

Hotels' Renovation Effect on Customers' Loyalty and Occupancy Rates

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| ARTICLE INFO | Abstract | | |
|--|---|--|--|
| | Purpose- One of the biggest challenges hotels operations | | |
| Keywords: | may face is to renovate it's facilities with required and | | |
| Hotels' Renovation; Customer | expected standards, without losing business. Hotels | | |
| Loyalty; Hotels' Occupancy; | renovation is necessary for sustainable success, increase of | | |
| Hotel's Market Share; Renovation | market share, improvement of overall performance, and | | |
| Advantages; Renovation Disadvantages. | strengthening of the hotel's brand name. Despite the fact of | | |
| Disudvultuges. | importance, the renovation effect on the success of the hotel | | |
| (IJTHS), O 6U | and its performance, a few research discussed this issue and | | |
| (131113), 000 | its effect on the occupancy percentage of the hotel and | | |
| Vol. 4, No. 2, | demonstrate the advantage to customer relationship with the hotel. This paper aims to investigate and explore the most | | |
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| pp. 89 - 102 | influential causes of delays in hotel renovations in Egypt | | |
| D | and classify their impacts on time and cost. | | |
| Received: 23/2/2023 | The data was collected through a questionnaire addressed | | |
| Accepted: 4/4/2023 Published: 22/4/2023 | The data was collected through a questionnaire addressed | | |
| 1 donshed. 22/ 4/2025 | to the hotels' customers and a semi-structured interview | | |
| | addressed to the experts and designers in the hospitality field. A sample of four and five stars resorts in Red Sea, | | |
| | Egypt. | | |
| | Едург. | | |

I. Introduction:

Hotels' operations basically strive to meet the rapid changing in customers' needs. That is why, they do renovation to improve the outdated, damaged, and unattractive facilities to attractive places and facilities within the main theme of the hotel, modernize the systems to minimize failures, and at the same time responded to guests' needs and requirements. In other words, hotel renovation is all about changing, improving, and modifying the physical environment of the hotel according to the changing in customers purchasing attitudes (ElSayed, and Abed, 2021).

II. Literature Review

Recently hotel renovation became a necessity to keep up with the rapid development in technology and its connection to the different and subtle details of guests' lifestyles, modernize the infrastructure, and to provide a better comfort and convenience experience for guests. From another point of view, renovation is an effective marketing strategy to keep attracting guests' who are constantly changing with their needs and trends (Turner & Hesford, 2019).

In (2002) Hassanien & Losekoot identified hotel renovation as; "The process of retaining or improving the hotel image by modifying the tangible product, due to a variety of reasons, through any changes in the hotel layout and/or any additions or replacement of materials and furniture and equipment." While other researchers added that renovation is a process that encompasses a wide range of activities that can be categorized under replacement, restoration, redesign, re-decor, reinstatement, etc. Since renovation is concerned with hotel image, it can be classified as a very powerful marketing tool (Abdelghany & Abotaleb; 2014)

Types of Renovation:

Hotels renovation could be categorized into three types:

- **Minor/ minimum renovation** that could be done every three to five years according to the hotels' policy and it is about dealing with replacing or repairing the furniture, polishing the parquet or the floor furniture, painting walls without changing or renovating the physical layout.
- **Major Renovation** is considered a serious decision by the management of the hotel, and it is usually done for increasing or decreasing the space in the place by removing or adding walls. A major renovation is going through all minor renovations in addition to changing and modernization of lighting system and elements, remodeling of fitting, bedding, furniture, and accessories of the place. It could also go through the communication system and change the floors, windows, or doors.
- **Restoration/ Total Renovation** this type of renovation is concerned with changing the theme of the place, so it is going with major places such as, corridors, lobby, restaurants, bars, lavatories, rooms, a complete partition of the buildings, ventilation system, electricity system, security, and protection system. The decision of restoration/ total renovation is based on the need of the operation to make it more flexible or on marketability reasons or to meet changes in guests' needs (International Society of Hospitality Consultants [ISHC], 2015; Turner & Hesford, 2019; Hassanien & Losekoot, 2002).

In (2021) The report of Building & Renovating Hotels in Italy categorized renovating hotels according to its disbursement into five mains categories:

- > Simple revamping: that is involved with furnishing accessories.
- > Light renovation: about replacing less durable furnishing and finishes.
- Heavy renovation: by adding new and major elements, reconfiguring or relocating for efficient operations, and other reasons to meet the new structural designs.
- Conversion from other use: Works where the intended use of the building changes completely or partially to an establishment that falls within the category of hospitality.
- Greenfield development: The hotel is built on land that has never been used before; nothing has been demolished (in the case it was, those costs were not taken into consideration), and the hotel is literally brand new.

Reasons to renovate the hotel.

Many researchers enumerate the reasons beyond taking the decision to renovate the hotel. Some reasons are going back to changes in guests' needs and their purchasing attitude, others go back to competitors' performance and others referred to technological developments and updates (Hassanien, 2006; Dogru, et al. 2017). However, in (2019) Turner & Hesford released that no formula calculates the time needed to renovate the hotel. Other researchers stated that the decision to renovate the hotel may be referred to statutory requirements, and specific legislation relating to the hotels (Hassanien & Losekoot, 2002; Hassanien, 2006).

According to objectives needed to be met by renovation; Hassanien & Losekoot, (2002) classified reasons to renovate hotels into three main reasons:

- > Strategic; competition with others, increase market share, improve the image.
- > Operational; improve the efficiency of the operation,
- Functional; complying with new trends and technology, upgrading the hotel's rank, coping the governmental requirements, or recovering from disasters.

Marketing Activities pre–Hotels' Renovation

There are some tasks that are recommended by researchers after renovation such as:

- > Update the website of the hotel with all the needed information, photos, and prices.
- > Share a description of the hotel renovation on social networks and YouTube.
- Send an update to the third-party booking sites with the latest information, prices, and photos.
- > Update the mobile application of the hotel with all the latest information.
- Send a press release to local media/newspapers.
- Update sales brochures.
- ▶ Update the photo gallery of the hotel.
- Email regular guests and clients to notify them of the upgradation (Abed, 2020; Zehong Gong, & Bridnia, 2021).

Advantages of Hotels Renovations

Taking the decision to renovate should be studied carefully and well-planned. The main objectives of renovation are to add value and improve performance by increasing profitability and raising customer satisfaction (Hassanien, 2006). Hassanien (2007) added some advantages/objectives that could be achieved by a well-studied renovation and classified those advantages as strategic, operational, or functional, which make renovation essential for hotel operations. In other words, hotel renovation should add value to the hotel as an asset. Researchers recounted the advantages that hotels administrations may gain from the renovation as;

- 1. Keeping a good competitive advantage (ElSayed, and Abed, 2021).
- 2. Improving market share by satisfying present/ potential customers (Zehong and Bridnia, 2021).
- 3. Improving the efficiency of the hotel operation by increasing productivity (Abed, 2017).
- 4. Savings operational expenses (Abed, 2017; ElSayed, and Abed, 2021).
- 5. Maintain corporate image with the required standards (ElSayed, and Abed, 2021).
- 6. Upgrading the hotel category/ value (Zehong and Bridnia, 2021).
- 7. Comply with new trends in the market (e.g., the new norms) (Abed, 2017; ElSayed, and Abed, 2021).
- 8. Cope with the governmental requirements (Abed, 2017; ElSayed, and Abed, 2021).

- 9. Recovering from natural disasters such as hurricanes and earthquakes (Zehong and Bridnia, 2021).
- 10. Prevent any potential crisis related to safety issues (Abed, 2017; Zehong and Bridnia, 2021).
- 11. improving the functionality of the hotels' operations (ElSayed, and Abed, 2021).
- 12. increasing customers' feeling of comfort (ElSayed, and Abed, 2021).
- 13. To adopt new technology/ appliances that facilitate the work, decrease failures, and decrease the usage of energy thereby reducing costs (ElSayed, and Abed, 2021).

Obstacles Facing Hotels' Renovation

There are some obstacles and barriers that may delay taking the decision to renovate the hotel, those barriers can be categorized as follows;

- Financial factors referred to renovation costs underestimation or an increase in prices that may require additional funds (Jaskowski, et al, 2020).
- Constructions-related factors (ElSayed, and Abed, 2021).
- Miscoordination among parties (ElSayed, et al., 2022).
- External factors (Jaskowski, et al, 2020, Zehong and Bridnia, 2021).

III. Objective

The main objective of the research is to explore the effect of hotels' renovation on customer loyalty and its association with age and gender. The study also touched on the relationship between the effect of hotels' renovation and hotel occupancy rates.

IV. Limitation of the research

The study has some limitations: First, the main topic of the study was the effect of hotel renovations on customer loyalty and occupancy rates. The results can be applied to all fourand five-star resort hotels in all coastal areas in Egypt. The next research may explore customers' perceptions of hotel renovation in other types of hotels such as commercial hotels. Secondly, this research study only focuses on the perceptions of the guests according to their ages and nationalities. Future studies may examine guest loyalty toward green design in hotels at different places.

V. Proposed Hypothesis

The researchers proposed two dependent variables (Customer Loyalty, Hotels' occupancy) to be affected by the independent variable (Hotels' Renovation).

- Ho1: There is a positive impact of hotels' renovation on customer loyalty.
- Ho2: There is a positive impact of Hotels' renovation on its' occupancy repeat visit.

VI. Methodology

Sampling and Data Collection

Considering the importance of the effect of hotels' renovation on their occupancy and on its' customers' loyalty and commitment, the research is based on two steps. The first step is to investigate the effect of hotel renovation on guests' loyalty and on raising its occupancy percentage by using a self-administrated electronic questionnaire. The questionnaire was revised by academics and professionals to ensure its validity and rationality.

The questionnaire was distributed to a random sample of guests who are frequent and repeated guests to a sample of four- and five- stars hotels that have been recently renovated in Red Sea, Egypt. Ten hotels were under study. To examine the proposed hypotheses, an invitation to a formal electronic questionnaire (web-based surveys) was sent to a number of

guests by attaching the link of google forms (<u>https://docs.google.com/forms</u>) on the website of hotels under the study started from the 5th of January 2022 and ended on 15th of March 2022. 430 forms were distributed and only 380 forms were valid for statistical analysis with a recovery rate of 88.37%. The research used (The sample Size Calculator) to determine the appropriate sample for the research with a confidence level of 95%.

To investigate the proposed hypotheses, The questionnaire was designed consisting of four main axes and 33 statements: the first one asking about respondents' demographic data with twelve statements. The second axis examines the loyalty of guests who were accommodated in a hotel that has been recently renovated. The third axis used to explore the obligatory reasons beyond guests' avowal the hotel is in a need to be renovated with five statements and the final axis with nine statements discussed benefits that hotels operations may gain from renovating their hotels. The questionnaire was distributed to a number of experts and academics to investigate the validity of the questionnaire and modified according to their opinions and observations. Only ten four- and five-star hotels that have been recently renovated and located in Red Sea, Egypt were included in this study.

| Table 1. Hotels under the Study | |
|---------------------------------|---------------------------------|
| 1. Three Corners Sea Beach. | 2. Desert Rose. |
| 3. Three Corner Rihana | 4. SunRise Makadi. |
| 5. Three Corners sunny Beach. | 6. Serinity Makadi. |
| 7. Utopia | 8. Giftoon. |
| 9. Marlyn Inn. | 10. Grand Plaza (Case Del Mare) |

The second step is to interview a representative number of hospitality experts and interior design experts who had previous work in hotel renovation for standing on the benefits of hotel renovation to the success of the operation. The selection of interviewees was made on specific criteria: 1) Having experience in the hospitality field (not less than 25 years), 2) being involved in one of the hotels that have been renovated, 3) Having previous work in one of the hospitality properties in Red Sea, Egypt.

Forty semi-structured interviews were conducted. The selection of experts was made from different positions as hospitality experts, hotel owners, hotel general managers, Marketing directors, hotel consultants, interior designers, architects, and landscape architects. Semi-Structured interviews focused on identifying reasons for hotel renovation, benefits, advantages, and disadvantages of the hotel renovation, barriers that may face hotel renovation, and discussing its effect on customers' loyalty and its' impact on raising the percentage of hotel occupancy. Table (2) below lists the detailed profile of the interviewees.

| Table 2. Interviewees' Profile | | | |
|--------------------------------|--------|--|--|
| Position | Number | | |
| Hospitality Experts | 4 | | |
| Hotels Owners | 5 | | |
| Hotels General Managers | 8 | | |
| Marketing Directors | 11 | | |
| Hotels Consultants | 8 | | |
| Interior Designers | 2 | | |
| Architects | 1 | | |
| Landscape Architect | 1 | | |
| N= | 40 | | |
| Source: Researchers | | | |

Measures (Study Tools)

The questionnaire was developed using one independent variable (Hotels' renovation) and two dependent variables such as (Customer loyalty, Customer intention to repeat their visit to the hotel). Responses to some items were measured on a 5-point Likert scale ranging between 1 (strongly disagree) to 5 (strongly agree). From the inner validation results of the model measure, Cronbach's alpha coefficient was (0.790), which means the internal consistency was good.

VII. Findings. (Data Analysis and Results)

Findings from the Guests Questionnaire

| Table 3. Demog | raphic Characteristics | | | |
|---------------------------|------------------------|----------------|------|--|
| Statement | | Freq. (N.=380) | % | |
| Age Younger than 20 years | | 87 | 23 | |
| | 21-40 years | 118 | 31 | |
| | 40-55 years | | 26.5 | |
| More than 55 years old | | 74 | 19.5 | |
| Gender Male | | 182 | 36 | |
| | Female | 242 | 64 | |
| Nationality Egyptian | | 215 | 56.6 | |
| Foreigner | | 165 | 43.4 | |
| Source: Researchers | | | | |

The previous table showed respondents' demographic characteristics in terms of age, gender, and nationality. As the results show 31% of respondents are between 21- 40 years old, 26.5% are between 40-55 years old, 23% are younger than 20 years old and only 19.5% are older than 55 years old. Most of the respondents who answered the questionnaire are females with 64% and only 36% are males. 56,6% of respondents are Egyptians in addition to 43.4% are foreigners.

Testing hypotheses:

H01: There is a positive impact of hotels renovation on customer loyalty.

To test this hypothesis, the researcher used the simple Linear Regression test. Table No. (4) Shows the following:

| Table 4. Results of the simple regression test to determine the impact of hotels' renovation on customer loyalty | | | | | | | | |
|--|----------------|-------|--------------|------------|-----|-------------|------|------------------|
| Variables | Unstandardized | | Standardize | ANOVA Test | | T-Test | | R |
| | Coeffic | ients | d | | | | | Square |
| | В | Std. | Coefficients | Calculated | Si | Calculate | Sig. | (\mathbf{R}^2) |
| | | Error | (Beta) | (f) value | g. | d (t) value | | |
| (Constant) | 0.383 | 0.17 | 0.642 | 265.131 | 0.0 | 2.206 | 0.02 | 0.41 |
| | | 4 | | | 0 | | 8 | 1 |
| Hotels' | 0.741 | 0.04 | | | | 16.283 | 0.00 | |
| Renovation | | 5 | | | | | 0 | |
| Source: Researchers | | | | | | | | |

The results of the previous table show that the regression model is statistically of high significance, as the calculated (F) value reached (265.131), which is statistically significant with a significance level of (0.000). This confirms the high explanatory power of the simple linear regression model statistically. Hence, it can be concluded that there is an impact of the independent variable (Hotels' Renovation) has an impact on the dependent variable (Customer Loyalty).

The value of calculated (t) for the independent variable (Hotels' Renovation) amounted to (16.283), with a level of significance (0.000). This confirms that the independent variable (Hotels' Renovation) is statistically significant at the level of significance ($\propto = 0.01$). This is indicated by the value of the regression coefficients of the independent variables (B), which indicate the direct relationship between the independent variable and the dependent variable. It indicates also that the independent variable (Hotels' Renovation) can predict Customer Loyalty. In addition, the standard coefficients (Beta) indicated that any increase or change in the value of the independent variable (Hotels' Renovation) by one standard unit is met by an increase or change of (0.642) standard units in the dependent variable (Customer Loyalty).

The value of the coefficient of determination (\mathbb{R}^2) is estimated at (0.411). This indicates that the independent variable included in the model represented by (Hotels' Renovation) explains (41.1%) of the variance and changes, that have an impact on Customer Loyalty. As for the remaining percentage (59.9%), it is attributed to other variables or factors that were not included in this simple linear regression model, which is confirmed by the significance of the value (t) of the other factors with a level of significance (0.028). This indicates that there are other factors that also affect Customer Loyalty.

Therefore, the study accepted the (H01) hypothesis, which states, there is a positive impact of hotels renovation on customer loyalty.

H02: There is a positive impact of the hotel's renovation on its' occupancy percentage.

To test this hypothesis, the researcher used the simple Linear Regression test. Table No. (5) Shows the following:

| Table 5. Results of the simple regression test to determine the impact of hotels' renovation | | | | | | | | |
|--|---------------------------------|---------------|-------------------------|----------------------|------|--------------------------------|-------|------------|
| on hotels' occupancy | | | | | | | | |
| Variables | Unstandardize d Coefficients | | Standardi zed | ANOVA Test | | T-Test | | R Squar |
| | В | Std. Error | Coefficien ts (Beta) | Calculated (f) value | Sig. | Calcu lated (t) value | Sig. | e (R2) |
| (Constant) | 1.462 | 0.154 | | 236.073 | 0.0 | 9.510 | 0.000 | 0.384 |
| Hotels' | 0.618 | 0.040 | 0.620 | | 0 | 15.365 | 0.000 | |
| Renovation | | | | | | | | |
| Source: Researchers | | | | | | | | |

The results of the previous table show that the regression model is statistically of high significance, as the calculated (F) value reached (236.073), which is statistically significant with a significance level of (0.000). This confirms the high explanatory power of the simple linear regression model statistically. Hence, it can be concluded that there is an impact of the independent variable (Hotels' Renovation) has an impact on the dependent variable (Hotels' Occupancy).

The value of calculated (t) for the independent variable (Hotels' Renovation) amounted to (15.365), with a level of significance (0.000). This confirms that the independent variable (Hotels' Renovation) is statistically significant at the level of significance ($\alpha = 0.01$). This is indicated by the value of the regression coefficients of the independent variables (B), which indicate the direct relationship between the independent variable and the dependent variable. It indicates also that the independent variable (Hotels' Renovation) can predict the Hotels' Occupancy. In addition, the standard coefficients (Beta) indicated that any increase or change in the value of the independent variable (Hotels' Renovation) by one standard unit is met by an increase or change of (0.620) standard units in the dependent variable (Hotels' Occupancy).

The value of the coefficient of determination (\mathbb{R}^2) is estimated at (0.384). This indicates that the independent variable included in the model represented by (Hotels' Renovation) explains (38.4%) of the variance and changes, that have an impact on the Hotels' Occupancy. As for the remaining percentage (61.6%), it is attributed to other variables or factors that were not included in the simple linear regression model, which is confirmed by the significance of the value (t) of the other factors with a level of significance (0.000). This indicates that there are other factors that also affect the Hotels' Occupancy.

| Table 6. Analyses of Guests' Preferences | | | | | |
|---|------|----------------|------|--|--|
| Guests' Impression about the Effect of Renovation on | Mean | Std. Deviation | Rank | | |
| Hotel Improvements | | | | | |
| The hotel is much better after renovation. | 2.62 | 1.245 | 7 | | |
| Guest willing to return the hotel for another stay. | 2.86 | 1.424 | 6 | | |
| Guest willing to recommend the hotel to friends and family. | 3.64 | 1.151 | 1 | | |
| Renovation is considered an investment in the relationship | 3.33 | 1.343 | 3 | | |
| with customers. | | | | | |
| Renovation of the hotel has an effect on developing my | 3.62 | 1.319 | 2 | | |
| loyalty. | | | | | |
| The renovation has an effect on strengthening the hotel's | | 1.348 | 5 | | |
| brand name. | | | | | |
| Renovation of the hotel is considered a marketing and | | 1.365 | 4 | | |
| advertising tool. | | | | | |
| Guests' Points of View about Reasons to Renovate Hotel | Mean | Std. Deviation | Rank | | |
| Non-existing of bazaars and souvenir shops | 3.49 | 1.166 | 5 | | |
| Poor surrounding areas and passages | 3.86 | .979 | 3 | | |
| Absences of special needs requirements | 3.89 | 1.024 | 1 | | |
| Bad impression about hotel facilities | 3.88 | .971 | 2 | | |
| The need to reflect the required new standards | 3.65 | 1.156 | 4 | | |

Therefore, the study accepted the (H02) hypothesis, which states, there is a positive impact of a hotels' renovation on its' occupancy.

| Benefits of Hotels Renovation | Mean | Std. Deviation | Rank | |
|---|------|----------------|------|--|
| Digitalization of the hotels' services | 3.78 | .906 | 4 | |
| Increase customers' feeling of comfort | 3.99 | .977 | 2 | |
| Improve the efficiency of the operation | 3.64 | 1.035 | 6 | |
| Complying with new trends and technology | 3.73 | 1.101 | 5 | |
| Upgrading the hotel's rank/improving the image | | 1.265 | 7 | |
| Cop with the governmental requirements | | 1.307 | 9 | |
| Increase market share | | 1.266 | 8 | |
| Prevent any potential crisis/ safety issue | | .977 | 2 | |
| Greening practices (improving hotels' commitment to a | 4.06 | .930 | 1 | |
| sustainable environment) | | | | |
| Source: Researchers | | | | |

Table (6) indicated that, it could be noticed that guests appreciate the renovation effect on improving their willingness to recommend the hotel to their friends and family, the renovation has a positive effect in developing their loyalty feelings toward the hotel and they positively evaluate renovation as an investment on their relationship with the hotel. They also consider renovation a marketing and advertising tool that has a strong effect in strengthening the hotel brand name.

Regarding guests' point of view about reasons that indicate the need to renovate the hotel, it could be noticed that their first indication is the absence of special needs requirements which reveals its importance to most of them especially guests who are over 60s. Bad impressions about hotel facilities and poor surrounding areas and passages were the second and the third indications with a very weak difference between them, this reveals that there is a constant need to study the change in the purchasing trends and attitudes of customers and search for services and facilities that can attract their interests.

When asking hotels guests about their thought that hotels may gain from renovation their answers revealed the following: most respondents stated that improving hotels' commitment towards a sustainable environment is the first and the most important benefit the hotel may gain, and their choice reflected a positive evolution in their concerns and awareness of the importance of preserving the environment through green practices. In equal percentage and ranking respondents evaluate the two points; increasing their feeling of comfort during their stay in the hotel and preventing any potential crisis (safety issue) in the second position of benefits from hotels renovation followed by the digitalization of the hotels' services and complying with new trends and technology. These evaluations disclosed respondents' needs for hotels' designs and facilities that are compatible with safe environments, new technology, and trends. Respondents show less evaluation of benefits just as improving the efficiency of the operation, upgrading the hotel's rank/improving the image, and increasing market share.

Findings from semi-structured interviews

Interviewees agreed that taking the decision of any type of hotel renovation is the responsibility of the owning company side by side with the management company (if any), the decision is taken based on reports of department heads and according to the availability of financial resources. In properties operated by hotel chain management companies, it is a joint decision between the owning company and the management company. While properties are owned and operated by the owner it is the sole decision of the owning company (the chairman). Nevertheless, the renovation decision will be taken according to several factors and will vary from owning company to another. This will engage the owing company's financial situation, guests' feedback and reviews, the competition rate, some environmental factors, seasonality, and sometimes the renovation provisions in the contract agreements between the owning company and the management company, and the contract agreement between the properties and the international and/or local tour operators. It is the right choice to take the decision to renovate the hotel, especially after a crisis just as the pandemic of Corona Virus because guests will have their expectations for hotels to keep up with the latest trends in safety, technology, and sustainability practices.

Guest reviews on the hotel website, social media, and guest review sites should be reviewed on a regular basis as they are considered a good indication of customer satisfaction level. Regarding areas that take priority in the renovation process, interviewees stated that the lobby area, guest rooms, and other public areas conquer the top priorities in the renovation process. Also, priorities may be given to areas that need to improve its functionality and operational performance. Hotels operators should set a renovation plan according to the coming special events and at the same time according to a specific schedule to guarantee to maximize of the annual revenues generated by the hotel.

Regarding the interviewees' point of view, the renovation has a direct effect on the operations' profitability, functionality, marketability, and competitive status in addition to its effect on improving the image and the name of the brand name. they also agreed on the benefits of renovation in reducing annual maintenance expenses. One of the experts added that hotel renovation became essential to maintain competitiveness and to convoy with new technology, the name of the brand, new trends in designs, and sustainable practices.

One of the greatest advantages of renovation is having a reason to increase the hotels' rate/ repricing the hotels' facilities and rooms while slighting renovation forces operators to offer low prices to stay ahead of the competition. While renovating the hotel it is important to consider the target market's desires and needs, especially when choosing the materials.

| Table 7. Hotels under the study and its Occupancy Percentage before/after Renovation | | | | | |
|--|-------------------|------------------|--|--|--|
| Hotels' Name | Occupancy % | Occupancy % | | | |
| | before Renovation | after Renovation | | | |
| Three Corners Sea Beach. | 45 | 77 | | | |
| Three Corner Rihana | 48 | 85 | | | |
| Three Corners sunny Beach. | 45 | 80 | | | |
| Utopia. | 52 | 85 | | | |
| Desert Rose. | 43 | 75 | | | |
| SunRise Makadi. | 52 | 85 | | | |
| Serinity Makadi. | 49 | 80 | | | |
| Giftoon. | 50 | 80 | | | |
| Marlyn Inn. | 40 | 78 | | | |
| Grand Plaza | 53 | 84 | | | |
| Source: Researchers | | | | | |

Regarding the effect of hotel renovation on increasing RevPAR; there is a remarkable agreement among interviewees on its positive effect on occupancy rates. They claimed that hotels' renovation has a clear effect in increasing its revenue as a hotel may benefit from 30% greater net profit after renovation besides gaining upgrading on its rating on reservation web pages. They also added that many guests may visit the hotel to explore the new hospitality experience. That's why operators should monetize underutilized areas to create/ add a new revenue centre. They also refer it to the positive impact of renovation on loyal customers, which provoked positive word of mouth among other potential customers and on online reviews for others, and at the same time, they repeat visits to the same hotel because they were satisfied with their last visit. Interviewees added that some operators used hotel renovation as a way to increase the hotel's popularity by using bloggers to build buzz by sharing their remodeling experience on their own social media accounts which will attract more visitors. With this context, hotel's operations will find great marketing and promoting supporters.

VIII. Conclusions and Recommendations

Hotels renovation is a means of for improving the guests' hospitality experience with a deep understanding of their needs, requirements, and expectations, it is a way to increase the net profit due to increased customer demand and savings in energy costs. It is about using of smart design solutions to improve the efficiency and operational performance of the hotel. And it is a way to strengthen the image and the brand name of the hotel by using the latest and most profitable smart technological solutions and applications.

Hotels' renovation should take place not only off-season but also during crisis time especially since most properties will run very low occupancy percentages and be completed before the high demand period to minimize losing revenue. It is very important to consider the property calendar and any special events nearby the destination to guarantee potential business and any outstanding publicity.

Hotels' operation needs to set PIPs (property improvement plans) to cope with the brand design standards, competitors' updates and to respond to the requirements of guests in general and guests with special needs in particular. In case of any new competitor hotels opening in the destination, it will be a brilliant idea to accelerate the renovation schedule. Otherwise, the property may experience a vacancy rate increase. Alternatively, the property may have to cut the room rates in order to compete with the new property, especially since the new one will enjoy being completely new.

To guarantee following the environmental and sustainability factors, it is recommended to use glass walls, to minimize the consumption of electricity and to provide the usage of daylight instead. Hotels property should ask for the experience of a consultancy professional firm to guarantee that the renovation process is done according to the required standards with the assistance of professionals and experts and to adopt the necessary requirements of the sustainability plan, to maximize the space available in guest rooms, modernize the public areas, revitalizing the entrance and to avoid any mistakes, such as the logic service sequence and to follow the inquiries of the new norms required by the Egyptian Ministry of Antiquities and Tourism. Resorts properties should respect the natural ambiance, and to best use, the open areas, i.e., providing a gym room/ building with glass walls to ensure that guests will enjoy the view during practicing sports in addition to using eco-friendly amenities. Updating the marketing tools to reflect renovation, i.e. to refresh the hotel's online profile and to keep the online audience in the loop. Renovation should follow the requirements of desired and targeted marketing segment, i.e., Italian restaurants and pasta & pizza stations for the Italian market. Aquapark for families, assisting devices for senior travelers.

Special attention should be given by employing the design or the renovation to respond to different types of disabilities and the regulations of special needs organizations. The design of the space should give them the opportunity to enjoy their experience whether they are alone or accompanied by others. Hotel facilities, surrounding areas, and passages should have good attention when renovating resort hotels to ensure the highest means of comfort and relaxation for customers and to ensure raising of guests satisfaction and loyalty.

Finally, hotel renovation is a choice that couldn't be avoided for hotel owners and operators who are seeking a sustainable level of business and to maintain the required standard of safety and functionality of the operations.

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ملخص اللغة العربية

تأثير تجديد الفنادق على ولاء العملاء ومعدلات الإشغال أحمد حسن عبد القوي² سالى فتحى السيد¹ محمد عبد العزيز عابد³ ^{1.3} قسم إدارة الفنادق- كليه السياحة والفنادق- جامعه 6 أكتوبر 2 قسم إدارة الفنادق- كلية السياحة والفنادق- جامعه قناة السويس

أحد أكبر التحديات التي قد تواجهها الفنادق هو تجديد مرافقها بالمعايير المطلوبة والمتوقعة من الضيوف، دون خسارة الأعمال. حيث يعد تجديد الفنادق أمرًا ضروريًا لتحقيق النجاح المستدام، وزيادة حصة الفندق في السوق، وتحسين الأداء العام ودعم الاسم التجاري للفندق. وعلى الرغم من أهمية تأثير التجديد على نجاح الفندق وأدائه، ناقش عدد قليل من الأبحاث هذه المسألة وتأثيرها على نسبة إشغال الفندق وإثبات ميزة علاقة العملاء بالفندق. تهدف الدراسة إلى التحقيق واستكشاف الأسباب الأكثر تأثيرًا للتأخير في تجديد الفنادق في مصر وتصنيف تأثيرها على الوقت والتكلفة. تمت الدراسة علي المنتجعات الفندقية الاربع والخمس نجوم في البحر الأحمر، مصر . وتم جمع البيانات من خلال استبيان موجه إلى عملاء الفنادق ومقابلة شبه منظمة موجهة إلى الخبراء والمصممين في مجال الضيافة. وقد توصلت الدراسة الي انه يجب ان يتم التجديد للفنادق بشكل دوري ولا سيما في اوقات الركود وكذلك اوقات الازمات حينما تتخفض نسب الاشغال. كما المنافقين تحديث أدوات التسويق لتعكس التجديد، ومنها تحديث الموقع الرسمي الغندق على ما المنافق المنافقين. تحديث أدوات التسويق لتحكس التجديد، ومنها تحديث الموقع الرسمي للفندق على الإسراب على علملاء على المنافقين. تحديث أدوات التسويق لتعكس التجديد، ومنها تحديث الموقع الرسمي للفندق على الإنترنت وإبقاء العملاء على المنافين. تحديث أن يتبع التجديد متطلبات شريحة التسويق المرغوبة والمستهدية. الملاع كما يجب أن يتبع التجديد متطلبات شريحة التسويق المرغوبة والمستهدية.

تجديد الفنادق؛ ولاء العملاء؛ إشغال الفنادق؛ حصة الفنادق من السوق.