

THE INTERCONNECTION BETWEEN CUSTOMER TRUST, CUSTOMER TRUST, AND BRAND LOYALTY AMONG CONSUMERS OF SMART HOTEL CHAINS IN FIRST-TIER CITIES IN CHINA

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ABSTRACT

Customers of smart hotel chains in China's first-tier cities were the focus of this research, which sought to understand the relationships between trust, loyalty, and brand loyalty. The study's overarching goal was to deduce the extent to which technical developments in the hotel industry affected consumers' opinions, confidence, and devotion over the extended run. Using a combination of main and supplementary sources, a mixed-method design was implemented. Through the distribution of surveys to hotel clients in places including Beijing, Shanghai, Guangzhou, and Shenzhen, a total of 1,200 valid replies were collected. To find statistically substantial correlations between the variables, descriptive statistics, odds ratios, approaches were used to examine the data. The results showed that smart innovations, such as AI, mobile apps, and automated services, increased consumer happiness via effectiveness customisation, and ease of use. According to the survey takers, those digital rewards elevated their stay and solidified their faith in the hotel chains. The findings nevertheless show that social connection was still important to customers. Building trust and loyalty may be enhanced by personalised assistance, intercultural knowledge, and empathic worker relationships. Recurring guests and word-of-mouth recommendations showed both increased when customers had faith in the services. Research found that although technologies did increase operating effectiveness and consumer happiness, it had been the integration of technology with human interaction that really was effective in building trust and loyalty. The results shedding light on how hospitality management may stay ahead of the competition in China's fast-paced first-tier sectors.

KEYWORDS: *Customer Trust; Brand Loyalty; Smart Hotels; China; Hospitality Management.*

1. INTRODUCTION

The rise of "smart hotels" is a major trend that is changing the way customers interact with brands online. The urgent issue of customer trust quality (CTQ) in smart hotels is going to be explored in this study by analysing the factors that affect CTQ and proposing improvement solutions. As a result of technical developments, internet and digital technology are becoming more prominent and ubiquitous in China's hospitality sector. Some questions remain, nevertheless, concerning whether customers perceive this innovations and the level of satisfaction customers acquire from the products and services their receive (Nam et al., 2021). The hotel industry in the country has been experiencing phenomenal growth due to the increasing number of Chinese and international travellers choosing to stay in hotels. As a result of this growth, competition between hotel chains has intensified, making it increasingly crucial than any for hoteliers to differentiate themselves and attract repeat customers. House Inn is a leading hotel chain in China, known for its affordable prices and convenient location. However, to succeed within this fiercely competitive sector, Country Inn must figure out what keeps guests coming back and do all it can to keep them hooked. Customer engagement is a key performance element for the hotel business since enthusiastic customers are more likely to choose a given hospitality brand repeatedly and recommend it to colleagues. Staying true to the trademarks of smart hotel companies not only keeps consumers coming back but ultimately gives the franchises a competitive advantage via word of mouth from happy consumers. The link involving consumer trust, and loyalty has not particularly well studied in the context of China's highly competitive first-tier hotel sectors, despite the growing importance of technology developments (Wang et al., 2020). The purpose of this study is to illuminate such links for both theoretical and practical purposes. Whenever consumers are happy, people become more inclined to trust the company, which is critical for reducing worries regarding data privacy, consumer happiness, and the reliability of technologies.

2. BACKGROUND OF THE STUDY

Two fast-growing basic variables in China's conventional settings are the country's increasing foreign travel and the swift growth of the country's hotel business. As of January 1, 2020, in China, there will be 608,000 hotels and motels offering 18.9 million rooms for tenants. However, 90% of the country's hotels still do not have memorable names. The major objectives for the next 10 to 20 years will be on restructuring and brand growth. In addition, Chinese tourists have spent other than anything else over the past decade. This is mostly due to an increase in international travel. To better represent their Chinese clients, administrators in the whole-service hotel industry, both domestically and internationally, might do well to research the encounters of Chinese consumers and whether they connect to the production of new products (Chen et al., 2024). The rapid development of smart technologies has altered the hotel industry, and as a result, consumer demands for efficiency, customisation, and ease of usage have soared in China's wealthiest areas. Smart hotel companies in China have used artificial intelligence (AI), mobile apps, and robotics to increase customer happiness and organisational effectiveness in cities including Shanghai, Guangzhou, Shenzhen, and Beijing. A customer's degree of contentment and customer perception of the supplier's perfection are affected by their trust throughout this ever-changing environment. Trust among customers is essential for lasting relationships, especially in circumstances where technology is available. People expect uninterrupted system reliability and assurances on the privacy and security of their databases. When people are self-assured, they are more likely to have positive interactions, therefore foster loyalty to the company, which enhances the possibility of future purchases and positive word-of-mouth advertising (Xu, 2022). To thrive in China's hectic urban areas, astute hotel chains need to understand the link amongst satisfied customers' faith in the brand and their continued patronage.

3. PURPOSE OF THE RESEARCH

This study set out to examine the relationship amongst customer trust, customer loyalty, and smart lodging operator consumers in first-tier Chinese localities. The Chinese corporate sector's fondness for technological innovations has led to the rise in popularity of novel forms of housing, particularly in the country's most populous metropolis such as Beijing, Shanghai, Guangzhou, and Shenzhen. Such hotels are revolutionising the traditional idea of lodging by using technological advances, robots, and AI to deliver efficiency, availability, and personalisation. The study's overarching goal was to determine if, because of technological developments and improvements in customer service standards, customers' trust in and loyalty to lodging firms were influenced. Finding out the role of confidence as a mediator between pleasant customer trust and business attachments was the primary aim of the research. The study's overarching goal was to illuminate how smart hotels potentially boost their current position in the markets by targeting first-tier locations, characterised by intense competition and sophisticated customer needs. Establishing trustworthy consumers and savvy hotel chains' capacity to compete in China's tough tourism sector hinges on client happiness and trust. This was the primary aim.

4. LITERATURE REVIEW

An in-depth causal analysis of the relationships between the customer trust and the four pillars of company creation: involvement, influence, trust, and dedication. Furthermore, the advertising environment offers a fresh perspective on the multi-faceted experience that clients have when staying at the hotel. They arrived with a structure for categorising customer encounters with full-service hotels based on practicality, emotions, and relationships. The client-business connection is the initial thread in a complex network that starts with trust in the company, winds its way via brand impact,

and finishes with dedication to the company (Stylos et al., 2021). Amount of branding involvement influences user engagement, trust in the company, and its impact on consumers, but it has no effect on branding loyalty to the firm. In the aftermath of the pandemic, new forms of technologically advanced housing, dubbed "savvy hotels," emerged, according to other research. Many Chinese teenagers, especially those from the younger generation, choose to remain with relatives or friends in their residences. According to data collected by China's national business sector, home construction has been on the rise over the last several generations. According to their findings, AI shows that smart lodgings are preferred by customers when responding to feedback assessment. Even while smart homestays are becoming popularity, there is still a lot of room for improvement in terms of both technology and management. Prior research examined the effects of initiatives in the visible and private sectors, such as urban advertisements and authorities' initiatives, and provided an explanation of the relationship between CPBIUC and customer loyalty in the context of customer-centred marketing among entertainment resources in major cities (Hoo et al., 2024). According to some other sources, this industry has thrived in the digital age thanks to booking systems, innovative advertisement strategies, and smart technologies. A customer's opinion of the customer service's helpfulness and their tendency to return are strongly impacted by consumer engagement digitisation, sustainability approaches, and flexibility (Xie et al., 2020). Trust amongst a company and its consumers mediates the relationship amongst consumer satisfaction and loyalty. Consumers are more likely to have faith in hotel chains when they see a sense of safety, security, and transparency in all areas of the organisation. When people have faith in a hotel, it strengthens their emotional attachment to the place and makes them less worried about the potential risks of using technology.

5. RESEARCH QUESTION

- What is the role of customer trust on customers of smart hotel chains in first -tier cities in China?

6. RESEARCH METHODOLOGY

6.1 RESEARCH DESIGN

The research used SPSS version 25 to analyse the data with a mixed-method methodology. The researcher summarised the data using descriptive statistics and performed a descriptive analysis to find associations using odds ratios and 95% confidence intervals. A p-value less than 0.05 was considered a statistically significant finding. Factor analysis confirmed the study's validity, whereas analysis of variance showed that the groups differed. All the analyses were conducted using SPSS and Excel.

6.2 SAMPLING

When selecting the sample, Rao-soft took 1,122 individuals into account. The investigator distributed 1350 questionnaires, got 1280 responses, and discarded 80 due to missing data. One thousand two hundred Chinese citizens were surveyed for the study. 576 males and 624 women made up the 1200 total respondents.

6.3 DATA AND MEASUREMENT

After collecting basic demographic information in the survey's Section A, researchers used a 5-point Likert scale in Section B to assess respondents' views on key criteria. Quantitative secondary data was collected from reputable online and offline sources to supplement the primary data.

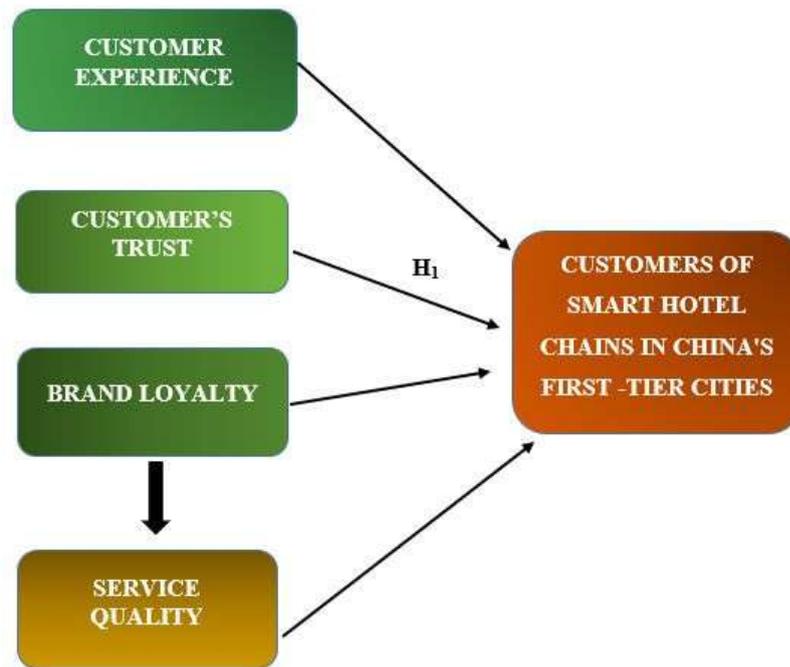
6.4 STATISTICAL SOFTWARE

The investigators used SPSS 25 and Microsoft excel for the statistical analysis.

6.5 STATISTICAL TOOLS

Using descriptive statistics, the researchers summed up the features of the dataset. Researchers used factor analysis to ascertain the constructs' dependability. Using analysis of variance (ANOVA), the researchers looked for differences between the groups. Expectation levels to assess the direction and strength of the links, 95% confidence intervals and Odds Ratio were used. Scientists considered a finding to have statistical significance because $p < 0.05$.

7. CONCEPTUAL FRAMEWORK



8. RESULT

• FACTOR ANALYSIS

The basic goal of applying Factor Analysis (FA) to publicly accessible data is to discover previously unknown components. When there are no obvious symptoms, doctors typically use regression coefficients to help make a diagnosis. The primary goal of using mathematical models is to uncover discernible patterns, inconsistencies, and shortcomings. Kaiser-Meyer-Olkin (KMO) tests are one approach of assessing regression outcomes. This study verifies the model's dependent variables and their inductive definition. According to the statistics, there is an overlap. Scientists may want to reduce the image's size to make it easier to understand. With MO, you may be able to get a value between zero and one. A KMO score between 0.8 and 1 indicates that there are enough samples. Kaiser states that to proceed, one must have: Kaiser confirmed that these requirements were satisfied: The average is 60-069, although the range is far narrower at 0.050 to 0.059. Intermediate ground grades often fall between the 0.70 to 0.79 range. With an HPS between 0.80 and 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		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.850
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

Many individuals use this strategy to access the assertions inside their samples. Upon establishing the statistical significance of the correlation matrices, the researchers will use Bartlett's Test of Sphericity. The Kaiser-Meyer-Olkin score of 0.850 indicates that the sample size is adequate for the investigation. A p-value of 0.00 indicates that the Bartlett sphericity test yielded a negative result. Researchers may deduce that the correlation matrix is not an identity matrix if it successfully passes Bartlett's Sphericity test.

❖ **INDEPENDENT VARIABLE**

• **CUSTOMER'S TRUST:**

Because customer trust cannot be an outcome of an individual incident but rather the product of a series of interactions between a company and its clients, customer trust governance presents an extra challenge. Furthermore, the customer trust frequently evolves via the discourse and interaction between the different people concerned. Customer trust represents a single metric that could suggest a corporation's performance in the contemporary moment. Making an enduring experience is an important part of cultivating customer loyalty, and an organisation's USP is whatever experience it produces and provides to customers (Li et al., 2020). The importance of customer trust administration has increased in subsequent generations across multiple industries, but especially in client-centric segments, such as the hotel industry. Numerous investigations have investigated various facets of customer trust, including client satisfaction, offerings, marketing interactions, and individual autonomy. All of the preceding phases of making an investment are included in this guide views and feelings about a trip, customer satisfaction and loyalty, customer decision-making process: client assistance: customer journeys and encounter mapping; advertisements: customers reviews utilised in their interactions: customer relationship management (CRM) with an emphasis on customers, customer centricity, and customer participation: the role of customers in procedure, customer contact, planning, and experienced preservation (Liu et al., 2020). The management of customer trust include both the preparation and conducting of the interaction. How satisfied a customer is with the outcome is proportionate to how good their meeting was.

❖ **DEPENDENT VARIABLE**

• **CUSTOMERS OF SMART HOTEL CHAINS IN FIRST-TIER CITIES IN CHINA:**

Modern hoteliers are adopting new service models to differentiate themselves from rivals and enhance the visitor trust. A common example of this innovation is the use of AI technologies, such as servicing robotics, to improve relationships with customers. Individuals in China's major cities that sign up with smart housing firms tend to be technologically adept and appreciate effectiveness, personalisation, and ease of usage. Online shopping has grown more popular among adolescent city dwellers, visitors, and companies all around the world (Han et al., 2021). Automation accommodation management and enrolment by a smartphone application, excellent service driven by AI, and suggestions for personalised utilities can be aspects of a perfect hotels. Consumers are seeking a compromise among basic elegance and complicated amenities as their ravenous appetite for efficiency has not been sated by the technological focus. In addition, guests choose sustainable lodges that use state-of-the-art environmental administration strategies because they emphasise cleanliness, safety, and environmental consciousness. Desire for alternative lodgings is on the rise in first-tier cities like Guangzhou, Shenzhen, Beijing, and Shanghai because of individuals' continuously busy lifestyles and the ubiquitous nature of inventiveness in everyday concerns (Yan et al., 2024). Customers with this mindset see smart hotels as the natural progression of China's technology development and the way cities will function in coming years.

• **RELATIONSHIP BETWEEN CUSTOMER TRUST AND CUSTOMERS OF SMART HOTEL CHAINS IN FIRST-TIER CITIES IN CHINA:**

Investigation examined the link between customer trust and customers of smart hotel chains in China's first-tier cities to establish the influence of technological developments and specialised treatments on contentment and loyalties. The research demonstrated how guests in "smart hotels" equipped with AI, face identification, and smartphone apps had a more enjoyable and beneficial stay. Consumers in densely populated cities like Guangzhou, Shenzhen, Beijing, and Shanghai valued quick, individualised, and easily accessible innovations (Du et al., 2025). Customers who had a positive experience seemed more inclined to return and even recommend the business to other people, according to the research. Because of the unique suites management capabilities, automatic support functions, and digitised authentication, patrons loved that they could spend less times sitting in line and more times enjoying themselves. Although modern innovations increased productivity overall the job, the research found that the individual side remained quite important. The way individuals were managed, their awareness of another traditions, and their inventive problem-solving contributed to making the event comprehensive and unforgettable (Chen et al., 2022).

Researchers have built their whole understanding of the relationship between smart hotel chains' customers and customer trust in first-tier cities in China on essential assumptions:

- “*H₀₁: There is no significant relationship between customer trust and customers of smart hotel chains in first-tier cities in China.*”
- “*H₁: There is a significant relationship between customer trust and customers of smart hotel chains in first-tier cities in China.*”

Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	68,700.000	820	6150.689	1135.022	.000
Within Groups	254.500	379	5.419		
Total	68,954.500	1199			

The findings of this inquiry are significant. Statistical significance is achieved when the results are less than the 0.05 alpha level (p = .000, F = 1135.022). Considering these results, the researchers conclude that " *H₁: There is a significant relationship between customer trust and customers of smart hotel chains in first-tier cities in China* " has been accepted and therefore reject the null hypothesis.

9. DISCUSSION

Customers' perceptions of smart hotels were significantly affected by customer involvement in China's first-tier cities, according to the poll. Users reported higher levels of trust after using state-of-the-art technological facilities, such as automated flat managers, smartphones authentication, and AI assistance. Not only would such activities reduce waiting times, however there also made individuals feeling greater effective and at peace. The findings revealed, however, that relationship building remained an essential feature. Due of the staff's compassion, cultural awareness, and individualised approaches, the customer trusts a positive and memorable interaction. Furthermore, the findings demonstrated that the connection between trust and loyalty was moderated by trustworthiness between consumers and enterprises. Customers who considered comfortable and well cared for at the hotel were more likely to return and even recommend it to their employees. This trust was maintained by prioritising customer safety and infrastructure reliability, which in turn encouraged brand loyalty. Organisations that put an emphasis on green procedures and distinctive layouts managed to meet consumers' demands for innovation while still being environmentally conscious, the poll found.

10. CONCLUSION

Respondents from smart hotel chains in China's top cities ranked customer service as the highest influential aspect in influencing their trust in and devotion to the organisation. Incorporating state-of-the-art technologies such as AI, smartphone applications, and automated processes significantly increased customer delight via the supply of efficacy, personalisation, and convenience. The research found that technological advancements alone could not ensure client loyalty. To create a once-in-a-lifetime memorable moment, the personal approach remains essential. Customers were less concerned about privacy, dataset security, and operational reliability after having positive trust at hotels, which increased their trust in the establishments. More revenue and positive evaluations came from pleased and loyal consumers made possible by the link. The findings from the study, client persistence enhanced in extremely unpredictable economies like Beijing, Shanghai, Guangzhou, and Shenzhen when exceptional quality characteristics combined with credible procedures.

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