

Hotel Image and Reputation Toward Customer Loyalty

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The relationship between corporate image and reputation toward customer loyalty has not been well investigated because most studies analyze corporate image and reputation separately. This study aimed to evaluate the roles of hotel image and reputation and the relationship of both in creating customer loyalty toward a hotel. Descriptive-correlational research design was used for the study. Results indicated that both variables alongside their components have significant role in building customer loyalty.

Keywords: hotel image, hotel reputation, customer loyalty

Introduction

The accommodation industry is one of the sectors that greatly impact the tourism and travel industry. Tourists need a place to stay and rest during their stay in a destination. Now, tourists look for more than just a clean room to stay in during travel; they look for other amenities. Hence, hotels became the primary form of accommodation. The number of hotels of different sizes being built is continuously on the rise. Having different kinds of hotels present in the market created tough competitions among establishments. That is why the hotel sector primarily invests in building image and reputation in order to attract people to stay or book an accommodation. As noted by Zeithaml and Bitner (1996), image is important for any organization due to its ability to influence the perception of the customers on the offered goods and services. Image or corporate image may be considered as “a function of the accumulation of purchasing or consumption experience overtime” and it has two components, namely: image holistic and image attributes. The holistic dimension of hotel image is measured based on the perception of the guests of the layout, atmosphere, reputation and external appearance while the attributes dimension refers to the facilities and physical environment which are measured by guests’ perception about the location, physical facilities, interior design, price, quality of goods and service as well as staff performance (Echtner & Ritchie, 1991). Reputation, on the other hand, is an intangible asset that firms build up over time. To evaluate a company’s reputation, these dimensions are used (Fombrun, 1996):

- Emotional Appeal - bearing positive emotion for the company and valuing the company;
- Product and Services - proving a high-quality, novel, valued and credited product and services, and;
- Social and Environmental Responsibility - forging top-notch standards in social relationships, awareness activities and environmental and social issues.

Loyalty is defined differently in academic literatures; one of which is the definition given by Getty and Thompson (1994), who stated that loyalty is measured by the customer’s intention to recommend or to repurchase.

Various studies noted that both image and reputation affect the loyalty of customers toward a brand. The result of the study created by Christou (2003) revealed that the degree of guest loyalty appears to be higher when perceptions of both image and reputation are strongly

favorable. Kandampully and Suhartano (2000) also found image as one of the two most important factors for hotel guests to consider repurchase and recommendation of the hotel. However, some studies contradict these results such as the study of Homer (2008) who found out that image does not influence post purchase behavior directly or indirectly.

Having varying results on this matter, the researchers aimed to analyze if hotel image and reputation have significant relationship with customer loyalty. In order to analyze such, the researchers included guests of four-star hotels in Angeles City, Pampanga as the respondents of the study. Understanding the relationship of these variables can be a useful reference for hotels in the city to build or retain an image or reputation that will result to patronization of guests and ultimately, their loyalty.

With this, the study aimed to describe the hotel image and reputation of the hotels in the city. Also, it aimed to analyze if hotel image and reputation influence customer loyalty. Specifically, it aimed to answer the following:

1. How may hotel image be described in terms of:
 - 1.1. Image attributes, and
 - 1.2. Image holistic?
2. How may hotel reputation be described in terms of:
 - 2.1. Emotional appeal;
 - 2.2. Product and services; and
 - 2.3. Social and environmental responsibility?
3. How may customer loyalty be described as to:
 - 3.1. Intention to recommend; and
 - 3.2. Intention to repurchase?
4. Is there a significant relationship between hotel image and reputation in building customer loyalty?

Method

This study used descriptive-correlational research design as it aimed to describe hotel image, reputation and customer loyalty as well as to evaluate the relationship of these two variables and their components to customer loyalty. The respondents of the study were hotel guests of the four selected accredited four-star hotels in Angeles City, Pampanga. The profile of the respondents is shown in Table 1.

The respondents were asked to answer a survey questionnaire which was the main instrument used in gathering data for the study. It was divided into two parts; the first part asked about the profile of the participants while the second part focused on the perception regarding hotel image, reputation and loyalty. The questions were adapted from the study of Kandampully and Suhartano (2000), Fombrun (1996), Zeithaml, Parasuraman and Berry (1990). Items in the survey were subjected to validity test and got a Cronbach Alpha of 0.94.

Items in the questionnaire were rated on a five-point Likert scale with the following numerical score: 1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; and 5=Strongly Agree.

<i>Likert Scale</i>		
5	4.50-5.0	Strongly Agree
4	3.50-4.49	Agree
3	2.50-3.49	Neutral
2	1.50-2.49	Disagree
1	1.0-1.49	Strongly disagree

Table 1. Demographic Profile of Respondents

Gender	Number of Respondents	Percent
Male	211	60.8
Female	136	39.2
Age	Number of Respondents	Percent
18-20	39	11.2
21-30	83	23.9
31-40	106	30.5
41-50	80	23.1
Over 50	39	11.2
Education	Number of Respondents	Percent
Secondary	23	6.6
Undergraduate	156	45.0
Post Graduate	168	48.4
Main Purpose	Number of Respondents	Percent
Business	115	33.1
Vacation	108	31.1
Visit Relatives	54	15.6
Others	70	20.2
Type of Guest	Number of Respondents	Percent
Non-repeat Guest	126	36.3
Repeat Guest	221	63.7
Hotel Visited	Number of Respondents	Percent
Hotel A	87	25.1
Hotel B	86	24.8
Hotel C	87	25.1
Hotel D	87	25.1
Total	347	100

Results

The data gathered were organized and processed using the appropriate statistical tools and techniques which revealed the following results:

1. How may hotel image be described?

Table 2. Image Attributes and Image Holistic of Hotel A

Statement	Mean	Description
The hotel is conveniently located.	4.99	Strongly Agree
The hotel has modern physical facilities.	4.21	Agree
The hotel has an attractive interior design.	4.17	Agree
The hotel is worth the price paid.	4.26	Agree
The hotel provides quality products (amenities)	4.25	Agree
The hotel provides excellent customer services.	4.36	Agree
The hotel has an appealing atmosphere.	4.30	Agree
The hotel has an attractive external appearance.	4.38	Agree
The overall image of this hotel is good.	4.31	Agree
Overall	4.36	Agree

Table 2 reveals that the respondents “strongly agreed” that the hotel is conveniently located (mean=4.99); and “agreed” that the hotel has modern physical facilities (mean=4.21); the hotel has an attractive interior design (mean=4.17); the hotel is worth the price paid (mean=4.26); the hotel provides quality products (amenities) (mean=4.25); the hotel provides excellent customer services (mean=4.36); the hotel has an appealing atmosphere (mean=4.30); the hotel has an attractive external appearance (mean=4.38); and the overall image of this hotel is good (mean=4.31). As a whole, the respondents have positive perception (mean=4.36) on hotel image attributes and image holistic of Hotel A.

Table 3. Image Attributes and Image Holistic of Hotel B

Statement	Mean	Description
The hotel is conveniently located.	5.00	Strongly Agree
The hotel has modern physical facilities.	4.11	Agree
The hotel has an attractive interior design.	4.12	Agree
The hotel is worth the price paid.	4.05	Agree
The hotel provides quality products (amenities)	4.59	Agree
The hotel provides excellent customer services.	4.17	Agree
The hotel has an appealing atmosphere.	4.16	Agree
The hotel has an attractive external appearance.	4.17	Agree
The overall image of this hotel is good.	4.01	Agree
Overall	4.26	Agree

The table above reveals that the respondents “strongly agreed” that the hotel is conveniently located (mean=5.00); and “agreed” that the hotel has modern physical facilities (mean=4.11); the hotel has an attractive interior design (mean=4.12); the hotel is worth the price paid (mean=4.05); the hotel provides quality products (amenities) (mean=4.59); the hotel provides excellent customer services (mean=4.17); the hotel has an appealing atmosphere (mean=4.16); the hotel has an attractive external appearance (mean=4.17); and the overall image of this hotel is good (mean=4.01). As a whole, the respondents have positive perception (mean=4.26) on hotel image attributes and image holistic of Hotel B.

Table 4. Image Attributes and Image Holistic of Hotel C

Statement	Mean	Description
The hotel is conveniently located.	3.00	Neutral
The hotel has modern physical facilities.	5.00	Strongly Agree
The hotel has an attractive interior design.	4.11	Agree
The hotel is worth the price paid.	4.21	Agree
The hotel provides quality products (amenities)	4.20	Agree
The hotel provides excellent customer services.	4.31	Agree
The hotel has an appealing atmosphere.	4.22	Agree
The hotel has an attractive external appearance.	4.21	Agree
The overall image of this hotel is good.	4.26	Agree
Overall	4.17	Agree

Table 4 reveals that the respondents have “neutral” perception on the statement “the hotel is conveniently located” (mean=3.00); “strongly agreed” that the hotel has modern physical facilities (mean=5.00); and “agreed” that the hotel has an attractive interior design (mean=4.11); the hotel is worth the price paid (mean=4.21); the hotel provides quality products (amenities) (mean=4.20); the hotel provides excellent customer services (mean=4.31); the hotel has an appealing atmosphere (mean=4.22); the hotel has an attractive external appearance (mean=4.21); and the overall image of this hotel is good (mean=4.26). As a whole, the respondents have positive perception (mean=4.17) on hotel image attributes and image holistic of Hotel C.

Table 5. Image Attributes and Image Holistic of Hotel D

Statement	Mean	Description
The hotel is conveniently located.	5.00	Strongly Agree
The hotel has modern physical facilities.	4.22	Agree
The hotel has an attractive interior design.	4.18	Agree
The hotel is worth the price paid.	4.18	Agree
The hotel provides quality products (amenities)	4.20	Agree
The hotel provides excellent customer services.	4.18	Agree
The hotel has an appealing atmosphere.	4.36	Agree
The hotel has an attractive external appearance.	4.31	Agree
The overall image of this hotel is good.	4.24	Agree
Overall	4.32	Agree

The table above reveals that the respondents “strongly agreed” that the hotel is conveniently located (mean=5.00); and “agreed” that the hotel has modern physical facilities (mean=4.22); the hotel has an attractive interior design (mean=4.18); the hotel is worth the price paid (mean=4.18); the hotel provides quality products (amenities) (mean=4.20); the hotel provides excellent customer services (mean=4.18); the hotel has an appealing atmosphere (mean=4.36); the hotel has an attractive external appearance (mean=4.31); and the overall image of this hotel is good (mean=4.24). As a whole, the respondents have positive perception (mean=4.32) on hotel image attributes and image holistic of Hotel D.

2. How may hotel reputation be described?

Table 6. Emotional Appeal, Product and Services and Social and Environmental Responsibility of Hotel A

EMOTIONAL APPEAL		
Statement	Mean	Description
I feel safe whenever I stay in this hotel.	4.33	Agree
I trust this hotel based on the service that they provided to me.	4.33	Agree
Overall, I am happy with my experience while staying in this hotel.	4.16	Agree
Overall	4.28	Agree
PRODUCT AND SERVICES		
Statement	Mean	Description
From my experience in lodging, this hotel adapts trends in technology through the delivery of their products.	4.11	Agree
From my experience in lodging, this hotel adapts trends in technology through the delivery of their service.	4.32	Agree
From my experience in lodging, this hotel offers high quality products.	4.26	Agree
From my experience in lodging, this hotel offers high quality services.	4.24	Agree
The hotel offers product and services that are good value for money.	4.26	Agree
Overall	4.24	Agree
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		
Statement	Mean	Description
The hotel supports causes geared towards environmental conservation.	4.15	Agree
From my experience in lodging, this hotel is environmentally responsible.	4.31	Agree
From my experience in lodging, this hotel maintains a clean facility.	4.34	Agree
From my experience in lodging, this hotel offers a safe facility.	4.32	Agree
Overall	4.28	Agree

Table 6 shows that the respondents have positive perception on the hotel reputation based on emotional appeal (mean=4.28); product and services (mean=4.24); and social and environmental responsibility (mean=4.28) of Hotel A.

Table 7. Emotional Appeal, Product and Services and Social and Environmental Responsibility of Hotel B

EMOTIONAL APPEAL			
	Statement	Mean	Description
	I feel safe whenever I stay in this hotel.	4.08	Agree
	I trust this hotel based on the service that they provided to me.	4.27	Agree
	Overall, I am happy with my experience while staying in this hotel.	4.16	Agree
	Overall	4.17	Agree
PRODUCT AND SERVICES			
	Statement	Mean	Description
	From my experience in lodging, this hotel adapts trends in technology through the delivery of their products.	4.06	Agree
	From my experience in lodging, this hotel adapts trends in technology through the delivery of their service.	4.26	Agree
	From my experience in lodging, this hotel offers high quality products.	4.20	Agree
	From my experience in lodging, this hotel offers high quality services.	4.13	Agree
	The hotel offers product and services that are good value for money.	4.14	Agree
	Overall	4.16	Agree
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY			
	Statement	Mean	Description
	The hotel supports causes geared towards environmental conservation.	4.16	Agree
	From my experience in lodging, this hotel is environmentally responsible.	4.33	Agree
	From my experience in lodging, this hotel maintains a clean facility.	4.26	Agree
	From my experience in lodging, this hotel offers a safe facility.	4.24	Agree
	Overall	4.25	Agree

The table above reveals that the respondents have positive perception on the hotel reputation based on emotional appeal (mean=4.17); product and services (mean=4.16); and social and environmental responsibility (mean=4.25) of Hotel B.

Table 8. Emotional Appeal, Product and Services and Social and Environmental Responsibility of Hotel C

EMOTIONAL APPEAL			
	Statement	Mean	Description
	I feel safe whenever I stay in this hotel.	4.25	Agree
	I trust this hotel based on the service that they provided to me.	4.26	Agree
	Overall, I am happy with my experience while staying in this hotel.	4.33	Agree

Overall	4.28	Agree
PRODUCT AND SERVICES		
Statement	Mean	Description
From my experience in lodging, this hotel adapts trends in technology through the delivery of their products.	4.26	Agree
From my experience in lodging, this hotel adapts trends in technology through the delivery of their service.	4.33	Agree
From my experience in lodging, this hotel offers high quality products.	4.23	Agree
From my experience in lodging, this hotel offers high quality services.	4.32	Agree
The hotel offers product and services that are good value for money.	4.39	Agree
Overall	4.31	Agree
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		
Statement	Mean	Description
The hotel supports causes geared towards environmental conservation.	4.29	Agree
From my experience in lodging, this hotel is environmentally responsible.	4.33	Agree
From my experience in lodging, this hotel maintains a clean facility.	4.34	Agree
From my experience in lodging, this hotel offers a safe facility.	4.34	Agree
Overall	4.33	Agree

Table 8 reveals that the respondents have positive perception on the hotel reputation based on emotional appeal (mean=4.28); product and services (mean=4.31); and social and environmental responsibility (mean=4.33) of Hotel C.

Table 9. Emotional Appeal, Product and Services and Social and Environmental Responsibility of Hotel D

EMOTIONAL APPEAL		
Statement	Mean	Description
I feel safe whenever I stay in this hotel.	4.26	Agree
I trust this hotel based on the service that they provided to me.	4.32	Agree
Overall, I am happy with my experience while staying in this hotel.	4.24	Agree
Overall	4.28	Agree
PRODUCT AND SERVICES		
Statement	Mean	Description
From my experience in lodging, this hotel adapts trends in technology through the delivery of their products.	4.15	Agree
From my experience in lodging, this hotel adapts trends in technology through the delivery of their service.	4.18	Agree

From my experience in lodging, this hotel offers high quality products.	4.32	Agree
From my experience in lodging, this hotel offers high quality services.	4.24	Agree
The hotel offers product and services that are good value for money.	4.36	Agree
Overall	4.25	Agree
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		
Statement	Mean	Description
The hotel supports causes geared towards environmental conservation.	4.21	Agree
From my experience in lodging, this hotel is environmentally responsible.	4.34	Agree
From my experience in lodging, this hotel maintains a clean facility.	4.36	Agree
From my experience in lodging, this hotel offers a safe facility.	4.20	Agree
Overall	4.28	Agree

Table 9 shows that the respondents have positive perception on the hotel reputation based on emotional appeal (mean=4.28); product and services (mean=4.25); and social and environmental responsibility (mean=4.28) of Hotel D.

3. How may customer loyalty be described?

Table 10. Customer Loyalty in Hotel A

Statement	Mean	Description
I will always speak favorably about this hotel to others.	4.30	Agree
I will always recommend this hotel to my relatives and friends.	4.23	Agree
I will always consider the hotel as my first choice for my future trip.	4.18	Agree
I will not switch to other hotel even at a lower cost.	4.14	Agree
Overall	4.22	Agree

The table above shows that the respondents “agreed” that they will always speak favorably about this hotel to others (mean=4.30); will always recommend this hotel to their relatives (mean=4.23); will always consider the hotel as their first choice in their future trip (mean=4.18); and will not switch to other hotel even at a lower cost (mean=4.14). As a whole, the respondents have positive feedback (mean=4.22) on their intention to recommend and repurchase Hotel A.

Table 11. Customer Loyalty in Hotel B

Statement	Mean	Description
I will always speak favorably about this hotel to others.	4.13	Agree
I will always recommend this hotel to my relatives and friends.	4.16	Agree
I will always consider the hotel as my first choice for my future trip.	4.15	Agree

I will not switch to other hotel even at a lower cost.	4.08	Agree
Overall	4.13	Agree

Table 11 reveals that the respondents “agreed” that they will always speak favorably about this hotel to others (mean=4.13); will always recommend this hotel to their relatives (mean=4.16); will always consider the hotel as their first choice in their future trip (mean=4.15); and will not switch to other hotel even at a lower cost (mean=4.08). As a whole, the respondents have positive feedback (mean=4.13) on their intention to recommend and repurchase Hotel B.

Table 12. Customer Loyalty in Hotel C

Statement	Mean	Description
I will always speak favorably about this hotel to others.	4.32	Agree
I will always recommend this hotel to my relatives and friends.	4.43	Agree
I will always consider the hotel as my first choice for my future trip.	4.44	Agree
I will not switch to other hotel even at a lower cost.	4.40	Agree
Overall	4.40	Agree

The figures in table 12 reveal that the respondents “agreed” that they will always speak favorably about this hotel to others (mean=4.32); will always recommend this hotel to their relatives (mean=4.43); will always consider the hotel as their first choice in their future trip (mean=4.44); and will not switch to other hotel even at a lower cost (mean=4.40). As a whole, the respondents have positive feedback (mean=4.40) on their intention to recommend and repurchase Hotel C.

Table 13. Customer Loyalty in Hotel D

Statement	Mean	Description
I will always speak favorably about this hotel to others.	4.24	Agree
I will always recommend this hotel to my relatives and friends.	4.25	Agree
I will always consider the hotel as my first choice for my future trip.	4.25	Agree
I will not switch to other hotel even at a lower cost.	4.29	Agree
Overall	4.26	Agree

The table above reveals that the respondents “agreed” that they will always speak favorably about this hotel to others (mean=4.24); will always recommend this hotel to their relatives (mean=4.25); will always consider the hotel as their first choice in their future trip (mean=4.25); and will not switch to other hotel even at a lower cost (mean=4.29). As a whole, the respondents have positive feedback (mean=4.26) on their intention to recommend and repurchase Hotel D.

4. Is there a significant relationship between hotel image and reputation in building customer loyalty?

Table 14. Test of Significant Relationship between Hotel Image and Reputation toward Customer Loyalty

	Intention to	Intention to Re-
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	Recommend	Purchase
Image	.243**	.237**
Emotional Appeal	.310**	.302**
Products and Services	.332**	.338**
Social and Environmental Responsibility	.543**	.500**

**Correlation is significant at .01 level (2-tailed)

The results of the test of correlation between hotel image and reputation on building customer loyalty are presented in Table 14. The results reveal that there are statistically significant relationships between: hotel image and intention to recommend ($cf=.243$) and intention to repurchase ($cf=.237$); emotional appeal and intention to recommend ($cf=.310$) and intention to repurchase ($cf=.302$); products and services and intention to recommend ($cf=.332$) and intention to repurchase ($cf=.338$); and social and environmental responsibility and intention to recommend ($cf=.543$) and intention to repurchase ($cf=.500$). This implies that the more positive the hotel image and reputation are, the more the respondents have the intention to recommend and repurchase.

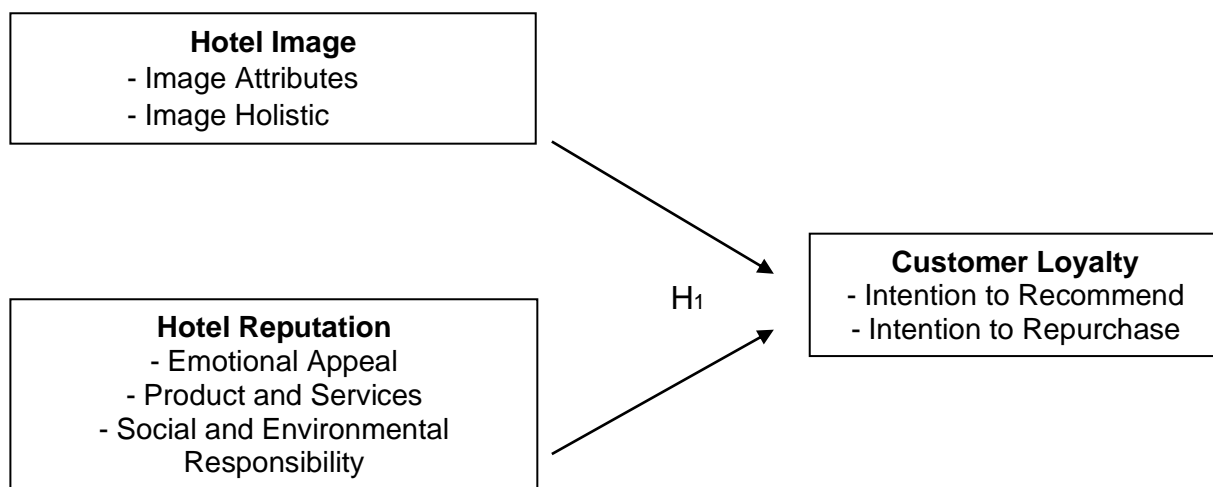


Figure 1. Framework of the Study

Discussion

For the hotel image, as a whole, the respondents have positive perception of the image attributes and image holistic of all the hotels. This entails that the current image of the hotels are favorable and satisfactory. The respondents of the study also have positive perception in terms of the reputation of all of the hotels based on emotional appeal, product and services and social and environmental responsibility. This means that the respondents believe that all of the hotels are reputable. As shown in the findings of the study, the respondents have positive intentions to recommend and repurchase. This is due to the positive perception that the respondents have regarding hotel image and reputation. Overall, the findings of the study reveal a significant relationship between hotel image and reputation in building customer loyalty. This shows that the perception of the guests regarding the image and reputation of the hotel both have an impact on their future actions like recommending the hotel to others and if they will repurchase or book again as supported by the study of Christou (2003).

Conclusion

Based on the results of the study, the following conclusions were drawn: the hotel image and reputation of all the hotels are positive. Majority of the respondents were pleased with the attributes, image holistic, emotional appeal, products and services offered and the social and environmental responsibility of all of the hotels. In spite of which, Hotel C must find a way to make its location more accessible. Hotel image and reputation plays important roles in the post-purchase behavior of guests. They are particular with the attributes that the hotel has, what it can offer and how reputable it is. Enhancing such would increase the chances of being recommended and having loyal guests.

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