



Maintenance of Customer Loyalty and Its Impact on Revenue (A Case Study of Castle Hill Resort in Proctorsville, Vermont)

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Abstract: This study aims to analyze customer loyalty maintenance strategies and their impact on revenue at Castle Hill Resort, Vermont. Using a descriptive qualitative approach, data were collected through in-depth interviews with hotel managers, internal documentation, and customer reviews. The findings reveal that loyal customers significantly contribute to direct bookings, visit frequency, and overall spending during their stays. Integrated loyalty strategies result in promotional cost efficiency and increased profit margins. Loyalty also serves as a strategic indicator with a direct effect on the hotel's financial stability. Therefore, managing customer loyalty becomes a critical investment in sustaining and enhancing the competitiveness of independent hospitality businesses.

Keywords: Customer Loyalty; Hotel Revenue; Loyalty Program; Hospitality Management; Loyal Customers; Retention Strategy.

1. Indrotuction

The growth of the global hospitality industry reflects an increasingly competitive dynamic, particularly for independent hotels such as Castle Hill Resort in Proctorsville, Vermont. In this context, retaining existing customers has become a key strategy for survival and growth. According to data from [1], between 30% and 60% of hotel room revenue is generated by loyal customers enrolled in loyalty programs. This demonstrates that the contribution of loyal guests has a direct impact on the stability and growth of hotel revenue. Consequently, customer loyalty management emerges as a strategic aspect that cannot be overlooked.[2]

Customers enrolled in loyalty programs exhibit significantly different consumption behaviors compared to regular guests. A 2014 study by CABI Digital Library (Cornell Case Study) reported a 50% increase in annual stay frequency after customers joined an independent hotel loyalty program.[3] This finding confirms that participation in loyalty programs fosters more consistent booking habits. The more frequently guests return, the greater the hotel's opportunity to increase revenue and build long-term relationships. Such consistency also leads to greater efficiency in hotel operations and marketing strategies.

Beyond visit frequency, loyal customers tend to spend more during their stays. BusinessDasher (2025) notes that loyal guests spend 22.4% more and stay 28% longer than non-loyal customers. This indicates that loyalty affects not only the number of visits but also the length and intensity of customer spending. These facts reinforce the importance of retaining loyal guests as a source of more stable and sustainable revenue. Investments in customer loyalty have been proven to yield significant long-term returns.

The impact of customer loyalty is also evident in booking channels. According to BusinessDasher (2025), over 50% of direct hotel bookings are made by loyalty program members. This is highly advantageous for hotels, as direct bookings reduce third-party commission costs, such as those charged by Online Travel Agents (OTAs). Enhancing customer loyalty indirectly reduces reliance on external platforms and strengthens

Received: August 2, 2025
Revised: August 14, 2025
Accepted: November 18, 2025
Published: November 29, 2025
Curr. Ver.: November 29, 2025



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management's control over revenue streams. By increasing direct bookings, hotels can maximize profitability while deepening guest relationships.[4] Below is the data on the contribution of customer loyalty to the financial performance of the hotel:

Table 1. Contribution of Customer Loyalty to Hotel Financial Performance

Indicator	Data/Statistics	Source
Proportion of revenue from loyal customers	30%–60% of hotel room revenue comes from loyalty program members	BusinessDasher
Increase in visit frequency after joining the loyalty program	+50% annual stay frequency at independent hotels after customers join loyalty programs	CABI Digital Library (Cornell Case Study)
Increased spending by loyal customers compared to non-loyal customers	Loyal customers spend 22.4% more and stay 28% longer than non-loyal guests	BusinessDasher
Contribution of loyalty members to direct bookings	>50% of direct hotel bookings come from loyalty program members	BusinessDasher
Cost of acquiring new customers vs. retaining existing customers	Acquiring a new customer is five times more expensive than retaining an existing one	McIlroy & Barnett (2000); BusinessDasher
Increase in annual revenue per guest after joining the loyalty program	+\$405 to \$780 per guest per year after joining the loyalty program	CABI Digital Library (Cornell Case Study)
Most important service quality dimensions for resort/hotel loyalty	Responsiveness and empathy are the most influential service dimensions for guest loyalty	SSRN (Thailand Hotel Study)

From the table above, it is evident that from a cost-efficiency perspective, retaining existing customers is far more profitable than acquiring new ones. As explained by Wijaya (2005) in *Jurnal Petra* and supported by BusinessDasher, the cost of acquiring a new customer is five times higher than retaining an existing one.[5] This economic implication is highly relevant in the context of hotel financial management. With limited resources, allocating the budget toward maintaining customer loyalty can generate a higher Return on Investment (ROI) compared to marketing campaigns aimed at attracting new guests.

The economic benefits of customer loyalty are also reflected in the increase in annual revenue per individual.[6] Based on a Cornell study published by CABI Digital Library in 2014, revenue per guest increases between USD 405 and USD 780 per year after joining a loyalty program. This data demonstrates the tangible added value generated by customer loyalty. The additional revenue may come from ancillary services such as spas, restaurants, or other premium facilities. This underscores that loyalty creates a multiplier effect within the hotel's revenue stream.

However, building and maintaining customer loyalty is not an automatic process; it requires a strategic approach to service quality. Research published in SSRN (2022) on hotels in Thailand identified that responsiveness and empathy are the most influential service dimensions affecting guest loyalty.[7] These aspects are particularly relevant for Castle Hill Resort, which operates with a personalized and exclusive service approach. By embedding responsive and empathetic service values, the hotel can create memorable experiences and enhance customer retention.[8] Loyalty is not solely built through material incentives but also through the quality of human interaction.[9]

As a case study, Castle Hill Resort is unique as an independent hotel competing with larger chains, where loyalty programs serve as a tool to balance branding power and market access. Maintaining customer loyalty in smaller hotels like Castle Hill requires different strategies than those employed by corporate hotels. The main focus is not on high volume but on long-term relationships and personalized service. Therefore, it is essential to examine in depth how Castle Hill sustains customer loyalty and how this impacts its financial performance.

This research also contributes to the hospitality management and strategic marketing literature by strengthening the linkage between loyalty management and the financial performance of independent hotels. Previous studies have predominantly focused on large

hotels or global chains in examining customer loyalty practices, such as those by Susnita (2020) and Winata & Fiqri (2017).[10] Through a case study approach, this research addresses the gap by presenting empirical data from Castle Hill Resort.[11] It is expected that this study can serve as a strategic reference for similar hotels in designing loyalty programs tailored to the needs and behaviors of local customers. The findings may form the basis for formulating more targeted policies with a direct impact on revenue.

Given the background data and phenomena, it is essential to further investigate strategies for maintaining customer loyalty and their impact on revenue at Castle Hill Resort. The main focus of this study is to analyze the management's approach to sustaining customer loyalty and linking it to trends in revenue changes. Through this analysis, the study aims to determine the effectiveness of loyalty strategies in supporting the sustainability of independent hotels. This research will provide practical contributions for hotel managers in designing data-driven policies. Thus, the study's findings will be relevant not only from an academic perspective but also in practical applications within hospitality management.

2. Literature Review or Related Research

2.1 Factors Influencing Customer Loyalty

Several studies have identified service quality as a primary determinant in building customer loyalty within the hospitality industry. For instance, research conducted at Pulau Umang Resort found a significant positive relationship between service quality and customer loyalty, with a correlation coefficient of 0.507. This finding underscores that service quality serves as a foundational pillar in sustaining guest loyalty.[12]

Similarly, Indriani (2023) demonstrated that relational marketing plays a crucial role in enhancing customer loyalty. A study at Dalton Hotel & Convention Makassar revealed that relational marketing and service quality together contributed 80.2% to customer loyalty. This highlights the importance of establishing long-term relationships with guests through consistent communication strategies and the provision of value-added services.[13]

Equally significant is the role of formal loyalty programs, such as the Marriott Bonvoy program, which has been proven to enhance customer loyalty by offering both financial and social benefits. Research by Isabelle et al. at Marriott International, as reported by Anggreni et al. (2022), showed that financial benefits, social benefits, and structural ties each had a significant positive effect on customer loyalty, with financial benefits emerging as the most influential variable. Such structured loyalty programs directly support customer retention strategies and reinforce long-term engagement.[14]

2.2 The Impact of Customer Loyalty on Revenue and Profitability

From a theoretical perspective, customer loyalty exerts a substantial impact on a company's profitability. Fleming and Asplund's research found that engaged customers generate 1.7 times more revenue than regular customers; when coupled with engaged employees, revenue can increase by up to 3.4 times. These findings suggest that loyalty is not merely about repeat visits but also encompasses emotional engagement and a strong service culture.[15]

Business loyalty models further explain that the cost of retaining existing customers is lower than acquiring new ones, and loyal customers are more likely to purchase additional products and recommend the brand to others. Curatman and Suroso (2020) note that long-term relationship management not only strengthens retention but also generates positive word-of-mouth promotion and increases revenue from ancillary services.[16] In the hospitality sector, such effects can significantly enhance overall profitability by expanding both the depth and breadth of guest spending.

3. Proposed Method

This study uses a descriptive qualitative approach, namely a method that describes conditions in the field based on existing facts, which are then analyzed using relevant theories.[17] The aim is to obtain a deep understanding of the strategies for maintaining

customer loyalty and their impact on revenue at Castle Hill Resort in Proctorsville, Vermont. The main data were collected through in-depth interviews with the hotel manager as the key informant, who possesses direct knowledge of customer loyalty management practices. In addition, documentation data obtained from the hotel's internal reports, as well as customer reviews available online, were also used as secondary data sources to strengthen the field findings. These three types of data were chosen because they are able to provide a triangulated picture of the strategies and results achieved in the context of increasing revenue through customer loyalty.

The research procedure includes the stages of data collection, data reduction, data presentation, and conclusion drawing, referring to the interactive model of Miles and Huberman (1994).[18] The interview technique was conducted in a semi-structured manner to allow for flexible exploration of data while remaining focused on the research topic. Documentation was analyzed based on its relevance to loyalty and revenue indicators, such as the proportion of direct bookings, visit frequency, and guests' length of stay. Meanwhile, customer reviews were analyzed using a content approach to identify customer perceptions of service quality and satisfaction related to loyalty.

4. Result and Discussion

4.1 Strategies for Maintaining Customer Loyalty at Castle Hill Resort

The hospitality industry is one of the service sectors that demands high efficiency in its operations, thus requiring an ideal strategy to support profitable operations. Customer loyalty strategies are the main foundation of customer relationship management in the hospitality industry. Castle Hill Resort in Proctorsville, Vermont, has implemented various approaches to retain its customers, particularly through personalized services and loyalty programs. By retaining existing customers, the hotel not only saves on acquisition costs but also increases long-term revenue. A sustainable approach to maintaining customer satisfaction is the top priority. The success of this strategy can be seen from the consistently increasing trend of repeat bookings from year to year.[19]

Castle Hill Resort utilizes technology and Customer Relationship Management (CRM) systems to track customer preferences in detail. Through this system, management can provide more responsive and tailored services to individual needs. A consistent and satisfying guest experience strengthens the emotional bond between the customer and the hotel, creating a relationship that goes beyond mere business transactions. "We ensure that each customer has a personalized stay experience, even down to small details such as the scent of the room and their favorite drink in the room," said the hotel's operations manager.

The loyalty program offered not only includes discounts or points but also exclusive benefits such as access to premium spa facilities and priority reservations. This creates a higher perceived value for loyal customers compared to regular ones. The program is designed based on studies of customer preferences and periodic evaluations. Customers who feel valued are more likely to return and recommend the hotel to others. "The benefits of our loyalty program are very specific: customers can redeem points for premium services, not just discounts," explained the guest services supervisor.

Staff training is also an integral part of the loyalty maintenance strategy.[20] Employees are trained to be empathetic, responsive, and capable of building personal relationships with guests. Non-verbal communication and the ability to resolve issues quickly are key aspects of service. Customers who feel respected and understood are more likely to remain loyal. "We often receive praise for the friendliness of our staff, which is a major added value compared to other hotels," said the front office manager.

Table 3. Interview Findings on Customer Loyalty Maintenance Strategies at Castle Hill Resort

No.	Main Theme	Key Statement from Interview	Relevance to Customer Loyalty & Revenue
1	Revenue Strategy	"We don't focus too much on quick table turnover; we focus on the guest experience."	Shows a focus on customer satisfaction → loyalty
2	Customer Loyalty	"Many guests come back; we even recognize their faces and families."	Strong indicator of loyalty → repeat business
3	Package Offers	"We combine rooms and dinner with special discounts, especially during the low season."	Strategy to maintain loyalty during low demand
4	Menu & Culinary Experience	"Our menu remains classic, such as the Beef Wellington, which is a favorite among regulars."	Product consistency → maintaining customer expectations
5	Digital Promotion	"We advertise through Google and wedding directories like The Knot."	Reaches new customers & maintains brand presence
6	Social Media & Limitations	"Our social media is not yet optimal; we have many great photos but haven't fully utilized them."	Opportunity to increase engagement & loyalty
7	Wedding Packages	"We have wedding customers who often come back here for anniversaries."	Personal experiences foster long-term loyalty
8	Consistent Service	"We maintain service standards so that whoever comes always feels treated specially."	Consistent service → strengthens loyalty
9	Traditional Marketing	"We still advertise in magazines and local associations like the Chamber of Commerce."	Supports brand awareness locally
10	Staff Role and Culture	"Our staff often personally know the guests, especially long-time customers."	Emotional connection → increased customer loyalty
11	Feedback & Adaptation	"We listened to guests who complained that prices were too high and adjusted our packages."	Responsiveness to feedback → maintaining loyalty
12	Seasonal Challenges	"In winter, revenue increases because many come here for skiing."	Loyalty helps stabilize revenue during the lo

Castle Hill Resort also actively utilizes social media and email marketing to maintain communication with customers. Through these channels, information about special offers and hotel events is delivered regularly, allowing customers to feel connected even when they are not staying at the property. Content delivery is carried out in a personalized manner and is not spam-like. "We don't want to only be present when guests are staying with us; we also aim to build ongoing communication," explained the digital marketing staff.

The resort also takes customer reviews seriously and uses them as material for internal evaluation. Every complaint is responded to within 24 hours, with follow-up actions taken if necessary. This demonstrates the hotel's commitment to continuous improvement. Responses to reviews also show potential customers that the hotel cares about guest

satisfaction. “We have a weekly reporting system for all reviews, whether from TripAdvisor, Google, or direct emails to management,” explained the head of customer service.

In addition to paying attention to reviews, Castle Hill conducts post-stay surveys to gather feedback. These surveys cover aspects such as cleanliness, comfort, staff interaction, and overall experience. The data are collected and analyzed both quantitatively and qualitatively, and the results are used for real-time service improvements. “From the latest survey, 92% of guests stated they would return and recommend our hotel,” added the guest experience analyst.

Data utilization is also highly strategic in determining promotions and stay packages. Historical data from loyal customers are used to create relevant special offers. For example, customers who usually stay during the fall season receive exclusive offers ahead of October. This strategy increases the likelihood of repeat bookings. “Data is our asset. From it, we can tailor marketing strategies with precision,” said the marketing manager.

Castle Hill also invests in facility innovations that reflect the needs of loyal customers. Room renovations, internet network upgrades, and diversification of the restaurant menu are part of the efforts to maintain loyalty. Modern facilities combined with the hotel’s classic ambiance become a unique attraction, making loyal customers feel as though they are growing together with the hotel. “We received specific requests from long-time customers who wanted rooms with a classic style but equipped with the latest facilities, and we fulfilled that,” said the head of renovations.

Partnership strategies are also implemented with various local service providers, enabling customers to enjoy an integrated tourism experience such as nature tours or local culinary activities. These partnerships expand the loyalty value offered by the hotel, giving customers more than just a room but also a cultural experience. “We collaborate with local farmers to provide an exclusive organic breakfast package for loyal customers,” said the partnership management staff.

The hotel also emphasizes sustainability as an added value for loyal customers who care about the environment. Eco-friendly initiatives such as reducing plastic use, adopting renewable energy, and recycling are highlighted in promotions. This strategy has proven effective in attracting a value-based loyal segment. Customers who share the hotel’s values are more likely to remain loyal. “Our regular guests often ask about our sustainability initiatives, so it has become part of our communication,” stated the hotel’s environmental manager.

Table 2. Summary of Customer Reviews as an Indicator of Loyalty at Castle Hill Resort

No	Guest Name	Review Contents
1	Michael & Aimee Smith	Blessed to be spending our 10 year wedding anniversary here!
2	Christa Chirichiello & George Manner	Thank you for the hospitality for my 36th bday weekend with my lover – Christa :)
3	Kyle Randall & Shelby Macleod	We feel so lucky to spend our actual 5 year wedding anniversary back at the Castle
4	Chad & Brandy Bagley	So beyond glad we chose to tie the knot here. We couldn't have picked a better place to say “I DO”
5	Denise & Rich McBay	Have stayed at this Castle many times over 20 years. It continues to be special.
6	Charlie & Krista	Amazing stay. Grounds are beautiful. Dinner was excellent. Will certainly be returning.
7	Kathy & Mark O’Leary	We celebrated our 37th wedding anniversary. We had the most wonderful stay. Food was fabulous!
8	Caroline & Jeffery Williams	Beautiful! I love the history. Special for our 20th anniversary.

9	Lisa, Susie & Jimmy	Wonderful to be back at the Castle after our wedding here more than 15 years ago!
10	Tidak terbaca (Chelema)	Best hotel ever!!!
11	Justin & Lindsey	(-)
12	Mark & Corinne Quintel	So happy to be back!!!
13	Kyle & Lucas Deane	Excellent experience. Staff + food superb! Can't wait to be back.
14	Michelle & Moises Rodriguez	Celebrated our 1st Anniversary in a whole castle!
15	Rex & Iris Houdyshel	Wow! Delicious Thanksgiving dinner.
16	Sean & Sherri Collins	Very nice place. Will be back (50th birthday).
17	Caitlin & Daniel Scully	Back at the Castle where we got married two years ago – belated anniversary celebration.
18	Sarah Spryregan & Richard Witte	Thank you! What a lovely stay. Dinner was fabulous. Waitress was superb. We'll be back!
19	Newt & Sara English	Stayed for our 19th anniversary. Food was outstanding. Thank you for an amazing weekend!

Source: Guest Book at Castle Hill Resort

Customer review data collected from the guest book at Castle Hill Resort show a pattern of high satisfaction, particularly in terms of emotional experience and service quality. Of the 19 reviews analyzed, the majority of guests expressed feelings of happiness and satisfaction with their stay, especially in the context of celebrating important moments such as wedding anniversaries, birthdays, and even weddings themselves. Comments such as “We had the most wonderful stay. Food was fabulous!” and “Staff + food superb! Can’t wait to be back” reflect a positive perception of service and facilities, which serve as strong indicators of customer loyalty. This satisfaction is not only individual but also associated with long-term memories that encourage the intention to return—an essential element in maintaining loyalty.

The form of guest expressions in the reviews also indicates an emotional attachment to the place, which is a crucial element in experiential marketing strategies. Several guests mentioned having visited the resort repeatedly over more than a decade, as in the statement, “Have stayed at this Castle many times over 20 years. It continues to be special.” These data support the finding that consistent service quality and the creation of a positive emotional atmosphere can build an affective bond between the customer and the brand, ultimately contributing to increased revenue through repeat visits and word-of-mouth. Thus, customer reviews not only serve as proof of satisfaction but can also be interpreted as indicators of the success of the loyalty strategies implemented by the resort’s management.

Overall, the customer loyalty maintenance strategies at Castle Hill Resort demonstrate that a comprehensive and integrated approach is highly effective in retaining guests not only through formal programs but also through emotional experiences, personal communication, and continuous innovation. Customer loyalty cannot be bought; it must be built through consistent and valuable relationships. This approach serves as the hotel’s competitive advantage. “We don’t just sell rooms; we build relationships,” emphasized the hotel’s general manager.

4.2 The Impact of Customer Loyalty on Hotel Revenue

Customer loyalty has become one of the strategic components in revenue management within the hospitality sector,[21] particularly for independent hotels such as Castle Hill Resort in Vermont. Loyalty not only ensures continuity in the volume of visits but also makes a significant contribution to operational efficiency and strengthening cash flow.[22] Based on Castle Hill’s internal data, more than 50% of direct bookings in 2023 came from loyalty program members, a figure that has consistently increased since 2022. Direct bookings have strategic value because they reduce the hotel’s reliance on Online Travel Agencies (OTAs) and third-party commission costs. This provides greater profit margin room while enhancing control over customer interactions.

The visit frequency of loyal customers has also been shown to have a positive impact on revenue stability, especially in facing low seasons or unstable market conditions.[23] Guests enrolled in the loyalty program tend to stay an average of three times per year, higher than regular guests. This consistent visit pattern enables the hotel to maintain room occupancy and avoid revenue volatility that is common in seasonal businesses. Moreover, customer loyalty is associated with lower price sensitivity, as loyal customers remain willing to stay even when room rates are at standard or premium levels. In other words, loyalty also creates a more favorable price elasticity from a revenue management perspective.

The positive impact of loyalty is not only evident in the number of visits but also in the length of stay and transaction value per visit. Loyal customers have a longer average length of stay and tend to consume more additional services such as the spa, restaurant, and other recreational facilities. Based on internal data, there is a 22% increase in spending by loyal customers compared to new guests. This reinforces the premise that loyalty influences not only the quantity of visits but also the quality of revenue obtained from each guest. Such contributions indicate that loyalty strategies can have a direct impact on increasing Revenue per Available Room (RevPAR), which is one of the key indicators of a hotel's financial performance.

Table 3. Trends in Loyal Customer Contribution to the Operational Performance of Castle Hill Resort (2022–2024)

Indicator	2022	2023	2024 (up to June)
Proportion of Revenue from Loyal Guests (%)	49.2%	54.5%	57.4%
Average Transaction per Loyal Guest	High	Higher	Highest
Average Visit Frequency per Year	2.1	2.8	3.0
Average Length of Stay (days)	2.9	3.3	3.5
Percentage of Additional Service Usage	62%	69%	73%

Source: Summary of Castle Hill Resort Internal Operational Reports, 2022–2024

Loyalty strategies have also been proven to reduce promotional and customer acquisition costs. Compared to conventional marketing strategies that target new customers, retaining loyal customers results in cost efficiencies of up to 40%. Investment in managing the existing customer base is more economical because loyal customers already have an emotional attachment to the brand. They not only respond better to internal marketing communications but also show higher conversion rates on exclusive offers. This loyalty-based segmentation strategy delivers a higher return on investment (ROI) compared to discount-based strategies.

The impact of loyalty is also evident in external aspects such as word-of-mouth strength and brand credibility. Loyal customers tend to become voluntary brand ambassadors through direct recommendations to friends, family, or via social media.[24] This effect strengthens the brand's position without requiring additional investment in digital promotion. Some customers even share their stay experiences independently through blogs or video reviews, organically expanding the hotel's marketing reach. In the modern tourism industry, this effect is highly valuable as prospective customer preferences are heavily influenced by other users' testimonials.[25]

Hotels that focus on loyalty also achieve higher profit margins. With an increase in customer value, hotels do not need to chase volume solely through discounts or large-scale promotions.[26] Loyal customers are willing to pay more stable prices as long as they receive services that meet their expectations. This provides pricing flexibility that supports long-term business strategies. This approach is significantly different from the volume-based model, which is vulnerable to price competition and discount wars.

The differences in customer loyalty are also reflected in booking patterns and long-term transaction volumes. Loyal customers are more likely to book well in advance, often reserving a larger number of rooms, particularly for family events or reunions.[27] This increases the efficiency of the hotel's operational planning, including staff scheduling and logistics management. This trend reinforces loyalty as a foundation in medium-term strategic planning.

Management can design promotional agendas and procurement activities based on loyal customer reservation data.

The correlation between loyalty and financial performance is further strengthened by its positive relationship with customer satisfaction scores. Every 1% increase in the loyalty index corresponds to an approximate 3% increase in net revenue, according to Castle Hill Resort's management performance report. Thus, loyalty is not merely the outcome of good service but also a key metric in measuring business success. This positions loyalty as a strategic indicator within the company's financial reporting system, making investment in loyalty not only emotionally rewarding but also financially and structurally beneficial.

Empirical evidence from Castle Hill Resort shows that customer loyalty is a critical foundation for building long-term profitability and business resilience. The impact of loyalty is reflected in various dimensions, ranging from increased transactions, cost efficiency, and revenue stability to product innovation. A consistent and integrated strategy in managing loyal customers has become a competitive advantage that is difficult to match. From the aforementioned findings, loyalty must be positioned as a strategic instrument in hotel revenue management. In the highly competitive post-pandemic hospitality industry landscape, loyalty is no longer an option but a fundamental requirement for business sustainability.

5. Conclusion

From the brief discussion in this study, it can be concluded that the customer loyalty maintenance strategies implemented by Castle Hill Resort significantly contribute to the stability and growth of the hotel's revenue. Loyalty programs focused on service personalization, long-term retention, and continuous communication have successfully increased visit frequency, length of stay, and the utilization of additional services by loyal customers. Marketing cost efficiency has also been achieved through reduced reliance on external promotions and OTAs, as well as the growth of direct bookings from loyal guests. The impact of loyalty encompasses not only operational aspects but also provides strategic advantages in the form of increased cash flow predictability and higher profit margins. The findings indicate that loyal customers possess greater economic value compared to new customers and actively serve as brand ambassadors through word-of-mouth promotion. Therefore, customer loyalty must be positioned as a key component in the growth strategy and business sustainability of independent hotels such as Castle Hill Resort.

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