

**'Hotel standards, reputation management, building and
retaining customer loyalty**

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Executive Summary

In this report, the well-known Leonardo Hotels is selected as a reference to discuss the aspects of hospitality management. The main topics of the hotel business involve hotel standards, reputation management, and loyal customers. These aspects are interrelated with organizational performance in the market. This whole industry is highly competitive and therefore aspects like low hotel standards, negative guest reviews and lack of loyal customers can lead the hotel chain toward loss. Therefore, with performance buildup, review management, and a loyal customer base, Leonardo Hotels can open up doors of opportunity for the future.

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Introduction

The competitiveness of the hotel industry is the reason behind the constant upgrade of services. Giant global hotel chains are coming up with better services to reach excellence and meet customers' expectations. The most common way for this hospitality business is to maintain the hotel standard, build customer loyalty and manage of hotel's reputation. In the United Kingdom and Ireland, Leonardo Hotels City Centre Hotels is well-known for being the fastest-growing hotel chain. Leonardo Royal Hotels, Leonardo Hotels, and NYX Hotels are the brands of hotels that come under this hotel group totaling 51 hotels. The basic promised features of this organization include stylish and comfortable bedrooms, welcoming and dedicated staff, and prime locations in the city center (*Best prices for UK & Ireland: Leonardo Hotels UK & Ireland 2023*).

Main Findings

The purpose of brand consistency standards:

For keeping up with the standards, Brand consistency is highly significant as it leads to Brand recognition. The understanding of brand consistency refers to the way an organization represents, ensures, and remains across all the products and services provided by the organization (Alrawadieh and Dincer, 2019). Creating an image, which will represent the nature of the brand. The customer generally recognizes the brand based on brand consistency standards. This aids the brand with positive customer association, which leads to commitment purchases from the customers. Therefore, it is evident that, if Leonardo Hotels maintain its brand consistency standards, it will lead to brand recognition, reputation building, and finally a strong and loyal customer base (Alzoubi *et al.*, 2021).

Explanation of all hotels having or not having the same standards:

Hotel standards impact brand consistency based on the customer's preference for a hotel. The standard of hotels differs with class and type. Every hotel or hotel group has a purpose to follow and objectives to fulfill. Every Hotel has a unique proposition for offering to the customer but when it comes to hotel chains standardization becomes one of the important elements to follow. Some of the standards global

chain hotels maintain are design, Uniforms, service, Amenities, technology-focused, and loyalty programs (Casado-Díaz *et al.*, 2020). Therefore, it is evident that all hotels do have the same standards as it varies based on the offering of services for the customers. Some of them provide affordable accommodations like Leonardo Hotels and hotel chains like Marriott international offer luxury stays for the customers. On the other hand, some hotels develop their services in exotic locations for offering pleasure to their consumers but Hotels like Leonardo Hotels are trying to offer city center locations for customers. So, it can be said that all the hotels do not have the same standards as their services are different in nature. Hotels like Hilton hotels have 19 different types of brands, which offer different categories or standards to offer like midscale, Lifestyle, upscale, Luxury, and many more (Davronov, 2021).

Effective Hotel reputation management:

Effective Hotel reputation management needs significant dedication from the marketing department, Customer services, and management staff of the hotels. Hotels gain their reputation based on their performance and guest review concerning that performance. The must-have to develop an effective hotel reputation is the best quality of services which will eventually help with good reviews from the customers (El-Said, 2020). There are other ways, which are followed by Global hotels for effective hotel reputation management. Those are social media presence and regular activity. Optimization of Hotel websites and collaborating with other travel platforms for recognition. In addition to that, connecting with the customers in real-time and addressing their concerns, focusing on digital marketing, garnering good reviews, and avoiding negative reviews are some of the strategic tactical approaches used by Global hotel chains (Prentice *et al.*, 2022). Hotels like Hilton Hotels, and Marriott are trying to get a minimum four-star rating from their guests. It has been seen that most future bookings from potential customers come through travel websites. The customer's preference is four-star reviews or more than that (González-Rodríguez *et al.*, 2019).

The importance of effective guest reviews management:

Guest review on online and offline platforms has proven effective for the hotels and the guests as well. A potential guest searches through valuable resources while

booking his or her stay. Therefore the gestures are benefited from the reviews from company websites or others collaborated travel websites. However, the main advantage is gained by the hoteliers. An effective guest review attracts potential customers by drawing their attention to the hotel. It also increases the visibility of the hotel brand and this significantly improves the rate of customer contact (Hong *et al.*, 2020). These aspects have a positive influence on the guests. In addition, the review management system of a hotel allows the management system to determine and evaluate the performance of the hotel, identify the need for change, improve based on that, and finally provide an opportunity to achieve the organizational objectives and policies. Famous hotel chains like Hilton Hotels promise some guaranteed services and features as part of every stay of their customers. When the Hilton hotel fails to do that, it reflects in the guest reviews. Therefore, review management creates an opportunity for Hilton hotels to attract potential guests as it is directly related to reputation management. Good and positive reviews from the guests help in reputation building (Kim and Kim, 2022).

The impact of negative reviews

Reputation is a highly valuable aspect when it comes to a hotel or a chain of hotels. It is important to understand that negative reviews are as powerful as positive views. After visiting these giant hotel chains, a vast number of customers share their experiences in the form of reviews. Travel websites, the website of the hotel chain, and travel research platforms are the different mediums used by guests to share reviews. A negative review or opinion of guests directly impacts the mindset of future potential customers of the hotel. Google searches for hotels pop up negative reviews and the hotels eventually lose customers (Lai, 2019). In addition, the web traffic for hotel searches is going to be affected as well. More than 80% of potential customers ignore purchasing a stay with a negatively reviewed hotel (Perez-Aranda *et al.*, 2019). In other words, negative reviews undermine the reputation of the business. As for chain hotel businesses like Leonardo Hotels, all the hotels will be judged based on the negative review of one single hotel. Therefore, driving customers away, losing profit and revenue, lower ranking in search engines, and losing organizational reputation are the common impacts of a negative review (Lee and Park, 2019).

The ways hotels build and retain customer loyalty (e.g. loyalty programs) and its purpose

Building customer loyalty is tough work, especially for a service industry like hospitality. When it comes to hotels, the challenges are quite more as the preferences of customers vary, and personalizing the service becomes difficult under many circumstances. Therefore, gaining trust and developing a loyal customer base becomes a requirement for hotel chains. Building customer loyalty starts with exceeding guest expectations. That is the reason why hotel chains like Leonardo Hotels and Hilton hotels believe in constructively taking customer feedback (Mellinas *et al.*, 2019). Responding to the reviews and trying to provide the solutions possible are ways to build up a bond with the guests. Some ways hotels use loyal customers increase to start by introducing loyalty programs. Besides that, assessing past bookings to prioritize guests helps in creating loyal customers. Offering VIP treatment, and discounts can keep these guests loyal to the hotel chain. Customer relationship management is a hugely important database of hotel chains to dig up information about customer service better. Marketing the past interests of guests helps them feel recognized and wanted as well. Trying to reconnect with repeat customers by understanding the motivations and reasons behind repeat booking is equally useful for developing a loyal customer base (Mokhtar and Sjahrudin, 2019). Offering the opportunity of guest feedback for future stays is another effective way to reach the customer for their opinion. Automating a follow-up strategy to continue the conversation is a way to outreach the guests and influence them to become part of the loyal customer base. For instance, as part of its loyalty program of Hilton Hotels, the hotels provide complimentary suite updates for many repeat customers. In addition, this hotel chain incentivizes points for repeat customers for spending add-up points for a future free stay (Norbu and Wetprasit, 2021).

Conclusion

In light of the discussion, it can be concluded that for hotel chains like Leonardo Hotels, hotel standards, reputation management, and loyal customers are equally important. Each of these aspects needs continuous management and monitoring. Review management plays a role in reputation development and management but connecting with the customers after the review helps in building a loyal customer

base. Keeping up with the loyal customer base requires constant communication and offers for them.

Recommendations

The operational challenges are countless including cleanliness maintenance, attending the guests, reservation management, performance at the front office operations, etc. Addressing these challenges and connecting with the customers to prioritize their needs can lead to future success.

Following the current hotel marketing trends can be proven beneficial for Leonardo Hotels as well. Video-focus advertising campaigns, expecting short bookings from guests which can lead to a longer stay, hyper-specific marketing campaigns using first-party data, digital brand build-up, etc can change the future for this hotel group.

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