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## **Relationship between Customer Value, Customer Trust, Customer Commitment and Customer Loyalty in Hospitality Industry of China**

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### **Abstract**

The purpose of this study is to investigate the relationship between customer value, customer trust, customer commitment and customer loyalty in the hotel industry in China, using China's Home Inn as an example. Through the review of related literature and theoretical analysis, this study proposes three hypotheses: there is a significant positive relationship between customer value and customer loyalty; there is a significant positive relationship between customer trust and customer loyalty; and there is a significant positive relationship between customer commitment and customer loyalty. The study used a questionnaire to collect data, and the sample was customers of Home Inn in China. Data were analyzed through structural equation modeling to verify the research hypotheses. The results of the study show that customer value, customer trust and customer commitment have a significant positive effect on customer loyalty. The findings of the study provide important theoretical and practical guidance for China's hotel industry and provide a reference for companies to improve customer loyalty.

**Keywords:** Customer value, Customer trust, Customer commitment, Customer loyalty, Home Inn

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### **Introduction**

The hotel industry in China has experienced significant growth in recent years, with an increasing number of domestic and international travelers choosing to stay in hotels. This growth has led to intense competition among hotel brands, making it crucial for hotels to differentiate themselves and build customer loyalty (Liao Xingnan, 2021). Home Inn is one of the largest hotel chains in China, known for its affordable prices and convenient locations. However, in such a competitive market, it is important for Home Inn to understand the factors that influence customer loyalty and develop strategies to enhance it. Customer loyalty is a key driver of success in the hotel industry, as loyal customers are more likely to choose a specific hotel brand repeatedly and recommend it to others (Chinomona & Dubihlela, 2014). Therefore, understanding the relationship between customer value, customer trust, customer commitment, and customer loyalty is essential for Home Inn to retain and attract customers.

Customer value, refers to the perceived benefits that customers receive from a product or service compared to the cost they incur (Lai et al., 2009; Shirin & Puth, 2011; Tam, 2012). It includes factors such as price, quality, convenience, and customer service. According to Eid (2011), Customer trust, is the belief that a company will deliver on its promises and act in the best interest of the

customer. Customer commitment refers to the level of attachment and dedication that a customer has towards a particular brand or company (Hur, Park, & Kim, 2010; Thaichon, Lobo, & Mitsis, 2012). Customer loyalty, the ultimate goal, is the intention and behavior of a customer to repeatedly choose a specific brand over its competitors (Thaichon & Quach, 2015). While previous research has examined the individual relationships between these factors and customer loyalty (Kamath et al., 2019; Donny et al., 2018; Shoemaker & Lewis, 1999). There is a lack of comprehensive studies that investigate the relationship between customer value, customer trust, customer commitment, and customer loyalty in the context of Home Inn in China. This study aims to fill this gap by exploring these relationships and providing insights that can help Home Inn improve customer loyalty.

By understanding the factors that drive customer loyalty, Home Inn can develop targeted strategies to enhance customer value, build trust, and increase customer commitment. This will ultimately result in increased customer loyalty and a competitive advantage in the hotel industry.

## **Literature Review and Hypothesis Development**

### **Customer Loyalty**

In accordance with the perspectives of various scholars, the concept of customer loyalty encompasses several dimensions and nuanced interpretations. Chanpariyavatevong and Wipulanusat (2019) propose that customer loyalty denotes the likelihood of a customer consistently selecting a particular brand of products or services over an extended period. Kim, Baek, Byon, and Ju (2018) extend this notion by emphasizing that customer loyalty not only entails repeat purchase behavior but also encompasses a willingness to advocate for the brand through positive word-of-mouth actions. This advocacy includes recommending the company to potential consumers, encouraging friends and family to patronize the company, and prioritizing the company when faced with multiple consumption options.

Chaker, Beeler, and Delpechitre (2020) define customer loyalty as the repetitive purchase of products from a specific brand or enterprise, driven by the customer's recognition of the brand's value. Khawaja (2019) further dissects customer loyalty into cognitive, emotional, intentional, and behavioral components, ultimately categorizing it into behavioral and attitudinal dimensions. Srivastava and Kaul (2016) posit that genuine customer loyalty arises when repeat purchase behavior transforms into a deeply ingrained psychological attitude. Balci Gökçay (2021) underscores that consumer loyalty is synonymous with repeat purchases, but as research advances, scholars increasingly analyze it through the dual lenses of personal behavior and mentality.

Hossain (2020) asserts that satisfaction considerations encompass both personal behavioral and mental aspects, with personal behavioral loyalty focusing on specific purchasing actions and mental loyalty delving into the psychological state of consumers. Rasool (2021) contends that customer loyalty is an expression of behavioral preference driven by a consumer's attitudes and psychological disposition towards consumption.

Cumulatively, these scholarly perspectives underscore the multifaceted nature of customer loyalty and its significance in the context of hotel management, where cultivating and sustaining customer loyalty proves to be an essential and effective endeavor.

### **Customer Value and Customer Loyalty**

The concept of customer value is multifaceted, with various interpretations in the literature. However, two primary dimensions of customer value prevail: value as perceived by the customer, often referred to as customer perceived value or customer received value, and value as perceived by the firm, which has evolved into the concept of customer lifetime value. In this discussion, we focus on the former dimension. Woodruff (1997) offers a comprehensive definition of customer value, describing it as the customer's perceived preference for and evaluation of product attributes, their performance, and the outcomes derived from product usage. Importantly, this perception of value can either facilitate or hinder the customer's ability to achieve their goals and purposes within specific usage contexts. In essence, it is a subjective judgment formed by customers based on their experiences and assessments. In line with this, Culiberg (2010) highlights the significance of perceived service quality,

emphasizing that it is the customer's evaluation of the overall impression of services received, influenced by their expectations and the actual service experience. This judgment plays a pivotal role in shaping customer perceptions of value. In summary, customer value, particularly in the context of customer perceived value, encompasses the intricate interplay of product attributes, performance, consequences, and customer goals, all subjectively assessed by customers to determine the worthiness of a product or service in satisfying their needs and expectations.

The existence of a robust and affirmative relationship between customer value and customer loyalty is a notable finding supported by various research studies. Customer loyalty behaviors, which encompass actions like sustaining an ongoing relationship, deepening engagement, and endorsing a service to others through word-of-mouth promotion, are fundamentally rooted in the customer's conviction that the value they derive from a specific provider surpasses that available through alternative options. Importantly, customers' actions are consistently influenced by their perception of the value offered, a principle that remains applicable across various contexts, whether it be within the domains of retail establishments or airline services.

This relationship between perceived value and customer loyalty has been empirically substantiated, as evidenced by the research conducted by Sirdeshmukh et al. (2002), highlighting the substantial impact of perceived value on fostering customer loyalty. Aligning with this, Curran et al. (2010) revealed a positive correlation between higher perceived consumer value and heightened purchase behavior, thus fortifying the link between value perception and loyalty. Similarly, Gil-Saura and Ruiz-Molina (2009) observed a favorable connection between a customer's assessment of value and their proclivity for loyalty. Moreover, Donny, J. R., Juju, U., Jusuf, E., & Rosmadi, M. L. N. (2018) have discerned a positive and substantial influence of customer value on the cultivation of customer loyalty, further underscoring the significance of this association. The following hypothesis is proposed:

H1: There is a significant and positive relationship between customer value (CV) and customer loyalty (CL)

### **Customer Trust and Customer Loyalty**

Trust can be conceptually defined as the willingness of an individual or entity to rely upon an exchange partner with whom they possess a certain level of confidence (Rajic & Milošević, 2016; Morgan & Hunt, 1994). Shaw (1997) further elucidates trust as the belief held by an individual that those upon whom they are dependent will fulfill their expectations. Additionally, Reichheld and Schefter (2000) underscore the pivotal role of trust in securing customer loyalty, positing that to engender customer loyalty, an organization must initially cultivate trust. The establishment of enduring partnerships in the realm of business is fundamentally predicated upon the bedrock of trust (Hong & Cho, 2011). This foundation of trust is contingent upon how customers perceive the competence, honesty, and empathy of the service provider (Deng et al., 2010). In essence, trust serves as a conduit through which individuals can comfortably reference past experiences and engage in ongoing communication, thereby fostering the cultivation of positive and enduring relationships for the future (Lestariningsih, Hadiyati, & Astuti, 2018). Notably, trust exerts a substantial and favorable influence on customer loyalty, as demonstrated by empirical research (Dam et al., 2019)

Customer trust represents a fundamental and indispensable element in the dynamics of relationships, as underscored by Tjiptono (2014). Renowned academic voices like Ndubisi (2007) and Taylor et al. (2004) place explicit emphasis on the pivotal role of trust in the formation of robust and enduring customer relationships. Furthermore, a wealth of empirical research, including investigations by Upamannu et al. (2015), Utami (2015), and Safitri (2015), collectively substantiates a consistent and compelling observation: that trust exerts a positive and advantageous influence on consumer loyalty.

Supporting this assertion, empirical evidence gleaned from studies such as the one conducted by Lie et al. (2019) bolsters the proposition that consumer trust plays a critical role in nurturing consumer loyalty, yielding a noteworthy and affirmative impact. In summary, a rich body of

academic discourse and empirical research converges to affirm the substantial and positive relationship between customer trust and customer loyalty, elucidating the intrinsic connection between trust and the enduring allegiance of customers. We then have the following hypothesis:

H2: There is a significant and positive relationship between customer trust (CT) and customer loyalty (CL)

### Customer Commitment and Customer Loyalty

Morgan and Hunt (1994, p. 23) provide a scholarly definition of commitment, characterizing it as "an exchange partner's belief that maintaining an ongoing relationship with another party is of such paramount importance that it justifies the utmost efforts to sustain." Building upon this concept, Shukla et al. (2016, p. 324) elaborate that commitment is intrinsically tied to the disincentive for altering relationship partners, emphasizing the stability inherent in such commitments. In the broader context, customer commitment is a multifaceted construct rooted in the literature of organizational behavior and industrial organizational psychology. It assumes an attitudinal nature and revolves around an individual's emotional disposition towards engaging in specific behaviors within the context of a business relationship (Fullerton, 2014, p. 659). This perspective highlights the intricate interplay between an individual's beliefs, emotions, and actions in the context of their commitment to a particular business or service provider.

Morgan and Hunt (1999) posit that commitment represents the willingness of one party involved in a transaction to maintain a long-term cooperative relationship with the other party. This form of commitment becomes palpable through observable behaviors such as a proclivity to repurchase the brand even when alternatives are available, active advocacy for the brand among peers (Hur et al., 2010), and the demonstration of unwavering loyalty. Numerous prior investigations consistently underscore the profound impact of commitment on the cultivation of customer loyalty (Haghkhah et al., 2020; Samudro et al., 2019; Tonder 2016; Bricci et al., 2016; Chung and Shin 2010; Rauyruen and Miller 2007). Ng, David, and Dagger (2011) offer empirical validation of a robust correlation between commitment and loyalty, demonstrating that heightened benefits derived from a customer-provider relationship foster an elevated sense of consumer commitment, thereby reinforcing loyalty. In sectors such as hospitality and airline services, a substantial body of evidence reinforces commitment's pivotal role as a direct antecedent to the development of customer loyalty (Pritchard, Havitz & Howard, 1999). In summation, the literature firmly establishes a significant and positive relationship between customer commitment and customer loyalty, highlighting the intrinsic connection between the commitment of customers and their enduring allegiance to a brand or service provider. Therefore, we propose the following hypothesis:

H3: There is a significant and positive relationship between value commitment (CC) and customer loyalty (CL)

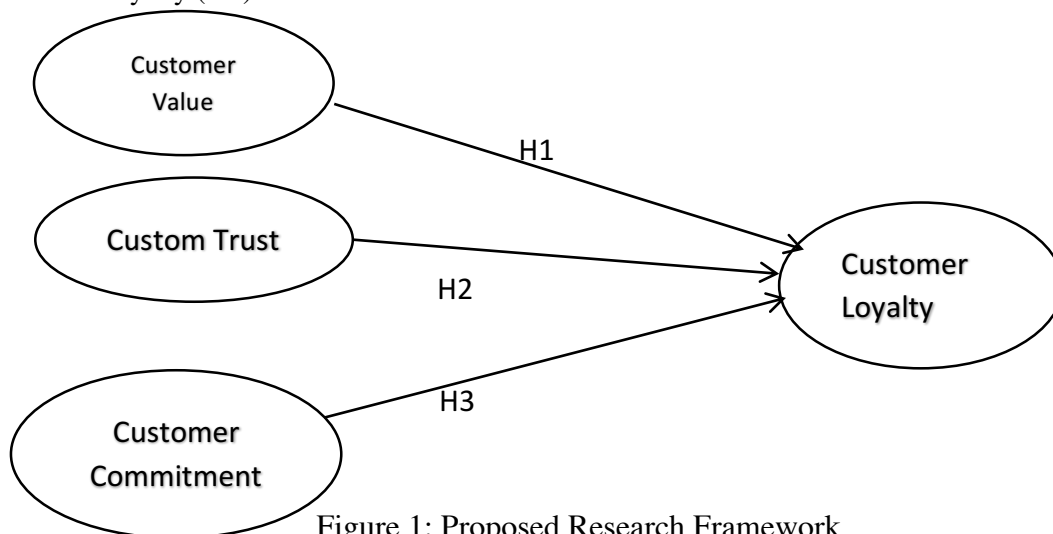


Figure 1: Proposed Research Framework

## Research Methodology and Data Analysis

### Descriptive Analysis

The demographic profile of the sample's respondents is described in this section. In this study, the demographic factors that were looked at included gender, age, and education. Data are shown in Table 4.1.

Table 1: Demographic Profile of the Respondents

Demography		Frequency	Percentage%
Gender	Male	167	35.2
	Female	308	64.8
	Total	475	100
Age	Below 18	7	1.5
	18-30	310	65.3
	31-40	141	29.7
	Above 41	17	3.6
	Total	475	100
Education	College and below	54	11.4
	Undergraduate	360	75.8
	Master's degree and above	61	12.8
	Total	475	100

Table 1 displays the data. Among the gender groups, 167 were female respondents, making up 35.2% of the total. The largest gender group consisted of females, with 308 respondents (64.8%). For age distribution, there were 141 respondents in the 31-40 years group, accounting for 29.7%. The above 41 years age group had 17 respondents, which represented 3.6%. The smallest and largest age groups were the below 18 years group and the 18-30 years group, both with 475 respondents. This means the 18-30 years age group had the most respondents at 65.3%. In terms of education, shown in Table 1, 54 respondents had education up to college level or below, making up 11.4% of the participants. The master's degree and above group included 61 respondents, representing 12.8%. The undergraduate group, with 360 respondents, accounted for 75.8% of all participants.

### PLS-SEM

In this study, we follow a two-step process to evaluate and report the results of Partial Least Squares-Structural Equation Modeling (PLS-SEM) path analysis. This method is in line with Henseler, Ringle, and Sinkovics' (2009) recommendation. The process includes two main stages:

### Measurement Model Assessment

Determine the individual item reliability, content validity, internal consistency reliability, convergent validity, and discriminant validity when evaluating a measurement model (Hair, Hult, Ringle & Sarstedt, 2014; Heenseler Ringle & Sinkovics, 2009).

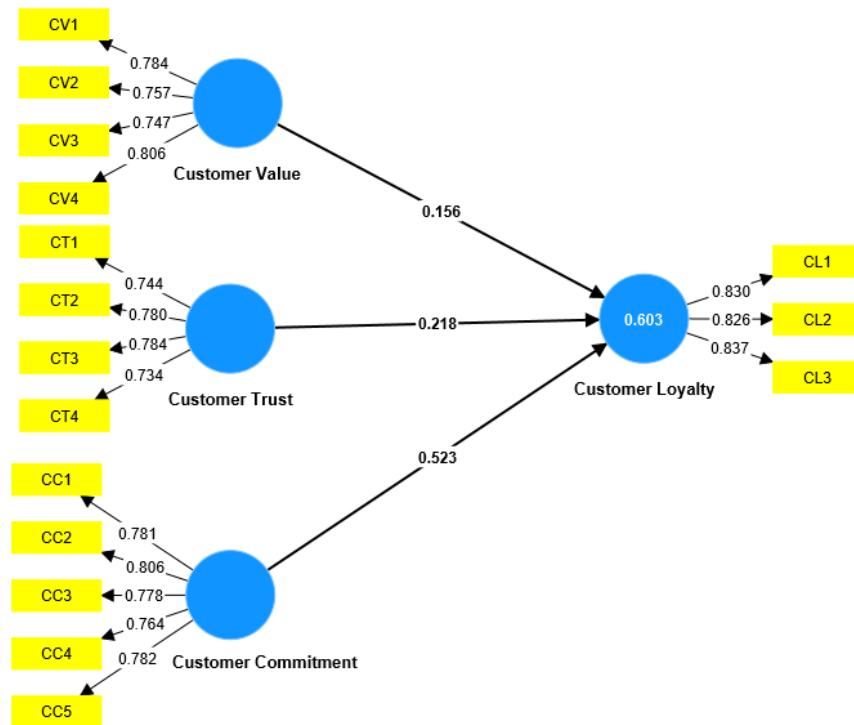


Figure 2: Measurement Model

#### Indicator Reliability and Multicollinearity

If the loading estimate for each item falls between 0.5 and 0.7, the measurement model is considered to have reliable indicators (Hair et al., 2010). As indicated in Table 2, all items exhibited loadings above 0.5, with a range spanning from 0.744 to 0.837. Hence, all items demonstrate satisfactory indicator reliability.

Table 2: Factor loadings

	Customer Commitment	Customer Loyalty	Customer Trust	Customer Value
CC1	0.781			
CC2	0.806			
CC3	0.778			
CC4	0.764			
CC5	0.782			
CL1		0.83		
CL2		0.826		
CL3		0.837		
CT1			0.744	
CT2			0.78	
CT3			0.784	
CT4			0.734	
CV1				0.784
CV2				0.757
CV3				0.747
CV4				0.806

The Variance Inflation Factor (VIF) is a tool to assess multicollinearity among indicators (Fomell & Bookstein, 1982). Hair et al. (2016) suggest that multicollinearity is not a major issue if the VIF value is under 5. Table 3 presents the VIF values for the study's indicators, and it's evident that all indicators have VIF values below this threshold.

Table 3: Multicollinearity Statistics(VIF)for indicators

	VIF
CC1	1.751
CC2	1.859
CC3	1.762
CC4	1.703
CC5	1.74
CL1	1.559
CL2	1.593
CL3	1.658
CT1	1.451
CT2	1.47
CT3	1.456
CT4	1.435
CV1	1.655
CV2	1.501
CV3	1.378
CV4	1.634

#### Construct reliability and validity

Most reliability tests use Cronbach Alpha and CR. Hair et al. (2011) reported both reliability indicators exceed .70. In Table 4.4, build dependability is proven. Convergent validity is the agreement between different measurements of the same idea. Convergent validity is established when the AVE value is higher than .50 and items converge to assess the underlying construct (Fornell & Larcker, 1981). Table 4 shows all variables above 0.50.

Table 4: Construct Reliability and Validity Analysis

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Customer Commitment	0.841	0.843	0.887	0.612
Customer Loyalty	0.776	0.777	0.87	0.691
Customer Trust	0.759	0.764	0.846	0.579
Customer Value	0.777	0.777	0.856	0.599

#### Assessment of Discriminant Validity

Discriminant validity assesses how distinct assessments of different concepts are. If two or more concepts are unique, valid assessments of each should not correlate too heavily (Bagozzi et al., 1991, p. 425).



When a construct's square root of AVE is greater than its correlation with all other constructs, Fornell and Larcker (1981) demonstrate discriminant validity. This study indicated that a construct's square root of AVE (bold and italics) was stronger than its connections with other constructs (Table 5), providing strong evidence of discriminant validity.

Table 5: Discriminant Validity - Fornell and Larcker Criterion

	Customer Commitment	Customer Loyalty	Customer Trust	Customer Value
Customer Commitment	<b><i>0.782</i></b>			
Customer Loyalty	0.729	<b><i>0.831</i></b>		
Customer Trust	0.615	0.643	<b><i>0.761</i></b>	
Customer Value	0.466	0.545	0.671	<b><i>0.774</i></b>

Note: Bold and Italics represent the square-root of AVE

### Cross Loadings

Cross loadings show researchers if a construct's items strongly load onto it rather than other constructs. Table 6 shows that all items' factor loading is stronger on their underlying construct than the other construct (Wasko, & Faraj, 2005). Thus, cross loadings determine discriminant validity.

Table 6: Discriminant Validity - Cross Loadings

	Customer Commitment	Customer Loyalty	Customer Trust	Customer Value
CC1	0.781	0.581	0.504	0.381
CC2	0.806	0.614	0.49	0.378
CC3	0.778	0.537	0.394	0.3
CC4	0.764	0.558	0.548	0.386
CC5	0.782	0.556	0.465	0.375
CL1	0.647	0.83	0.529	0.422
CL2	0.593	0.826	0.535	0.447
CL3	0.576	0.837	0.541	0.493
CT1	0.386	0.446	0.744	0.574
CT2	0.502	0.523	0.78	0.513
CT3	0.525	0.542	0.784	0.52
CT4	0.444	0.434	0.734	0.437
CV1	0.289	0.372	0.518	0.784
CV2	0.43	0.416	0.527	0.757
CV3	0.347	0.452	0.5	0.747
CV4	0.368	0.436	0.532	0.806

### Heterotrait-Monotrait Ratio (HTMT)

An assessment of construct correlation underpins HTMT. HTMT ratio determines discriminant validity. Current literature disagrees on the HTMT threshold. A significant range was suggested by Kline (2011) at .85 or lower. The lenient criterion of .90 or less suggested by et al. (2008). Table 7 shows that the HTMT ratio is below .90.



Table 7: Discriminant Validity - HTMT

	Customer Commitment	Custome r Loyalty	Customer Trust	Customer Value
Customer Commitment				
Customer Loyalty	0.899			
Customer Trust	0.762	0.832		
Customer Value	0.572	0.699	0.874	

### Structural Model Assessment

Structural model assessment would discuss: structural collinearity, path coefficients, R-squared values, effect sizes (f square), and predictive capacity (Q square).

### Assessment of the Structural Model for Collinearity Issues

VIF levels above 5 are more likely to cause collinearity than VIF values of 3-5 (Becker, Ringle, Sarstedt, & Volckner, 2015; Mason & Perreault, 1991). Table 8 shows that all VIF values are below 3. Collinearity across predictor components is unlikely to be a major concern in the structural model, therefore we can continue reviewing the result report.

Table 8: Collinearity statistics(VIF) for Structural Model

	Customer Commitment	Customer Loyalty	Customer Trust	Customer Value
Customer Commitment		1.622		
Customer Loyalty				
Customer Trust		2.311		
Customer Value		1.836		

### Assessment of the Path Coefficient

Hypotheses or associations with p-values above 0.05 were discarded, following Hair, Hult, Ringle, and Sarstedt (2017) standards. In Table 9, hypothesis testing and direct connection analysis showed that 3 of 3 path coefficients in the structural model had positive and statistically significant associations. Figure 3 shows the structural model with T-statistics.

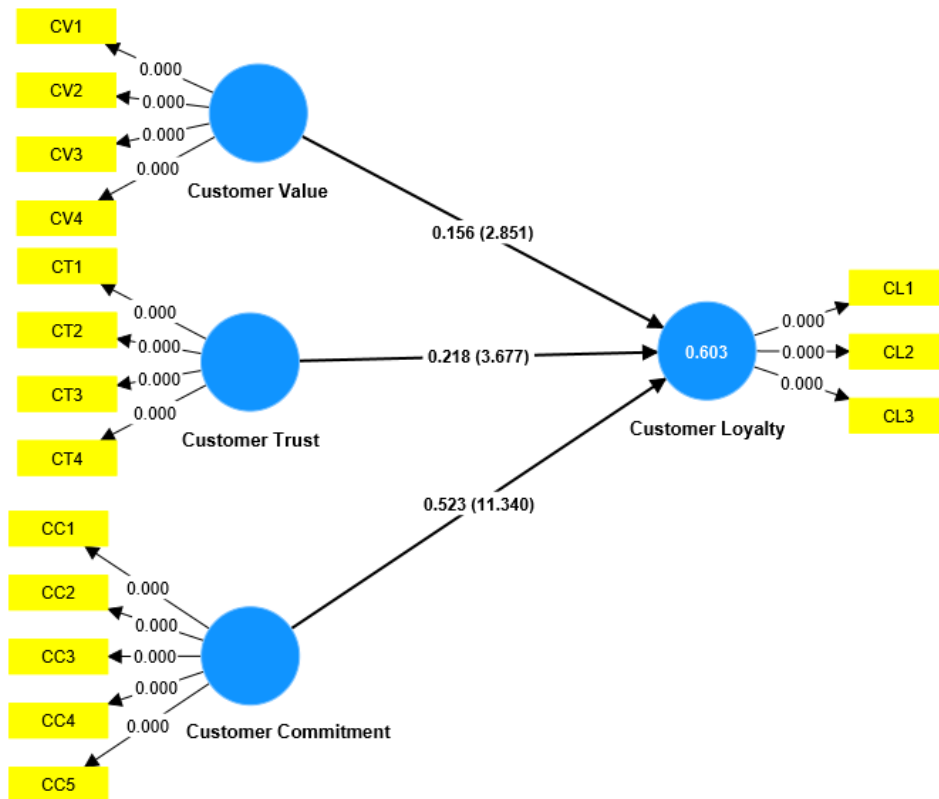


Figure 3: Structural Model with T-statistics

Table 9: Direct Relationships

NO	Hypothesis	Beta Coefficient	STEDEV	T value	P values	Result
H1	Customer Commitment -> Customer Loyalty	0.156	0.055	2.851	0.002	Supported
H2	Customer Trust -> Customer Loyalty	0.218	0.059	3.677	0.000	Supported
H3	Customer Value -> Customer Loyalty	0.523	0.046	11.34	0.000	Supported

H1 evaluates whether customer value significantly and positively affects customer loyalty. The results revealed that customer value has a significant and positive impact on customer loyalty ( $\beta = 0.156$ ,  $t = 2.851$ ,  $p=0.002$ ). Hence, H4 was supported.

H2 evaluates whether customer trust significantly and positively affects customer loyalty. The results revealed that customer trust has a significant and positive impact on customer loyalty ( $\beta = 0.218$ ,  $t = 3.677$ ,  $p<0.001$ ). Hence, H5 was supported.

H3 evaluates whether customer commitment significantly and positively affects customer loyalty. The results revealed that customer commitment has a significant and positive impact on customer loyalty ( $\beta = 0.523$ ,  $t = 11.34$ ,  $p<0.001$ ). Hence, H6 was supported.

### Assessment of the Level of R Square ( $R^2$ )

$R^2$  is the squared correlation between observed and expected values of an endogenous component. Cohen (1988) advised assessing  $R^2$  values for endogenous latent variables as follows: 0.26 (substantial), 0.13 (moderate), and 0.02 (weak). Comparing  $R^2$  values across models is challenging as the number of pathways to a construct affects its size. The adjusted  $R^2$  value addresses this issue by considering the number of exogenous factors and sample size (Hair Jr. et al., 2016). Table 10 shows that all endogenous constructions have adjusted  $R^2$  over 0.26. This indicates that the model explains well (Choen. 1988).

Table 10:  $R^2$  and adjusted  $R^2$  values

	R-square	R-square adjusted
Customer Loyalty	0.606	0.603

### Assessment of the Effect Size ( $f^2$ )

The  $f^2$  effect size helps measure how much an endogenous construct is affected if an exogenous construct is removed from the model. If an  $f^2$  value is between 0.02 and 0.14, it suggests a minor effect. A value between 0.15 and 0.34 indicates a moderate effect, while a value of 0.35 or more suggests a substantial effect. An  $f^2$  value below 0.02 means there's no noticeable impact on the endogenous construct (Hair et al., 2016).

In Table 11, looking at Customer Loyalty, the  $f^2$  effect size shows that Customer Value, Customer Trust, and Customer Commitment have a substantial impact.

Table 11:  $f^2$  Effect Size

	Customer Commitment	Customer Loyalty	Customer Trust	Customer Value
Customer Commitment		0.427		
Customer Loyalty				
Customer Trust		0.052		
Customer Value		0.033		

### Assessment of the Predictive Relevance ( $Q^2$ )

The  $Q^2$  number indicates the model's prediction power beyond the sample data used for estimation. A  $Q^2$  score above 0 demonstrates the model's capacity to forecast an endogenous component (Hair Jr et al., 2016). The model's prediction ability was assessed using an omission distance of 10 per literature recommendations. Table 12 shows that endogenous construct  $Q^2$  values were above 0, indicating predictive importance.

Table 12:  $Q^2$  Values

	$Q^2$ predict(D=10)
Customer Loyalty	0.595

## Results and Discussions

This chapter gives statistical analysis results based on hypotheses. First, it outlines the descriptive analysis, including variables and participant demographics. The hypotheses were confirmed using the Pearson product-moment correlation coefficient and Structural Equation Modeling. The SEM analysis supported 3 hypotheses. Customer Value (CV), Customer Commitment (CC), Customer Loyalty (CL) all correlated positively and significantly with CL. Results are summarized below:

Table 13: Summary of results and hypotheses testing

No	Hypothesis	p-value	Results decision
H1	H4: There is a significant and positive relationship between customer value (CV) and customer loyalty (CL).	Significant	Supported
H2	H5: There is a significant and positive relationship between customer trust (CT) and customer loyalty (CL).	Significant	Supported
H3	H6: There is a significant and positive relationship between value commitment (CC) and customer loyalty (CL).	Significant	Supported

The results of this study confirm the positive relationship between customer value and customer loyalty (Donny, Juju, Jusuf & Rosmadi, 2018). Customers who feel higher value from Home Inns are more likely to show loyalty to the brand. This finding supports the hypothesis that there is a significant and positive relationship between customer value and customer loyalty.

Similarly, research found a significant and positive relationship between customer trust and customer loyalty (Lie et al., 2019). Customers who trust Home Inns are more likely to remain loyal to the brand. This finding supports the hypothesis that there is a significant and positive relationship between customer trust and customer loyalty.

Furthermore, the study revealed a significant and positive relationship between customer commitment and customer loyalty (Haghkhah et al., 2020; Samudro et al., 2019; Tonder 2016; Bricci et al., 2016; Chung and Shin 2010; Rauyruen and Miller 2007). Customers who are loyal to Home Inns are more likely to show loyalty to the brand. This finding supports the hypothesis that there is a significant and positive relationship between customer commitment and customer loyalty.

Overall, the results of this study provide valuable insights for Home Inns and other hotel companies in China. By focusing on increasing customer value, building customer trust, and cultivating customer commitment, companies can effectively cultivate customer loyalty. This study contributes to the existing body of knowledge on customer relationship management and provides practical implications for improving customer loyalty in the hospitality industry.

In summary, this study highlights the importance of customer value, customer trust, and customer commitment in developing customer loyalty. Companies in the hospitality industry, including Home Inns, can benefit from understanding and addressing these factors to develop loyal customers and achieve long-term success.

## Management Recommendations

Application of research findings is an important aspect of any research as it helps bridge the gap between theory and practice. Taking China's Home Inn as an example, understanding the relationship between customer value, customer trust, customer commitment and customer loyalty can have a significant impact on the company's business strategy and customer management practices.

First, the results of this study can guide Home Inn to improve customer value. By identifying factors that contribute to customer value, such as price, quality, convenience, and service, companies can focus on improving these areas to increase customer satisfaction. For example, Home Inn could invest in staff training to improve service quality or introduce a loyalty program to provide additional value to customers.

Secondly, the research results can help Home Inn build and maintain customer trust. Trust is a key factor in customer loyalty, and understanding the factors that influence trust can guide companies in establishing a trustworthy image. This is achieved through transparent and reliable communication, consistent service delivery, and prompt and effective resolution of customer issues.

Third, the research results can help Home Inn develop customer commitment. By understanding the factors that contribute to customer commitment, such as customer satisfaction, perceived value, and trust, companies can develop strategies to enhance customer commitment. This can be achieved through personalized offers, loyalty programs and building strong relationships with customers.

Finally, the research results can guide Home Inn in cultivating customer loyalty. By understanding the relationship between customer value, customer trust, customer commitment, and customer loyalty, companies can develop targeted strategies to increase customer loyalty. This may include offering incentives for repeat bookings, providing personalized recommendations, and continually improving the overall customer experience.

In summary, the application of the research findings to the case of Home Inn in China can have a significant impact on the company's business strategies and customer management practices. By understanding the relationship between customer value, customer trust, customer commitment and customer loyalty, Home Inn can enhance customer value, build trust, cultivate commitment and ultimately increase customer loyalty. These findings can provide valuable insights and guidance for the company's future growth and success.

## **Conclusion**

This study, utilizing Home Inn as a focal point, engages in a systematic exploration of fundamental elements and intrinsic principles governing customer loyalty. Employing an extensive review of literature and empirical research, the study identifies three pivotal factors potentially influencing customer loyalty. To validate the research hypothesis, a dataset comprising responses from 475 Home Inn customers is collected and subjected to analysis using Smart-PLS. The empirical analysis discerns that customer value, customer trust, and customer commitment exert a substantial and positive influence on customer loyalty. This empirical finding carries significant implications for the hotel industry, offering valuable insights into strategies for enhancing customer loyalty and fostering enduring relationships with patrons.

## **Research Limitation and Future Direction**

First, the research focuses on Home Inn in China, which may restrict its generalizability. Home Inn is China's largest hotel chain; however, the results may not apply to other chains or businesses. Thus, extrapolating the findings to other circumstances requires caution. Second, the study uses self-reported Home Inn client data. This strategy may generate data biases and inaccuracies since survey respondents may perceive questions differently. Social desirability bias may also cause respondents to give answers they think are socially acceptable rather than their genuine beliefs or experiences.

Thirdly, the research uses a cross-sectional approach, which only captures a snapshot of consumer value, trust, commitment, and loyalty. A longitudinal research tracking these characteristics over time might better understand relationship patterns. The research also uses customer views and attitudes, which may not match their behavior. Customer loyalty is normally measured by repeat purchases or recommendation intents, but this study examines customer opinions towards loyalty. This study used subjective customer loyalty measurements, but future research could use objective ones.

Finally, the study may have been affected by extraneous variables. Economic conditions, competition, and technology can affect consumer value, trust, commitment, and loyalty. Future research could include these external aspects for a more complete understanding. Despite these limitations, this study sheds light on Home Inn's China customer value, trust, commitment, and loyalty. The findings add to the research and benefit hotel managers and marketers.

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