

# Creating exceptional guest experiences: the role of engagement and relationship building in hospitality

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## Abstract

**Purpose** – The study seeks to explore the intricate dynamics among customer relationship management (CRM) practices, guest satisfaction and loyalty in the hospitality context. Additionally, it aims to examine the moderating influence of guest engagement on the relationships between CRM practices and guest satisfaction and loyalty.

**Design/methodology/approach** – An integrated theoretical framework is developed by incorporating CRM practices and guest engagement into the satisfaction-loyalty framework. Two research instruments were adapted from the literature to assess the perspectives of customers and employees in the hotel industry in Kashmir. The customer survey measured guest satisfaction, loyalty, and engagement, while the employee survey focused on CRM practices, including key customer focus and CRM organization. Data was collected using a pen-and-paper survey with convenience sampling across 10 qualifying hotels, each classified as 3-star or above. A total of 270 matched responses from guests and employees were obtained and analyzed using descriptive analysis, structural equation modeling (SEM), and moderation analysis with SPSS and AMOS software. The study utilized a rigorous data matching process to ensure reliability, with guest-employee pairs verified and cross-checked with hotel records.

**Findings** – The results indicate CRM practices play a pivotal role in shaping guest satisfaction and loyalty. Notably, personalization and a targeted customer approach emerged as the most influential factors in enhancing tourist satisfaction. Similarly, prospecting, personalization, and effective knowledge management significantly contributed to visitor loyalty. The establishment of robust relationships is underscored through collaborative active guest engagement. Furthermore, the study highlights the nuanced relationship between satisfaction and loyalty moderated by guest engagement. High levels of guest engagement amplify the positive impact of satisfaction on loyalty, while lower engagement levels attenuate this effect. Moreover, the moderating influence of guest engagement on the relationships between CRM practices and guest satisfaction and CRM practices and guest loyalty was notably strong at elevated guest engagement levels and relatively weaker at lower engagement levels.

**Research limitations/implications** – While the study findings encourage organizations to prioritize customer relationship development, hospitality entities must emphasize the adoption of CRM philosophy and robust guest engagement measures. Actively involving guests in co-creating services can yield incremental benefits in terms of attracting, retaining, and effectively serving guests.

**Originality/value** – This study introduces novel dimensions to the existing CRM framework within the hospitality context, specifically exploring the impact of hotel-specific elements (personalization and prospecting) on customer satisfaction and loyalty. Furthermore, it innovatively investigates the moderating role of guest engagement in the satisfaction-loyalty relationship, expanding its scope to include the relationships between CRM practices and guest satisfaction and guest loyalty.

**Keywords** CRM, Guest satisfaction, Loyalty, Engagement, Personalization, Prospecting, Kashmir

**Paper type** Research paper



## Introduction

Fostering guest satisfaction and loyalty stands as an enduring challenge for service organizations at large, with hotels, in particular, striving to navigate this intricate landscape

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