IMPACT OF TRUST, SATISFACTION AND SERVICE QUALITY ON CUSTOMER LOYALTY: A STUDY OF PAKISTAN’S HOTEL SECTOR

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Abstract

In today’s competitive market place attaining customer loyalty has become very crucial. In order to achieve success, growth and sustainability for any business it is very essential to meet the expectations of the customer. The improvement of quality in the context of both the services and goods result the customers to be loyal. Trust, Satisfaction and service quality are recognized to be crucial factors that encourages the customers to make repeated purchases or avail the services from a particular sector repeatedly. How the firm builds trust in the minds of customer, the service quality it provides and how it satisfies it users has become a significant subject matter. Competitive advantage can be adequately achieved due to the vast expansion observed in the hotel services. Hotel managers are training its staff to adequately deal with its visitors providing them excellent services in order to obtain customer loyalty and spread positive words about their services in the market place through that loyal ones. The primary objective behind conducting this study is to examine the impact of the most commonly used factors that are Trust, Satisfaction and Service Quality on the Customer Loyalty in Pakistan’s Hotel Sector. This study was further narrowed down to four renowned hotels (Pearl Continental, Awari, Movenpick and Ramada) that are being found in the metropolitan cities of Pakistan. A theoretical framework was established to inspect the relationship between the three aforementioned factors and customer loyalty. The data for this research was catered from 384 respondents residing in the cities of Karachi, Islamabad or Lahore via online questionnaires developed through Google docs because of the current pandemic situation. 7 point Likert scale
for both independent and dependent variables were adapted from previous researches to develop the questionnaires for the current research. The data collected was tested by incorporating SPSS (Statistical Package for Social Sciences) software and tests such as reliability, validity, correlation, and regression of variables were run to draw conclusion. The findings posit that Satisfaction and Service Quality have a significant impact on Customer Loyalty in context to Pakistan’s Hoteling Industry. The results disclosed has significance in both theoretical and practical means. This research will develop a better understanding of all the three factors namely Trust, Satisfaction and Service Quality for Hotel Managers and contribute towards extending the literature. Also the outcomes of this study will provide better insights to the marketers about different tactics and the importance of Trust, Service Quality and Satisfaction, which they can utilize for their business in order to obtain customer’s loyalty, involvement and a competitive position in the market.

**Keywords:** Trust, Satisfaction, Service Quality, Customer Loyalty, Hotel Sector

**Introduction**

Customers who make repeated purchases are increased by 2% so this assists firm to reduce the cost by 10%, the reason being is that the ratio of 60% of new customers are encouraged by positive words about that particular brand (Keshavarz & Jamshidi, 2018). In today’s marketing world, customers and clients are considered to be the valuable assets that requires to be look off in order to produce consistent products as per their expectation. The customers must be provided with assurance and commitment of getting adequate services which in result will lead to enhance customer loyalty (Parhi & Misra, 2017).

Customers seek products having good quality followed by unique marketing strategies which delivers them satisfaction which will in turn make them loyal towards that specific product. Good service quality and satisfaction of consumers holds a higher position and chances to stand off in this competitive world by increasing loyalty from consumers (Parhi & Misra, 2017).
Trust is one of the key component that holds a power of influencing customer loyalty (Boonlertvanich, 2019). The importance of trust is at peak in terms of identifying the service quality from customer’s point of view that are being delivered to them. Hence trust leads to loyalty in long term, enhancing the relationship between the service provider and the client (Da Bao, 2020).

In the past few years, the researcher’s interest in the wide topic of customer loyalty has been witnessed (Nasimi et al., 2018). Strong emphasis have been given to understand the factors of customer loyalty. The rising competition in the service industry restricts the ability of the firms to retain customer loyalty and still needs to be paid attention (Javed & Cheema, 2017).

The term “customer loyalty” is defined as promise of making repeated purchase of desired product or service in future, in spite of different competitive marketing influencers which holds power to switch customer’s mind (Marakanon & Panjakajornsak, 2017).

In previous studies the role of Customer Loyalty has been examined in context to Satisfaction, Trust and Service quality. To further investigate, this study is conducted with an objective to find out the impact of Trust, Satisfaction, and service quality on customer loyalty of hotel sector in Pakistan.

The current study is divided into total five parts that will provide detail about variables namely trust, satisfaction, and service quality and customer loyalty in a clear view. The introduction chapter will include the summary and briefing about the independent and dependent variables of the present research and further provide the significance of this literature. The second section “Literature Review” will mention the existing studies directed to examine the impact of trust, satisfaction and service quality on customer loyalty which will support the current research piloted. Lastly the chapters remaining that are Research Methodology, Data Analysis and Conclusion will provide details about the data collection techniques, interpret the outcomes and conclude the findings of this study along with the possible recommendations for future researches.
Many investigators had claimed customer loyalty as an essential element holding a key role to affect the success of any firm in the market (Ismail & Yunan, 2015; Priyo et al., 2019; Sharma, 2015).

Customer loyalty provides a competitive edge to the organizations and cannot be copied by the rivals in the market (Khoa, 2020). The concept of Customer loyalty is defined as a promise by the customer to make repeated purchases in the future from a particular firm rather than switching behavior or moving towards the competitors offering similar services Hasan (2019). Customer loyalty is substantial for firm as well as the customer. From the perspective of organization, the customers who are loyal to their firm are willing to make repeated purchase which is profitable for the organization and increases the value by every means. From the perspective of customer it is beneficial too because it saves their time and effort while searching for substitutes (M. A. Saleem et al., 2016). Serving loyal customer is much more profitable than grasping new ones, the reason being is that the marketing efforts to acquire new customers are costly (Hasan, 2019).

Two different approaches for a better understanding of this concept were stated by García & Caro (2009) namely attitudinal loyalty and Behavioral loyalty. Attitudinal loyalty is an outcome of customer selecting a particular service and avoiding the other alternatives provided to him/her. On the contrary behavioral loyalty is termed as a promise of customer to stay loyal towards a particular service or product no matter how beneficial alternates are provided in the market (Malik et al., 2020; Priyo et al., 2019).

Customers that are loyal towards certain brand not only make repeated purchase from that firm but also spread the positive word of mouth about the brand which leads to an encouragement in people to experience the connection with that company.

There are a number of factors that affect customer loyalty among which one of the antecedent is trust (Nilam Sari, 2018). The concept of trust is being studied in many prior literatures in context of customer loyalty where different researchers have proposed different definitions of this term (Tabrani et al., 2018). The most common
one defines trust as the readiness to have faith on the second party with whom the exchange takes place.

In early 1980s Oliver (1980) defined the term customer satisfaction as the success to satisfy the customer’s expectations and considered this concept as one of the main indicator of customer loyalty (Rahi & Ghani, 2016).

Previous literatures have examined a direct impact of service quality on customer loyalty (Cronin et al., 2000; Ho & Lee, 2007; Martensen & Grønholt, 2003; Parasuraman et al., 2005; Wolfinbarger & Gilly, 2003). The last factor part of the current study to instigate the impact on customer loyalty is service quality. In the field of marketing (Parasuraman et al 1988) provided a clear definition of service quality which stated it as the responsiveness of the customer’s evaluation about a product’s characteristics followed by features like excellence or superiority (Bitner, 1990).

Trust, Satisfaction and Service Quality has become immensely popular and holds importance amongst firms in the context of customer loyalty. In order to examine whether various these three variables possess a positive influence on building customer loyalty, we have utilized satisfaction, trust and service quality in our present research. The outcomes of the investigation will provide better insights about the relation of Trust, Satisfaction and Service Quality with Customer Loyalty in Pakistan’s hotel sector.

**Problem Statement**

In previous literatures many studies have been conducted to examine the impact of Satisfaction, Trust and Service quality on the customer loyalty of different service sectors but only few literatures were found exploring the Pakistan’s hotel sector (Malik et al., 2020; Wilson, 2019).

To fill the aforementioned gap this study is conducted to add to the existing studies by investigating the impact of various factors on the customer loyalty of Pakistan’s hotel industry. This study is piloted on well-known hotels of Pakistan. Hotel with strong positioning take a significant portion of market share.
The present research is conducted to study the impact on customer loyalty in an elaborate manner by utilizing three variables namely trust, satisfaction and service quality. This literature in the detailed manner will provide insights to hotel managers and contribute favorably towards existing literatures.

Some prior literatures stated that the actual worth does not only lie in the service or product offered but even it exists in the actual and potential consumer’s mind (Nobar & Rostamzadeh, 2018). Hotel industry demonstrates the need to encourage the minds of the customers. The reason being is that the hotel sector which is quite linked with the tourism sector somehow faces a major issue of seasonality phenomenon, to deal with this problem strong creation of customer loyalty is considered to be a necessity in this sector. Hotel industry is said to be a source of revenue for many countries (Nobar & Rostamzadeh, 2018).

**Research Questions**

This investigation is conducted to present results on following questions:

1. What is the impact of trust on customer loyalty?
2. What is the impact of satisfaction on customer loyalty?
3. What is the impact of service quality on customer loyalty?

**Research Objectives**

The purpose of the study is to examine the impact of satisfaction, service quality and trust on customer loyalty of Pakistan’s hotel sector. Thus, the study is directed:

- To study the impact of Trust on the customer loyalty.
- To study the impact of Satisfaction on the customer loyalty.
- To study the impact of Service Quality on the customer loyalty.
Scope

This research is conducted with an objective to instigate the impact of Trust, Satisfaction and Service Quality on the customer loyalty.

a. **Sample and Population:** The population of this research will include individuals of Pakistan who have stayed in hotels before while travelling or for any other purpose.

b. **Time Duration:** This research will spread over a total time duration of around 4 months.

c. **Subject Matter and Topics Discussed:** This study emphasizes to investigate the impact of trust, satisfaction, and service quality on the customer loyalty.

d. **Industry Covered:** Hotel sector is utilized to conduct this research. Furthermore, four renowned hotels (Pearl Continental, Awari, Movenpick and Ramada) will be covered to find out the impact of trust, satisfaction and service quality on customer loyalty.

e. **Locality and Area:** This study will be directed in Karachi, Islamabad and Lahore because the dominant hotels in Pakistan are situated in Karachi, Lahore and Islamabad and moreover these metropolitan cities have a good ratio of international and local companies that conduct and are involved in business conferences in the hotels (S. Kamal Hayder Kazmi, 2019).

Significance

The significance of this research pertains to eliminate the theoretical and practical gaps that has been mentioned earlier. The study is directed to instigate the impact of different factors on customer loyalty in the hotel sector of Pakistan. This research has included three important factors namely trust, satisfaction and service quality to examine their impact on customer loyalty therefore, this study will contribute towards extending the literature.
Moreover, this literature further seeks to investigate how trust, satisfaction and service quality of Pakistan’s hotel industry influences customer loyalty hence, the current study will help the marketers or hotel managers of different hotels understand the importance of trust, satisfaction and service quality. Together these three variables used in the present research will favorably contribute in providing insights to the staff of hotels to fill the practical gap and understand the significance of aforementioned three factors in the context of hotel sector. Lastly the findings of this paper will provoke different hotel managers to use effective strategies to build trust and deliver satisfaction to their customers by providing good service quality that will help them grasp new customers and retain the existing ones by making them loyal which will be beneficial for their business in the long run.

Literature Review

Variables of the study and their relationship

Trust

Trust is considered as the strong base that influence the effectiveness and persistency towards the service or product. Trust is also identified as the customer’s thoughts and sentiments that they can rely on particular brand or product. It has been proclaimed that in multiple industries trust acts as the vital tool that build the exchange relationship between customer and company to get mutual benefits (Shamsudin et al., 2019).

It has been found through several studies that trust is most essential predictor of customer loyalty. If trust is developed, then a person becomes loyal to the service. In addition Kuusik and Varblane (2009) stated that trust is one of the important and significant factor that impact the customer loyalty. Several studies have confirmed that trust is the result of a progressive generation of customer satisfaction with a product or service (Carranza et al., 2018).
Satisfaction

The term customer satisfaction is defined as the most important opinion that drive from the consumer’s experience by using the product or services. This shows degree of happiness and contentment that customer achieves after using the product (Nobar & Rostamzadeh, 2018).

Not only this but in marketing theories it has been studied that satisfaction plays a key role in influencing customer buying and purchase decisions and also considered to be as the most prominent factor in building up the customer loyalty. Increase in customer’s experience enhance the level of satisfaction which ensures the creation of customer loyalty for the product. In order to satisfy customers service providers facilitates them by providing them the best offerings to turn them into loyal customers. Various studies have been conducted indicating that customer satisfaction is vital determinant for customer loyalty (Uddin, 2019).

Service Quality

Service quality is defined as the degree to which services fulfill the needs and expectations of customers. Traditionally service quality was considered as ideal factor for distinguishing between what customer expects about services to be received and perceptions of the service being received (Akbar & Parvez, 2009).

The connection between customer loyalty and service quality has been studied in many researches with different service settings and context. In majority of the service sectors around the world quality of goods and services is considered to be an ideal component which holds significance for customers. Several studies investigate that there is direct or indirect relationship exist between these two variables. Increase in service quality will increase and improve the customer loyalty. Service quality plays a key role in building up a strong customer loyalty towards the brand. In case of low service quality customers are likely to switch to other product or services (Myo et al., 2019).
Customer Loyalty

The term Customer Loyalty is defined as the willingness of customer to stay in touch with a particular firm and make repeated purchases from that firm in the future, unless some situation might affect the purchase behavior (Aprilia et al., 2020). This term is considered as a key element for the company to gain competitive edge and leave the competitors behind. Customer loyalty has been considered as a critical issue for the service industry (tahmeem siddiqi et al., 2018). Trust, Satisfaction and Service Quality has become immensely popular and holds importance amongst firms in the context of customer loyalty. However in the current study the concept of customer loyalty is being analyzed to explore its relationship with trust, satisfaction and service quality.

Trust and Customer Loyalty

In business trust is one of the most key determinants of successful and two-way relationship in between the service provider and client. The existence of trust is indicated by the other party's acquired credibility because it has expertise to complete a task. Trust is review as prime factor in order to maintain long term relationships between a customer and company, enhancing the strength of the relationship. Trust ensures the sincerity of a customer and promote the customer loyalty. A literature was undertaken to examine the relationship between trust and customer loyalty in the Indonesian retail sector. The paper studied the impact by considering three independent variables namely trust, satisfaction and commitment. The outcomes of this study demonstrated that trust significantly impacts customer loyalty. Moreover the rest two variables were also found to have a significant impact on customer loyalty (Sutanto & Djati, 2017).

Customer and clients who are satisfied and loyal towards a particular firm are considered to be the source of increasing firms’ revenues. Moreover they are the source of encouraging others to approach that firm by spreading positive words about their services. A study was piloted in the past to instigate the impact of different factors on customer loyalty of Malaysian and Jordan hotel sector. The paper involved trust, brand image, convenience and emotion as independent variable to find out their impact on the dependent variable. Moreover Satisfaction was taken as a mediating variable to
determine its role in between the relationship of predictor and outcome variable. The responses were catered from the five star hotels of Malaysia and Jordan and the findings of this literature revealed significant impact of trust and other variables on Customer loyalty. Trust was found to have significant relationship with customer loyalty. Lastly the mediating variable also portrayed a partial effect on customer loyalty. This study was directed with an aim to provide insights to the hotel staff about which factors to utilize in order to earn customer loyalty where trust was found to have key significance (Ali Alsheikh et al., 2018).

A strong commitment and trust is significantly required in order to prosper the development of any service. Moreover Trust is considered as very strong indicator that foster strong commitment between company and consumer and nurture strong market share. Trust play very important role in growing businesses and boosting customer loyalty. One of the prior research conducted considering user-based transport applications (Go-Jek) which highlighted that trust has positive and significant impact on consumer loyalty. Therefore service providers should take effective steps in order to satisfy its consumers and build trust amongst them in order to encourage them to be loyal towards that particular firm (Lie et al., 2019).

Trust is defined as readiness to rely on other person with confidence. Trust is considered as very important component in building up customer loyalty. For an influencing association with customers and to foster the strong customer loyalty trust is significantly important. For a customer, trust is not only relying on product of provider but this is strong feeling, warm emotion and effective sentiments that one feels attached with the product or a brand and enhance customer loyalty. A prior research was conducted in hotel industry of Malaysia in which trust, price, service quality and brand image were taken as independent variables to inspect their impact on customer loyalty. Moreover the study involved customer satisfaction as the mediating variable. The paper evaluated a significant impact of trust on customer loyalty which witnesses that trust favorably contributes in making customer loyal (Shamsudin et al., 2019).
In today’s modern marketing era, trust is recognized as a crucial element in between the connection of client and the firm. Instead of attaining new consumers/clients, companies are devoting their utmost attention towards the activities and strategies so as to keep old ones loyal. Service sectors are focusing on providing adequate services nowadays in order to attain customer loyalty. A prior literature entailed responses from the China mobile consumers belonging to the province of Yunnan in order to access how trust influences customer loyalty. Trust, perceived service quality and corporate image were utilized as independent variables in the paper in order to examine the impact on customer loyalty. The utilization of trust, along with perceived service quality and good corporate image is being encouraged as the findings portrayed the significant impact of the independent variables on the dependent. Moreover trust was found to have strong and positive correlation with customer loyalty therefore different steps should be taken to build trust which will be beneficial in developing long term relations with the customers (Da Bao, 2020). In light of the above discussion, we can propose the following hypothesis:

**H1: There is a significant impact of Trust on Customer Loyalty.**

**Satisfaction and Customer Loyalty**

Customer satisfaction is considered to be an essential force to drive customer loyalty. Customer loyalty has gain a whole heap of attention and considered as the big thing in market industry. Restaurant industry has turned out to be bounded with extreme competition which adds more obstacles to attain customer loyalty. Marketers recognize the importance of customer satisfaction in order to result customer loyalty to accomplish the firm’s objectives and boosts the performance in the service industry. The significance of customer loyalty has been highlighted by managers of service sector. A study was directed to access the impact on customer loyalty comprising of two independent variables i.e. Customer satisfaction and perceived value along with determining the mediating role of customer relationship management. This literature catered responses from the restaurants located in Faisalabad. The results of this paper revealed a strong and positive relationship between the customer satisfaction and customer loyalty. The outcomes demonstrated significant impact of satisfaction on
customer loyalty therefore customer satisfaction should be overlooked to achieve customer loyalty (Javed & Cheema, 2017).

In this modern era, nowadays generating and upholding customer loyalty is considered to be very essential and entails much devoted attention and efforts. Satisfaction amongst customers is the key element that marketers need to focus to lead to loyal customers. Satisfying the consumers in the preeminent way and providing them more than their expectations can be a competitive advantage for any firm. Due to immense importance of two related topics i.e. Satisfaction and Customer Loyalty many researches have been conducted previously among which a literature was examined to find out the impact on Customer Loyalty of Insurance industry using Satisfaction as the independent variables and two moderators namely Trust and Commitment. The questionnaire was circulated to around 300 clients of insurance and the results of this literature highlighted significant impact of satisfaction and insignificant impact of moderators. The finding of this research portrayed a strong relationship between Satisfaction and Customer Loyalty hence firms should pay attention on satisfying their customers more diligently (Minta, 2018).

A research was undertaken to examine the impact of different factors namely satisfaction, trust, service quality, perceived enjoyment, perceived value and technological factors in improving customer loyalty. The results of this literature revealed customer satisfaction shows an imperative role in building customer loyalty. Furthermore all the other factors are also considered to be the forces to strengthen customer loyalty. The findings of this article inspected that from the mentioned independent variables satisfaction had the significant impact on customer loyalty therefore the outcomes of this study could deliver managerial implications to managers and a better understanding about the relation between the factors mentioned above and customer loyalty in the service organizations (Almaamari, Q., & Abdulrab, 2018).

Customer Satisfaction and loyalty holds immense importance grasping new customers and holding the old clients in every field of business particularly in the service industry. In the highly competitive field of hoteling managers and the team are suggested to focus on the elements that results customer satisfaction in order to make
their business survive and sustained. Many references indicated that Satisfaction play a key role in developing customer loyalty. A prior research tested Satisfaction and the effects of service quality in between the relationship of Satisfaction and customer loyalty. The conclusions of this result indicated a significant impact of independent variable i.e. satisfaction on the dependent variable i.e. customer loyalty of Indonesian Hotel sector. On the other hand the direct and indirect impacts were witnessed in between the relationship of these two. The findings exhibited that when clients are satisfied they become loyal which leads to their willingness to suggest, make repeated visits and provide premium charges for that particular hotel (Priyo et al., 2019).

In light of the above discussion, we can propose the following hypothesis:

**H₃: There is a significant impact of Satisfaction on Customer loyalty.**

**Service Quality and Customer Loyalty**

The bond between the customers and the working staff is enhanced through good service quality, so numerous firms invests their efforts and a huge basket of resources in order to polish their service quality to meet the needs of the customer. A literature studied the impact of service quality on customer loyalty of the catering industry located in Taiwan. The findings portrayed that service quality holds a significant impact on customer loyalty which means the greater the quality of services a firm provides there are more chances of customer loyalty to be enhanced therefore service organizations must emphasize improved service quality (J.-L. Chen, 2016).

A prior literature was conducted to examine the impact of Brand trust, Customer satisfaction, and Perceived price and service quality on customer loyalty of Punjab’s banking sector. A total of 232 responses were catered from the urban customers of both the public and private sector banks situated in Punjab. The findings obtained from the tests concluded that service quality plays a significant role in impacting customer loyalty. This research provided the better understanding about the importance of regarding in the banking sector. Moreover marketers and service providers of every industry could relate it and put possible efforts in delivering good quality of services to its customers (Waleed, 2016).
A study demonstrated the impact of Service quality on Customer loyalty by utilizing Taiwan Airlines sector. The research provided insights to be explored between service quality and customer loyalty. Moreover mediating effects of brand image and perceived value was also investigated in this literature. The responses were gathered from different airports and Chinese airlines. This research concluded a significant and direct effect of service quality on customer loyalty for the aforementioned industry and the mediators were also revealed to have significant impact in between the relationship of customer loyalty and service quality. Hence when the clients experiences good services they holds a positive perception about the firm in their minds and are eager to pay premium prices for that specific firms which in turn results customer loyalty (C.-M. Chen & Liu, 2017).

Service quality can be identified by comparing the difference of perceptions of customers for services that are being received and expectations of the customer for the services. If reality is more than what the customer expected, then services fulfills the criteria of being qualified and in case of what service quality a user gets is less than what he expected results the service quality to be non-qualified. In case when the expected one is equal one to what customers get then in this situation service quality is perceived to be satisfactory. Good quality of services is the decisive key towards strengthening customer satisfaction resulting an increase in customer loyalty. A research was directed to instigate the impact of trust, service quality and company’s image on customer loyalty and satisfaction of Bank Shariah Mandiri Meulaboh Branch. The results obtained from the tests proclaimed direct and significant impact of service quality towards both customer loyalty and customer satisfaction. Therefore consumers will possess a loyal behavior towards a product or service if they acquire good service quality and value (Nilam Sari, 2018).

The topic of service quality has been given tremendous importance in prior researches. This topic has been researched by many authors and reflected as a significant factor that could impact the success of any firm in the service sector. Many writers mentioned that by providing excellent or even satisfactory services to clients, the firm can gain maximum advantage in its competitive marketplace and lead in that specific industry. A research was analyzed showing service quality and brand image
as factors impacting customer loyalty in the context on Indonesia Airline sector. The significances and findings of this paper highlighted a positive relationship in between service quality and customer loyalty. The utilization of good service quality in Airline industry of Indonesia is being encouraged because of the significant impact of service quality on Customer loyalty. Even the other variable portrayed significant impact but less than the variable of service quality. Therefore the heads of this owners were advised to pay utmost attention in satisfying their clients by providing good quality of services in order to achieve customer loyalty (Wilson, 2019).

In the industry of retailing, improving the quality of services is resulted as a tactic utilized by the retailers in order to hold their old customers and attain a better position amongst the competitors in the market place. Service quality is known as an importance driver of customer loyalty. To further explore a research was directed to analyze the impact of service quality on customer loyalty of the generation Y towards the retail industry. Bangladesh retail sector was utilized to conduct this literature. Furthermore, five dimensions of service quality namely Problem solving, reliability, policy, Personal and physical aspect were taken into consideration to determine their overall impact as service quality on customer loyalty. The findings revealed that all the dimensions possess a significant impact on customer loyalty therefore retailers utilizing appropriate service quality could result customer loyalty in their favor (Didarul Alam, 2020). In light of the above discussion, we can propose the following hypothesis:

**H₃: There is a significant impact of Service Quality on Customer Loyalty.**

**Research Gap**

Limited research is found towards studying the impact of various factors on customer loyalty of the hotel sector in Pakistan (Malik et al., 2020; Wilson, 2019). This study aims to make favorable contributions towards the literature on Pakistan’s hotel sector by utilizing a different combination of variables like Trust, satisfaction and service quality to study Pakistan’s hotel sector customer loyalty in a detailed manner and eliminating the aforementioned gap.
The current research is directed by incorporating a unique set of variables used together which is found less in prior literatures. Therefore this study will contribute towards extending previous researches and provide insights to the hotel managers about the importance of trust, satisfaction and service quality in enhancing customer loyalty and gaining maximum competitive advantage amongst other alternates available.

Pakistan’s Hotel Sector

The industry of tourism holds more than 11 percent of world’s GDP. Statistics in a prior research highlighted that around 800 million trips are planned or occur in the world yearly, and even this ratio is expected to rise in future. Pakistan has ranked on top as best holiday destination for the year 2020. Hotel sector is considered to be one of the subset of tourism industry. Hotel sector receives substantial share of returns of tourism industry because people who travel require hotels for stay. The sector of hoteling is considered to be the source of revenue for various countries (Nobar & Rostamzadeh, 2018).

The hotel sector is expanding with years passing in Pakistan. Pakistan is appeared as substantial investment destination for new hotel development recently. According to the statistics of Hotel Association of Pakistan. The hotel sector witnessed expansion of 9.7% between 2005 and 2006. Moreover Pakistan’s hotel industry demonstrated more than satisfactory growth rate in between 2009 and 2010 (Ishaq et al., 2014). The statistics of 2011 demonstrated a rapid expansion, different meeting and visits of foreigners was observed in Pakistan especially in the city of Karachi which increased the proportions of hotel occupancy from sixty five percent more than the previous year rate (S. Kamal Hayder Kazmi, 2019).

The figures of statistics revealed that hotel industry is continuously experiencing boom each year and this industry contributes three percent to Gross Domestic Product. It was estimated to increase 2.7 % for leisure travelling in the year 2016, now estimated to grow by 5.4 % annually (S. Kamal Hayder Kazmi, 2019).
The demand and supply for the services of hoteling sector have enhanced the growth for tourists and this market faces the challenge of intense competition (H. Saleem & Raja, 2014). Hotel industry demonstrates the need to encourage the minds of the customers. The reason being is that the hotel sector which is quite linked with the tourism sector somehow faces a problem of seasonality phenomenon, to overcome this issue strong creation of customer loyalty required in this sector (Nobar & Rostamzadeh, 2018).

**Reciprocity Theory**

The connection between the customer and the seller is the leading prospect in any business (Basha et al., 2015). This theory was initiated in 1974 when an experiment was done by Phillip Kunz who was a sociologist. The theory of reciprocity is also applicable in marketing context. The more the bond and link with the customer is deep the more it is beneficial for both the seller and even the customer (Aziidah Zulkifli & Faizun Mohamad Yazid, 2020). The application of reciprocity theory in marketing assists in improving the business performance (Fehr et al., 2002; Molm et al., 2007; Roberts, 1998).

The brand or firm maintains a good relationship with its actual customers and keep on providing them with satisfying services, it will eventually lead towards trust formation from the customer side for the particular brand or organization (Muhammad et al., 2016). Appropriate services to customers and immediate responsiveness to their problems will eventually result in establishing satisfaction in customer’s mind while approaching the particular product or service. Furthermore the customer will become a loyal one towards that organization that will eventually increase customer loyalty (Aziidah Zulkifli & Faizun Mohamad Yazid, 2020).
Conceptual Framework

The aforementioned discussion results in the conceptual framework given below which indicates independent variables (Trust, Satisfaction, and Service Quality) and the dependent variable (Customer Loyalty).

Figure 1: Conceptual Framework

Hypotheses

The hypotheses drawn from the literature review and mentioned below:

H01: There is no impact of Trust on customer loyalty.
H1: There is a significant impact of Trust on customer loyalty.
H02: There is no impact of Satisfaction on customer loyalty.
H2: There is a significant impact of Satisfaction on customer loyalty.
H03: There is no impact of Service quality on customer loyalty.
H3: There is a significant impact of Service quality on customer loyalty.
Methodology

This study is directed to investigate the impact of Trust, Satisfaction and Service Quality on Customer Loyalty (CL) of Pakistan’s Hotel sector. The research being conducted is Quantitative which catered data through questionnaires. The data was collected from 384 respondents residing in Karachi, Lahore and Islamabad through online surveys created through Google docs. Moreover to develop the questionnaire scales from previous literatures were modified which examine reliability for the present study. Lastly SPSS software was utilized to run reliability analysis, descriptive analysis, correlation and regression tests to find out the impact of each independent variable on dependent variable and conclude the outcomes.

Research Design

Research Approach

The investigation being conducted is Quantitative because the impact of Trust, Satisfaction and Service Quality on Customer Loyalty was examined by using numerical data collection method. Reciprocity theory is used in this study to provide a base for the relationship between Trust, Satisfaction, Service Quality and Customer Loyalty. Data will be collected appropriately and evaluated further to check the significance of the hypothesis mentioned above. Deductive Reasoning approach was utilized in this research because the study stimulated from theory and then the hypothesis were developed.

Research strategy

The nature of this research is descriptive as the study intends to define the relationship between independent and dependent variables namely Trust, Satisfaction, Service Quality and Customer Loyalty respectively in an elaborative perspective. The study aims to add to the previous literatures by studying the impact of these three factors i.e. Trust, Satisfaction and Service Quality on Customer Loyalty in more depth. The means of data collection was questionnaires and none of the variables were manipulated in the current study which further strengthens the reliability for selecting descriptive research. Moreover this study is conducted to examine the influence of all
the predictors and outcome variable, along with interpreting the relation between these two.

**Target population**

The population of this research include individuals of Pakistan who have stayed in hotels before for travelling purpose. This study directed in Karachi, Islamabad and Lahore because the dominant hotels in Pakistan are situated in Karachi, Lahore and Islamabad and moreover these metropolitan cities have a good ratio of international and local companies that conduct and are involved in business conferences in the hotels (S. Kamal Hayder Kazmi, 2019).

**Sampling size**

The sample for this study constrained to the individuals belonging to Karachi, Lahore and Islamabad who prefer travelling and have stayed in hotels because of less resources available. The sample size will include the responses of 384 respondents because the population of hotel sector is more than 1000000 (Robert V. Krejcie & Daryle Morgan, 1970)

**Sampling method**

The study employed convenience sampling to collect the responses from the respondents

**Data collection Technique and Time horizon**

7 point Likert scale was utilized to develop the questionnaires for the current research. The scale for the variables both independent and dependent were adapted from previous researches. Data collection was done online using Google docs instead of using physical method seeing the current pandemic situation. Cross sectional data was utilized for this study that was collected through survey in two weeks.
Data Analysis techniques

In order to determine the reliability, correlation, validity and regression of variables, the tests were run using SPSS software to further interpret and conclude the results. Reliability tests are run to check the consistency whether the items of scales are measuring the dependent and independent variables or not. Whereas Validity was used to check whether the correct scales have been taken for the research or not. Lastly Regression and correlation analysis tests were utilized to investigate and analyze the relation between the predictors and outcome variable, and to determine the impact of independent variables on the dependent variable.

Credibility and Reliability of the Research

The scale for all the variables were adapted from previous researches. 7 point Likert scale was used for both the predictors and outcome variable in the present research. Three independent variables were utilized i.e. “Trust” was measured through 4 scale item that were adapted from (Setó-Pamies, 2012); 4 item scale was adapted from (Joudeh & Dandis, 2018) to measure “Satisfaction” and “Service Quality” was measured using 6 item scale that were adapted from (Da Bao, 2020). Whereas the scale for dependent variable “Customer Loyalty” were adapted from (Setó-Pamies, 2012) which was measured through 6 scale items. The items for the selected independent and dependent variables were presented to the supervisor, further approved by him. Validity and reliability tests was run using SPSS software to check the validity and consistency of the variables and interpret them further.

Ethical considerations

Ethical considerations were given importance to secure the trust of the respondents. The respondents were not asked to mention their identity in anyway, privacy of the respondents was maintained and they filled the questionnaires anonymously. None of the respondents were forced to fill the questionnaire and it was clearly highlighted that the data received from the respondents will be kept safe and was utilized for the research purpose only.
Research Analysis and Interpretations

Demographic variables like age, gender etc. were studied by running descriptive tests, the interpretation for these variables was done by generating bar graphs. Reliability analysis, Correlation and regression analysis were run by utilizing SPSS software.

Respondent’s Profile

Descriptive Analysis for 4 variables Age, Gender, City and Hotels used in our research was tested by running descriptive analysis on SPSS software. The tables with all the possible figures along with their comprehensive interpretations has been mentioned in this section.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-25</td>
<td>248</td>
<td>64.6</td>
<td>64.6</td>
<td>64.6</td>
</tr>
<tr>
<td>26-35</td>
<td>88</td>
<td>22.9</td>
<td>22.9</td>
<td>87.5</td>
</tr>
<tr>
<td>36-45</td>
<td>33</td>
<td>8.6</td>
<td>8.6</td>
<td>96.1</td>
</tr>
<tr>
<td>46 and above</td>
<td>15</td>
<td>3.9</td>
<td>3.9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table 1 depicts that the age of the respondents, there are four age sections ranging from; 15-25, 26-35, 36-45 and 46 and above. From the collected data from 384 respondents it is explored that the majority of respondents (64.6%) were present in the age bracket of 15-25 years that are 248 respondents. 88 respondents (22.9%) lie under 26-35 years of age section. 33 respondents were of 36-45 years which is about 8.6%. And 15 respondents were above 40 of age which is 3.9%.
The table 2 shows that there are two sections (male and female). The data was collected from 384 respondents amongst them majority of the respondents were females which were 199 and rest 185 were males.

The table 3 representing the cities of respondents, data was collected from three metropolitan cities Islamabad, Lahore and Karachi in which majority of respondents were from Karachi with 299 responses. 48 respondents were from Lahore and rest 37 respondents were from Islamabad.

The table 4: Hotel of residence of respondent
The Table 4 shows that the hotels in which of respondents have stayed based on their preference. Majority of respondents have made a stay in some other hotels that accounted for 127 respondents. Pearl Continental was on second highest number of customers with 101 responses. Movenpick had third highest number of people with 81 responses then Awari was observed with 46 responses and in the last 29 respondents have made a stay in Ramada.

Quantitative study

Reliability

SPSS software was utilized to run the reliability test in order to check the reliability of scales for all the I.V (Trust, Satisfaction and Service Quality) and the D.V (Customer Loyalty). The results of the tests will be discussed and elaborated in the section below.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>0.838</td>
<td>4</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.878</td>
<td>4</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.862</td>
<td>6</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.884</td>
<td>5</td>
</tr>
</tbody>
</table>

Trust

Trust indicated a reliability of 0.838 which reflects that the scale for trust is strongly reliable as the ideal value of Cronbach’s alpha is 0.6, this implies that trust comes under the level of acceptance in terms of reliability. Moreover 4 constructs of the variable are closely grouped and have strong consistency.

Satisfaction

The second variable that was run on SPSS to check the reliability of scale was “Satisfaction”. The scale of satisfaction entailed 4 items and the results of the test
showed a reliability of 0.878 which proves that the scale is consistent to measure the variable.

**Service Quality**

On applying reliability test to Service Quality, the Cronbach’s Alpha came out to be 0.862. Cronbach’s Alpha value is greater than 0.6 and close to 1 which implies that Service Quality has a strong reliability and is an acceptable scale, this variable has six items which are closely related, and the responses are consistent. None of the items were deleted from the scale to increase the reliability.

**Customer Loyalty**

The last variable which was tested in terms of reliability was Customer Loyalty, the Cronbach’s Alpha value of the dependent variable turned out be 0.884 which is more than the benchmark set for reliability. All the constructs of this variable are related and reflects a strong reliability overall which means the scale is fit to measure the variable. Other than that no items were deleted in order to increase the reliability.

**Correlation**

<table>
<thead>
<tr>
<th></th>
<th>AVGT</th>
<th>AVGSAT</th>
<th>AVGSQ</th>
<th>AVGCL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AVGT</strong></td>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.820</td>
<td>0.759</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>384</td>
<td>384</td>
<td>384</td>
<td>384</td>
</tr>
<tr>
<td><strong>AVGSAT</strong></td>
<td>Pearson Correlation</td>
<td>0.820</td>
<td>1</td>
<td>0.805</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>384</td>
<td>384</td>
<td>384</td>
<td>384</td>
</tr>
<tr>
<td><strong>AVGSQ</strong></td>
<td>Pearson Correlation</td>
<td>0.759</td>
<td>0.805</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>384</td>
<td>384</td>
<td>384</td>
<td>384</td>
</tr>
<tr>
<td><strong>AVGCL</strong></td>
<td>Pearson Correlation</td>
<td>0.712</td>
<td>0.780</td>
<td>0.777</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>384</td>
<td>384</td>
<td>384</td>
<td>384</td>
</tr>
</tbody>
</table>
To analyze the relationship between the predictors and the outcome variable, a correlation test was run on SPSS. Values in correlation lie between +1 (positively correlated) to -1 (negatively correlated). If correlation value is close to +1 it is considered as strong positive correlation between two variables and if value is close to -1 it is considered to have a negative relationship between two variables.

**Trust and Satisfaction**

Pearson Correlation = $R = 0.820$

The aforementioned value from the table denotes a strong and positive correlation between Trust and Customer Loyalty. There is a significant relationship between trust and satisfaction as sig value is 0.000 which is less than $(\alpha = 0.050)$.

**Trust and Service Quality**

Pearson Correlation = $R = 0.759$

The value of R indicates that Trust and Service Quality are strongly correlated. The table reflects that there is a significant relationship between trust and service quality as the sig value is 0.000 which is less than Alpha Value $= 0.050)$.  

**Trust and Customer Loyalty**

Pearson Correlation = $R = 0.712$

Strong and positive relationship between trust and customer loyalty is observed as the value of Pearson Correlation is greater than 0.6. As sig value is 0.000 which is less than $(\alpha = 0.050)$ so this implies that a significant relationship exists between both the variables.

**Satisfaction and Service Quality**

Pearson Correlation = $R = 0.805$

Satisfaction and Service Quality possess a strong and positive relationship as the Pearson Correlation is more than 0.8. The value of significance is more than 0.05
which portrays that there is significant relationship between Satisfaction and Service Quality.

**Satisfaction and Customer Loyalty**

Pearson Correlation = \( R = 0.780 \)

The outcomes of correlation test for Satisfaction and Customer Loyalty demonstrated that these two variables are strongly positive correlated. From table this is shown that there is significant relationship between satisfaction and customer loyalty as sig value is 0.000 which is less than \( \alpha = 0.050 \).

**Service Quality and Customer Loyalty**

Pearson Correlation = \( R = 0.777 \)

Pearson correlation holds the value of 0.777 which denotes a positive and strong relationship between Service quality and Customer loyalty. It can also be witnessed that Sig value in the table is \( \alpha=0.00 \) which tends to be less than the alpha value 0.05 therefore it can be concluded that both the variables have a significant relationship.

**Regression Analysis**

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AVGSQ, AVGT, AVGSAT</td>
<td>.</td>
<td>Enter</td>
</tr>
</tbody>
</table>

a. Dependent Variable: AVGCL

b. All requested variables entered.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.821a</td>
<td>0.675</td>
<td>0.672</td>
<td>0.613</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), AVGSQ, AVGT, AVGSAT
The amount of variation experienced in a dependent variable enlightened by all the corresponding predictors in the model of regression is reflected through the value of R-square. In this model the results of the test highlight the value of r-square i.e. 0.675 which implies that this mode is strong. The average effect of independent variables (Trust, satisfaction and service quality) is 67.5% on dependent variable i.e. Customer Loyalty.

<table>
<thead>
<tr>
<th>Table 9: Analysis of Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: AVGCL
b. Predictors: (Constant), AVGSQ, AVGT, AVGSAT

H₀: There is no impact of Trust, Satisfaction and Service Quality on the Customer Loyalty.

H₁: There is a significant impact of Trust, Satisfaction and Service Quality on the Customer Loyalty.

The value of significance in ANOVA table is 0.000. As the value is less than significance value 0.05 which results the rejection of H₀ and acceptance of the alternative hypothesis i.e. H₁. This concludes that all the independent variables Trust, Satisfaction and Service Quality are found to have an impact on the outcome variable (Customer Loyalty).

<table>
<thead>
<tr>
<th>Table 10: Coefficient of Regression</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized Coefficients</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>AVGT</td>
</tr>
<tr>
<td>AVGSAT</td>
</tr>
<tr>
<td>AVGSQ</td>
</tr>
</tbody>
</table>
Impact of Trust, Satisfaction and Service quality on Customer loyalty: A study of Pakistan’s Hotel sector

Trust

H₀: There is no impact of Trust on the Customer Loyalty.

H₁: There is a significant impact of Trust on the Customer Loyalty.

Following values are depicted from the table of coefficients:

Alpha value: 0.05

Sig value: 0.061

B (Trust) = 0.107

As the value of sig is 0.061 which is greater than the benchmark value of alpha (0.05) so this indicates the rejection of Ha and the corresponding H₀ will be accepted. The values make it very clear and concludes that Trust has insignificant impact on the Customer Loyalty.

Satisfaction

H₀₂: There is no impact of Satisfaction on Customer Loyalty.

H₂: There is a significant impact of Satisfaction on Customer Loyalty.

Alpha value: 0.05

Sig value: 0.000

B (Satisfaction) = 0.384

The values in the table of coefficient witnesses the rejection of null hypothesis and supports the acceptance of corresponding alternative hypothesis i.e. Ha because the significant value lies under the range of alpha value (0.000>0.005). To sum up it can be concluded that there is a significant impact of Satisfaction on Customer Loyalty.
Service Quality

H$_{03}$: There is no impact of Service Quality on Customer Loyalty.

H$_3$: There is a significant impact of Service Quality on Customer Loyalty.

Alpha value = 0.05

Sig value = 0.000

B (Service Quality) = 0.438

As the aforementioned sig value is 0.000 which is less than 0.05 there this reflects that Service Quality lies under the acceptance region so we accept the Ha and the opposite hypothesis i.e. H$_0$ will be rejected. Therefore, to summarize it can be interpret that Service Quality has a significant impact on Customer Loyalty.

Regression Equation

Customer Loyalty = 0.107 (Trust) + 0.384 (Satisfaction) + 0.438 (Service Quality) + 0.453

The sig value of constant is 0.018 which is lower than the alpha value (0.05) which denotes that constant is also significant as per the results. When all the other independent variables are equal to 0, it is inferred that the value of customer loyalty is 0.453. The aforementioned equation highlight the clear view of the current research conducted which interprets that:

- 1-unit increase in Trust Increases Customer Loyalty by 0.107 units.

- 1-unit increase in Satisfaction Increases Customer Loyalty by 0.384 units.

- 1-unit increase in Service Quality Increases Customer Loyalty by 0.438 units.
Discussion

Trust

H₀: There is no impact of Trust on Customer Loyalty.

H₁: There is a significant impact of Trust on Customer Loyalty.

To instigate the relationship status in between trust and customer loyalty, correlation test was run. The results of the test revealed that there is a positive and strong relationship between these two variables. Moreover, regression analysis was also done for this hypothesis which presented that trust has no impact on customer loyalty.

The outcomes of the current study are supported by a previous research which was conducted in 2019 to instigate the impact of trust, satisfaction, and service quality on customer loyalty. The research demonstrated that trust has an insignificant impact on customer loyalty. The underlying reason given to back up this viewpoint is that it is considered as a traditional belief that the trust of customer will result strengthening customer loyalty, It is dependent on the industry and the country. Moreover the study even concluded that trust do not impact customer loyalty directly and even trust is not measured as an essential predictor in regard of customer loyalty (Tabrani et al., 2018).

Many other studies conducted depicted different results from the current research which stresses that there is a significant impact of trust on customer loyalty (Ali Alsheikh et al., 2018; Da Bao, 2020). Subsequently a prior research conducted to examine the impact of trust on customer loyalty revealed that trust positively impacts customer loyalty which means that the customer’s trust leads to strengthening customer loyalty. In order to conclude it can be inferred that increase in consumer’s trust also result an increase in customer loyalty (Widodo & Article, 2019).
Satisfaction

\( H_{02}: \text{There is no impact of Satisfaction on Customer Loyalty.} \)

\( H_{2}: \text{There is a significant impact of Satisfaction on Customer Loyalty.} \)

Regression Tests was utilized to investigate the impact of Trust on Customer Loyalty. The outcomes of the present study highlighted that Satisfaction possesses a significant impact on Customer Loyalty. Secondly the outcomes of correlation test between these two variables depicted a strong and positive relationship in between the variables.

The results of this study are aligned with the outcomes of a previous research conducted to investigate the impact of Satisfaction on Customer Loyalty (Javed, F., & Cheema, 2017) which explained that Satisfaction have a significant impact on the Customer loyalty which implies that Satisfaction is considered to be an important element to drive customer loyalty, More the customer is satisfied the more it is successful to fit its image in consumer’s mind which will ultimately boost customer loyalty.

(Sutanto & Djati, 2017) also provides support for the results of present hypothesis which affirmed that customer satisfaction has a significant impact on customer loyalty.

Service Quality

\( H_{03}: \text{There is no impact of Service Quality on Customer Loyalty.} \)

\( H_{3}: \text{There is a significant impact of Service Quality on Customer Loyalty.} \)

The outcomes of the correlation test exposed that Service Quality and Customer Loyalty are strongly correlated. On the other hand the regression analysis done for these two variables witnessed a significant impact of Service Quality on Customer Loyalty.
The findings of the current study are supported by an existing literature (Wilson, 2019) which was directed to examine the impact of Service quality on Customer Loyalty. The outcomes of this prior literature resulted a positive impact of service quality on boosting customer loyalty which entails that firms which pay their utmost attention to deliver good quality of services, can easily gain competitive advantage in the market. Moreover this will help the firm to grasp new customers and make the existing ones loyal.

The results of another research conducted in past are found to be consistent with the present study which were piloted to examine the impact of Service Quality on Customer Loyalty. The outcomes of this research proved that Service quality significantly impacts Customer loyalty which concludes that marketers should focus on taking different measure in order to improve their service quality, the reason being that service quality holds strong and direct relationships with Customer loyalty (Da Bao, 2020).

Conclusion

This research was directed to study the impact of Trust, Satisfaction, and Service Quality on Customer Loyalty of Pakistan’s Hotel Sector and to analyze the relationship between the aforementioned variables. The independent variable namely Trust, Satisfaction and Service Quality were opted to conduct the study because these three factors are the most commonly used by hotel managers to drive customer loyalty in their favor. The results of correlation demonstrated a significant relationship between all the three factors i.e. (Trust, Satisfaction, Service Quality) and Customer Loyalty. Moreover the results of regression tests revealed that Satisfaction and Service Quality have a significant impact on Customer Loyalty whereas insignificant impact was witnessed between Trust and Customer Loyalty. The findings of this result will help the service providing firms and businesses understand the significance of all the factors that impact customer loyalty because the strategy of retaining the already existing customers is more cost effective than acquiring new ones (Almaamari, Q., & Abdulrab, 2018) so therefore Hotels and other service providers should move a step further towards providing good quality of services, building trust, and boosting
satisfaction in order to ensure value creation for their brands and resulting the purchases made by the users repeatedly. The outcomes of this literature will provide insights to the marketers of hotel industry to understand the importance of Trust, Satisfaction and Service Quality for strengthening the value of their brands in regard of customer loyalty. In a nutshell it can be said that if companies uses service quality as a tool for satisfying customers and better engage with them, they will be more likely to be successful to grasp the attention of the audience which will ultimately boost their customer loyalty along with a positive image in customer’s perception.

**Recommendations**

The findings of this research states that Service Quality and Satisfaction possess a significant impact towards strengthening customer loyalty. The outcomes and findings from this literature has contributed towards expanding the existing literatures conducted to examine the impact of Trust, Satisfaction and Service Quality on Customer Loyalty. The study also indicated that service quality is a critical success factor in order to attain competitive edge for any firm. Service Quality plays a crucial role in order to build loyalty in customers for any service or good therefore it is recommended that marketers or service providers should plan to facilitate good quality of services amongst the users. This is being analyzed that one of the other factor namely Satisfaction play very important role in order to attract consumers to be loyal and stimulate desire to buy the product repeatedly. To satisfy the users along to keep their attention on the particular service provider or brand it is suggested that hotel owners and marketing team should create experiences and such activities that result satisfaction amongst the users when utilizing a particular service.

In a nutshell, Pakistan’s hotels are recommended to use Satisfaction and Service Quality as a helpful tool to make their position strong in the market and to result customer loyalty in their favor.

**Limitations**

This research was carried by examining only 3 factors that can impact customer loyalty namely Trust, Satisfaction and Service Quality and hence only three
independent variables were utilized for this investigation. The main theme of this study was only confined to Pakistan’s Hotel sector. Moreover, the data collection method for this investigation was restricted to online sources only because of the pandemic situation. The generalizability of the findings could also be questioned as the data was collected from selected cities namely Karachi, Lahore and Islamabad. Another limitation faced while conducting this research is associated with the type of sampling technique used to collect responses. Random Sampling could not be used because of the inaccessibility of population framework and therefore, convenience sampling method was used for collecting data from consumers who have stayed in hotels while travelling or for any other purpose. Lastly this research was conducted in a limited time duration of four months only.

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Da Bao. (2020). The effects of trust, perceived service quality, and corporate image on customer loyalty of china mobile in the dali city of china.


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https://doi.org/10.1098/rspb.1998.0312


Wolfinbarger, M., & Gilly, M. C. (2003). eTailQ: Dimensionalizing, measuring and