

A Systematic Literature Review on Guest Loyalty in the Hospitality Industry

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Abstract

Customer loyalty is one of the bedrocks of success in hospitality industry and has serious consequences on future repeat business, profitability, and sustainable competitive advantage. This paper is an attempt to conduct a systematic literature review on guest loyalty at hospitality settings and synthesize the main determinants, conceptual frameworks, and research gaps. The systematic literature review-based approach was used, with 78 peer-reviewed journal articles published between 2000 and 2024. Types of databases used were Scopus, web of science and Google scholar which were searched with the focus keywords. The relevant studies were screened, and the results traversed in a thematic manner and synthesized. The review ascertains that the key antecedents of guest loyalty are service quality, customer satisfaction, trust, and emotional attachment. The new literature is increasingly raising the position of the factor of technology and its curious counter list personalization, along with corporate social responsibility programs, on the determination of the appearance of loyal behavior. There are still couple of gaps that are empirical in nature; few studies about cross-cultural formation of loyalty and impact of high-tech digital loyalty programs. The paper gives a synopsis of the disparate literature that has been done on the topic of loyalty, especially on the topic of the hospitality industry and the paper would give an up-to-date framework that may be used to carry the future research and practice by managers as well.

Keywords: guest loyalty, hospitality, service quality, customer satisfaction, relationship marketing, systematic literature review

Introduction

Acceptance of guests is a factor that has turned out to be strategically important in maintaining profitability in the competitive hospitality industry in which pricing is given great importance (Bowen & Shoemaker, 2003). These loyal customers help in repeat business, positive word of mouth as well as low marketing expenses (Han et al., 2011). More to the point, loyal customers are more tolerant to occasional service failures and are less price-sensitive, thus, offering stable revenue base in times when economies are in crisis (Rather, 2021).

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During the last 10 years, the industry has experienced significant changes such as digitization, the advent of the sharing economy as well as a change in the expectations of customers and these factors all affect the development and sustenance of loyalty (Park et al., 2019). Increased guest requirements are associated with the individualized, technology-enhanced experience beyond usual service quality measures (Kandampully et al., 2018; Ali et al., 2021). Also, the sustainability travelers tend to be socially and environmentally conscious and require hotels to be in place with these concepts and the principle of corporate social responsibility (CSR) which has become the leading factor in the brand loyalty (Zhang et al., 2023).

Although having a large literature foundation, the evidence related to the guest loyalty is highly scattered in various domains, including service quality, relationship marketing, perceived value, trust, brand image, and emotional attachment (Rather, 2018; Bilgihan, 2020). These factors have been studied individually in the past and there may have been few to none that tried to merge them together as a whole theory. Moreover, there are even more research gaps concerning future directions, including the dynamics of loyalty formation in the budget and mid-market hotels (Akhtar et al., 2024) or the part of the artificial intelligence role and big data in the context of loyalty programs (Akhtar et al., 2024).

Therefore, there should be a systematic review of these findings in a bid to explain the prevailing motivators behind guest loyalty, point at some of the strong theoretical frameworks as well as illuminate the research gaps that can inform future research. To answer this need, this paper endeavors to find answers to the following research question:

What are the dominant determinants, theoretical frameworks, and research gaps in guest loyalty literature within the hospitality industry?

Literature Review

Conceptualizing Guest Loyalty

The general definition of the concept of guest loyalty is the positive attitude and the anticipated repetition of the behavior in relation to the hospitality provider (Dick & Basu, 1994). Researchers differentiate between behavioral loyalty, which is an action behavior of patronage, and attitudinal loyalty which is an emotionally long-term relationship commitment to the brand (Oliver, 1999).

The modern literature extended the conceptualization of loyalty with the notion of cognitive loyalty that contains the rational investigation of options and the deliberate decision to remain loyal (Rather, 2021). On the same note, loyalty has been conceptualized as a multidimensional construct in hastily developing hospitality ecosystems that have social and relational (and technological) dimensions (Ali et al., 2021; Akhtar et al., 2024).

Furthermore, the appearance of sharing economy, digitalization, and socially conscience consumption redefined the way loyalty is being established and preserved. Online platforms like Airbnb have disrupted the hotel industry, giving an alternative meaning of value co-creation and customer interaction and prompts researchers to reexamine loyalty outside of the conventional service quality vintage (Zhang et al., 2023).

Theories of relationship marketing (Morgan & Hunt, 1994) and service quality models (such as SERVQUAL, Parasuraman et al., 1988) remain applicable nowadays, but under the pressure of the new, relationship quality in customer engagement, experience co-creation as well as engagement technology (Bilgihan, 2020; Rather, 2021) must be increasingly combined with these concepts.).

Determinants of Guest Loyalty

In the literature, some antecedents of guest loyalty have been noted and Table 1 illustrates some of these factors. Other, more recent works highlight, in addition to classical determinants:

Customer engagement: active communication with the brand that causes attachment and advocacy (Rather, 2021)

Health and safety: in particular, after COVID-19 when perceived hygiene has a direct impact on loyalty intentions (Jiang & Wen, 2020)

Local sense of culture: special experiences connected with real elements of a place can help develop a higher level of loyalty (Xie et al., 2022)

Emotional experiences: in addition to the satisfaction, emotional experiences that are memorable create an attachment and long-term loyalty (Ali et al., 2021)

Revised Table 1. Summary of Key Determinants of Guest Loyalty in Hospitality

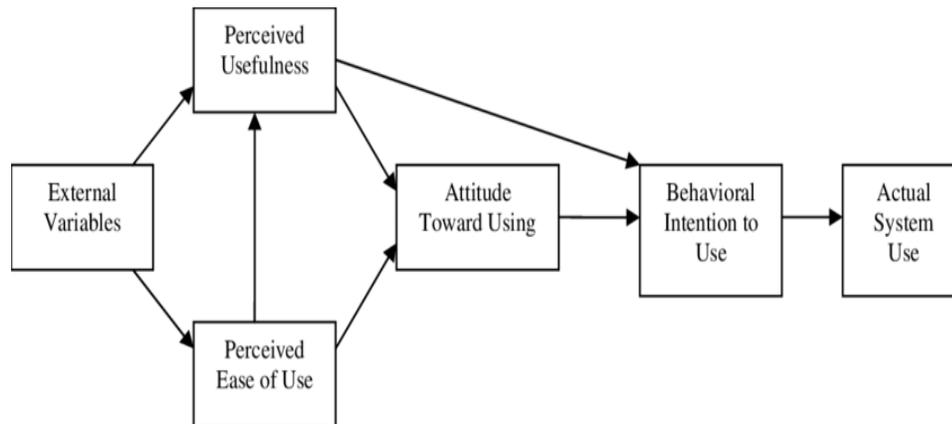
Determinant	Supporting Studies	Description
Service Quality	Parasuraman et al. (1988); Han & Hyun (2015)	Perceived consistency and excellence in service standards
Customer Satisfaction	Ladhari (2009); Rather (2021)	Positive disconfirmation of expectations leads to satisfaction

Determinant	Supporting Studies	Description
Trust	Suh & Han (2003); Rather (2021)	Confidence in service provider reduces perceived risk
Emotional Attachment	So et al. (2013); Ali et al. (2021)	Affective bonds between guest and brand foster loyalty
Perceived Value	Ryu et al. (2012); Bilgihan (2020)	Perceived benefits relative to cost
Technology Personalization	Kandampully et al. & (2015); Akhtar et al. (2024)	Technology-enabled and AI- based services enhance convenience and relationship quality
CSR	Martínez & del Bosque (2013); Zhang et al. (2023)	Corporate social responsibility initiatives positively influence customer perceptions and brand trust
Health and Safety	Jiang & Wen (2020)	Perceived hygiene and safety standards affect guest trust and loyalty
Authenticity Local Culture	& Xie et al. (2022)	Unique, authentic experiences build affective commitment
Customer Engagement	Rather (2021)	Interactive and participative behaviors enhance relational bonds and advocacy

Conceptual Frameworks

Although Expectancy-Disconfirmation Theory (Oliver, 1999) and Theory of Planned Behavior (Ajzen, 1991) are still fundamental, new research on hospitality loyalty introduced other models, including Customer Engagement Theory, which focuses on co-creating and the involvement of an active customer (Rather, 2021). In a similar manner, Technology Acceptance Model (TAM) has been further applied to describe formation of loyalty development in technology mediated service encounter (Ali et al., 2021).

In addition, researchers promote a more harmonized model of loyalty that brought together the concept of social exchange theory, relationship marketing, and technology acceptance to describe the reasoning of traditional and modern sources of loyalty in hospitality that is multifaceted (Akhtar et al., 2024). These conceptual frameworks lay emphasis on the multidimensional relationship of loyalty and the necessity of the future studies to overcome conceptual silos.



Methodology

A systematic literature review (SLR) methodology applied refers to recommendations laid out by Tranfield et al. (2003), recent best practice in hospitality systematic reviews Paul & Criado, 2020; Kraus et al., 2022). The analysis of the systematic review was conducted in a transparent and replicable process in order to assure the methodological rigor and limit the bias of selection. The most important steps were the following ones:

Defining Inclusion and Exclusion Criteria

With respect to a desire to achieve similarity and quality, inclusion criteria were limited to peer-reviewed journal articles published since 2000 and up to 2024, published in English, and containing a direct response to the topic of guest loyalty within the hospitality sector. Articles that concentrated on loyalty in other industries were disregarded unless they expressly had a hospitality subsection or were doing a comparison in industries.

Database Search

The review followed systematic search in Scopus, Web of Science and Google Scholar using keywords combinations, including all of the following: guest loyalty, customer loyalty, hotel loyalty, hospitality, brand attachment, and customer retention. Search filters and Boolean operations have been used to enhance accuracy and minimize irrelevantly unwanted results (Snyder, 2019).

Screening and Eligibility Assessment

The database search of the first search produced 156 articles. A total of 102 articles were selected to see their full-text in the screening of titles and abstracts as duplicate articles were removed. 78 out of them were found to fit the criteria, as a result of a close analysis of their research focus, context, and the quality of the methodology. We recorded the screening procedure on a PRISMA-type flow diagram that allows high levels of transparency and reproducibility (Page et al., 2021).

Data Extraction and Synthesis

The articles that were chosen were coded under the year of their publication, country of research, research methods and major loyalty determiners. To summarize the results, thematic analysis was used later, and findings were synthesized based on the guidelines of Braun and Clarke (2019) concerning qualitative data synthesis. Coding themes under three categories of loyalty antecedents, conceptual frameworks, and research gaps gave a wide range of knowledge base to achieve the research objectives.

To conduct a systematic review as per the standards of the current framework, quality appraisal of each of the included articles has been conducted with the requirements set including the relevance, methodological rigor, and the clarity of findings (Kraus et al., 2022). This methodology had the benefit of making sure that only strong, good quality evidence was provided in the final analysis.

Findings

The systematic review demonstrates that traditional loyalty drivers like quality of service, customer satisfaction, trust, and emotional attachment are long-term relevant antecedents of the guest loyalty in the hospitality environment. Positive disconfirmation of expectations that are propagated through high service quality continues to reinforce satisfaction and discourage switching intentions (Rather, 2021). The trust formed by means of stable and consistent delivery of services is also proven to be a key predictor of loyalty (Ali et al., 2021). Moreover, the element of emotional attachment or psychological attachment with a brand by the

guests has gained more credence as one of the avenues to behavioral and attitudinal loyalty in the long run (Rather, 2021).

The new and emerging loyalty strategies have been in the focus of recent studies as the personalization through technology, artificial intelligence-powered service journeys, and corporate social responsibility programs are currently seen as some of the most promising (Akhtar et al., 2024; Zhang et al., 2023). It has progressed past guest profiling to the use of dynamic, context-sensitive modifications of hospitality services that enhance guest loyalty via personalized experiences that makes them memorable (Ali et al., 2021). In the same way, the body of guests positively perceives corporate social responsibility and their trust in it, particularly when they are sustainability-oriented customers (Martinez & del Bosque, 2023).

Moreover, cloud-based appreciation ecosystems, such as gamified application along with AI-driven suggestion engines, are transforming the manner in which the lodgings are causing stickiness and frequent patronage (Akhtar et al., 2024). The above innovations are used by hotels to engage with customers on a relational basis; the use of real-time data can create a more meaningful relationship, and the ability to manage relationships in real-time (Bilgihan, 2020).

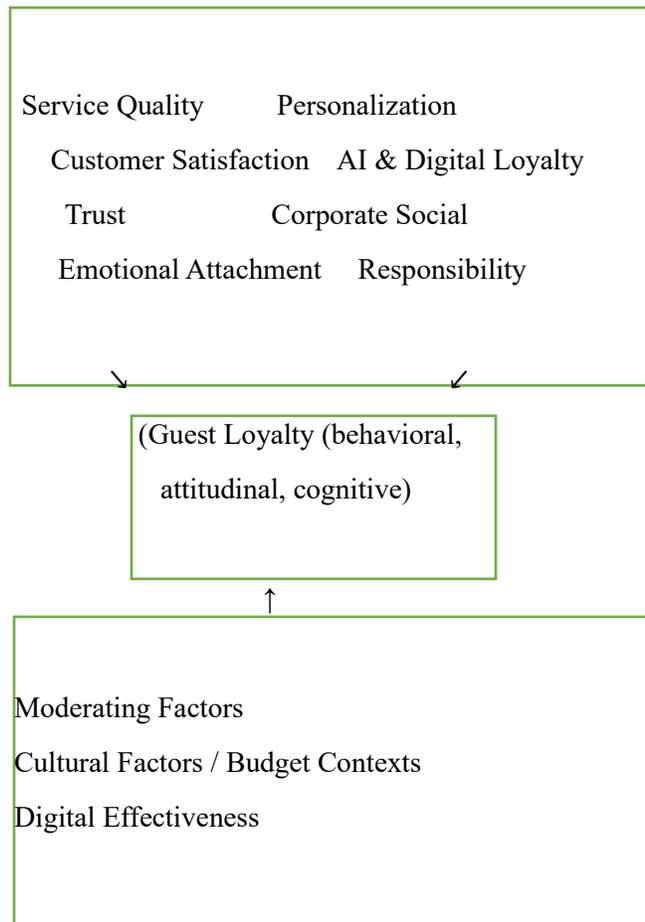
Synthesis of the literature also presents significant gaps in the available empirical data that need to be filled by scholars. These include: Cross-cultural loyalty formation: the moderation effect of cultural norms and values on loyalty formation, a research gap in non-Western markets (Rather, 2021).

Loyalty developing in the budget and mid-market hotels: the majority of the various loyalty studies dwell on the luxury sector, but the mass hospitality industry is expanding (Ali et al., 2021).

Artificial intelligence-based and advanced digital loyalty programs even though they are proliferating rapidly, there is a lack of vigorous analysis of long-term effectiveness of the approach (Akhtar et al., 2024).

Conceptual Model of Guest Loyalty Formation in Hospitality

The following is a descriptive format that you can create a SmartArt drawing in Microsoft Word or create a diagram image it you prefer using the following structure.



There are also a couple of gaps of an empirical nature, which really should be the target of scholarly review. First, there is not very much research on the topic of cross-cultural formation of loyalty, in spite of the growing globalization of the hospitality industry. The cultural constructs, including collectivism vs individualism, uncertainty avoidance, and power distance, are some of the factors that could affect the perception of guests in terms of trust, service quality, and emotional attachment (Rather, 2021; Lin et al., 2022). To illustrate, what has been determined to be the determinants of loyalty in the Western markets might not necessarily be the determinants of loyalty in Asian or middle eastern markets where the

family, tradition or group opinion may influence loyalty differently (Akhtar et al., 2024).

Second, not enough empirical research has been carried out on loyalty-building in budget and mid-range properties. Most of the existing literature on loyalty has been on the luxury and premium segment not discussing how a mid-tier hotel or a budget hotel which constitutes a substantial portion of the hospitality industry can attain loyalty efficiently (Ali et al., 2021). Budget visitors may be more rate-conscious, but new studies also indicate that most budget visitors still appreciate customization and high levels of service reliability that are undermined by lack of research in these regards (Xie et al., 2022).

Third, there is a gap in the comprehension of how well long term-oriented blue-chip digital and AI-based loyalty systems will perform. In parallel with hoteliers transferring to artificial intelligence primarily for adaptive advice (and not Celtics) and dynamic pricing of loyalty programs, chatbots seem to generate little evidence of sustainable guest loyalty in the long term (Bilgihan, 2020; Akhtar et al., 2024). A lot of research has been done on the adoption of technology in the hospitality industry, but not many look at how the AI-based loyalty programs actually impact repeat patronage as well as emotional commitment across the board (Ali et al., 2021). A potential next step should seek to use longitudinal designs to monitor the results of loyalty in digital ecosystems, and make certain that the technological advantages actualize in the form of sustained gathering of guests.

Discussion

Providing the systematic review, the current paper proves that it is true that the concept of guest loyalty in the hospitality industry is multi-dimensional as it spans across behavioral loyalty (repeat visits), attitudinal loyalty (emotional commitment), and cognitive loyalty (conscious preference and advocacy) (Rather, 2021). Although the traditional loyalty drivers, including service quality and customer satisfaction, will remain central to the loyalty approach, the new market environment requires the development of a more extensive one that incorporates personalization practices, their sustainability, and data-driven solutions (Akhtar et al., 2024; Zhang et al., 2023).

Promoting perceptions of greater value and connectivity, advancements in artificial intelligence and the analysis of big data have facilitated the emergence of personalization that allows hospitality companies to customize goings in real-time (Ali et al., 2021). This kind of technology-enabled customization supercedes such a shortcoming of conventional loyalty programs that are based mostly on transaction-related

points accrual, making better engagement of customers possible and increasing switching costs (Bilgihan, 2020).

Additionally, the increased level of consumer awareness on issues of the environment and corporate social responsibility (CSR) is forcing hospitality managers to integrate the concepts into their loyalty programs in an original way. Sustainability has been shown to not only boost brand image, but also to earn trust as well as emotional loyalties, especially those of younger demand-driven tourists (Zhang et al., 2023; Martinez & del Bosque, 2023).

Managerially, through these understandings, there is the necessity of coming up with composite loyalty programs that marry the old service excellence and new-fangled digitalization and social branding. The point-based plans are being abandoned since they worked sporadically and were only available through a single source, namely the conventional, whereas hospitality managers should switch to a multi-channel, emotion-connected experience-based program that promotes long-lasting customer loyalty (Rather, 2021).

Lastly, there was found high research and practice gaps in the context of cross-cultural dynamics of loyalty, cross-budget and mid-market segment loyalty strategies, and performance of AI-powered loyalty solutions. To support the new frameworks, longitudinal designs and cross-national samples in future empirical studies are required to help managers develop new strategies to create planned, tenacious models of loyalty (Akhtar et al., 2024; Lin et al., 2022).

Conclusion and Implications

It is shown in this paper that the body of knowledge on the formation of guest loyalty in the hospitality industry is summarized with a modernization of existing knowledge in an orderly manner on traditional and up-and-coming loyalty factors. On the synthesis of the evidence, the various elements noted as essential to building long-term guest loyalty include consistent delivery of quality services, trust-building initiatives, personalized services made possible by technology, and evident corporate social responsibility (CSR) programs.

Practitioner Implications

Hospitality managers and marketers are advised to:

They should invest in ensuring and constantly enhancing service quality to satisfy or even go beyond the expectations of guests as it is the very basis of satisfaction and loyalty (Rather, 2021).

Employ specific trust-management efforts, e.g., clear communications, strong service restoration, and morally sound business processes, so that guests feel safer and less exposed to the threats (Martinez and del Bosque, 2023).

Employ technology and artificial intelligence to provide massively personalized experiences to the guests by using the data-driven insights, real-time adjustments of services, and proactive approaches to reaching out to the guests (Akhtar et al., 2024).

Be passionate in sustainability and CSR demonstrably and transparently because nowadays consumers put an emphasis on environmental impact and social responsibility, which affect brand popularity and loyalty in a positive manner (Zhang et al., 2023).

Implications for Researchers

This review opens up a number of interesting ways that academia can go into the future:

The budget and the middle scale hotel segments are not sufficiently explored areas of the loyalty studies, although their share of the market is increasing, and the guest preferences and expectations are different than in luxury hotels (Ali et al., 2021).

This necessitates the presence of cross-cultural studies that examine the difference in the rate of drivers of loyalty across various cultural settings and enable a higher generalization of loyalty theories across different countries (Lin et al., 2022).

To provide a decisive empirical approach, the ongoing investigations need to thoroughly examine the long-term effects of big data analytics and AI-based loyalty programs on the retention of guests, emotional lucrativeness, and advocacy ferocity (Bilgihan, 2020; Akhtar et al., 2024).

As for the Framework

Lastly, formulating a comprehensive theoretical paradigm, which combines relationship marketing, acceptance technologies, and CSR views could make great contributions to the literature of hospitality loyalty. A more multidimensional and flexible entity of this sort would be more likely to reflect a complex and evolving construct of guest loyalty in the modern-day hospitality paradigm, helping researchers and industry professionals come up with pragmatic and adaptable loyalty plans.

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