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DEVELOPMENT OF CUSTOMER LOYALTY PROGRAMS AT HOSPITALITY ENTERPRISES UNDER DIGITALIZATION

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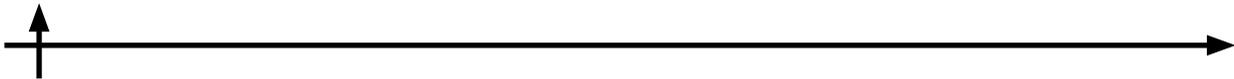
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Abstract. The hotel industry today is one of the fastest growing and profitable areas that are represented on the modern market. New hotels are emerging, the level of competition is growing, and therefore hotel managers are forced to come up with and introduce new programs to encourage and stimulate regular customers. The purpose of the study is to characterize the incentive and incentive programs in the hotel business, the stages of forming customer loyalty programs at enterprises, as well as analyzing the incentive and incentive programs for regular customers in the context of digital transformation. In the course of the research, an analysis of various marketing tools was carried out, a classification of existing loyalty programs was given. As a result of the study, recommended approaches to creating a regular customer incentive program in hotels are presented, allowing for a closer understanding between company representatives and customers. In addition, the study revealed the most common rewards that customers prefer, actions that the customer is willing to do to receive bonuses, as well as disadvantages of existing loyalty programs that do not suit customers when participating in the program.

Keywords: loyalty programs, loyalty, marketing, bonus programs, marketing tools, digitalization of business, hotel business

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ФОРМИРОВАНИЕ ПРОГРАММ ЛОЯЛЬНОСТИ КЛИЕНТОВ НА ПРЕДПРИЯТИЯХ ИНДУСТРИИ ГОСТЕПРИИМСТВА В УСЛОВИЯХ ЦИФРОВОЙ ТРАНСФОРМАЦИИ

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Аннотация. Гостиничная индустрия сегодня представляет собой одно из самых быстроразвивающихся и приносящих весомый доход направлений, которые представлены на современном рынке. Появляется все больше новых гостиниц, растет уровень конкуренции, в связи с чем руководители гостиниц вынуждены придумывать и вводить новые программы поощрения и стимулирования постоянных клиентов. Целью исследования является характеристика программ поощрения и стимулирования в гостиничном бизнесе, этапы формирования программ лояльности клиентов на предприятиях, а также проведение анализа программ поощрения и стимулирования постоянных клиентов в условиях цифровой трансформации. В процессе исследования проведен анализ различных маркетинговых инструментов, дана классификация существующих программ лояльности. В результате исследования представлены рекомендуемые подходы к созданию в гостиницах программы поощрения постоянных клиентов, позволяющие установить более тесное взаимопонимание между представителями компании и клиентами. Помимо этого, в результате исследования выявлены наиболее распространенные вознаграждения, которые предпочитают клиенты, действия, которые готов сделать клиент для получения бонусов, а также недостатки существующих программ лояльности, которые не устраивают клиентов при участии в программе.

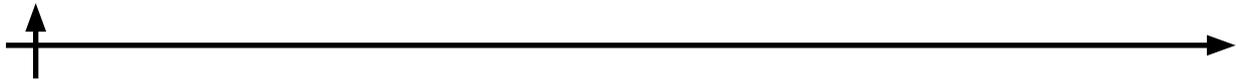
Ключевые слова: программы лояльности, лояльность, маркетинг, бонусные программы, маркетинговые инструменты, цифровизация бизнеса, гостиничный бизнес

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Introduction

The hotel industry today is one of the fastest growing and profitable areas that are represented on the modern market. What makes hotel managers fight for a place and offer conditions that will attract customers more than the conditions of competitors. In this regard, hotels create and introduce loyalty programs. These programs are not only simple in their execution, but also beneficial for hotel guests. Sometimes, it is the benefits that the customer receives in the loyalty program that can affect the choice of a place for his vacation. Based on this, it can be said that it is important for hotel managers to research and plan the effectiveness of their programs that can create a competitive advantage. Currently, more and more new hotels are appearing on the hotel services market, the level of competition is growing, and therefore hotel managers are forced to come up with and introduce new programs to encourage and stimulate regular customers. Hotel owners were the first to start using loyalty programs. Customer retention is the main task that the loyalty program should solve. Customer loyalty and trust can be achieved in various ways. Such as: a regular customer card, a gift, a discount, a special promotion, an exclusive souvenir, etc. Using these methods helps to create a strong customer base and leave a positive impact on



the client.

Any guest can be a potential regular customer. This is facilitated by excellent service and respect for the guest. Loyalty programs can bring the first results in a month after its introduction. Regular customers are the basis and guarantee of the future loading of the hotel. In the conditions of the modern market of hotel services, managers of Russian and foreign hotels are acutely aware of the need to use loyalty programs. These programs can not only keep regular customers, but also attract new ones, and also show customers the image of the hotel. The best method of obtaining commitment and guest satisfaction is service. Well-designed programs also enhance the service culture and increase the credibility of the hotel in the eyes of potential guests. For any hotel, creating customer loyalty is a top priority in the conditions of digitalization of the economy.

Organizations that carry out their activities in various business areas strive to achieve loyalty from their customers – insensitivity to the actions of competitors and the creation of trusting relationships with the brand. To achieve this goal, companies use a variety of marketing tools, one of which is a loyalty program, the essence of which is to create a desire for the client to choose a hotel where he has already been when choosing a place to stop (Shalygin, 2018). To create and implement a loyalty program, it is necessary to think through all the details, calculate costs, and take into account possible risks. These actions are a procedure that is the most important stage in the development of marketing on the way to the implementation of programs.

In this regard, marketers are faced with the following tasks:

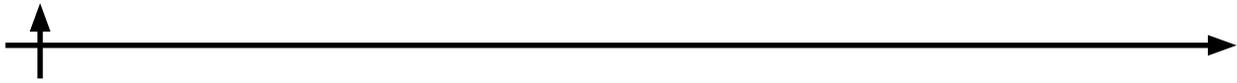
1. To study the types of programs that already exist on the market;
2. Identify their advantages and disadvantages;
3. Choose the most profitable option for your organization, which will not only be affordable, but also profitable
4. After the implementation of the programs, monitor its existence and adjust it if necessary.

The loyalty program is a complex of marketing activities aimed at creating long-term and profitable relationships with guests. The main purpose of the programs is to encourage the consumer, call for repeated visits, which is accompanied by the appearance of an emotional connection with the organization in the client. The emotions that will be aroused in the client as a result of participating in the loyalty program "force" him to choose not a "profitable" product, but the one to which his soul lies. This is a big difference from rational choice, when the customer pays attention to the price-quality ratio. Consumer loyalty can be divided into behavioral and perceived.

1. Behavioral loyalty – it can be defined as the variability of the customer's purchasing activity. If the customer significantly increases the number of his purchases, purchases additional goods of the company (cross-purchases), increases the amount of costs for this category of goods. Thanks to the data of the client's actions, it is not difficult to calculate behavioral loyalty, since such consumer behavior is displayed in the financial report of the organization's activities.

2. Perceived loyalty is the degree of customer satisfaction and awareness, which can be measured by conducting surveys among hotel customers. The results of the surveys are subjective and may not always reflect the reason for the influence on the customer's purchasing behavior. However, they cannot be ruled out, since they provide an understanding for the marketer about the reason for the emergence of loyalty and make it possible to predict a possible change in demand.

The greatest effect can be achieved if we consider both types of loyalty together, taking into account the customer's satisfaction in connection with his client activity in the future. With the help of a variety of combinations of these indicators, you can create a system of loyalty types. Many organizations direct the activities of marketers to increase the number of consumers who are representatives of the true type of loyalty. However, at present, in the experience of various organizations, false loyalty is increasingly manifested among customers, which usually appears due to the limited supply or due to a habit that has been developed in the client's family, the consequence of which is repeated customer purchases made in



the absence of a high level of satisfaction with services or products (Liljenberg, 2014).

Materials and Methods

For the study, such methods as comparative, synthesis of various components into a single whole, the method of analogy (Determination and formation of identical properties of the subject), the method of deduction and the method of generalization, for example, the formation of conclusions about the general properties of the subject of research, were used.

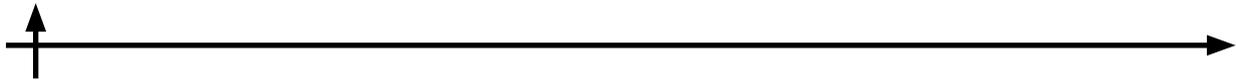
Results and Discussion

For the competent implementation of the loyalty program of the organization, it is necessary to study its customers. In order to get to know the company's customers, it is necessary to study the target market, which is a group of people or companies (for the B2B market) who are consumers of goods or services provided by the organization, i.e. those who are most often consumers of services or products of this company. For marketers, the target market is of particular importance, due to the fact that since it contains information about the characteristics of potential or existing buyers, it can also provide a complete picture for understanding the desires of customers and forming a marketing strategy that will adapt to their needs. It is necessary to characterize the target market in order to determine the type of loyalty program that will suit a particular organization, depending on the selected business segment (The Loyalty Factory Community, 2016; Vlasova et al., 2012a). The target customer, with certain actions on the part of the organization, can become a loyal customer. Loyalty can also be called a positive attitude of the client to all components of the company's activities, which includes the image of the organization, the attitude of staff to consumers, the goods/services provided by the company themselves, and even trademarks and logos. This positive attitude of the consumer to the organization, in other words, loyalty, is a necessary component for a stable sales volume. Consequently, the loyalty effect is a necessary component in the formation of advantages over the company's competitors.

Using the loyalty characteristic, it is possible to determine the value of consumer loyalty and determine the components that it includes. Consumer loyalty is a consumer's dependence on this organization, which is expressed by the habit of using one service on a regular basis or purchasing the same product, while rejecting alternative options and not paying attention to the price of the service / product (Vlasova et al., 2012b). This loyalty represents an advantage of the organization over competitors. The peculiarity of consumer loyalty is that when the assortment of goods provided by the organization changes, its characteristics or conditions of sale change, the number of loyal consumers will not only not decrease, but in some cases even increase. With the help of these characteristics, it can be concluded that organizations need to study the target group of consumers of its products for the further positive existence of the company. Organizations need to adjust their activities to the demand created by consumers.

If the organization understands its customers correctly, it opens up the following opportunities:

1. opportunities to predict customer needs;
2. the ability to identify the products or services of the organization that customers use the most;
3. the opportunity to create and subsequently improve the relationship of the organization with potential customers;
4. the ability to gain the trust of customers by understanding the needs of consumers;
5. the ability to understand why a consumer makes a decision and purchases a particular product;
6. the ability to get information about what the customer uses for purchases (website, store, app, etc.);
7. the ability to determine the factors that affect the customer's decision when he is going to purchase a product or service of the organization;
8. the opportunity to develop a marketing strategy based on the data obtained, which will be effective



and efficient;

9. the ability to establish feedback with consumers of the organization's services;

10. and the main opportunity for the organization is that it is able to establish effective work with consumers of its services.

In order to form the best understanding of their customers, marketers use 3 principles (Belyaeva, 2016):

– the client is an independent person;

– in order to determine the motives of the organization's customers, it is necessary to conduct behavior studies;

– consumer behavior is socially legitimate.

Marketing can be considered as customer orientation using the following definitions:

1. for an organization, the first priority phenomenon is the customer's need:

– dependence lies in the fact that when the consumer's needs are met, the chance of his return in the future increases;

– the most important goal of marketers remains to meet the needs of consumers.

2. the needs of consumers are an object of constant observation by marketers, as well as an object on which research in the field of science can be carried out. Therefore, the knowledge of the consumer of their goods/services provides an opportunity for the organization to find the necessary levers to meet the needs of the client;

3. conducting marketing research. These studies should be carried out on an ongoing basis in regular periods:

– the development and introduction of new products/services should take place in a timely manner;

– it is necessary to immediately record changes in consumer needs.

4. it is necessary to conduct a study of the ratio of advantages and disadvantages of the organization with high frequency: it is necessary to correctly calculate the further actions of the organization – it is necessary to direct forces to emphasize the positive sides and eliminate the second;

5. it is necessary to pay attention to long-term planning: the organization needs to predict possible changes in customer needs and develop an appropriate algorithm of actions by using marketing opportunities;

6. marketers should know how to evaluate the goods / services of the organization: the development of advertising of these products / services is based on these estimates;

7. it is necessary to establish cooperation between the departments of the organization: the dependence lies in the fact that the improvement of customer service and satisfaction directly depends on effective cooperation;

8. it is necessary to establish and maintain cooperation with organizations that are related, the dependence is that the better and better the cooperation, the more satisfied the consumer will become;

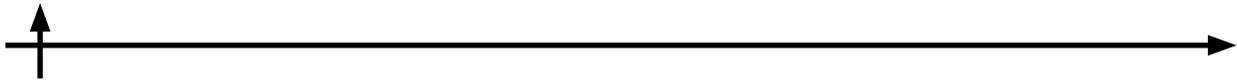
9. change should be perceived by the organization as an inevitability, which is not in vain: which means that it is necessary to adapt to changes, not resist them.;

10. the range of services provided by the organization should be expanded. The meaning of this principle is that the organization must take into account the variability of the environment and provide new opportunities that lead to better customer service. The result of this activity is the transformation of improved customer relationships into capital;

11. Organizations should evaluate their capabilities in marketing-related activities on a regular basis:

– the costs of the organization that it allocates for the organization of the activities of marketing specialists should be used effectively;

– effective marketing programs and strategies are developing due to the variability of the envi-



ronment and the business of hotel services, but there is also a repetition.

In the activities of marketers both domestic and foreign in the management of the organization of the hotel industry, the use of integrated marketing is spreading. This type of marketing is a complex of tactical solutions. These solutions are necessary to determine the necessary marketing actions of the organization in the hotel services market (Evgrafov et al., 2017). Integrated marketing is one of the most necessary and, most importantly, effective tools of any marketing department of an organization. The marketing complex has 4 components:

1. product;
2. promotion;
3. price;
4. staff.

In order to get the emotion of hotel guests necessary for the organization in the form of a reaction, it is necessary to use these components comprehensively. Organizations use proven tools and methods in the course of their activities to achieve the necessary returns from customers. The complex of these factors makes up the marketing mix (marketing complex). The term "marketing mix" was first introduced by Neil Borden in 1953 during a presidential address to the American Marketing Association. This complex includes a combination of these four components. Experts assumed that if you use a complex combination of these factors in a variety of ways, you can get a variety of results in the organization's activities in the market (Voronova et al., 2019).

In 1960, Jerome McCarthy proposed classifying these elements, calling this classification "4P":

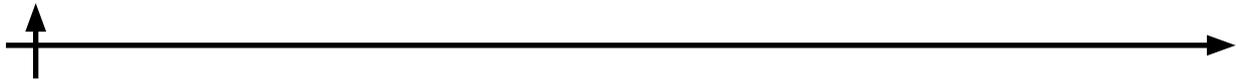
- product (product) – that is, the goods actually produced or the services provided;
- price - pricing that will be optimal for both the seller and consumers. As well as providing discounts to customers;
- place (bringing the product to the consumer) – which implies retail outlets, distribution channels, etc.;
- promotion (product promotion) is an algorithm of actions that is able to convey information about the benefits of a product / service to potential customers, which may help them create a desire to purchase them. The main idea of promoting goods / services or the organization itself is to create marketing relationships with individual consumers (for example, through advertising, PR).

Based on the data presented above, we can conclude that the McCarthy marketing mix concept can be defined by a set of marketing elements that are the basis and included in the marketing program. However, at present, the traditional marketing concept called "4P" is losing its effectiveness, which means that it becomes irrelevant. In this regard, this concept is called traditional, as it is one of the first, but at the moment it is being replaced by a new one, which is focused not on the organization, but on the client. The name given to the new concept "4C":

1. consumer. This category includes both direct consumers of the organization's products, but also includes persons who only make a decision about a possible purchase. And also those in this category can include those who are influenced by the consumer in terms of making a purchase decision;
2. the cost (cost) or the money that the client is willing to spend on the purchase of goods / services;
3. convenience - goods/services should satisfy not only the basic needs of customers, but also bring additional benefits. And also influence the emotional state of the client;
4. communication – this includes all communication channels between the organization and the client (Belyaeva, 2016; Ilyina and Mikhailova, 2017).

Statistics produced by global organizations show that since the beginning of the 20th century, all organizations have been fighting for 3 types of customers:

1. Customers who are loyal to the organization. This type of clients, having chosen one trademark, remain faithful to it, despite various persuasions. In some cases, the loyalty of this type of consumers may be illogical. It mainly depends on the emotional or psychological dependence on the goods/services



of the organization. It may take more than one year for clients of this type to change their preferences, but there is a possibility that this may not happen;

2. Customers who move from one organization to another. These include those buyers who can be influenced by advertising or the opinion of relatives, friends, and therefore they are easily able to switch to another organization;

3. Customers who are indifferent to any organizations. This type does not show loyalty to any organization. Their desire to buy something is mainly influenced by the price of the product/service (Voronova et al., 2019).

In this connection, the attention of marketers is completely transferred from the product / service to the consumer. The most important factor is the establishment of a long and fruitful relationship with the buyer.

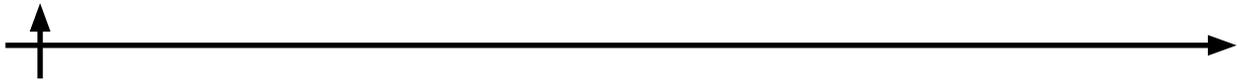
Loyalty programs can be classified through the principle of encouraging the consumer, that is, by the types of his remuneration, whether it be bonuses, discounts or gifts. Currently, the most popular method of remuneration is the discount received when using discount cards. However, domestic and foreign organizations use many other incentive systems, sometimes combining several types at the same time. It is also possible to characterize programs, both tangible and intangible. The first ones are discounts, bonuses, etc., and the intangible ones include other privileges, including the opportunity to participate in various events held by the organization. Currently, most organizations use material loyalty programs in their activities, due to the fact that such programs are perceived by consumers as a benefit.

The main classification of loyalty programs:

1. Discount programs

This program is more widespread among Russian companies than others. It is based on a system of discounts. The main meaning of the discount program is to provide the consumer with goods / services of the organization that participates in this program with economic benefits, which consists in providing a discount (i.e., reducing the price of the service / product) when visiting again. Currently, in addition to the plastic cards that the client receives if he wants to participate in the program at the time of making a purchase, the consumer has the opportunity in some organizations to get an electronic card that will be available in the official application or in other electronic servers. Also, to attract new customers, a discount coupon is provided, which is one of their types of discount program, but it is not designed to establish long-term relationships with the consumer. The provision and the amount of discount that a discount card can offer depends on a variety of conditions, such as the time of purchase, the size of the purchased product / service, the history of relations with this buyer. To date, such a discount system is replaced by a fixed discount amount on the card, which helps to reduce the number of expenses of the organization and lead to an increase in sales. At the moment, in the service market, such discount systems replace cards with a fixed discount size, which helps to reduce the company's costs and increase its sales volume.

The main advantage of the discount program is the simplicity of its implementation and the budget of its implementation. However, the simplicity of its use is also a disadvantage, as it generates the main drawback of this loyalty program - redundancy in the existing market. In this regard, the organization is not able to make its customers absolutely loyal, due to the fact that the discount card is offered at many points engaged in similar activities, which leads to the fact that the customer who participates in the discount loyalty program continues to pay attention to the activities of competitors, as well as the consumer who does not have a card. Due to the presence of this disadvantage at the present time, discount systems are replaced by more modern programs in the hotel services market, which are more thoughtful and unique (E-pepper.ru, n.d.). As a subcategory of this program, we can single out a cumulative discount program, the meaning of which is to encourage the buyer for the regularity of purchases and their price. The main goal is to create an emotional attachment of the client, creating an atmosphere of competi-



tion, in which the discount provided is the victory.

Summing up, we can say that discount programs have considerable effectiveness in the implementation of behavioral loyalty of customers, which affects the financial statements of the organization's activities. But due to the fact that this type of program is very common and does not create true loyalty, but false, this program is currently outdated.

2. Bonus programs

The essence of these programs also consists in accumulation. The main feature of the bonus program before the discount is that the accumulated points or bonuses are not converted into a discount and do not lead to an increase in its size, but lead to the exchange of these bonuses for additional services of the organization, for the purchase of its goods / services or receiving an exclusive prize for redeemed points. The main feature of this program is that the client himself has the right to dispose of his bonuses and he is able to independently choose the gift or product/ service he needs.

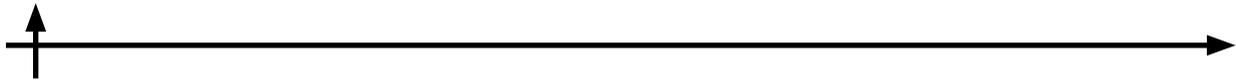
The bonus program has in its foundation a process similar to the definition of the game. If the client "participates" in this game, then as a result, the organization "wins" and receives a "prize" in the form of its client's emotional attachment to the process of obtaining the necessary points. Rationality is the second special detail in the program, expressed in the process of retaining customers. Which is expressed in the fact that the accumulated points in one organization are of particular value to the client, which actually forces him to apply to the same company, since he is a player there, which makes it difficult for him to move to competitors. However, despite the visible advantages, it is worth considering that the costs of the organization are significantly increased. This is due to the fact that some of the buyers who will use the accumulated points in the future are small. Bonus programs provide an opportunity for the organization to hold promotional events without directly providing discounts to the client. In return for this benefit, the consumer acquires the opportunity to multiply their accumulated points. In connection with the use of these actions, the organization is able to reduce its expenses, which, accordingly, will lead to an increase in revenue.

The visible disadvantage of this type of program is that for its implementation, the organization will have to spend significantly. The costs will be associated with the development and creation of a voluminous information system. This system will not only collect, but also sort information about consumers. She will also be able to provide the organization with information about their amounts and the size of their purchases, as well as deals with calculations and accrual of bonuses to customers. A significant disadvantage for the client participating in this program is the possible burning of his accumulated points and the inability to use them in the future. This situation will cause negative emotions in the consumer, as well as lead to the loss of a client participating in the program, who in the future will speak negatively about this organization. In this regard, the organization's marketers need to stipulate these conditions and provide an opportunity for customers to familiarize themselves with the validity periods of their accumulated bonuses. In conclusion, it can be concluded that the bonus program is effective in increasing customer loyalty and retaining them, thanks to emotional and a= rational attachment. However, to implement the bonus system, the organization will need to allocate significant funding, and its implementation may lead to negative precipitation when the bonuses accumulated by the client are burned.

3. Coalition Loyalty Program

One of the options for increasing consumer loyalty is a coalition or multi-brand program. Its essence lies in the fact that incentive tools such as bonuses, prizes or discounts are provided when buying from different organizations that are partners. The purpose of this loyalty program is to attract and retain the consumer at the expense of another company. The advantages of the coalition program are collective responsibility for the emotional state of the client, large coverage of potential clients and delegation of authority between the participants of the program.

However, today in Russia it is rare to find an example of the successful functioning of this program, due to the presence of a number of shortcomings. Problems can arise and most often arise at almost all



stages of its creation. One of the significant drawbacks is the fact that during the creation of a group of program participants, it is likely to conclude an agreement with a partner who will try to transfer clients to his side. For organizations that have a weak position in the existing market, this program will be ineffective due to the lack of a high level of recognition. One of the reasons for non-participation of the consumer or refusal to participate in the process may be the layered picture of a complex and incomprehensible system of providing "benefits". But we can say that the disadvantage of this type of loyalty is that the client does not have the opportunity to increase the level of his loyalty to only one organization. This situation occurs due to the fact that the customer's loyalty arises not to the goods / services that the organization is able to provide, but to the very essence of the program. As a result, we can say that the introduction of a multi-brand loyalty program can and most likely will be accompanied by a large number of possible failures and difficulties. However, failures can accompany any projects. Everything will depend on competent management.

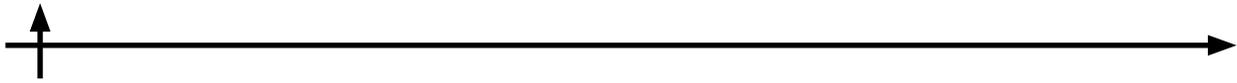
4. Special terms of service, privileges

The essence of this program is that the organization should create a sense of individual approach for the client. This effect can be achieved by granting exclusive privileges to special clients. In this case, unique offers can have a huge variety. The organization can provide a separate room for service in the office, provide a specialist for the client to organize an individual selection of goods / services individually for the client, and sometimes it may consist in free service in the business halls of hotels. These programs are provided only for proven and long-term cooperation clients, and therefore they require significant expenses. However, this particular legibility is an advantage for the organization, since an exclusive attitude and an individual approach are applied only to those customers who are absolutely loyal to the organization. The main difference between this program and the discount program is selective work with loyal customers and an increase in expenses for the target group, whereas the discount program is designed for mass consumption. Among the disadvantages, there is a rather high cost, which becomes a big problem during a crisis — in such cases, companies have to cut down on customer opportunities, limiting access to special service conditions.

Consequently, this loyalty program is designed for consumers who are absolutely loyal to the organization and is able to retain them by providing them with a sense of exclusivity. However, there may be a risk associated with unscrupulous customers, in connection with which the organization may have problems with increasing costs.

5. Outstanding service, CRM system

The essence of this loyalty system is to create a database of customers, where information about them, their tastes and desires will be stored, which will help to anticipate emerging needs during future visits. With this system, you can prepare for a guest's visit, for example, remove coffee from breakfast, knowing that the guest prefers tea. This type of information is collected and classified in specialized CRM systems. For the client, this hike provides expectations for the provision of the desired high level of service in any hotel chain. The essence of the program is to create an emotional attachment of the consumer to the organization and should cause him a sense of exclusivity. Knowledge and respect for the individual habits and desires of the client becomes the decisive link for rejecting the offers of other companies acting in this niche of the market. This type of program is much more effective than the previous ones, because it is able to cause brand satisfaction and is able to increase customer activity, which is achieved by anticipating customer needs. Any program has both advantages and disadvantages. The disadvantages of this loyalty program are the problems of collecting and selecting the necessary data to create a database, as well as the costs of storing and maintaining a huge amount of information. Grouping data provides a particular difficulty, in view of the ambiguity of client behavior. Specialists need to determine what is the habit of the client, and what he preferred to choose once. As a result, there may be a misunderstanding, which may lead to consumer dissatisfaction. In this regard, this program implies adaptation to the needs of a loyal client, and should not anticipate his desires, since they can be



changeable. An exception may be long-standing regular customers whose tastes and preferences have not changed for several years. This program is very effective, due to the fact that it causes absolute loyalty in the consumer. During the activity of this program, specialists need to act with extreme caution and show customers the most individualized solutions.

The types of loyalty programs listed above contain both advantages and disadvantages, and therefore the organization has a difficult choice that will determine the further activities of the organization in this direction. The stages of implementation of the selected loyalty programs require competent planning and analysis of their effectiveness. Incentive programs for regular hotel guests can be increasingly found in Russian (domestic) hotels. A marketing strategy is successful if it is aimed at retaining and attracting new guests, increasing the average percentage of hotel occupancy, as well as increasing its attractiveness in the eyes of corporate consumers.

Domestic hotels that are not part of large foreign chains of hotels retain their customers through various incentive and incentive programs. Company managers should take into account the fact that one of the main goals that an organization should strive for is to attract and retain regular customers. However, since the program is implemented only in one hotel, and not in the network, it leads to the impossibility of using some privileges, since they will not be so attractive to the client, and therefore the programs in such hotels work a little differently. Also, a factor affecting the variability of the program is the absence of a non-network hotel contract with airlines, which creates a reluctance to participate in various discount programs for consumers of hotel services. In this regard, we can draw a small conclusion that incentive programs in hotels of this type are aimed more at attracting VIP status customers, as well as at creating a positive image of the brand in the eyes of the consumer.

Naturally, in order to introduce various kinds of loyalty programs, domestic marketing specialists equally use both their own achievements and the experience of foreign companies that have been acquired in this area during the period of using such programs. The variability of the choice of approach to increase the loyalty of hotel customers for hotels that differ in organizational form and class of service is presented in Table 1.

Table 1. Recommended approaches to creating a regular customer incentive program in hotels

The qualities of the loyalty program	Description of qualities
Goal	Acquisition of a base of regular consumers of a service/product
Consumers	The program should be designed in such a way as to be able to satisfy the needs of any consumer of a service / product, i.e. it should be democratic
Time-limited qualities	The program must be designed for a certain amount of time for the consumer (outside of this interval, incentive points burn out)
Classification of consumers	The number of accumulated points (points) provide different types (levels) of encouragement
Availability of partners with similar programs	The presence of partnerships with other hotels or organizations, that is, the creation of a common group to meet the needs of consumers
Availability of "VIP" clients	For customers with absolute loyalty to the brand – the creation of an "elite club", which will become a motivation and an indicator of prestige

To create and determine the best actions aimed at meeting the needs of the client participating in the program, which will allow establishing mutual understanding with him, organizations currently use the following means:

1. Organizations use additional financial benefits in their relationship with their client.
2. They use additional social benefits together with them in order to strengthen the created relationships with their client, analyzing the needs. That will allow him to provide individually selected services



in the future.

3. Organizations are establishing structural connections to financial and social benefits. Which means that for customers who stay at this hotel more often than others, more additional services are provided than others.

To stimulate the loyalty of the hotel client, it is necessary to involve the client in the activities of the hotel, as well as provide him with service in accordance with his needs, which will help establish personal and informational ties with him and create a psychological and emotional sense of attachment.

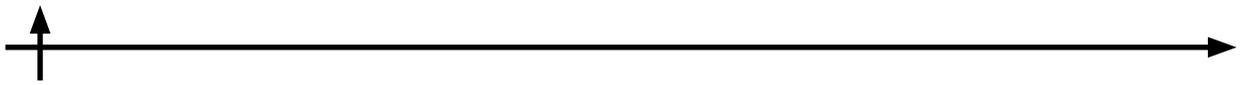
The hotel in its activities is additionally recommended to keep records of repeated requests from guests to the official website of the organization in the telecommunications network "Internet" In order to implement this action, the hotel must create a special program. Such a program will collect, store and generate all information about guests who prefer to contact through the official website of the organization to book a place. Due to the availability of this information about the customers participating in the loyalty program, the hotel is able to generate a newsletter with exclusive offers for its hotel services, as well as congratulate on various holidays at the email addresses of customers, which is also an individualization of the relationship with the client.

The organization of letters through mailing lists to regular customers, continuous communication with them, as well as their personification should occur throughout the entire period of the organization's relationship with the client, starting with the idea of booking a place in a hotel, ending with his stay in a hotel. However, consumers are still not satisfied with the complex conditions of loyalty programs. The pattern lies in the fact that obtaining benefits requires expending a large amount of effort, which can cause a deterioration in the client's attitude to the organization. In this connection, when creating and implementing customer incentive programs, hotels need to find a balance between time and difficulties in order to obtain benefits, and, of course, take into account the emerging wishes of consumers. The longer the client waits for the cherished offer, the less motivation he has for further actions.

According to the annual survey on the attitude of consumers to loyalty programs Loyalty Barometer Report - 35% of consumers of hotel services show a desire to receive additional options, as well as to use advanced tools to search for the necessary goods or services. The main incentives for consumers to participate in incentive programs have been and remain free goods/services and discounts. Therefore, managers should not abandon these formats of providing prizes and discounts when creating incentive programs, as they can help strengthen relationships with consumers. these incentives act for clients as an indicator that the organization appreciates them, but it should be borne in mind that free gifts cannot completely replace permanent bonuses or discounts.



Fig. 1. Rewards preferred by customers



For the client participating in the incentive program, the preferred form of remuneration remains receiving benefits in exchange for points. Consumers show a desire to accumulate more bonuses, which means they are looking for more ways to earn them. In 2021, compared to last year, the use of coalition (multi-brand) programs by organizations increased. Creating links with other partner brands in general incentive programs provides the client with the opportunity to earn and spend more points accordingly. According to the study, in 2021, the gifts that a regular customer receives from brands gave way to permanent (fixed) rewards and the return of a percentage of the purchase, they appear to be "transparent" rewards in the eyes of the buyer. Unexpected rewards are valued more by customers when they are an additional position in the incentive program, rather than being a fixed offer.

The desire to accumulate more bonuses encourages consumers to contact the organization more often, participate in surveys conducted by it, use the mobile application (if there is one) and be an active user in the official networks of the organization. The organization can use this activity to receive feedback, feedback and strengthen its position in the information space, raising the rating of the organization (AMBASSADOR; "Interfax"; "Official website of the Committee for Tourism Development of St. Petersburg,").

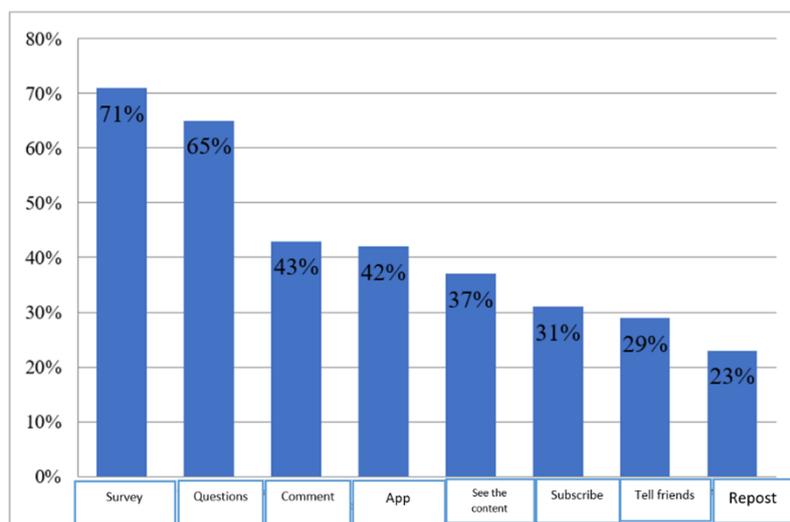


Fig. 2. Actions that the client is ready to do to receive bonuses

Conclusion

Studies conducted with participants of various incentive programs for regular customers have revealed what does not suit customers when participating in the program.

1. Complex rules

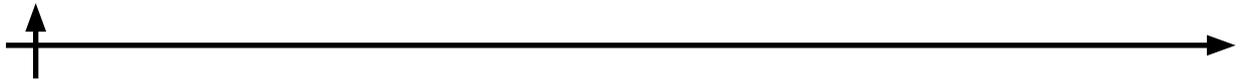
Loyalty program participants often refuse to participate due to the complexity of the conditions for receiving bonuses and the time that needs to be spent to accumulate them. In order to avoid losing a potential participant in the program, organizations need to simplify the rules and tell more about the benefits of participating in it.

2. Useless rewards

According to the study, many consumers are dissatisfied with the fact that they can receive unnecessary, useless gifts for the accumulated bonuses. In connection with these organizations, it is necessary to offer their clients only what will help strengthen their emotional connection with the organization or become a necessary gift for them.

3. Spam

Over the past year, the number of program participants who complained about spam from the organization decreased from 36% to 23%. However, spam is still one of the main disadvantages of the programs



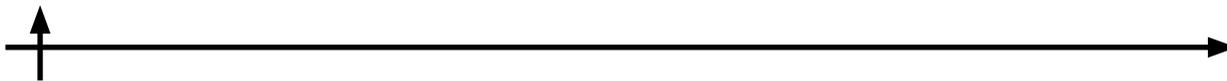
according to buyers. Currently, organizations are trying to send only the information they need to the client, but the need for personalization continues to grow – consumers do not want to receive mass mailings from the organization. To solve this complexity, organizations need to indicate in the newsletter not only information about the client and the amount of bonuses accumulated by him, but also information about the offers available to him.

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