

# THE RELATIONSHIP BETWEEN CUSTOMER EXPERIENCE, CUSTOMER'S TRUST AND BRAND LOYALTY AMONG CUSTOMERS OF SMART HOTEL CHAINS IN CHINA'S FIRST -TIER CITIES

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## **ABSTRACT**

*Amongst first-tier city dwellers in China, this research looked at smart hotel chain consumers to see how confidence, commitment to a brand, and customer experience relate to one another. Researchers set out to answer the question, "To what extent does longevity in the hotel industry depend on advances in technology, professional excellence, and customers impressions" in the context of a cutthroat industry. The evidence was gathered using a mixed-method technique, with 1,200 participants in Beijing, Shanghai, Guangzhou, and Shenzhen receiving organised surveys. The poll asked participants to rate several aspects of the experience they received on a five-point Likert scale and collected demographics data. Consumers placed significant importance on the ease, customisation, and effectiveness provided by sophisticated innovations such as machine learning, smart phones, and artificial intelligence (AI) tools, according to the results. Results showed that trust ratings became much higher after favourable consumer experiences, which subsequently effect made customers more loyal to the company. Because consumers generally inclined to stick with hotel companies, they believed to be trustworthy, secure, and open about how companies used technology, trust has been identified as a key intermediary in this relationship. While smart technology did increase organisational in operations and client fulfilment, the research also showed that individual engagement and excellent excellence were still very important in creating lasting impressions. Based on those conclusions, it seems that advancements in technology lack the primary factors influencing loyalty among consumers in smart hotels; attachments and culturally sensitivities also play a role. Hotel proprietors in China's smart hotel business must strike a balance between technological innovations and personalised hotel initiatives if they want to remain relevant in the long run, according to the analysis's conceptual and pragmatic conclusions.*

**KEYWORDS:** *Customer experience; Trust, Brand loyalty; Smart hotels; China; Hospitality management.*

## 1. INTRODUCTION

One significant development that is revolutionising the consumer encounter in the digital age is the proliferation of smart hotels. Through a thorough analysis of the elements impacting customer experience quality (CEQ) and the proposal for planned optimisation settings, this research seeks to delve into the pressing matter of CEQ in smart hotels. The online and smart technologies are expanding in popularity and pervasiveness in China's hotel business because of technological advancements. But there are also unresolved concerns about how consumers see this innovation and how satisfied they are via the offerings they get. A rising proportion of Chinese and foreign tourists are opting for accommodations in hotels, leading to explosive expansion in the country's hotel business (Ru & Jantan, 2023). Competitiveness amongst hotel brands has heated up because of this expansion, so it's more important than ever for hoteliers to find ways to set oneself apart and win over committed guests. Famous for its reasonable rates and handy accessibility, House Inn is a major player in China's hotel industry. But, to thrive in this cutthroat industry, Country Inn must identify what makes customers dedicated and work to strengthen that bond. Because enthusiastic consumers are increasingly inclined to pick a certain hotel label again and suggest it to others, customer loyalty is a critical successful factor for the hotel sector. Adherence to smart hotel businesses' brands additionally encourages guests to return but also helps the chains maintain a comparative edge via satisfied customers' good reviews and recommendations. Nevertheless, in the setting of China's fiercely contested first-tier hotel industries, the relationship between customer experience, trust, and loyalty has not been well investigated, even if technological innovations are becoming more important. To shed the light on those connections for theoretical and pragmatic reasons, this work sets out to do just that (Pan & Chen, 2025). When customers have a good time, they are more likely to have confidence in the organisation, and this is important for lowering concerns about confidentiality of information, client satisfaction, and technology dependability.

## 2. BACKGROUND OF THE STUDY

In the setting of the traditional the fast expansion of China's hotel industry and the nation's rising international tourism are the rapidly foundational factors. China will have 608,000 lodging establishments having 18.9 million accommodations available to guests as of January 1, 2020. But as of present day, 90% of the nation's hotels are lacking a name that people can remember. Repositioning with building a brand would continue to be the primary goals for ten to twenty years. Furthermore, partly because of a rise in outward journeys, Chinese visitors having outpaced all others in terms of spending the last decade. Consequently, complete-service hospitality executives, across home and abroad, may benefit from studying Chinese customers' experiences and how they relate to commercial creation to more effectively serve their Chinese clientele (Guan et al., 2021). Customer expectations for effectiveness, personalisation, and simplicity have skyrocketed in China's highest-income regions due to the swift growth of smart technology, which significantly revolutionised the lodging sector. Beijing, Guangzhou, Shenzhen, and Shanghai are just a few of the Chinese destinations where smart hotel chains have employed AI, smartphone programs, and robots to boost satisfaction and administrative efficiency. A client's impressions of the supply's excellence and their level of happiness are heavily influenced by their experiences in this dynamic setting. Simultaneously, particularly technologically enabled contexts, consumer confidence is crucial for long-term interactions. Individuals want guarantees about database confidentiality and safety as well as continuous services performance. Confidence increases the likelihood of pleasant encounters led to organisational attachment, which in turn increases the likelihood of repeating business and favourable referrals of phrase. For savvy hotel businesses to stay successful in China's fast-paced metropolis regions, they must comprehend the connection between customer experience, trust, and brand loyalty (Çeltek, 2023).

## 3. PURPOSE OF THE RESEARCH

Customers of smart lodging providers in first-tier communities in China were the subjects of this research, which aimed to investigate the connection between customer experience, customer trust, and brand loyalty. Innovative lodging options recently sprung into a popular choice, especially in China's major cities like Beijing, Shanghai, Guangzhou, and Shenzhen, thanks to business industry's penchant for technical advancements. The conventional concept of accommodation is being transformed by such hotels as they use technology, robotics, and neural networks to provide effectiveness, accessibility, and customisation. The purpose of the research was to look at whether credibility and adherence to lodging companies were affected by improved consumer engagements brought about by technology advancements and high-quality services. The study's overarching goal was to determine how much confidence played an intermediary position among positive customers experiences and company attachment. The research aimed to shed light on the ways that smart hotels may improve existing standing in the marketplace by concentrating on first-tier cities, which have high levels of rivalries and advanced client demands. The overarching goal was to shed light on how crucial customer satisfaction and trustworthiness are to building loyal customers and, by extension, smart hotel chains' ability to thrive in China's cutthroat leisure market.

## 4. LITERATURE REVIEW

A thorough causative approach to the investigation of the connections among the client experience and the four cornerstones of business creation: participation, impact, confidence and commitment. Additionally, the promotional

context provides a unique lens through which to see the multi-dimensionality of the complete hotels guest's encounter. They concluded a practical, emotional, and relational framework presented to classify client interactions with complete-service lodgings. The client relationship is the first link in an intricate web that begins with confidence in the business, continues with trademark influence, and culminates in commitment to the business. user interaction, confidence in overall business, and its influence upon the consumer are all influenced by the level of branded participation but branded to the business is unaffected (Qing et al., 2023). Another study explained that Fresh types of technological lodging, known as "savvy hotels," were created in the wake of the outbreak. Homestays are a popular choice among Generations Z and other adolescent Chinese individuals. Surveys and statistics on China's national industry show that residences have become more popular in previous decades. They concluded that when it comes to the evaluation of feedback, AI reveals that consumers prefer smart accommodations. Despite the interest in smart homestays, this is much space for development in both technologies and operations (Wang et al., 2024). A previous study explored that draw attention to the interventions impacts of governmental and tourist domains, including governments policies and city publicity, and explain the structure connecting CPBIUC to client business allegiance via the lens of consumer-centric branding development within metropolitan cultural assets (Zhang et al., 2025). Another literature discussed that Internet-based reservation services, advertising techniques, and smart technology have made this sector more convenient and viable in the internet period. Consumer connection digitalisation, sustainable methods, and adaptability are essential elements that influence client's perception of assistance of service and their willingness to come back (Nkoulou Mvondo et al., 2022). Customers' confidence acts as a go-between when it comes to their experiences and their commitment to a business. Customers are inclined to trust the hotel brands if customers feel safe, secure, and that all aspects of the business are transparent. The psychological connection with a lodging establishment is strengthened by their confidence, which in turn reduces the believed hazards of technologically enabled operations.

## 5. RESEARCH QUESTION

- What is the influence of customer experience on customers of smart hotel chains in China's first -tier cities?

## 6. RESEARCH METHODOLOGY

### 6.1 RESEARCH DESIGN

The study employed a mixed-method approach and SPSS version 25 for data analysis. Using odds ratios and 95% confidence intervals, Researcher conducted a descriptive analysis to identify correlations and summarised the data using descriptive statistics. A statistically significant result was defined as a p-value below 0.05. Analysis of variance revealed variations between the groups, and factor analysis verified the study's validity. Researchers used SPSS and Excel for all the analyses.

### 6.2 SAMPLING

A total of 1,122 people were considered for the sample by Rao-soft. researcher sent out 1350 surveys, received 1280 back, and rejected 80 because they were missing information. The survey contacted and polled 1,200 Chinese respondents in total. Of the 1200 people surveyed or interviewed, 576 were men and 624 were female.

### 6.3 DATA AND MEASUREMENT

Researchers gathered basic demographic data in Section A of the questionnaire and then analysed respondents' opinions on important criteria using a 5-point Likert scale in Section B. To augment the original data, pertinent quantitative secondary data was retrieved from credible web sources and print media.

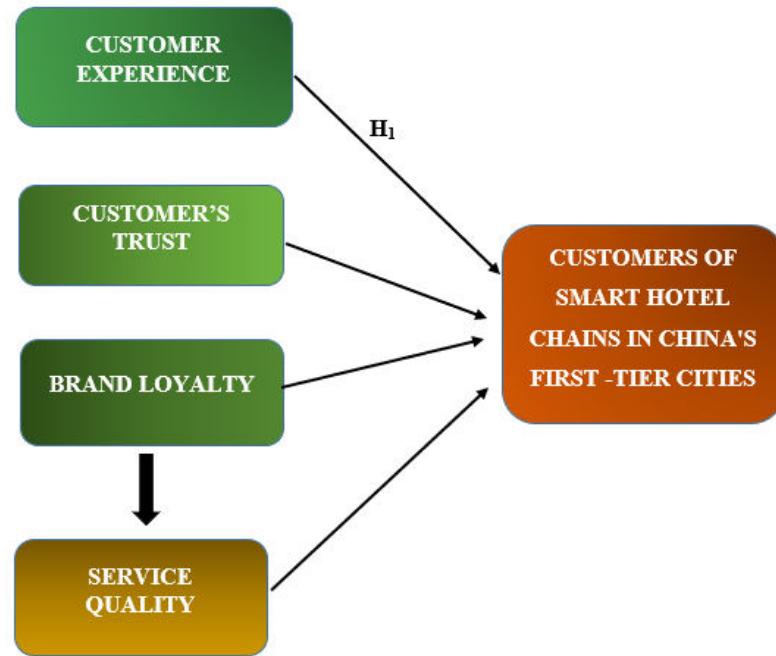
### 6.4 STATISTICAL SOFTWARE

For the statistical study, the researchers relied on SPSS 25 in conjunction with Microsoft Excel.

### 6.5 STATISTICAL TOOLS

Researchers summarised the dataset's characteristics using descriptive statistics. To determine the constructs' reliability, researchers used factor analysis. The researchers sought for differences between the groups using analysis of variance (ANOVA). Probability Intervals with 95% Odds Ratios were used to evaluate the strength and direction of the linkages. As  $p < 0.05$ , researchers deemed a result to be statistically significant.

## 7. CONCEPTUAL FRAMEWORK



## 8. RESULT

### • FACTOR ANALYSIS

Applying Factor Analysis (FA) to data that is already available to the public essentially aims to unearth hidden components. In cases when no outward symptoms are present, clinicians often turn to regression coefficients for assistance with diagnosis. Discovering observable patterns, contradictions, and deficiencies is the main objective of using mathematical models. One way to evaluate regression results is using the Kaiser-Meyer-Olkin (KMO) test. The inductive definition of the model and its dependent variables is confirmed by this investigation. It seems that there is a duplication based on the data. To facilitate better comprehension, scientists may choose to decrease the image's size. may be able to utilise MO to get a number between 0 and 1. A sufficient number of samples is indicated by a KMO score between 0.8 and 1. According to Kaiser, the following are prerequisites: These conditions were met, as stated by Kaiser: The range of 0.050 to 0.059 is much smaller when compared to the average, which is 60-069. The usual range for intermediate ground grades is 0.70 to 0.79. Having an HPS ranging from 0.80 to 0.89.

They marvel at the range of 0.90 to 1.00.

Table 1: KMO and Bartlett's Test

Testing for KMO and Bartlett's

Sampling Adequacy Measured by Kaiser-Meyer-Olkin .850

The results of Bartlett's test of Sphericity are as follows:

approx. chi-square = 3252.968

df = 190; sig =.000

**Table 1: KMO and Bartlett's Test**

KMO and Bartlett's Test		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.850
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	3252.968
	<b>df</b>	190
	<b>Sig.</b>	.000

A lot of people use this method to get at the claims in their samples. After the correlation matrices are shown to be statistically significant, the researchers will use Bartlett's Test of Sphericity. The Kaiser Meyer-Olkin score of 0.850 indicates that the sample size is sufficient for the inquiry. A p-value of 0.00 indicates that the Bartlett sphericity test was negative. Researchers may infer that the correlation matrix is not an identity matrix if it passes Bartlett's sphericity test.

#### ❖ INDEPENDENT VARIABLE

##### • CUSTOMER EXPERIENCE:

An additional complicated problem is customer experience leadership, as consumer experience is not just the result of a one-time event but is shaped by a chain of instances known as consumer relationship procedure alongside a business. Additionally, customer experience is often generated within communication and conversation across the various individuals involved (Veloso & Gomez-Suarez, 2023). One idea that might show how well a company is doing in the modern day is customer experience. A company's unique selling point is the moment that it creates and delivers to clients, and a vital component to fostering client commitment is providing a lasting impression. In many different types of businesses, but particularly in customer-centric ones like hospitality, the emphasis upon customer experience management significantly grown in recent years. Many studies have examined many aspects of customer experience, such as client fulfilment, services, relationships advertising, and consumer sovereignty. This encompasses the following steps in the purchase procedure: opinions and sentiments regarding a visit, client fulfilment and dedication, consumer choice as a procedure: client services: aspects of the consumer trip and consumer experiences modelling; relationships advertising: feedback from consumers integrated into the customers experience: focussing on consumers, consumer centring, and consumer relationships management (CRM): how consumer engagement factors impact company results the consumer's part in the process, as well as designing, consumer interaction, and experiences maintenance (Amoako et al., 2023). The administration of customer experience involves both the planning and execution of the engagement. A client's level of happiness is directly proportional to the quality of their encounter.

#### ❖ DEPENDENT VARIABLE

##### • CUSTOMERS OF SMART HOTEL CHAINS IN CHINA'S FIRST-TIER CITIES:

To stay ahead of the competition and provide guests with better experiences, hotels in today's market are embracing novel services paradigms. Integrating machine learning technology, like as robots for services, to enhance interactions with clients is a popular instance of this kind of development. Those who register via smart lodging companies in China's top capitals are often tech-savvy people who value efficiency, customisation, and simplicity of use. Young urbanites, tourists, and businesses from across the globe are searching for convenient ways to purchase things digitally (Chen et al., 2024). Their ideal hotel might include features like mobile-based automated registration and room administration, AI-powered customer assistance, and recommendations for tailored amenities. The emphasis on technology has not diminished their insatiable demand for convenience, therefore they are looking for a happy medium between simple luxury and complex features. Furthermore, customers value tidiness, security, and eco-friendliness; hence, they select eco-friendly hotels that utilise cutting-edge resources management systems. The consequence of people's increasingly hectic lives and the pervasiveness of innovation in daily affairs is the growing demand for those kinds of accommodations in first-tier cities such as Guangzhou, Shenzhen, Beijing, and Shanghai (Zhou et al., 2025). For these types of clients, smart hotels represent the future of urban living and the inevitable next step in China's technological advancement.

##### • RELATIONSHIP BETWEEN CUSTOMER EXPERIENCE AND CUSTOMERS OF SMART HOTEL CHAINS IN CHINA'S FIRST-TIER CITIES:

To ascertain the impact of scientific advancements and tailored services on satisfaction and loyalty, the research investigated the relationship between customer experience and customers of smart hotel chains in China's first-tier cities. The study showed that customers experienced even better and further useful time at "smart hotels" that incorporated

technologies including AI, facial recognition, and mobile applications. People in substantial amounts metropolitan areas like Beijing, Shanghai, Guangzhou, and Shenzhen really liked innovation that was fast, personalised, and easy to access (Buhalis et al., 2023). The findings indicated that happy consumers were quite likely to do transactions with the same company again and tell others about it. Clients liked innovative suite administration, automated help features, and digital verification due to these reduced the time waiting in queue and rendered their time there enjoyable. The study did show that contemporary innovation made work more productive, but the people aspect experienced still highly crucial (Çeltek, 2023). The occurrence was additionally complete and memorable owing to how people were treated, the understanding they were of other cultures, and how creatively they solved problems.

Everything researchers know about the connection between smart hotel chains' consumers and customer experience in China's first-tier cities is based on these crucial assumptions:

- ***H<sub>01</sub>: There is no significant relationship between customer experience and customers of smart hotel chains in China's first -tier cities.***
- ***H<sub>1</sub>: There is a significant relationship between customer experience and customers of smart hotel chains in China's first -tier cities.***

**Table 2: H<sub>1</sub> ANOVA Test**

ANOVA					
Sum	Sum of Squares	df	Mean Square	F	Sig.
<b>Between Groups</b>	68,200.000	799	1850.590	950.327	.000
<b>Within Groups</b>	214.500	400	2.328		
<b>Total</b>	68,414.500	1199			

The findings of this inquiry are rather significant. Statistical significance is achieved when the results are less than the 0.05 alpha level ( $p = .000$ ,  $F = 950.327$ ). Considering these results, the researchers conclude that "***H<sub>1</sub>: There is a significant relationship between customer experience and customers of smart hotel chains in China's first-tier cities.***" has been accepted and therefore reject the null hypothesis.

## 9. DISCUSSION

The survey found that in China's first-tier cities, user interaction was the most important factor in determining how customers perceived intelligent hotel brands. Consumers became more satisfied after using cutting-edge technology amenities like automatic apartment supervisors, smartphone registrations, and AI help. Furthermore, did those events make people feel more efficient in addition to ease, but they also cut down on standing periods. Interpersonal connection was still a crucial component, nevertheless, as the data showed. The consumer had an unforgettable and good experience because of the personnel's empathy, understanding of cultures, and personalised solutions. In addition, the results showed that trustworthiness among customers and businesses mediated the relationship among experience and loyalty. Smart hotel guests whose felt safe and well taken care of seemed prone to stay there again and to suggest it to colleagues. This faith was fostered by the focus on consumer protection and dependability of systems, which promoted brand loyalty. Consumers' expectations of inventiveness and conservation were met by businesses that prioritised sustainable methods and innovative designs, according to the survey.

## 10. CONCLUSION

The survey revealed that amongst smart hotel chains in China's first-tier cities, client interaction was the most important factor in determining consumer confidence and brand loyalty. Through the provision of effectiveness, customization, and simplicity, the results showed that the incorporation of cutting-edge technology like AI, smartphone apps, and automation operations considerably raised consumer happiness. Technical progress is important, but it isn't enough to guarantee customer loyalty, according to the study. The human touch is still crucial for providing an unforgettable encounter. Whenever guests had excellent experiences, they trusted the hotels more, which made them less worried about confidentiality, database safety, and services dependability. Because of the connection that was established, customers were able to feel satisfied and loyal, which led to more business and good reviews. Outstanding services standards coupled with reputable methods boosted customer retention in highly volatile marketplaces including Beijing, Shanghai, Guangzhou, and Shenzhen, according to the research.

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