Article

Loyalty Programmes and Their Specifics in the Chinese Hospitality Industry—Qualitative Study

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Abstract: Instead of aiming to achieve as many members as possible, it is important to focus on retaining customers, which is achieved with the support of loyalty programmes. As the tourism and hospital industries have become the fastest growing sectors in the world, hotels have realised the potential to focus on their loyal customers. A qualitative approach was adopted to explore the attractiveness of loyalty programmes to Chinese consumers and the challenges of such programmes in the hospitality industry. The aim of this paper is to identify which aspects of a loyalty programme in the hospitality industry are perceived as attractive to Chinese customers. This qualitative research highlights the perspective of industry leaders such as general managers and executives working in the club lounges of five-star hotels in Suzhou as well as loyalty programme consultants with a focus on China. The qualitative research findings are aimed at supporting hotels in China and loyalty programmes with a focus on Chinese consumers in the hospitality industry in order to receive more knowledge and to explore new strategies on how to retain and satisfy Chinese programme members.

Keywords: loyalty; loyalty programme; hospitality industry; customer; benefits

1. Introduction

Growing competition and changes in consumer behaviour patterns are the main reasons why modern organisations have begun to focus their attention on building strong long-term relationships with their (potential) customers. The competition is growing rapidly, and customers require more than just having their needs satisfied; they are much more sensitive to price changes, and their loyalty is increasingly fragile.

The loyalty programme is, in general, responsible for an institutionalised motivational and incentive system, the main aim of which is to increase the volume of consumption (in terms of the volume of purchased products and/or the frequency of consumption of services) by customers over time (from a short-term but, above all, from medium- and long-term perspectives). From the point of view of the integration of loyalty programmes into the marketing management system, it belongs to the operational tools of CRM; however, there is a very close link between the analytical part of CRM, since the data obtained through loyalty programmes allow the creation of analyses that can not only improve their customers' experience, but transform new knowledge about them into higher profits (Wan et al. 2018).

2. Literature Review

In order to be able to evaluate loyalty programmes from the point of view of their functioning (or, according to Yoo et al. 2020, with regard to their achieved efficiency) with respect to the particularities of the hospitality industry, it is necessary to take into account five dimensions (Belli et al. 2022). One, that it is a portfolio of customers. According to Curatman and Suroso (2022) and Gregušová et al. (2016), this is currently the most

frequently used criterion in the analysis of loyalty programmes which needs to be re-evaluated, or the view of the customer expanded, by dividing the complex portfolio of customers into two groups (Lee et al. 2019; Hernández-Ortega et al. 2022). The first should be customers who are members of the loyalty programme. These are considered "target customers" (Faramarzi and Bhattacharya 2021; Nasir et al. 2019) because organisations pay greater attention to their service and care (for example, in the form of a more exclusive product offer, price adjustments, personalised marketing communication, etc. (Žilinská et al. 2021). In general, we can regard this group of customers as those who benefit from membership in the loyalty programme or who are remunerated by the organisation. The group of customers who are not members of the loyalty programme in many cases notice the customers of the first group, or they notice the benefits that result from the fact that they are in a certain relationship with the organisation created by the loyalty programme. According to Purohit and Thakar (2019) and Vieira et al. (2022), managers often ignore the fact that loyalty programmes targeting one segment of customers who are members of the loyalty programme simultaneously and often inadvertently affect customers who are not members of the loyalty programme (Vilčeková et al. 2018). It is therefore necessary to identify a frequently underestimated phenomenon; namely, that the possible negative effects (influences) of customers who are not members of the loyalty programme are almost completely underestimated (Gopalakrishnan et al. 2021). Currently, as Guillet and Shi (2019) stated, these effects may not occur in a direct, immediate form, but indirectly through customer communication on blogs, social networks, and in the form of negative references.

Loyalty programmes in the hospitality industry typically include several types of rewards, e.g., priority and reduced prices (Coros et al. 2021; Sanchez-Casado et al. 2019). The current view on the evaluation of the effectiveness of the functioning of loyalty programmes takes into account their effects only at the aggregate level, or compares individual benefits at a too-abstract level (as defined by Hua et al. 2021; Lentz et al. 2022, for the hospitality industry in the form of the rewards related to the product vs. rewards related to other elements) without taking into account the individual rewards within the complex loyalty programme. The analysis of rewards at such a level can lead to the neglect of negative effects on customers who are not members of the loyalty programme, because the focus is on evaluating the intensity of positive effects on members of the loyalty programme (Tittelbachova et al. 2022). Therefore, it is important to address the questions of which rewards make up the complex system of the loyalty programme and what their positive and negative effects are on the customer portfolio (Koo et al. 2020; Marin-Pantelescu et al. 2019). With regard to the benefits resulting from membership in the loyalty programme, not only is their structure important but also the way in which they are communicated to members. Organisations have a number of ways in which a reward can be conveyed (for example, by sending discount coupons, applying the discount directly at the point of sale, and more). The level of gratitude in members of loyalty programmes increases if they perceive a certain "looseness/freedom" and leniency on the part of the organisation. Applying a comprehensive customer portfolio perspective allows us to examine how decisions about how to distribute loyalty programme rewards and benefits affect customers who are members of a loyalty programme as well as those who are not.

The elements that co-create the mechanism influencing loyalty within the loyalty programme are gratitude, the status of customers, and the dishonesty that customers feel (Yawson and Yamoah 2022). This mechanism, which is the basis of the model for evaluating the performance of the loyalty programme, takes into account both the positive and negative effects of the benefits of the programme towards all customers (members vs. non-members). At the most general level, it can be stated that gratitude positively affects customers who are members of the loyalty programme; on the contrary, dishonesty is a negative driving force for customers who are not members of the loyalty programme (Hua et al. 2019). The position of customers is the so-called ambivalent variable, since whether they are in a positive or negative position depends on the customers, whether or not they are members of the loyalty programme. The element to which the evaluation of the effects

of the individual benefits of the loyalty programme is tied is the gratitude of the customers who are its members. Gratitude is defined as an emotional appreciation of the benefits received from the loyalty programme, which is accompanied by the desire of customers who are members of the loyalty programme for reciprocity (Eryilmaz 2022; Gorajski and Machowska 2019). Building and developing relationships with customers (in a generalised sense, i.e., not only with those who are in a relationship with the organisation through membership in the loyalty programme) can potentially generate a strong emotional reaction from these customers in the form of their positive feelings—gratitude, commitment, and appreciation of received benefits (Guseva et al. 2021; Hwang et al. 2019). Beneficiaries have a tendency towards such reciprocal behaviour, through which they would reciprocate the care of the organisation in some form (most often in the form of purchases in increased volume and frequency).

Building customer relationships and empowering customers are important CRM goals because customers are an extremely valuable asset (Jaderná et al. 2018; Grisáková and Štetka 2022; Srebalová and Peráček 2022) at the disposal of an organisation. Ferreira et al. (2020) and Haverila et al. (2022) define that the customer status refers to the customer's perception of the position they hold within the organisation's hierarchy of all customers. According to the theory of social comparison (Hendler et al. 2022), human beings have a natural tendency to compare themselves with others; in some cases, this happens "only" in their subconscious. As stated by Chang and Wong (2018), in the case of some loyalty programmes, the status of their members is the component that strengthens the loyalty of the membership towards the organisation. As an example, it is possible to define hierarchical loyalty programmes, which are institutionalised precisely through the differentiated status of individual members (Hwang and Choi 2020; Roberts 2018), while this differentiation has the dimensions of explicitness and visibility (for example, "bronze/silver/gold" customers). Kumar and Reinartz (2018) claim that the number of levels within the hierarchy of the loyalty programme is a variable that strengthens the customer's perception of their own status in the "privileged line", while increasing the number of "privileged lines" results in weakening the perception of their own status (O'Connor 2021; Worimegbe et al. 2020). However, as stated by Kim et al. (2021), it is also impossible to ignore the negative side of the position of customers within the structure of the loyalty programme, that is, that the degradation or loss of a significant position within the hierarchy of customers will be reflected in a decrease in loyalty to the organisation. Another possible negative is that if the loyalty programme has too many levels, the "less elite" members may feel inferior (Kimura 2022).

The only negative element that co-creates the mechanism influencing loyalty within a loyalty programme is the dishonesty experienced by customers (Pesonen et al. 2019; Septiano et al. 2019; Peráček 2022). Customer dissatisfaction is associated with intense negative feelings, and in some cases, there can even be negative reactions. Steinhoff and Zondag (2021) define it as the customer's point of view (compared with that of other customers) that there are signs of unacceptability and/or unfairness in the ratio between the outputs received by the organisation and the inputs given to the organisation (Stourm et al. 2020). In this component, the theory of equality is strongly manifested, the essence of which is the idea that people should receive outputs (benefits) that correspond proportionally to their expended efforts or transmitted inputs (Săraru 2023). If they perceive the "inputs–outputs" equation as unfair compared to others, the result is feelings of anger and tension. A very frequent reaction is subsequent adaptation, i.e., a reduction in expended effort and inputs (for example, in the form of a reduction in the volume and frequency of purchases).

3. Materials and Methods

With the main goal of this paper of understanding Chinese consumers from the perspective of hospitality industry leaders, qualitative research was conducted in the online form. Due to the global situation in 2020, face-to-face interviews in the interviewer's offices

or preferred location were not possible. All interviews were conducted on the social media platform WeChat and took, on average, 24 min. However, by doing so, the interviewees were able to conduct the interview at their familiar and preferred location. The script was sent to the interviewee approximately 24 h prior to the interview. Furthermore, all interviewees were given the same instructions and information. After the interview, the authors manually transcribed the audio files and deleted the recordings within 72 h. The most important parts of the answers were filled in a Microsoft Excel .xlsx spreadsheet and the results (qualitative data) were analysed with the use of the text function in this software.

For the purpose of the qualitative research, it was crucial to interview experts from different hotels in Suzhou and hotels that all had a different internal loyalty programme. Furthermore, it was important to not only interview general managers who generally do not interact as much with guests as front-line staff. Therefore, the executive club lounge managers who work with members of the loyalty programme on a daily basis were also interviewed to gain more experience insights. In addition, it was deemed important to also get information from experts and consultants working in the loyalty programme department. A total number of 20 experts were contacted by the authors, and 10 participated in the research. Five of the experts are consultants/managers working for a hotel loyalty programme in China or with a focus and expertise on Chinese customers, two interviewees were executive club lounge managers, and three interviewees were general managers of five-star hotels in Suzhou. Eight of the experts were male, and one expert was female. In addition, one expert was British, two were Canadians with a Chinese background, and all other experts were either Chinese or Southeast Asians. The hotel chains and loyalty programmes included in the qualitative research were Hilton, with the Hilton Honours programme; the Marriott Hotel Group, with the Bonvoy loyalty programme; Hyatt, with the Globalist loyalty programme; Shangri-La, with the Golden Circle programme; and Kempinski Hotels, with the GHA Discovery programme.

4. Results

4.1. Monetary Attractiveness

For monetary rewards (benefits), the majority mentioned were "upgrades", "early check-in/late check-out", "discounts", "access to the lounge", and "in-room amenities". The most important attractiveness from the abovementioned rewards was "early check-in or late check-out" (42 mentions in total; 9 interviewees talked about this in the "monetary benefit, concrete reward" category). Looking at the data in terms of monetary benefits, in many cases, the experts highlighted the importance of room upgrades and in-room amenities for Chinese programme members. "They prefer basically a free upgrade to suite, 80 to 90% of guests want that." "Late check-out, breakfast and upgrade are the top three." "Definitely, room upgrade and free breakfast have value, which you can associate with your loyalty programme, this is what they prefer." According to Čajková and Čajka (2021), despite the preferred upgrades to rooms, all experts interviewed mentioned the desire of Chinese members to receive discounts or vouchers as an additional benefit of a programme. One reason is the fact that many Chinese do not know how to use their acquired points and are unaware of how to use the programme to its full extent. Therefore, offering a discount percentage when reaching a certain programme status is perceived to be easier to understand. "Maybe discounts as Chinese in general do not know how to use the point system. They do not generally know that they have points." "Think the most appealing would be to book free nights and then in terms of the actual ongoing benefits—it is more focused on the ability to book free nights and the actual treatment when you are there—free night is very easy to understand by anyone and pretty attractive. So, I think in China the main focus is on these kinds of thing." An interesting observation was pointed out by an interviewee who criticised his hotel chain loyalty programme since they do not offer any discounts to status members, which he strongly believes would enhance the Chinese enrolment and spending significantly: "If we talk about our loyalty programme, I would say that we do not offer discounts or other facilities. If, for example, our member wants to

go to the spa, we do not have a special price for him as our loyalty programme member."
In addition, an interviewee highlighted the importance of food for Chinese hotel guests.
This was also supported by many other interviewees, who pointed out that they offer more
in-room amenities, such as cake or a bottle of wine. "Food—because Chinese culture is
all about eating, so food is everything." "Welcome amenity, welcome bottle of wine, club
lounge access stuff like that as opposed to like breakfast.".

4.2. Non-Monetary Benefits

Looking at non-monetary rewards and benefits, the categories of personalization,
individualisation, exclusivity, and flexibility were highlighted as the most important attrac-
tiveness points for Chinese members during the interviews. Personalization and individu-
alisation, as well as exclusivity, may be considered the same. However, to highlight the
different words used and to emphasise their importance, they can be shown separately. It
is perceived that Chinese members not only look at the free monetary benefits offered by
programmes, but also put a strong focus on exclusive service. "They want to be treated as
VIP—this kind of feeling is very important first of all. Secondly, if they travel to somewhere
new, somewhere not familiar, they want to get extra value of services." "On subject of
exclusivity, I feel like for the most part people look for this exclusivity. This is an idea
based on the characteristics of the Chinese society. It is evident in some of the rich cities
and societies: you need to stand out from the crowd, you need some VIP title attached to
you, and that is what they take care of. They like that at the hotel they should be treated
differently, then people of low status and ordinary people. There is this idea of exclusivity,
once again, I feel like one thing they value the most in terms of hotel loyalty, may be status
thing and may be feel good thing." "The most important thing is recognition. Once if
you give the customers the right level of recognition, the spendings would be higher." "I
think Chinese members like personalization—I mean that give them choices and these
choices can be bed and breakfast, dining credits or breakfast, or complimentary minibar
or spa credit. They should be able to select for example two from five or three from five
depending on tier." The comment made by one interviewee aligns well with the comment
of another, who mentioned the following: "I think Chinese members like to be flexible
with rules." Furthermore, the term "flexibility" was once again mentioned by the two
interviewees. The statements of both are closely related and show that members of a loyalty
programme do not always travel to their preferred hotel for the same reasons. One day
they may travel as business travellers looking for different benefits, and on other days,
they may travel with their families, needing other benefits again. "I want to recap to what
I said earlier, that personalization by giving choices. Nowadays, nobody likes to set the
programme; they all want a choice, cater to stay, and purpose of the visit. Maybe today, they
are corporate travellers, they do not need a coupon for breakfast, but when they came with
their family, they really need breakfast, they need late check-out." "They do not want one
set membership privilege. They want choices that meet their needs. This time they come
as a family they might need room upgrade guarantee, late check-out guarantee, but when
they come as corporate travellers, they do not need all that because they have business
schedule set." "I think weekdays and weekend guests are different. The weekday guests are
more corporate. If you are a corporate traveller, your needs are totally different from those
of a family. This is one thing you need to keep in mind." An expert pointed out that he
received great feedback from members when given the choice between drinking vouchers
to be consumed inside the room (mini bar) or consumed at the lobby bar. The flexibility to
members for food and beverages seems to be a trend in China. Many status perks offer a
drink voucher when staying in a hotel; however, it is not a categorised benefit to offer such
flexibility for the hotel's loyalty programme, and the manager offers it at his own discretion.
"I give an example, let us say that we offer one category of members two items free in mini
bars, then we found out that some of guests do not like to drink by themselves in the room.
They want to enjoy in the lobby lounge, so we make the offer flexible and said that when
you present this voucher you will be entitled to two bottles of cokes or beers in the lobby

lounge enjoying the music." The same comment is supported by the other interviewee, who gave the following example: "Some just want to take a bottle of champagne when they arrive, even if they are high-class members. Second, some probably want to take both. Take an example, most Chinese hotels welcome elite members by giving a bottle of wine at check-in. But I will ask the question that in most cases, how many Chinese really drink wine by themselves when travelling.".

5. Discussion and Conclusions

This section will analyse the challenges loyalty programmes in the Chinese hospitality industry are currently facing. The most frequently mentioned challenges throughout the interviews with the experts are OTAs/agencies, modern technology, service, food, and beverages. OTAs and travel agencies can be seen as (strategic) partners, but also as strong competitors. Hotels try to get their guests to book directly on their websites due to the increasing commissions the hotels are facing with large monopolised OTAs. Guests who book through an agent do not receive any benefits when holding a hotel status, and they cannot receive any points in order to qualify for a higher tier. It may seem logical for guests to book directly on a hotel website in order to qualify for extra perks, which are included as a member in their loyalty programme. However, large OTAs, such as C-Trip, Booking.com, or Hotel.com, have also developed their own loyalty programme to attract consumers. Loyalty programmes in the hospitality industry face this competition, and a variety of interviewees highlighted this issue. "OTA will always be a challenge for most hotels. When they book from C-Trip, they can only enjoy from their part of sale, the current sale, but they cannot enjoy the benefits, because they have already enjoyed OTA benefits." "All the local programmes have some public holding membership rates, which offer slight discounts over rate, so maintaining rate parity among OJ's is very crucial. There are many sellers in China on the OTA market, so motivation will be very crucial. I think it is 10% off the daily rate, if you are a member. That is the key drive or a tangible point where you can talk to your guests, why not sign up for us. That is the most tangible, the rest are intangible like looking after them." "The C-Trip really run very attractive loyalty programmes and airlines; hotels merged at one C-Trip points. For Hyatt, Marriot, Hilton hotels, hotels, etc., how do you want to convert these C-Trip guest into your membership programme? They might register as members, and if they will not be active, this is the challenge you will face. The only avenue to break this monopoly by C-Trip is to provide personalised attention and personalised service.".

Another important challenge facing the hotel industry and their affiliated loyalty programmes is the fast change in technology in China. Since loyalty programmes are an overall standardised system all over the world, enrolment into the programme and status updates are being performed via the e-mail address of the member. Loyalty programmes are struggling to take over Chinese habits and maintain the needs of Chinese consumers. In China, many consumers do not have or do not use their e-mail address on a regular basis, since everything is carried out through the mobile application WeChat. Many interviewees mentioned facing the same problem. "Honestly, I did research on this. In China, not everyone has the habit of checking their e-mail inbox. They prefer WeChat or this kind of communication platform." "I think the thing that is causing us headaches is the changes in the technologies. The Chinese when they wake up to bedtime, they live in their echo system. Listening to music, ordering food, ordering a taxi, whatever they are doing, they are in this echo system. They do not want to get in and out. In the West it is quite different, e.g., Facebook, Uber, WhatsApp are standalone, they are different. We are struggling, to be honest, to keep up with and to embed ourselves and to understand that there is no point building Hilton its own app. It has to be a mini app inside that echo system like WeChat to allow them to stay in that echo system which they want." "In China, Chinese mostly do not have e-mails, they just use mobile apps like QQ, so I think phone number should also be connected to your ID. If you want to change and you can be like if you change the e-mail, you can be changing the phone number, and this number archives will follow you. Most of

the Chinese guys have not become members as this is not what they usually use." "Today most of the guys use mobiles. If you have something you send through mobile, e-mail, I am sorry they do not care." "We need to work on, how can we be fast in implementing changes that are happening. I always say, for example, AliPay and WeChat. I mean our international brand are very slow to react in merging to react, therefore, WeChat has a lot of reservations. It is very tough, this is what we need to evolve fast. The use of credit cards in China or pay through AliPay in hotels of China are merged technology-wise.".

An important aspect for Chinese programme members is the strong focus on service provided by the hotel and the loyalty programme. This could include not only Chinese consumers who hold a certain status within a hotel group, but also hotel guests who may have booked the stay differently. However, taking into account the need for exclusivity for Chinese members when holding a prestige tier, qualitative research conducted shows that service is a vital factor for Chinese consumers. "Most of Chinese care about service." "A lot of times I have heard a complaint about service recovery—maybe it is not specific to loyalty programme, it is an attitude in general. Specially, as a loyalty member, if there is imperfection in my room or services." "They are looking for efficient services.".

Loyalty programmes should care not only for an overall traveller but maybe also offer a loyalty programme, for example, to students or retired guests. "Obviously, there will be a need to target these young generation members, which I mentioned earlier, because in 10 or 20 years, they will be successful entrepreneurs we are talking about. We can still groom them, mature them, culture them and convert them to the brand lovers or brand loyalists." In fact, a very interesting point one interviewee pointed out is that until now, there is no hotel chain which offers a specialised loyalty programme for families, students, or retired customers. The loyalty programme offered by all hotel chains is a standardised overall system.

In addition to offering a new membership category in the hospitality industry, one comment made by the interviewee is the option of a family account. This is already possible in the aviation industry, where members of a family account are able to share and collect their airline miles. However, it is not possible for status privileges to be shared and used by family members. In hospitality loyalty programmes, family memberships do not exist; however, some programmes allow one to transfer their generated points to a friend's account. "I would like to go back to my emphasis on family unit. Not only delivering benefits to a larger party is necessary, but also like if you are in the mobile application, you should be able to do a household account. You know, these days Marriott and Hilton share points, but I think the household account would take it to the next level. It would make it easier to plan trips for families and be a nice little fit not only to Chinese consumers, but to everyone who might have four or five different accounts across the extended family." In addition to offering a new implemented status system, partnership also seemed to be an important topic for the interviewees. Currently, members of many hotel loyalty programmes have the opportunity to receive membership points from a wide variety of partners. Members can earn hotel points when flying, renting a car, shopping, and many more options. However, an interesting point highlighted by one interviewee is the option to collaborate with partners in the city of a hotel property. For Chinese members, receiving direct discounts appears to be more valuable than simply collecting points, especially if they are unaware of the redemption process. The interviewee believes that it will make a big difference to his status-tier guests if they receive discounts at certain outlets, bars, and restaurants around the hotels when staying at his property. "Our programme has to collaborate with local clubs or restaurants. For leisure, if you go somewhere, they will recognise you as a diamond member and you will be given special privileges." "Most of the corporate members want to take something for their loved ones, we can collaborate with e.g., Hugo Boss.".

A total of seven out of ten interviewees talked about the importance of the food and beverage department within the hotel industry and as an amenity benefit to reward status guests. The topic of food and beverages was identified as an important factor for

Chinese consumers when staying in hotels and should be the focus of loyalty programmes in the future. Many hotel loyalty programmes offer welcome gifts or beverage vouchers in addition to other benefits such as free breakfast or access to the lounge. However, some interviewees mentioned the issue of unknown allergies or direct preferences of hotel guests. As a welcome amenity, many hotels offer a fruit basket, a bottle of wine, or selected chocolates, depending on the status of the member. However, the problem here is that often hotels do not know the preferences of their guests and may have offered a fruit basket instead of the preferred chocolates. The only hotel loyalty programme management who realised this problem was the Shangri-La hotel group programme that offers Diamond members a list of different options where a certain number of items can be selected as the welcome present. Once checked in, the selected welcome amenities will be delivered in advance to the room. "I kept on furnishing and doubling the banana. At the end of the day, when I talked to the guests and said, hey, I realised that you like bananas and the guest said that he always threw the bananas because he hates them. That is really the case and the reason I want to share it with you is that it is more personalised." Linking the importance of food and the preference of discount opportunities, an interviewee mentioned a new project which his hotel chain is launching for status holders who are either hotel guests or non-hotel guests who are currently near the property. "We are just about to launch a pilot project in China. We are going to expand benefits to our members an ultra-discount for food. In the East, the principle of non-residential consumer business going to hotels for lunch and dinner is still very key." "The most important are the amenities. The Chinese love fresh fruit, they also like mineral water, red wine, and in the morning, at breakfast they want their noodles and again they like efficiency.".

Comparison of the Implementation of Loyalty Programmes in the Slovak Republic and in China

The results of the KPMG survey (KPMG 2021) for 2020 show that among the most popular brands in the Slovak Republic are those with established loyalty programmes. From the respondents' answers, we selected those that mentioned loyalty programmes. Shell: "We always refuel at Shell stations and are satisfied with the fuels, I think they are of good quality. We also have their loyalty card; for example, you can wash your car for the points you collect." Dráčik: "Do visitors value the loyalty card with the thematic name "fairytale" and the promise of fabulous prices?" Ikea: In this case, customers highlighted the wide selection of assortment and the popular loyalty card system, which was reflected in the high rating in the personalization pillar.

Loyalty programmes are currently used in other sectors in the Slovak Republic, primarily in the retail sector (due to significant market differences between the Slovak Republic and China); time will tell, however, whether the knowledge that is available on the Slovak market will gradually spread to the hotel industry.

Summing up the findings regarding reward and benefit attractiveness for Chinese loyalty programme members in the hospitality industry, it was found that a combination of monetary and non-monetary rewards is perceived as very important. When investigating the awareness of loyalty programmes among Chinese hotel guests, it is still not possible to draw a direct conclusion. Some experts strongly believe that there is great awareness among Chinese, while others strongly disagree. Nonetheless, the findings of this research study appear to confirm that Chinese members of the loyalty programme consider the status of a hotel chain as being very important.

Changes in the marketing environment can force organisations to very quickly adjust the prices at which products and services are offered to customers; the same is true of (information) technology. But what lasts is the long-term relationship that the organisation has with its customers. Starting with loyalty (paper or plastic) cards, then through vouchers, club cards, collecting miles, and offering cash discounts, organisations have created and are creating various techniques to keep the portfolio of existing customers and to motivate them to make (regular) purchases. In the traditional concept of marketing management, the efforts of organisations in the past were focused on increasing market share and acquiring

new customers, while the current emphasis is on building and strengthening long-term relationships with existing customers.

The success of most organisations depends on their capacities (primarily financial, personnel, and material) to create a set of values and convey them to their customers. When the concepts of organisational success, a set of values, and customers "clash", it can be concluded that their common denominator is their position within the marketing management. A characteristic feature of current marketing management is the fact that, in the long term, it is the functional area of management that significantly and jointly participates in the success of the organisation as a whole. It follows from this that the evaluation of every marketing activity from the point of view of quantifying its performance should be an integral part of modern marketing management. However, in reality, evaluation of the performance of marketing activities is an area of management that does not yet receive the required attention, and the emphasis is still placed on the evaluation of the performance of the organisation as a whole. In many cases, without the availability of relevant data on the performance of individual functional areas of management (for example, finance, marketing, human resources, information systems, and others), the indicative value of the overall performance indicator of any organisation is incomplete.

In the context of identifying common features that need to be considered and given due attention to in the organisation of public administration and profit-making organisations from the market environment, there is the issue of personal data protection.

Public administration entities, like market entities, must ensure the protection of personal data, i.e., they must have sufficient financial resources to ensure the required level of data protection. The quality of personal data protection must not decrease in direct proportion to the size of the public administration institution, i.e., even smaller municipalities must allocate enough computer technology and experts in the field of IT or law. In the public administration of the Slovak Republic, it is currently unknown how much the personal data protection agenda costs.

As an opposite example, the issue of personal data protection is addressed in profitable market entities, especially in the case of loyalty programmes that can collect members' personal data.

6. Conclusions

The impact of loyalty programmes on performance is built through the gratitude of customers and their position within the hierarchy of customer relations but also through the perceived unfairness of the operation of loyalty programmes (for example, providing inadequate benefits, not appreciating the relationship with selected customers, and others). For this reason, it is necessary to evaluate loyalty programmes comprehensively and not focus on "stand-alone" variables. This complexity can be achieved through a comprehensive quantitative and qualitative examination of the mutual relationship between the benefits provided to the customer portfolio and the performance of the loyalty programme (which is represented by customer loyalty and a positive increase in sales volume).

Any marketing activity carried out by the organisation must be seen in relation to variables that directly and indirectly affect its results, and thus, by default, its performance. It is also necessary to take into account not only the positive aspect of the implementation of marketing activity, but also its potential negatives, or weaknesses. In our case, the negative point of view was represented by the different customers who are not members of the loyalty programme and their varied perceived dissatisfaction.

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