalty is the possible buying intention. Emotional loyalty is the attitude of customers for the enterprise and its product or service, the customer may help the company publicize its product or service positively.

3.3 Factors influence customer satisfaction and customer loyalty

Generally, customer loyalty is a behavior while customer satisfaction is an attitude. Therefore, there are certain differences between the factors which influence customer satisfaction and customer loyalty. (GreatBrook 2000.)

3.3.1 Factors influences customer satisfaction

There are many factors which may influence customers' satisfaction. The factors are explained as below:

• Value of service quality or product quality

The value of service quality or product quality plays a very important role in customer satisfaction. If the customer believe the value of service quality or product quality above

his or her expectation, then the customer will be satisfied. On the other hand, if the customer feels the value of service quality or product quality below his or her expectation, then the customer will be dissatisfied.

• Customer's emotion

The customer's emotion can also influence the feeling of satisfaction. This emotion could be stable and exists before buying behavior. For instance, emotional state or the life attitude. According to Deng (2015) happy and healthy emotional state, positive attitude will make positive effects, otherwise negative attitude or emotional state may bring the customer into another position which the customer will be disappointed easily.

 • Perception of equality and fair

Sometimes the customer's satisfaction may also be influenced by the perception of equality and fair. Most of the customers really care about if they have been treated as the same as the other consumers. Hence, same price, same service or a fair deal is very important.

3.3.2 Factors influence customer loyalty

The factors which influence customer loyalty include intrinsic value, customer satisfaction, consume experience and corporate image. These factors are not only coming from the company itself, but also from its competitors, customers and social environment. In general, the factors can be divided into three categories.

• Corporate Brand awareness

Brand is used to identify a certain product or service with the others. It usually consists of words, mark, symbol, pictures and color. Brand represents the commitment of the enterprise and the characteristic of product. A recognized brand is the proof of good quality. So the brand is very helpful for the selling. For the customers, brand is easily to

identify and recognized. According to Deng (2015), recognized brand has great attention on its commitment for the customers, so a well-known brand product or service becomes the first choice for the customers. Therefore, corporate brand can influence customer loyalty.

• Service quality

Service quality has more directly influences on customer loyalty. It is one of the key elements which may influence customer's behavior. Service quality decides whether the customer is loyalty or not. (Deng 2015) Therefore, improving service quality can increase customer loyalty.

• Customer satisfaction

Wilton (1988) defines customer satisfaction as a judgment for the difference between the quality of the product or service and customer's own expectation. According to this argument, satisfaction is an assessment for the product or service. The customer loyalty will be increased with the increasing of customer satisfaction. This is also the basic to improve customer loyalty.

3.4 Relationship between customer satisfaction and customer loyalty

According to Woodcock, Stone and Foss (2003, 99), "satisfaction is a good indicator of commitment and repeating buying behavior." Customer satisfaction is a standard to identify the actual feeling of a customer about quality of service or product. It is not only about the direct impression about product or service quality, but also shows how the product or service meet customer's expectation or demand. Customer loyalty is influenced the quality of product or service and many other factors. It can make the customer emotionally involved with the product or service. Especially for hotel industry, since the service chain is complicated, every detail in this chain could make an effort on attracting customers. Generally, "customer satisfaction does not equal to customer

loyalty." (Dickie 2008) Customer satisfaction is certain psychological satisfaction, it is an attitude which is shown after the purchasing behavior. However, customer loyalty is a behavior of continuing transaction. It is also a progress for repeating purchasing. Customer satisfaction measures a customer's feelings and expectations while customer loyalty reflects to the behavior of purchasing and commitment of purchasing in the future. The survey of customer satisfaction shows the opinions and feelings about previous purchasing experience, i.e. it can only reflect to the past behavior. It cannot be used as a reliable prediction for future behavior. However, the survey of customer loyalty can predict what the most favorite product or service is. (Woodcock et al. 2003, 99.)

Gitomer (1998) emphasizes that "customer satisfaction is worthless because a satisfied customer still will buy the other company's product or service." Moreover, sometimes even the customer is not totally satisfied with the product or service, however, he still chooses it because of a lower price or just the location. There is no doubt that customer satisfaction is the key element which can cause repeating purchasing behavior. However, customer satisfaction is not the most important factor of customer loyalty. According to Rust and Zahorik (1995), "customer satisfaction decides customer loyalty." Cronin and Taylor (1992) indicate that customer satisfaction can influence customer loyalty directly. Hence, it is understood that the relationship between customer satisfaction and loyalty is progressive. More specifically, customer satisfaction provides the basis for achieving customer loyalty.

4 EMPIRICAL ANALYSIS AND RESULTS

The date collected from the interviews and questionnaire survey are described and analyzed in this chapter. The results of the interviews and questionnaire survey are analyzed to identify the factors which influence customer satisfaction and customer loyalty. Furthermore, the SWOT analysis of the case company is discussed.

4.1 Analysis of questionnaire

As was discussed in chapter 2, a questionnaire survey was conducted among the guests who had stayed in the case company. The questionnaire was sent to 80 customers of the case company by emails. A total of 53 respondents gave their feedbacks with a response rate of 66.25%. The questionnaire was sent to the customers and the questions are listed in Appendix 1. The purpose of this questionnaire survey was to analyze the customers' satisfaction and loyalty level concerning the case company in addition to providing suggestions for the case company in order to increase its customer satisfaction and customer loyalty.

A total of 53 questionnaire feedbacks were received, 31 of which were from males and 22 from females. The respondents' age and gender are presented in Figure 2.
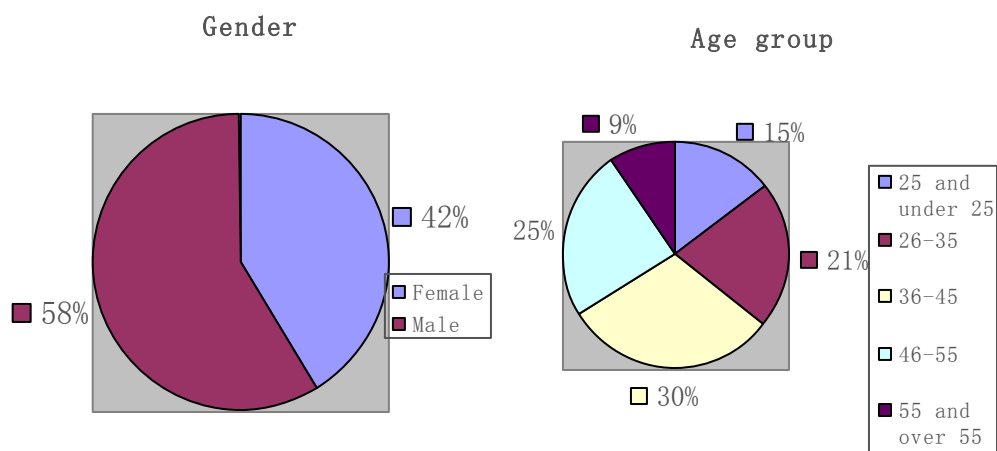

Figure 2. Percentage of respondents' gender and age group

Figure 2 presents that the males' scale is higher than females' in the survey. China is a masculine society, and normally males are going for all kinds of business trips (The Hofstede Center 2015). According to figure 2, a majority of the respondents' age belongs to the group of 36-45 and 46-55. It means in that period, the majority of the customers' age was between 36 and 45 (30%) and followed by the age group of 46-55 (25%). As was mentioned previously, the case company is a five star hotel and has very famous reputation, and the price is very high compared with other hotels. Therefore, most customers are management level in their career and can afford the expenses. These customers' ages are a little bit higher and with more working experiences. Probably this might be the reason for the high percentages of this age group. Therefore, the case company could target these customers for further strategic marketing plan and subsequent marketing activities. The figure below shows the perception of respondents about service quality in the case company.
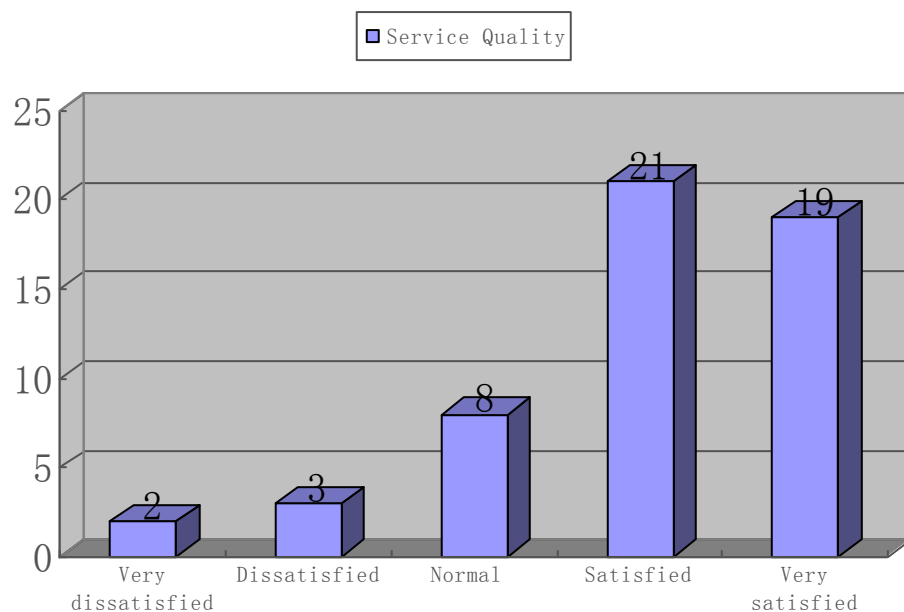

Figure 3. Perception about service quality in the case company

The respondents' perception about the service quality in the case company are shown above. According to the respondents answer, 39% of the total respondents were satisfied with the hotel's service quality. 36% of the total respondents were very satisfied. It means the customers of the case company's overall satisfaction are very high in addition it also represents the case company's excellent service quality. For the dissatisfied customers, some of them felt the stuff of the case company didn't fulfill

their needs, some of them didn't receive the same treatment as the other guests. On the other hand, there are 11% (6) of the respondents indicated that they had experienced some problems. Additionally, all of the problems came from the case company's facilities. The perception of respondents about facilities in the case company are presented as below.
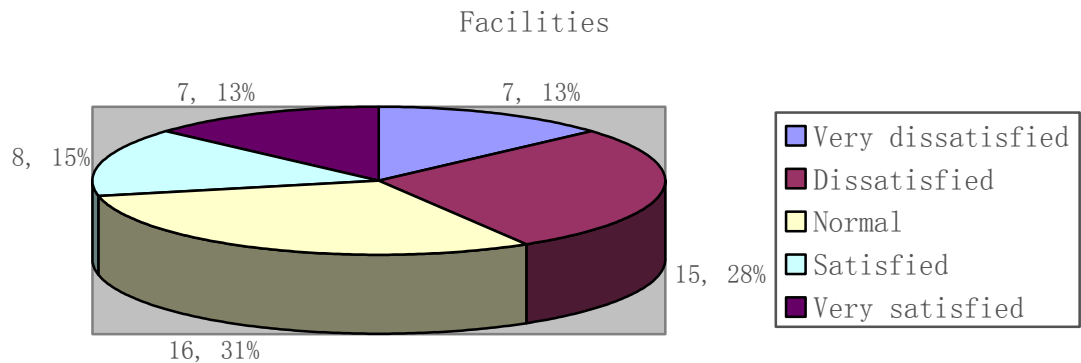

Figure 4. Perception of respondents about facilities in the case company

Above figure 4 shows that 31% of the respondents feel normal about the case company's facilities. The respondents who had experienced some problems were including many different issues. For instance the room key is not working since the induction system is too old. Hence, in five stars hotel this data shows very clearly that the facilities of the hotel needs to be improved. The percentage of the respondents who would choose to come back to the case company and recommend to others is shown as below.
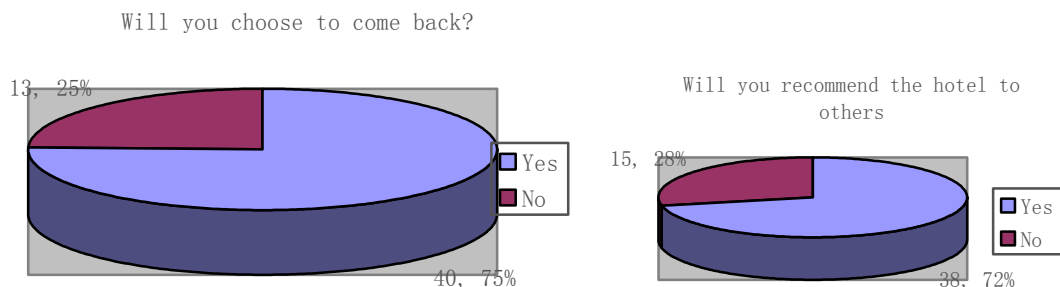

Figure 5. The percentage of the respondents who would come back to the case company and recommend to others

Figure 5 shows that 75% of the respondents will choose to come back to the case company and 72% of them will recommend it to the others. This presents most of the customers of the case company are loyal customers. It also indicates the case company's service is a big advantage. On the other hand, in order to increase the customers' loyalty of the case company, customers' satisfaction must be increased first. Furthermore, the factors influence customer satisfaction may include the service quality, hotel's facilities. On the other hand, 47 respondents indicated that the reason they choose the case company is because of its brand awareness and its service quality. The case company has a well-known brand and it is famous all over the world. Therefore, brand awareness and service quality could influence customer loyalty.

4.2 Analysis of interviews

As was discussed in sub-chapter 2.1, two in-depth interviews were conducted with the manager on duty of the case company Ms. Su Ying qi and the department head of the concierge department of the case company Mr. Deng. Zhi Jian. Both of them were the right person to interview for discovering the answers to the research questions because both Su and Deng (2015) has rich experiences in working with customers. They have professional knowledge about the case company and excellent service skills. Both of these two interviews were conducted with the same questions regarding the factors influence customers' satisfaction and loyalty in the case company. Moreover, they were sent through email to the interviewees. The interview questions and answers can be found in Appendix 2 and Appendix 3. These two interviews helped in receiving information about the case company and the factors influence customers' satisfaction and loyalty in the case company. Moreover, these interviews were also helping in providing suggestions for the case company.

The first interview was conducted with the manager on duty of the case company Ms. Su Ying qi. Su has more than 5 years working experiences in the case company. She has been trained in different departments. She has very good understand about customers 'satisfaction and loyalty in the case company. Moreover, she is also a good teacher and supervisor with strong training skills. The main objective for interviewing her was to gather information about the company's background and the company's situation so far.

Furthermore, Su has professional skills and knowledge about providing excellent service for the customers in order to satisfy them. The background of the company is helpful in conducting SWOT analysis of the case company. Moreover, Su's knowledge about increasing customers' satisfaction in the case company are helpful in providing suggestions for the case company.

According to Su (2015), there are many different factors may influence customer satisfaction and customer loyalty. Some of the factors may influence customer satisfaction only while the others may influence customer loyalty. However, there are some factors influence both of them. For instance, Su (2015) mentioned that service quality may influence both customers' satisfaction and loyalty. According to Su (2015), in order to increase customers' satisfaction in the case company, the hotel's facility must be improved. She also pointed out that sometimes the price is not reasonable. Most importantly, service quality is the basic to increase customers' satisfaction. Su (2015) is very proud of being one of the ladies in the case company. She emphasized that in order to increase customers' loyalty, the first thing need to be done is to increase the employees' loyalty. Overall, Su (2015) indicated that the customer loyalty is based on customer satisfaction. More specifically customer satisfaction provides the basis of customer loyalty. (Su 2015)

The second interview was conducted with the head of concierge department in the case company Mr. Deng Zhi Jian. Deng has worked in the case company for a few years. However, he has worked in another five stars hotel for more than five years. He started his career from being a doorman. Hence, he has the most valuable knowledge and experience about working in a five star hotel. His professional skills contributes a lot in building relationship with the case company' regular guests. Therefore, Deng's knowledge is very helpful in increasing customers' satisfaction and loyalty in the case company.

According to Deng (2015), there are mainly three factors may influence customer satisfaction. First of all, service quality is the most important factor to increase customer satisfaction. Secondly, customer's emotion can also decides if the customer is satisfied. Happy and healthy emotional state, positive attitude will make positive effects,

otherwise negative attitude or emotional state may bring the customer into another position which the customer will be disappointed easily. Additionally, Deng also suggested increasing employees' satisfaction can also increase customers' satisfaction. Deng (2015) also mentioned providing attentive service especially different with the competitors' service can increase customer loyalty effectively as well. Deng (2015) is also a member of the Golden Key International Honor Society in the case company. He provided recommendations based on his own experience. He suggested that personalized service should always been provided for every repeat guest based on his own experience. (Deng 2015)

4.3 SWOT Analysis

SWOT analysis is used to discover the case company's advantages and disadvantages. SWOT analysis mainly focus on analyzing the strengths, weaknesses, opportunities and threats of companies. The company's SWOT analysis is conducted based on my own internship in the case company and the interview conducted with the manager on duty of the case company. The SWOT of the case company is displayed in table 1.

Table 1. SWOT analysis of the case company

STRENGTHS	WEAKNESSES
Unique service methods and pattern	Facilities are comparatively old
Good cooperate image	A serious brain drain
Excellent service quality	
OPPORTUNITIES	THREATS
City development	Fierce competition
Living standard is increasing	Economic influence

4.3.1 Strengths

The case company has a set of unique service methods and pattern which cannot be separated with the hotel's service culture or the entire hotel's culture. In Ritz-Carlton, every single employee will be given a theory. That is the "Gold Standard"(Su 2015). It came from a German hotel manager Horst Schulze. He had managed the Ritz-Carlton for over 20years. Additionally, the "Gold Standard" has been made a credo card. Every employee should take it with him/herself at any time and any place. Most importantly, obey every single word wrote on the credo card. These standards includes the "credo, motto, three steps of service, employee promise and service value". All of the information are focus on the customers. Guests are always at the first place. The credo card points out a direction for the stuff when they have some problems. They will find out what to do next and how to do. The Ritz-Carlton is trying to create a home's feeling for their guests. Furthermore, this makes the Ritz-Carlton has a big difference between the other hotels which only follows on efficiency and standard. Moreover, this unique culture also creates a good cooperate image for the case company, because of these set of service methods and pattern, the employees of the case company can provide excellent service for the customers.

4.3.2 Weaknesses

The case company was established in 2008. However, there are many international luxury hotel was established after that. So compare with those hotels, the case company's facilities became old and some of the rooms' facilities are easily to be broken.

According to Su (2015), there was general dissatisfaction as to the wages paid. Hence, many of the young employees are unstable to stay and left.

4.3.3 Opportunities

The location of the case company is one of the biggest cities of China. Additionally, its economic are growing very fast. Especially for the exhibition industry, the local

government invested a lot in this industry which creates lots of opportunities for foreign investments as well. Therefore, the customers are increasing all the time. On the other hand, as the economic has developed, the living standard of people are increasing as well. More and more people has focused on their life quality and their expectation has been increased as well.

4.3.4 Threats

As was mentioned before, more and more international luxury hotel were established in these few years. Additionally, they have brand new equipment, so many customers may be attracted by their new equipment. Besides, some of the customers are from foreign country. The economic situation of their own country may also influence their choices, when the economic situation turns down, they may choose some lower price hotel.

4.4 Summary and results of data collection

This chapter presents the outcome of this research. The data collected from the questionnaire survey was analyzed from the aspect of the customers in the case company. Furthermore, it presents the factors which may influence customers' satisfaction and loyalty. Furthermore, it also help the case company to increase their customers' satisfaction and loyalty. The interviews which were conducted to help discover the factors which may influence customers' satisfaction and loyalty from the point of view of the employees. Moreover, the SWOT analysis of the case company help to understand the market's situation, in addition, the suggestions are for the case company.

The suggestions provided from the customers and the problems they had experienced indicates that the there are many different methods to increase customers' satisfaction and loyalty. For instance, some of the customers want to have personal experience which is unique for them.

5 STRATEGY OF INCREASING CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

As was discussed in previous chapter, customer satisfaction does not equal to customer loyalty. Therefore, the recommendations for the case company are given based on both aspects of customer satisfaction and customer loyalty.

5.1 Increasing customer satisfaction

First of all, the suggestions for the case company are discussed based on the aspect of customer satisfaction. Three different recommendations are given as bellows:

5.1.1 Improving hotel's facility and price

As was mentioned before, the hotel has been established for more than 5 years. There are many international luxury hotel was established after that. Therefore, compare with those hotels, the case company's facilities became old and some of the rooms' facilities are easily to be broken. Especially for the regular guest rooms, periodical inspection and maintenance should been taken.

Price always plays an extremely important role in service industry. The value of products and the quality of service can influence the customers' satisfaction directly. Additionally, nowadays, most of the customers prefer to pay more and expect to get more attentive service. Especially in hotel industry, the expectation of customers can be a direction of high quality service. Without considering the adjustment of price, if the service quality remains unchanged, the customers who have higher expectation must have lower satisfaction for the service. Hence, adjusting the elasticity of price is also important.

5.1.2 Increasing the employee's satisfaction

Service is the core element of hotel industry. Moreover, the quality, initiative and creativity of an employee decides the quality of service. Therefore, the employees are

the most important assets for a hotel. In other words, there is no satisfied customers without satisfied employees. As was discussed in previous chapter, a serious brain drain situation has been existed in the hotel for a while. Hence, if the employees are not satisfied with their employer, then they are not loyalty. Therefore, increasing employees' satisfaction is also important.

Incentive method is one of the most efficient way to increase employees' satisfaction. The meaning of incentive is to satisfy the employees' demands. For example the employees' satisfaction can be increased by providing a competitive remuneration package compare with other hotels. However, most of hotel's income is not relevant with the employees' individual income. It seems to be the employees get paid the same salary no matter how hard they works, eventually they may be slack in work. Therefore, adjustment of the employees' salary based on their performance are recommended to increase the employees' satisfaction.

5.1.3 Increasing service quality

First of all, the demands of customers need to be understood. Different customers have different demands. Especially in hotel industry, fulfilling customer's demand and satisfied their expectation are important. The employees should be keeping abreast of the changing demands. According to the changes, adjusting the service program in order to fulfill customer's demand.

Secondly, handles guests' problems and complaints in a professional and timely fashion. According to the feedback gathered from the questionnaire survey, some of the respondents emphasized that sometimes their problems cannot be solved on time. For example, one respondent states that his room key was not working and he called for room key service for many times and waited for half an hour in the hallway until he finally got a new key. Hence, handling guests' problems in a timely fashion and professional way is important as well.

Thirdly, details oriented is also an effective way to increase service quality. Many people have different opinions about luxury and comfortable. However, sometimes it

can be represented through a very small detail. Every single detail of a customer can be recorded through a strong customer relationship management system. The case company has its own mystique system which is strong and well-known. It is a fairly complete system. However, not every employee who work in the front office knows how to use it, thus properly training need to be provided monthly.

Last but not least, provide value-added service is another way to increase service quality. Every single customer has their own demands. Today customers are looking for custom service for themselves. They are looking for personal attention and differences. The case company can provide a set of comprehensive program for customers based on their own characteristics. For example, organizing membership activities or parties.

5.2 Increasing customer loyalty

With the increasingly fierce market competition since 21st century, customer loyalty has become the most important factor which can influence an enterprise's profit or loss. Therefore, the strategy of hotel industry should not only focus on increasing customer satisfaction, but also customer loyalty. The methods of increasing customer loyalty will be given below.

5.2.1 Quality and brand image building, upgrading corporate image

Quality is the combination of service' characteristic and quality. It represents the life of a service and basic of a successful corporate image. A well-known brand reflects directly into the information of service. It represents the commitment of an enterprise. It will help decrease the purchasing risk and increase the confidence of purchasing. A well-known brand can also fulfill customer's psychological and social demands, therefore, influences their choice and preference. This is called brand loyalty. Hence, building quality and brand image, upgrading corporate image is very important for increasing customer loyalty.

5.2.2 Increasing the employee's loyalty

Employees are the basic of and enterprise. As was mentioned before, they are the most important assets for a hotel. Therefore, a loyalty employee can decide the stability of an enterprise. Customer loyalty is built by employees. Furthermore, with the communicating between the customers and employees, the relationship between the customers and employees may turn to trust. So the company should build partner relationship with the employees and respect their emotion. Encouraging them to create the maximum value for the company.

5.2.3 Customer centered orientation

The guest relations department of the case company must obey the theory of think what they need, and customers are anxious, all customer centered. For example, communicate with the customers proactively and discover their satisfaction about the service and their comments about the competitors. Providing attentive service especially different with the competitors' service can increase customer loyalty effectively as well. Personalized service should always been provided for every repeat guest. (Jing 2010.)

6 CONCLUSIONS

The conclusion of this research is summarized in this chapter. In addition, the answer of the research questions are given and the findings of the research are discussed to the case company in order to increase its customers' satisfaction and loyalty.

6.1 Conclusions

The research of this thesis analyzed customers' satisfaction and loyalty in the case company. The relationship between customers' satisfaction and loyalty were analyzed. A set of recommendations and suggestions were provided for the case company to increase its customers' satisfaction and loyalty. The questionnaire survey and interviews were conducted to discover customers' perception about the case company. Moreover, after analyzing the data collected from the questionnaire and interviews, the result shows that customer' satisfaction is the basis and also a standard to test customers' loyalty. Therefore, customer satisfaction can influence customer loyalty. As was discussed in chapter 3, customer satisfaction provides the basis in building customer loyalty, furthermore, customer satisfaction can decide customer loyalty. The comparison of this research result and relevant theoretical literature shows that the results of this research are in agreement with theoretical literature.

Three research questions were addressed in this thesis research. In order to accomplish the research, the answers for these questions are discussed below. The first research question is about the concepts of customer satisfaction and customer loyalty. The research question was formulated in the following way:

1. What do the concepts of customer satisfaction and customer loyalty mean and what are the factors influencing them?

The research helped to identify and understand the concepts of customer satisfaction and customer loyalty. In addition, the factors that may influence customers' satisfaction and loyalty were analyzed in order to discover the relationship between these concepts. Customer satisfaction is a positive evaluation after consumption behavior which means

the customer is satisfied for the product or service. Furthermore, customer loyalty is defined as a customer prefer to choose a product or service again after comparing with its competitor. In addition, the analyses indicate that the case company's facilities and service quality may have influence on customer satisfaction. On the other hand, brand awareness and service quality can influence customer loyalty.

The second research question focuses on discovering the relationship between the concepts of customer satisfaction and customer loyalty. The research question was addressed as is shown below.

2. What is the relationship between the concepts of customer satisfaction and customer loyalty?

The answer to the first research question contributes to discovering the relationship between the concepts of customer satisfaction and customer loyalty. Moreover, chapter 3 indicates that increasing customer satisfaction is the basic to improve customer loyalty. The analyses of the interviews suggest that the customer loyalty will be increased with the increasing of customer satisfaction. Therefore, high levels of satisfaction can be useful to building customer loyalty.

In order to help the case company increase its customers' satisfaction and loyalty, the third research question concentrates on the ideas and plans that the case company could adopt for.

3. How can customer satisfaction and customer loyalty be increased from the case company's point of view?

The answer to this research question provides a set of recommendations for the case company. The suggestions were discussed in the chapter 5. These suggestions could benefit the case company for its future development. As was mentioned previously, the answer to the first question also contributes to answering this research question. The factors which may influence customers' satisfaction and loyalty are essential parts of increasing satisfaction and loyalty. Hence, the data collected from the interviews and

survey made it possible to answer this question. Moreover, with the help of SWOT analysis of the case company, the case company's advantages and disadvantages are indicated. Therefore, the recommendations for the case company are given to improve its advantages and to rectify disadvantages. The findings show that the case company's facilities and the employees' satisfaction need to be improved. For instance, providing a competitive remuneration package could improve employees' satisfaction, on the one hand. On the other hand, the case company is recommended to increase its employees' loyalty and become centered on its customers. For instance, providing attentive service which is different with the competitors' service would make it possible to achieve increased employee loyalty and customer-centered orientation.

6.2 Suggestions for future research

On the basis of this research, customer satisfaction is the basis of customer loyalty. However, the relationship between customer satisfaction and customer loyalty is more complicated than that. There are many different relationships between them. For instance, customer loyalty may be a proof or standard of achieving customers' satisfaction. Therefore, I would suggest on exploring this relationship between customer satisfaction and customer loyalty in future research.

Additionally, analyzing the factors influencing customers' satisfaction and loyalty is not the only method to discover their relationship. Therefore, other future research could be conducted through other characteristics, for example through analyzing the customer's real demands and expectations.

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APPENDICES

Hello,

Thank you for allowing me to communicate with you. I appreciate your time and answers. The information collected will only be used for my bachelor's thesis work so the questionnaire will be treated confidential and anonymously. Your participation will be appreciated. Please, fill in this questionnaire by indicating the most appropriate choice from your point of view.

1. Gender

 A. Male B. Female

2. Age

 A. ≤ 25 B. 26-35 C. 36-45 D.46-55 E. ≥ 55

3. Job

 A. Government B. enterprises and institutions C. Military D. Private enterprise E. Student F. others

4. Facilities of the hotel

 A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

5. Catering service

 A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

6. Receiving a warm and sincere greeting upon arrival

 A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

7. Staff greeting you by name

 A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

8. Staff remember you as a regular guest

 A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

9. Timeliness of check-in

 A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

10. Abilities of the stuff to anticipate your needs

A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

11. Cleanness of your guest room furnishings

A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

12. Receiving a fond fare well when you checked out

A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

13. Overall satisfaction with the hotel service experience

A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

14. Did you experience any problems during your stay?

A. Yes B. No

15. If you reported any problems, how satisfied are you with the solution?

A. Very dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Very satisfied

16. Will you choose to come back to our hotel during your next stay?

A. Yes B. No

17. Will you recommend our hotel to the others?

A. Yes B. No

18. Is this your first visit to this hotel (mark the appropriate answer)?

A. No. →How many times have you visited this hotel in the past? _____

B. Yes

19. What are the main reasons for you to choose our hotel? _____

20. Have you had any reason to complain since you have been staying at this hotel?

(Mark the appropriate answer)

A. Yes. (If yes please indicates it)_____

B. No

21. Do you have any suggestions for us to improve our service and make your stay more enjoyable? Please write it down.

_____

Thank you very much for your time!

INTERVIEW WITH YINGQI SU, THE MANAGER ON DUTY, RITZ CARLTON GUANGZHOU

Interviewer: How do you understand the concepts of customer satisfaction and customer loyalty, and what is your opinion about the relationship between these concepts?

Interviewee: A guest will not become a loyal guest if he is not satisfied, that means customer loyalty based on customer satisfaction.

Interviewer: In your opinion, what are the factors that may influence customer satisfaction?

Interviewee: In a hotel, there are many factors may influence customers' satisfaction and loyalty, for example, physical condition of the hotel, services. There are a lot, everything that could influence guest's senses. And considering from my own experiences, I believe service quality is extremely important. In the Ritz-Carlton, our ladies and gentlemen are trained to provide the best service and genuine care for our customers since our hotel's facilities are not competitive compare with the others.

Interviewer: According to your own experience, what are the main reasons that may cause customer loyalty increased or decreased?

Interviewee: It's about service quality and customers' expectation. Over expectation causes loyalty increased, on the other hand, if the service quality of our hotel could not meet guest's expectation, that leads loyalty decreased. Moreover, the brand awareness could also influence customers' loyalty. A famous brand could bring many customers.

Interviewer: In order to improve customer satisfaction, what suggestions do you have for the case company?

Interviewee: First of all, our hotel's facilities are older than the other five star hotels in the city of Guangzhou. Many complains were because of the old facilities. Secondly, increasing service quality. Accurate market positioning, seeking what are the customers' needs and expectation, focus on details.

Interviewer: In your point of view, how customer loyalty can be increased?

Interviewee: According to my own experience, I believe the employees' loyalty is the first thing needs to be increased. The ladies and gentlemen of the Ritz-Carlton are always the most valuable assets. In china, the wages in service industry are lower than the others. So the young employees of our hotel are unstable. Furthermore, all customers centered, continuously go over guest's expectation. We called it 'anticipation' at the Ritz-Carlton.

Interviewer: What are the most challenging aspects regarding your job?

Interviewee: Consistency. The Ritz-Carlton has many different departments. Sometimes it is very difficult to communicate and cooperate with each member of the hotel. In Ritz-Carlton we called it communication breakdown.

Interviewer: What kind of problems may exist in the process of increasing customer satisfaction and customer loyalty?

Interviewee: The mainly problem is still the consistency.

Interviewer: In order to ensure that the hotel can always provide excellent service, what qualities should an employee possess?

Interviewee: Sense of urgency, the ability of anticipation and empathy. Follow every criterion from the 'gold standard' of Ritz-Carlton.

Interviewer: I have noticed that you have worked in the front office for many years and you must have your own feelings about providing service for the customers, what is your recommendations for a fresh graduate who wish to have big achievement in hotel career? Would you mind sharing them with me?

Interviewee: Keep being aggressive. This is a word I learned from my first boss in this hotel. Open your mind so that you could keep learning from every colleague and your guests, and 'be on stage' mean you are always ready to assist them.

Another suggestion is you need to experience being as a customer after you have some professional knowledge so that we could compare and realize what you could do better.

INTERVIEW WITH ZHIJIAN DENG, THE HEAD OF THE CONCIERGE DEPARTMENT, RITZ CARLTON GUANGZHOU

Interviewer: How do you understand the concepts of customer satisfaction and customer loyalty, and what is your opinion about the relationship between these concepts?

Interviewee: Customer satisfaction is based on the quality of our service. It is an evaluation for our serice. Customer loyalty is a behavior of satisfy customers. In Ritz-Carlton, loyal customers are our VIP guests, we called them repeat guests. And in my opinion, loyal customers are alwasy satisfied with our service first.

Interviewer: In your opinion, what are the factors that may influence customer satisfaction?

Interviewee: In my opinion, there are mainly three factors that may influence customer satisfaction. First of all, service quality is the most important factor to increase customer satisfaction. It is also one of the elements to for the success in service industry. Secondly, customer's emotion could also decides either satisfy or not. positive attitude will make positive effects, otherwise negative attitude or emotional state may bring the customer into another position which the customer will be disappointed easily. Thirdly, employee's satisfaction may also influence customer satisfaction.

Interviewer: According to your own experience, what are the main reasons that may cause customer loyalty increased or decreased?

Interviewee: According to own experience, a recognized brand has great attention on its commitment for the customers, so a well-known brand product or service becomes the first choice for the customers. I believe Ritz-Carlton is well known in all over the world with a good reputation. People choose our hotel because they trust our hotel. On the

other hand, customer satisfaction can also influence customer loyalty. Customers are always to be satisfied first.

Interviewer: In order to improve customer satisfaction, what suggestions do you have for the case company?

Interviewee: Increasing both service quality and employee's satisfaction.

Interviewer: In your point of view, how customer loyalty can be increased?

Interviewee: Providing attentive service especially different with the competitors' service.

Interviewer: **What are the most challenging aspects regarding your job?**

Interviewee: I deal with many kinds of customers, rude and unreasonable customers are always my challenges.

Interviewer: What kind of problems may exist in the process of increasing customer satisfaction and customer loyalty?

Interviewee: Increasing customer satisfaction and customer loyalty needs every single employee to be ready for dealing with all kinds of customers. However, some of the junior stuff may not have enough experiences or knowledge to handle with all kinds of situation.

Interviewer: In order to ensure that the hotel can always provide excellent service, what qualities should an employee possess?

Interviewee: In my opinion, as an employee of a luxury hotel, he or she must be patient and amiable. He or she also needs to become an effective listener and communicator.

And Keen eye for detail and the drive to serve satisfactorily.

Interviewer: I have noticed that you have worked in the front office for many years and you must have your own feelings about providing service for the customers, what is your recommendations for a fresh graduate who wish to have big achievement in hotel career? Would you mind sharing them with me?

Interviewee: From my experience, I understand that working in hotel industry especially in front office is very hard at the begining for fresh graduates, but what you need to do is just try to overcome the challenges. And taking pleasure in helping others.