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Personalized Approach in the Hospitality Industry

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A B S T R A C T

This article is dedicated to studying the impact of the personalized approach in the hospitality industry on customer loyalty. It examines the main methods of personalization, including the use of big data processing technologies, artificial intelligence, and customer relationship management systems, which allow hotels to collect and analyze guest preferences. Special attention is given to analyzing how personalized offers and discounts can meet customer needs and create a positive experience. The study examines how personalized services influence repeat bookings and customer recommendations, as well as the role of loyalty programs that take into account guests' individual preferences.

Keywords: personalized approach, hospitality industry, customer loyalty, preference analysis, loyalty programs.

1. Introduction

In the highly competitive hospitality industry, attracting and retaining customers have become a priority task for most hotels and hotel chains. Modern technologies, along with changes in consumer behavior, force hospitality enterprises to seek new approaches in service quality improvements and strengthening customer loyalty. One of the most effective methods of securing their loyalty is a personalized approach (PA) based on the analysis of guest preferences.

Personalization considers peculiarities in each separate client's preferences to create the most comfortable living conditions for a person. Modern customer relationship management (CRM) systems, big data processing technologies, and artificial intelligence allow one to gather and analyze a huge volume of customer data and make service personalization more available and efficient. With the implementation of such methods, hotels are able to achieve not only more satisfied customers but also significantly enhanced prestige, provoked repeat visits, and, thus, profitability. The aim of this study is to discuss the role of customer preference analysis in the process of personalization of hotel services and investigate how this affects the rise in customer loyalty.

1.1 Main part. Aspects of the PA in the hospitality industry

The PA in the hospitality industry is a strategy directed at creating unique and individually tailored services for each guest, considering his preferences, needs, and expectations. Traditionally, hotel service personalization has evolved from basic forms of service, where attention was given only to the vital needs of the guest, to more complex methods that take into consideration even the subtle nuances of the guests' preferences.

The hospitality industry gathers a wide gamut of data that helps in forming a complete picture of the needs of every guest. Information on customer behavior, both online and offline, is the most important kind of data in this regard. It may relate frequency of visits, stay length, room type preference, and selection of additional services. Extracting behavioral data can be obtained through the booking management system, hotel website, mobile apps, and other touch points of the customer.

Hotels also collect data on customer preferences, which includes information on specific requests. This data can be obtained through customer interactions, surveys, and also through observations of their behavior. Customer reviews and opinions are also an important source of information. Analyzing these allows not only identifying the strengths and weaknesses of the services provided but also determining preferences based on emotional responses. To effectively use data on customer preferences and behavior, hospitality enterprises must apply various analytical methods and advanced technologies (table 1).

Table 1 - Data analysis tools in the hospitality industry [1, 2]

Tool	Description	Application in personalization
Big data	A concept of processing large data sets using distributed storage and computing systems. Includes NoSQL	Used for customer segmentation, identifying hidden behavior patterns, and adapting offers.

	databases, cloud platforms, and streaming processing technologies.	
Artificial intelligence	A set of technologies including machine learning, natural language processing, and expert systems. Enables data analysis, customer behavior prediction, and process automation.	Allows for the automation of personalized recommendations, prediction of customer needs, and improvement of marketing accuracy.
CRM systems	Customer relationship management systems that integrate analytics to track preferences, interaction history, and personalize marketing.	Used for collecting customer data, creating personalized offers, and increasing loyalty.
Business intelligence platforms	Platforms for data visualization and analysis (e.g., Power BI, Tableau) that help extract analytical insights for business decision-making.	Helps hotels analyze key metrics in a user-friendly format and adjust personalization strategies.
Real-time analytics	Data processing methods in real-time (Apache Kafka, Apache Spark Streaming) that enable instant analysis and adaptation of marketing strategies.	Provides real-time analysis of customer behavior and immediate adaptation of offers.

Thus, the use of modern technologies in the hospitality industry allows significantly increasing the effectiveness of the PA, making it more accurate and tailored to the needs of each guest. These tools not only help create more convenient conditions for guests but also assist hotels in strengthening loyalty by offering unique and timely solutions.

2. Personalized marketing and service in the hospitality industry

Personalized marketing is an approach focused on creating unique offers and services that meet the individual needs and preferences of each guest. An important aspect of this is creating individualized offers and discounts that align with the client's interests and preferences. For example, the system may offer the guest discounts on services they have used before or on those that match their preferences identified through previous visits. Such a system allows hotels not only to attract customers but also to stimulate their return. The use of personalized communications via email, mobile apps, or social media helps build stronger relationships with guests by offering content that is most valuable to them.

Personalized marketing also includes adapting hotel websites and mobile apps to customer preferences. By using data analytics, hotels can create interfaces that offer individualized services, improving user experience and simplifying the booking process ꟷ3ꟷ. When a guest visits the hotel's website, they may see not only standard offers but also unique discounts and service packages that align with their past preferences. This approach creates a sense for the guest that their needs are understood and considered at every stage of interaction with the brand.

Personalized service in hotels goes beyond marketing offers and becomes an integral part of the entire customer service system. It includes an individualized approach at all levels of guest interaction, from the moment of booking to subsequent visits. The main task is to create a comfortable, unique atmosphere for each guest, considering their preferences and requests.

In the first stage of personalized service, an individualized approach to booking and accommodation is important. Hotels use various CRM systems and data processing technologies to offer guests the most suitable conditions. These systems can take into account client preferences such as room type, floor, location requests, and additional services that the guest has chosen in the past. Thus, hotels can not only accelerate the booking process but also offer more comfortable living conditions, which enhances overall customer satisfaction.

Personalized services and offers during the stay make up the second important part of personalized service. In modern hotels, guests can be offered services that match their preferences, identified through data analysis. For example, if a guest regularly orders a specific type of meal or uses spa services, these preferences can be automatically accounted for upon check-in, and the hotel can offer corresponding services without requiring a request ꟷ4ꟷ. This approach not only enhances guest comfort but also builds trust in the hotel, making the stay more convenient and personalized.

The PA to service at the reception and in other hotel departments is an important element of high-quality service. For example, if a guest prefers an early check-in, this information can be accounted for in advance, allowing the room to be prepared ahead of time. In the hotel's restaurant, staff can offer a menu that aligns with the guest's preferences, if previously recorded ꟷ5ꟷ. This level of personalized service fosters a sense that the guest's needs are understood and taken into account, significantly increasing their satisfaction and loyalty.

Large hotel chains are prominent examples of successfully implementing this approach in the hospitality industry. For instance, Marriott uses innovative CRM systems that help track guest preferences and offer them personalized proposals based on previous visits. This includes both improvements in the booking process and additional services that align with the client's interests ꟷ6ꟷ.

The Sheraton Hotels & Resorts chain leverages advanced technologies and analytical tools to personalize customer service. The hotels utilize CRM systems (such as those integrated with Marriott Bonvoy) to track guest preferences, booking history, and loyalty levels. Artificial intelligence analyzes customer behavior data, providing personalized recommendations and special offers. For seamless guest interaction, chatbots and voice assistants are

employed, while big data and BI platforms help forecast demand and tailor services to individual expectations. Additionally, Sheraton integrates mobile applications for contactless services, including digital keys, personalized room controls, and location-based offers. These technologies enable the brand to provide a flexible, personalized, and convenient experience, enhancing overall guest satisfaction.

The introduction of such technologies and approaches has allowed these hotel chains not only to improve customer service, but also to significantly increase repeat visit rates and overall customer loyalty, which is an important factor in successful competition in the hospitality industry.

3. The impact of the PA on customer loyalty

Personalization in the hospitality industry plays a vital role in building customer loyalty by not only addressing guests' needs but also fostering positive emotions that enhance long-term brand relationships [7]. For hospitality businesses operating in a competitive and dynamic market, recognizing its impact is essential for maintaining strong customer retention (fig. 1).
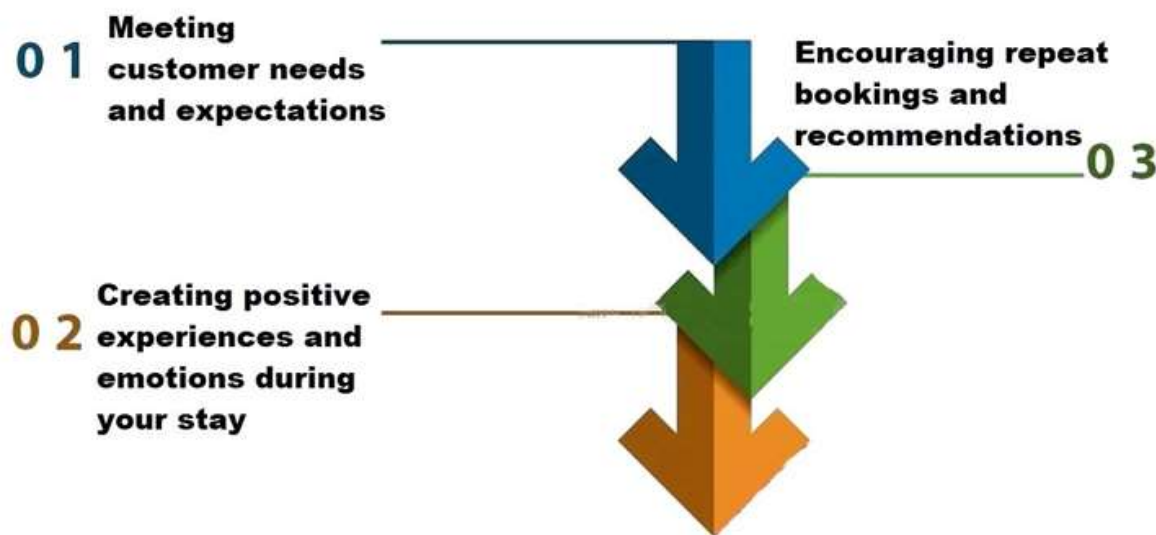

Fig. 1 - Aspects of the impact of a PA on loyalty

One of the most obvious aspects of the impact of a PA on loyalty is the satisfaction of customers' needs and expectations. Hotels that actively use personalized data can fine-tune their offers and services to match each guest's preferences. This not only increases the level of guest comfort but also leads to deeper satisfaction of their needs. When guests feel that their individual needs are fully taken into account, they are more likely to return to the hotel, which directly impacts their loyalty.

Creating positive impressions and emotions during your stay is another factor that determines customer loyalty. This helps not only to meet the material needs of the guests, but also to provide them with an emotionally enriching experience. Guests who are served according to their preferences often appreciate the feeling of exclusivity and value. These emotions become an important part of their experience, and positive experiences are directly linked to high loyalty. Loyal customers not only return more often but also eagerly share their experience with others, which strengthens the hotel's reputation and attracts new guests.

Encouraging repeat bookings and recommendations is also a significant effect of the PA. When a hotel takes into account the individual preferences and needs of its guests, it increases the likelihood that they will use its services again. Loyalty programs based on personal preferences play a significant role in building loyalty. Modern hotels design such programs, which go beyond standard cumulative bonuses or discounts and focus on personalized benefits for each guest. These programs may include individual offers for room upgrades, discounts on additional services, or exclusive promotions that align with the client's interests and preferences. For example, a loyalty system might offer a regular guest discounts on services they frequently use or provide them with privileges that match their interests □8□. This level of personalization encourages guests to return and continue using the hotel's services, which helps strengthen their loyalty and attachment to the brand.

Thus, PA affects hotel customer loyalty in every way. By taking care of all individual needs and creating a stream of positive feelings, promoting the desire for a repeat stay-over and sharing that experience, plus offering tailor-made loyalty programs □ the combination creates loyalty between the guests and the brand. Over a period of time, these plans will definitely promote guest satisfaction by strengthening the process of developing guest loyalty for further growth and stabilization in business within the industry.

4. Conclusion

The PA in hospitality is among those effective solutions not only to service quality improvement but also for significantly increasing customer loyalty. Advanced technologies give a chance to analyze guest preferences and behavior, create unique offers which precisely match guests' expectations

concerning their stay, and allow them to directly influence their level of satisfaction. This will enhance long-term relationships with customers, repeat visits, and a positive influence on the brand's reputation.

Thus, implementing personalized service and marketing methods, including adapting loyalty programs and offering individualized services, has a comprehensive impact on customer loyalty. These approaches not only increase satisfaction but also foster an emotional connection with the brand, which is an important factor for the sustainable development of the hospitality industry in a highly competitive environment. Personalization serves as a powerful tool in strengthening customer attachment, encouraging repeat bookings, and increasing recommendations, ultimately leading to improved financial results for the hotel business.

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