The Impact of Brand Loyalty in Tourism Sector Case of 5 Star Hotels in North Cyprus

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Submitted to the
Institute of Graduate Studies and Research
in partial fulfillment of the requirements for the Degree of

Master of Arts
in
Marketing Management

Eastern Mediterranean University
July 2013
Gazımağusa, North Cyprus

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ABSTRACT

This study aims to understand the effect of Brand Image (BI), Expectation (EXP), Perceived Quality (PQ), and Perceived Value (PV) on Customer Satisfaction (CS) and thus Brand Loyalty (BL) within a conceptual model in the tourism sector, North Cyprus. Survey instrument aims to measure customer satisfaction in European Customer Satisfaction Index (ECSI) model and brand loyalty as final result. In this research, 200 samples collected from 5 star hotels in North Cyprus and sets of data were analyzed with SPSS software and Smart PLS2.

Result of this study shows positive effect of Perceived Quality (PQ), Brand Image (BI), and Perceived Value (PV) on Customer Satisfaction (CS). This finding confirms the results of a study done by last researcher. Also, the result demonstrates that the relationship between the Customer satisfaction and two kind of brand loyalty (attitudinal and behavioral).

The finding of this study is different and opposite of last studies about relationship between Customer satisfaction and behavioral brand loyalty and confirms the result of a study done about attitudinal brand loyalty.

Keywords: customer satisfaction, Brand loyalty, hotel industry, North Cyprus.

ÖZ

Bu çalışmanın temel amacı müşteri memnuniyeti ile marka bağımlılığnı etkileyebilecek olası üç faktör olan Marka İmajı (BI), Beklenti (EXP), Değer Algılaması (PV) ve Kalite Algılaması (PQ)'nın etkilerini oluşturulan kavramsal çerçeve yardımı ile Kuzey Kıbrıs Türk Cumhuriyeti'ndeki turizm sektöründe incelemektir. Kavramsal modeldeki değişkenleri ölçebilmek amacı ile literatürdeki ölçekler incelenmiş ve test edildikten sonra kullanılmıştır. Her bir değişkeni ölçebilen ölçekler, literatür desteği ile geliştirilmiştir. Bu araştırma için 200 denek (turist) kullanılmış ve bu kişilerden elde edilen cevaplar modelde kullanılmıştır. Toplanan veriler SPSS 20.0 ve Smart – PLS paket programları kullanılarak analiz edilmiştir.

Araştırmadan elde edilen bulgular Kalite Algılaması (PQ), Marka İmajı (BI) ve Değer Algılaması (PV) boyutlarının müşteri memnuniyetini pozitif (olumlu) etkilediğini göstermektedir. Bu sonuç literatürde yapılan en son araştırmayı da desteklemektedir. Ayrıca sonuçlar her iki marka bağımlılığı (tutumsal ve davranışsal) ile müşteri memnuniyeti arasında bir ilişki olduğunu teyit etmektedir.

Anahtar Kelimeler: Müşteri memnuniyeti, Marka Bağımlılığı, Otel Sektörü, Kuzey Kıbrıs Türk Cumhuriyeti

Dedicate to my companions, lovely daughter Adrina and patient mother

ACKNOWLEDGMENTS

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LIST OF ABBREVIATION

ABL	Affective Brand Loyalty
BBL	Behavioral Brand Loyalty
BI	Brand Image
BL	Brand Loyalty
CogBL	Cognitive Brand Loyalty
CBL	Conative Brand Loyalty
CS	Customer Satisfaction
EXP	Expectation
PLS	Partial Least Squares
PQ	Perceived Quality
PV	Perceived Value
SPSS	Statistical Package for the Social Sciences

Chapter 1

INTRODUCTION

1.1 Background of Study

In the day by day developing world of marketing and industry, some professions have been identified as the most outstanding ones which need more scientific considerations. As a result, recently a considerable competition has evolved between the professionals who are directly or indirectly engaged in the hotel industry. As technology and industry in various sorts of human endeavor develop, the hotel industry develops per se; and hopefully it has already reached its optimal advancement (Kandampully & Hu, 2007). Since the differences in the services offered by different hotels which are equal in the star rating are gradually decreasing, the services are becoming commodities (Mattila, 2006). In order to retaliate this sort of attitudes, hotels employ some strategies like the strategy of developing program of loyalty including frequent-guest programs which is the most popular one (Mattila, 2006). These programs have the potential to be duplicated by the other hotels and in this way, they become quickly available to other hotels. It appears that the initiators in the implementation of such loyalty programs have the benefits of using them for the sake of making their own hotels pioneers; but nowadays, because of quick duplication and imitation, all advantages spread to all hotels as quickly as possible (Mattila, 2006). A common fact is that all hotel guests and residents attempt to pay the lowest price and get the highest services. However, a disadvantageous fact

refers to this issue that the guests who reside in hotels in specific seasons usually have the cards of memberships of some reward programs of hotels (Mattila, 2006). Most of the times, loyalty programs of hotels have rarely been successful in specifying the essence of brand loyalty and assigning the outcomes for management, since there has not been a strong affectionate relationship with the loyalty program of hotels (McMullan & Gilmore, 2003). In a competitive situation, the question of how to innovate and maintain the brand loyalty with the number of already existing customers is a challenging job for the outliving of the hotels (Heskett, 2002). The emotional relations of BL programs provide situations in which hotels find the potential to promote their financial conditions (Keiningham et al., 2008). In investigated about relationship between CS and increase in economical promotion, Reichheld and Sasser (1990) findings represented that there is a direct relationship between these two factors. The results indicated that a 5% percent increase in customer preservation led to 125% increases in benefit. This increase in benefit resulted from reduction in sales and marketing expenses, increase in price insurances and earnings increase (Rowley, 2005). Furthermore, typically loyal customers prefer constantly staying in one hotel and rarely change their mind to stay in other hotels or alternative brands (Gounaris & Stathakopoulos, 2004). However, the study done by Bowen and Shoemaker (2003) indicated that assuming that loyal customers have tendency to use other hotel services such as food, laundry or bars, but they still prefer those hotels to whom they have a deep sense of loyalty than those who do not have feeling of loyalty. To sum up, the loyalty to hotel brand appears to be a prominent technique or strategy applied by hotel holders to create a supportable benefit for any sort of competitive business and particularly hotel indust (Gounaris & Stathakopoulos, 2004). Unluckily a few number of theoretical and

experimental studies have been done in the domain of the effect of hotel loyalty on developing and promoting the hotel industry and business; even tough, its significant influence to people who are engaged in the hotel management, industry and business is no longer negligible (Jones & Taylor, 2007). Although, the investigation of service brand loyalty is a formidable job because of the complication in its process and structure and intangibility of customers' loyalty conducts; researchers have already begun compiling service experiences leading to loyalty (Gounaris &Stathakopoulos, 2004). This complication is typically related to four features of the service sector. The features are as follows: (1) intangibility which means the avoidance of five senses in the process of service evaluation (2) inseparability which means the production and consumption processes are integrated and occur at the same time (3) perish-ability which means the offered services are not to be stored, resold or returned back   and (4) heterogeneity which means because of the nature of the services, it is so difficult to put them under one standard (Parasuraman et al., 1985). With respect to brand loyalty in hotel management, this study attempts to provide better insights of the dimensional structure and factors involved in better understanding of brand loyalty. The results of this survey are to decrease understanding and identification of the framework and structure of brand loyalty and how brand loyalty is made are key factors to the success of the industry of hotel management (Mattila, 2006).Insightful realization of these issues will certainly help those engaged in hotel industry to expand the most influential marketing strategies in order to find appropriate ways of attracting customers and become sure that their existing guests keep staying loyal to their hotels (Hutchinson et al., 2009).

1.2 The North Cyprus tourism Industry

Cyprus after Sicily and Sardinia islands is largest island in Mediterranean Sea. This island achieved independence in 1960 from Britain. The neighbours of North Cyprus are Turkey from north, Syria from East and Egypt from south. North Cyprus is sixty five kilometres far from turkey, one hundred kilometres far from Syria and four hundred kilometres far from Egypt. The total area of North Cyprus is 3,355 square kilometres. From 1980s, the industry of tourism with an aim of financial development began developing in North Cyprus. Understanding the importance of tourism industry, the industry of hotel management has continuously expanded .The development in both tourism and hotel industries provided a sense of competition among hotels. New hotels were constructed and existing hotels went on some sorts of expansions and revisions. From that time, an increase from 469,800 in 2003(URL1) to 1,000,861 in 2012 (URL2) was a giant development in number of tourists which made tourists owners expand their hotels regarding their personnel and new facilities. Recognizing North Cyprus as an important tourism destination by European tourists, made a lot of tourists choose North Cyprus as a remarkable place to spend their holiday. This fact provided a developing competition and crucial modifications in the industries of both tourism and hotel management in North Cyprus. I in this regard, understanding the significant status of competitive benefits and profits is an outstanding issue to be taken into consideration by hotel owners, and those who are experts in hotel and tourism industries. Considering all of these issues and providing situations to enhance and gain great interests, the creation of loyalty brand is an inevitable fact.

1.3 Research Issues

Regarding the studies to date, two important issues are recognized:

(1) More studies are required for specifying dimension of brand loyalty.

(2) There has not been enough number of studies in relation to the relationships between brand loyalty and its determining factors. In following part, each of these considerations will be taken into account.

1.3.1 The Dimension of BL

In the last three decades, a great number of investigations have considered the phenomenon of brand loyalty (Bandyopadhyay & Martell, 2007). Former studies mostly considered brand loyalty as a conductor an attitude. It was an attempt to entail both the conduct and attitudinal dimensions of brand loyalty. However, these simple dimensions are not able to perfectly convey the intricate and comprehensive aspects of brand loyalty (Oliver, 1999). It is also believed that two dimensional framework does not have the capacity to lead those engaged in hotel industry to develop the program of brand loyalty (Rundle-Thiele, 2005). Early studies have accepted the multi-dimensionality of brand loyalty (Dick & Basu, 1994). Also, Oliver's study (1997, 1999) was the pioneer in proposing the multidimensional structure of brand loyalty. His framework included the dimensions of cognition, affection, behavior and conative-based loyalty. Oliver's classification was widely accepted by other scholars; in this regard Harris and Goode (2004) assumed that the categorization proposed by Oliver was a highly detailed and extensive consideration of brand loyalty. An unfortunate fact is that there are only a few investigations which have thoroughly studied this concept (Lee et al., 2007). Although the findings show that there is consent on the multi-dimensionality of the brand loyalty,

the number of the dimensions and how dimensions are connected to each other as well as what sort of dimensions are to be included are still the matter of controversy. Without arriving in clear realization of these issues, the identification of loyal customers and rewarding them will not be possible and service firms will not have the potential to measure the variables engaged in this issues (Jones & Taylor, 2007). Consequently, a through survey of brand loyalty through recognizing the dimensional structure of brand loyalty is an inevitable issue to be taken into account (Oliver, 1999).

1.3.2 The Relationships between BI, EX, PSQ, PV, CS and BL

The identification of influential factors in brand loyalty has been the main goal of investigation in the domain of brand loyalty. The recognition of factors which arouse the brand loyalty of customers and also the investigation of purchase behavior of customers are two major considerations that recent studies have taken into account (Han et al., 2008). BI, EXP, PQ, PV, and CS are most important items of (Brodie et al., 2009). BL was traditionally investigated as mono- or two-dimensional framework, but newly the researches study these constructs in service assessing models which are connected to BL such as the intentions in behavior (Lai et al., 2009). Due to this fact that the previously done studies did not compare the simultaneous effect of these three constructs on service encounter outputs, the finding of the researches appear to be overlapping (Cronin et al., 2000). This shortcoming make the researcher try to find out the simultaneous effect of the constructs on the brand loyalty. Several researchers such as Kandampully & Hu, (2007) emphasized the significant role of Image including corporate and BI on BL. BI as a deeply admired construct has a substantial effect on the service industry, and in particular on the industry of hotel management where challenging services are

recognized as almost similar in relation to the manner of performance, the amount of prices, and the availability of facilities (Schuiling & Kapferer, 2004). An Unfortunate fact focused on sensible and tactile products and retail contexts and little emphasis has been on BI evaluation of service firms. (Bloemer et al., 1998) in fact, the integration of BI into BL has been marginally studied (Lai et al., 2009). Consequently, the inclusion of BI in BL in a service sector is so important. The inclusion has at least two profits. It extends the model of brand, namely it improves the anticipating strength of the model and it also prepares a deep recognition of factors which make customers sustain loyal in the industry of hotel management.

The initiation of the theory of brand loyalty dates back to Western societies considering the customers of North America (Han et al., 2008). Also, Dabholkar et al. (1996) stated that various findings and the strengths of relationship between cultures can be rooted from the variant cultural features. If the results are investigated in different pattern and different context, the results will be certainly different from the Western culture. As a result DeWulf et al. (2001) focused on this fact that in order to get valid results, the findings in one context are to be reexamined in a different context. Subsequently, it is crucial to identify what factors are the determinants in recognizing loyalty in various cultures. Therefore, the investigation of the relationship between SQ, CS, PV, BI, and BL in tourism sector in North Cyprus is issue to take into account.

1.4 Purpose and Objective

This paper attempts to study two main goals: namely, the recognition of the dimensional structure of BL in tourism sector with investigation of the relationship between SQ, CS,

PV, BI, EXP and BL. In this regard, European Customer Satisfaction Index (ECSI) model will be used.

1.5 Research Scope

This study is an attempt to contribute the service marketing from both theoretical and practical viewpoints. From theoretical point of view, it will have several contributions with service marketing. Piloted framework of dimensional structure and the BL in the industry of hotel management will be proposed in this investigation and the findings will have a significant impact on the hotel industry. Identification of a framework for the relationships among different important items including PQ, PV, BI, EXP and CS and also the recognition of attitudinal brand loyalty (CogBL, ABL and CBL) and BBL are another contribution of this investigation.

1.6 Structure of Thesis

In this part I give a review of the framework of this study. First chapter represents a short introduction of the issues which are to be examined in this paper. In chapter two I will represent a review of literature under to wide sections. In first subcategory of review of literature, I will elaborate on the studies dealing with the developmental pattern BL with the purpose of recognizing the structure and dimensions of BL. The second subpart of the review of literature will focus on the former researches dealing with determining factors of loyalty namely, PV, PQ, BI, EXP and CS. In chapter three, I will elaborate on the existing research hypothesis and models in the domain and also discuss the relationship between the determinant factors of BL.

Chapter four will emphasize the methodology of testing the hypotheses which was introduced based on the suggested research method and model in chapter three. Moreover, this chapter explains about design method and discuses the scale process, collection of data and analyses them. Chapters five will indicated the findings and outcomes of this research and finally in chapter six, the findings from two research goals and their implications will be considered in details.

Chapter 2

LITERATURE REVIEW

2.1 Development of BL Studies

First investigation issue of the current thesis can be hypothesized as the need to examine the brand loyalty's dimensional structure. The goal of examining this issue works twofold. First, the issue can be raised to identify the brand loyalty's dimensions. It can also be used to examine the structure of these dimensions. Such goals enable the study to consider a review of BL development researches as being necessary.

2.1.1 Behavioral BL

Loyalty in behavioral terms defines brand loyalty as behavior (Kahn et al., 1986). Only customers who buy the same kinds of brands over time can be considered as loyal customers in a systematic fashion. This is established on stochastic philosophy through which purchasing brands is defined as a behavior which is random and very difficult to interpret (Rundle-Thiele, 2005).

This difficulty of interpretation relates to the fact that there exist a plethora of variables which impact on the customers' purchasing behavior which is nearly impossible to interpret (Tucker, 1964). Therefore, as Li and Petrick (2008) maintain, reaching a systematic manner of buyer behavior is difficult for marketers to obtain. Most of early researches took a behavioral approach by investigating BL uni-dimensional terms which

is purchase behavior. Those very last studies operationalized and defined BL as re

purchasing behavior of a specific product. There are three methods to apply in

behavioral approach in terms of loyalty measurement namely, average purchase (Tucker,

1964), purchase probability (Frank, 1962), and proportion of purchase (Raj, 1985).

Considering data collection, the behavioral loyalty approach researches normally utilize

data from either self reported purchasing behavior or the real customers purchasing

behavior.

The calibration of the behavioral approach is obtained from its measurement of real

purchase behavior that is pertained to the performance of the company directly (Odin et

al., 2001).

 Day (1969) maintained, such a measurement could help researchers in the field to

estimate the customer life-time value, assist them in obtaining cost-effective promotions,

and increase prediction of purchase probabilities. Such a strategy is necessary for the

expansion of marketing strategies such as promotion strategy and product development

from the managerial perspective. Furthermore, the behavioral data is rather easier to

obtain when it is compared to the collection of customer perceptual information as such

loyalty is measured through purchasing behavior. Hence, many scholars since have

utilized the behavioral approach to examine brand loyalty, specifically the researchers in

the hotel industry; for example Palmer et al., (2000).

2.1.2 Attitudinal BL Approach

Researchers in the stream of attitudinal approach follow an approach of determinism through which a small number of attitudinal causes lead to repeat purchasing directly (Rundle-Thiele, 2005). Hence, BL can be considered as an attitude BL (Odin et al., 2001). Brand loyalty studies utilizing an attitudinal approach underscored customer attitudes, beliefs, and opinions linked with purchasing behavior (Pritchard et al., 1992).

Attitudes can be considered as both a resultant construct and abstract concepts (Ajzen, 1989). The hotel industry scholars, following Guest's research, have purported this approach and have considered loyalty as intention (Zeithaml et al., 1996), an attitude BL toward the production (Morais et al., 2004), a commitment as well as an attachment (Rauyruen & Miller, 2007). Most researches in such a vein utilize multiple attitudinal dimensions to examine brand loyalty. Nevertheless, some of the researchers maintain that a single dimension is a correct method to investigate brand loyalty. For example, Reichheld (2003) held that loyalty can only be investigated through a positive tendency to recommend. He contends that such a way of loyalty measurement is a single effective method to examine customer loyalty in comparison to retention rate or customer satisfaction.

As a measurement of brand loyalty, attitudinal approach enjoys several benefits. First and foremost, it uses interval scales for behavioral measurement (Odin et al., 2001) which can ease the process of data collection and can enable the scholars to manifest the loyalty continuum for a specific product from 'extreme loyal' to 'extreme disloyal'. These scales of loyalty benefit from an insightful examination of the anticipation of customer future performance.

Second, attitude-behavior researches maintained attitudes can predict customer future behavior significantly (Glasman & Albarracın, 2006). As a result, to appreciate attitudinal loyalty can be a significant predictor of future performance. Marketing managers can be assisted in the act of purchasing the brand through an understanding of their customers' positive or negative attitudes (Hennig-Thurau & Hansen, 2000). Besides, market managers should appreciate the cognitive facets of loyalty in order to handle brand loyalty (Day, 1969). Also, the cognitive mechanism which shapes the loyalty construct should be investigated to manifest the motivation engulfing purchase behavior (Pritchard et al., 1999). Carried out depending on single attitudinal dimensions, Most of the studies in the hotel industry are designed based on the measurement and conceptualization of brand loyalty (Kayaman & Arasli, 2007).

There, also, appear to exist some drawbacks to using attitude to measure brand loyalty. Tucker (1964), who was considered as one of the pioneer critics of attitudinal loyalty, expanded the usage of a measure of BL in behavioral terms. He held that if positive and negative attitudes were included in handling brand loyalty, some chaos would occur. Dealing with attitudes in the operationalization of brand loyalty is like opening the Pandora's Box. Tucker holds that his findings relates to a large number factors impacting on each customer's positive or negative attitudes.

Another criticism of the measurement of attitudinal loyalty pertains to its not enjoying predicting power towards a real purchase behavior (Bennett & Rundle-Thiele, 2002). This kind of small scope explanatory power could be interpreted as the intermediary influences resulted from the interface of other factors reducing the scope of purchase

behavior such as customer situational factors and distribution issues (Jacoby & Chestnut, 1978). As a consequence, there probably remains no guarantees that customers who have purchased the brand will buy the same brand in future times. Such an argument leads to a uni-dimensional attitudinal loyalty which cannot still interpret brand loyalty successfully. Within subsequent discussions, each of such brand loyalty dimensions will be reviewed.

2.2 Attitudinal BL Dimensions

2.2.1 Cognitive BL

Investigating CogL in conceptual terms, it is established upon cognition element of attitude. Cognition is defined as the knowledge of clients and their belief toward some phenomena. Cognition is according to knowledge and beliefs; while, CogL is established on belief and knowledge. Through such a process, the brand becomes preferable to its competitors (Harris & Goode, 2004). Also, the brand becomes pioneer in a loyal consumer's way of thinking when issues of where to go in order to buy what kind of brand (Gremler & Brown, 1998). In other words, the brand is first selection between the other alternatives.

The means of convincing communication within the model of information-processing creates Cognition (Bagozzi et al., 1979). As a result, promotion strategies are selected to develop beliefs and to enhance customer knowledge about the brand or services. In addition to advertising, other communication strategies such as communication public relations, the customer's tendency (i.e., his/her positive or negative faiths) towards a service or brand may be affected by the experience of utilizing the brand or service. For

instance, when customers tend to accommodate at a special hotel, in this case cognitive loyalty happens since they have the knowledge about the existence of the hotel. Also, they developed beliefs according to the data obtained about the hotel although they have not had the experience of spending some of their time there. Such a loyalty is going to be more significant if the customers' beliefs are corroborated with their persuasion from the experience of staying in that hotel. Hence, According to Oliver (1999), this persuasion confirmation starts to bring about a deeper loyalty significance which is labeled affective loyalty. Unless the experience of utilizing the hotel services occurs as expected, the loyalty is going to weaken.

Even though belief is usually a temporary variable since this factor only depends on promotional efforts and advertising, it might be important in resulting in an individual purchase (Jacoby & Chestnut, 1978). Throughout the few studies carried out in the field such as McCain et al. (2005) which underscores CogBL as the only one determine of BL, CogBL might have a significant a relationship with ABL and CBL, but not with purchasing behavior.

2.2.2 Affective BL

ABL is defined as eligible attitudes based on satisfaction after purchase and consume (Harris and Goode, 2004). This kind of BL is established on the affect side (Oliver, 1999). Affective variable is based on the brand clients overall assessment (Assael et al., 2007); and as well as caring (Oliver, 1997) which includes some liking and involvement. Also, Back and Parks (2003) maintained, affect side established on moods, emotional responses, or feelings that can be examined through obtaining verbal reports or through

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psychological reactions. Such a kind of service or product can be assumed as the result of the consumption satisfaction of the service or product over a period of time. As Oliver (1997, 1999) held, this will finally create a significant tendency toward the service or product that is termed affective loyalty. Moreover, it is assumed by the consumer in terms of affect and cognition (Oliver, 1997, 1999).

CogBL is relied on information-processing theories (Bagozzi et al., 1979). As Assael et al., (2007) held neutral stimuli will be associated with the stimuli which are unconditioned. Such an association will occur if neutral stimuli link in a repeated fashion. For instance, the high SQ provided for the hotel guests in the hotel context can be assumed as unconditioned stimuli; whereas, CS can be considered as unconditioned response. If a hotel is able to deliver the service which enjoys high quality, the hotel guests may create a link to the hotel brand (i.e., neutral stimuli) with the service which is of high quality. Put it in other words, such a consistency association between satisfaction and high quality service will tend to arouse customer's positive attitude towards the hotel brand.

CogBL, ABL, as well as CBL are three ingredients of attitude. Nevertheless, the central component is ABL in attitude study (Assael et al., 2007). In addition, the affective component is different from beliefs, which are considered as multidirectional and also it is uni-dimensional in that it is categorized from prefer least to prefer most or from poor to excellent (Back & Parks, 2003). The beliefs towards a brand are pertained to the extent that they impact brand assessments, which are assumed as the primary facets of disliking or liking behavior. In this regard, scholars may treat brand assessments as

facets in line with attitudes. However, brand assessment is assumed to be shaped by the belief which influences a customer's intention to procurement (Assael et al., 2007). AS Jacoby & Chestnut, 1978 represented, Compared to beliefs, brand liking is more lasting and it also may influence decision-making measures.

Similar to CogBL, ABL is influenced by switching behavior which is in turn confirmed by researches that indicate a high percentage of brand defectors. The study having been done by Oliver (1999) represent that the brand may has already satisfied such brand defectors. Utilizing different product brands leads to one reason of customer satisfactory.

When the customers tend to consume a brand, they often are satisfied with some brands more than the other ones. Hence, they have positive or negative attitudes towards different kinds of brands (Pedersen & Nysveen, 2001). One may conclude that affective loyalty cannot be assumed as an ultimate predictor of BBL.

2.2.3 Conative BL

Conation underlies a unique brand commitment in order to repurchase (Oliver, 1997). For acting toward an entity normally examined in terms of intent to purchase, Assael et al. (2007) granted conation as a inclination of clients. CBL is also termed as BL intention or behavioral BL (Johnson et al., 2006). Stages of repetitive affirmative attitude toward the product impact purchasing a brand or service. Such a commitment toward a brand limits the customer in a certain direction towards a warranty for repeat purchase (Jacoby and Chestnut, 1978). As a result, committing consumers to purchase

the product or service is vital for any business since consumers tend to prevent persuasion because of other providers of the same brand (Pritchard et al., 1999).

Bagozzi (1979) maintained that behavioral intention is a consequence of punishment or reward toward a brand based on operant conditioning. So, Assael et al. (2007) believed that operant conditioning includes behaviors that are often regarded to be under the conscious supervision of the individual. Delivering perfect service to a repeat client, a hotel might strengthen the link between the client and his re-stay purpose in next time. Setting the right atmosphere to provide the reinforce (here excellent service) will form the customer's behavioral intention to stay permanently. On the other hand, providing a condition for a punishment (here a poor service) to a repeat customer will weaken the link between a customer and his re-stay intention which ultimately leads to negative intention.

A number of scholars such as Bowen and Shoemaker (2003) have investigated different level of commitment to a specific brand to examine attitudinal BL. Next researchist like Kandampully and Hu (2007) utilized commitment to measure BL. Most of such researches could indicate commitment as a criterion for discriminating BL from other form of behavior related to repeat purchase. This kind of commitment is considered as an intention to purchase (Oliver, 1999); hence, it may tend to be an expected action.

2.3 Behavioral BL

Oliver's (1997, 1999) last stage of brand loyalty sequence is behavioral loyalty or action loyalty. This loyalty phase converses intentions to action and consists of a tendency to

set up the ground to take such an action (Harris & Goode, 2004). Behavioral loyalty is defined as repeat purchasing sequence of a customer in terms of a special product. In fact, it is a client's behavior toward a certain mark for the behavior of frequent purchasing. This kind of loyalty can be kept through a commitment on the part of the customer in order to remain persuaded with the service or product to the amount that his/her brand searching pertaining to other products or services has decreased dramatically (Oliver, 1997, 1999). Nevertheless, at this stage, a customer might still change his/her loyalty behavior because of trial and persuasion provided by competitor, an issue any business must be vigilant of (McMullan & Gilmore, 2003).

To review, the multidimensional approach considers BL as a stage of CogBL, ABL, CBL, as well as BBL. The first three parts, namely CogBL, ABL, and CBL can be considered as an expansion of the attitudinal element of BL which evolve within customary approach. This approach, like mature assessment of BL, maintains to argue complicated and dynamic clients constancy behavior.

2.4 Multi-Dimension BL

A number of inquiries have examined the essence of Oliver's (1997, 1999) elements of ABL, CogBL, CBL, as well as BBL. Some researcher as McMullan and Gilmore (2003), Back and Parks (2003) and Evanschitzky and Wunderlich (2006) did it. Although, their research goals were quite different, all of the researches mentioned above claimed four BL dimensions. These dimensions are CogBL, ABL, CBL, as well as BBL. On the one hand, Back and Parks (2003) identified direct impact of the pattern of BL dimensions.

The other research reported just the pathway between ABL and CogBL as significant by Evanschitzky and Wunderlich (2006).

Moreover, Pedersen and Nysveen (2001) maintained that the correlation between affective BL and CogBL was not positive. They also found that the connection between CBL and CogBL was slightly significant. To conclude, although such researches maintain the existence of CogBL, ABL, CBL, as well as BBL, the relationships among the dimensions have not yet come into a unique agreement.

2.5 Examining the Formation of BL

In this part Jones and Taylor (2007) examined the dimension of BL throughout the marketing literature (i.e., CBL, attitudinal, as well as BBL) and the psychology literature (i.e., both BBL and CBL). The analysis process was carried out utilizing disaggregated models. In such a model, loyalty was scrutinized as a one higher-order factor including other first-order factors. Their study showed that CBL and attitudinal BL are correlated highly; hence, such constructs were similar. Moreover, the study found that a two-dimensional model of loyalty, namely BBL and a mixture of CBL and attitudinal BL should be taken. Nonetheless, the other researcher, Jones and Taylor's (2007) loyalty measurement revealed that their BBL was examined through intention items. In their study, BBL was termed as behavioral intention or CBL. In fact, they examined attitudinal loyalty.

Harris and Goode (2004) scrutinized a loyalty model which included four elements: trust, PV, SQ, and CS in online services for ticket and book buying. The study found

that 16 reliable and valid measurement items of brand loyalty dimensions are significant for the two online services. Using the analysis of comparative model, they also showed that the hypothesize pattern of BL which was CogBL, ABL, CBL, as well as BBL enjoyed the best way in order to be a perfect model with comparison to other competing models in the two study situations. The pitfall of their study lied in the fact that there was space for the inclusion of intention items such as 'I will' in examining of behavioral loyalty; hence, such items were interpreted as CBL rather than BBL.

Besides, Lee et al. (2007) investigated the destination loyalty precedent in a forestry situation. They used Oliver's (1999) four-phase conceptualization of BL and discussed that the Cog BL component was not included as a dimension of loyalty; however, it was conceptualized as an antecedent of BL. They suggested that only three phases of loyalty, namely CBL, attitudinal BL, and BBL played vital roles within the BL model. In a similar vein, other researcher, Lee et al.'s (2007) study purported the three-stage BL framework; however, they believed that their model of BBL considering a single item brings about problems concerning reliability likewise validity (Churchill, 1979).

In addition, Li and Petrick (2008) scrutinized BL elements in the industry of cruise line. They utilized the four-phase model of Oliver's (1999) BL. Nonetheless, they did not maintain that there exists a pattern pertaining the four-stage BL model; rather, they reported BL as a hierarchical attitudinal BL and BBL which reflects three sub-categories. These sub-dimensions based on the Tripartite Theory and consist of ABL, Cog BL, and CBL. Their study indicated that the three dimension of BL were highly correlated and reported that attitudinal BL is considered as a single higher order

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dimension with respect to the three sub-dimensions. In addition, they held that their model consisted of both BBL and attitudinal BL; nevertheless, the correlation between these elements of BL was negative. Therefore, there remained less sustenance for the optional relationship between the two construct (Dick & Basu, 1994).

Last but not least, Han et al. (2008) investigated BL in service utilizing Oliver's (1999) framework with a number of elements which comprised PV, PQ, CS, relational service benefits, as well as relationship service quality in China. They assessed the framework in two researches.

The first research was carried out in the hotel environment which confirmed the different dimensions of BL coming into play in the BL model. They reported that the elements of loyalty were categorized as part of a second part of hierarchical factor within BL. Their study was in line with their other study consisting of airline, mobile phone, and hospital settings. Second one purported the hierarchical pattern of BL. Even though their model is proper throughout the service parts and across the validation procedure, Han et al. (2008) did not argue about the evaluation of competing models of BL. Therefore, there is a probability that there exist a premier fit-model for scrutinize the BL construction.

2.6 Determinants of BL in ECSI Model

The (ECSI) or European Customer Satisfaction Index framework establishes a tool to evaluate the customer persuasion and the background related to it. Also, it includes the constructs linked to PQ, CS, PV, BI, EXP, and BL (Vilares & Coelho, 2004). ECSI has been extensively utilized in retail in many of the countries throughout Europe. Empirical studies which

investigate the correlations between such determinants and BL bring about arguments which are designed to inquire their possible connection with BL in the hotel management environment. Also, such a view toward BL manages the current research.

2.6.1 (BI) Brand Image

BI has been identified long ago as one of the central backbones of marketing studies. This issue is due not only to the role of BI as a foundation for marketing-mix which is tactical but also it is because of its role in creating an atmosphere for long-term brand equity (Keller, 1993). In the hotel industry which is a competitive and mature setting, BI plays a vital role and has its place as an alternative policy to brand separation (Kim & Kim, 2005).

Though BI has been identify as a central variable that impacts marketing activities (Mazanec, 1995), there is not sufficient concurrence in its correct definition. The concept of BI began by Martineau's (1958) study on store personality. Store personality is defined as shopper's decision-making on psychological and functional facets of store. Right after Martineau's study, different descriptions of BI have been expanded. Kandampully and Hu (2007) argued that BI is considered as a very complicated notion which is more than the adding of all the real attribute of a firm. In addition, Lee et al. (2008) suggest that a client's real experience with the services and products as well as the strategies in relation to promotion such as advertising or communication will form the image in his/her mind. BI is influenced by promotional communication and direct experience. Also, it is formed by brand association with other kinds of existence such as the other company, person, event, country or place (Park et al., 1996). In fact, BI is

shaped by the links with all emotional and factual dimentions of a company in creating clients perception on a special brand (Keaveney & Hunt, 1992). Among such variables, Aaker (1996) believes that the client experiment with the services and product is of utmost importance.

BI plays a vital role in shaping BL (Gronroos, 2000). Also, Oliver (1999) advocated that BL is based on both product CS and superiority as well as on creating an atmosphere for the customers to defend of the brand. If the company cannot support, maintain, and develop perceived brand equity and brand uniqueness, it is rather impossible to predict the increase of BL. Therefore, forming a positive and strong BI will PQ and will help in the formation of BL (Cretu & Brodie, 2007).

Also, Fredericks and Salter (1995) reported that BI is a part of the client value packet, product quality, and value, innovation as well as SQ that forms BL. Whereas BI is considered as an serious ingredient of BL, a small number of research have included this main factor in the investigation of BL in the hotel management environment (Kandampully & Hu, 2007). Hence, it is possible to extend the framework of BL to consider BI as one of its ingredients in the hotel management.

2.6.2 (EXP) Expectations

EXP is considered as a person's beliefs about how a brand performs in aftertime (Oliver 1987). The pattern of such beliefs is both analyzed through a collation in buyer assessment, which is proposed in disconfirmation paradigm, and considered as a direct background of persuasion (Szymanski & Henard, 2001). The direct impact of EXP on

this factor can be individuals perceive differences between performance and past beliefs and show a psychological challenge. As a result, consumers may heighten perception toward their EXP in order to minimize such tension (Oliver 1997). Therefore, the merger effect is defined as an inclination to method current experiences of expenditure through existing beliefs. Satisfaction may be led by EXP under such circumstances (Oliver & Burke, 1999). In the field of tourism, EXP is considered as a driver of persuasion in travel agencies part (Rodriguez et al., 2006). In the current study, it is proposed that tourist will decrease the psychological contrast and will corroborate their decisions to visit the place through heightening the percept toward their values as differences between both concepts.

2.6.2.1 Expectation in Service

A plethora of scholars refer to EXP when they need to discuss the management and nature of services. Overall SQ and/or CS can be indicated as a function of the connection between client's perception of rightful service and their EXP (Zeithaml et al., 1993). Bitner and Hubbert (1994) reported that CS is in line with the service encounter satisfaction definition. Although scholars agree that the EXP influence in both CS and overall SQ, there remains an urgent need to provide more evidence for the applicability of such a process. A large number of research have been fulfill in the SQ area incorporating the idea of EXP (Hamer et al., 1999); yet, the notion of EXP is rarely defined in its place. Generally speaking, the concept is defined through two ways. Firstly, it underscores behavior meaning that it is the possibility that a actions will be follow by a special result. In general, EXP provides subjective probabilities for an individual about now or further being of a specific state of affairs. This kind of

perception has prevailed in different contexts (Steers & Mowday, 1981), product assessment and performance EXP (Ilgen, 1971). Also, EXP has been utilized to indicate what customers hypothetically want. This is termed as normative EXP which consists of what customers want from a perfect service provider, what they wish for, what they hope for (Zeithaml et al., 1993); and what they reflect have to occur (Boulding et al., 1993). Such notion within the SQ studies maintains that the normative EXP includes expressions of what a customer wishes a service provider ought to provide rather than would provide. Although these two views are often utilized in exchange for one another, discussions in relation to SQ make it complicated to explain results. Moreover, such EXP is usually conceptualized as mixing both client beliefs and his/her wants concerning the extent of the service providing.

The Boulding et al. (1993) explain this difference through the EXP which is different from the client's desired or ideal standard. As an example, the client might maintain that a costly restaurant should provide fine alcoholic drinks despite the fact that the client may have no tendency toward having them available. Therefore, the term expectation is used to explain what clients prognosticate about the existence of service and what clients maintain about the capability of the provider. Moreover, the term describes what customers need from the service occurrence.

In the setting of service operations, arguments of EXP have underscored the ability of the delivery framework to provide such expectations (Davidow & Uttal, 1989; Waldman & Gopalakrishnan, 1996) and the formation of EXP, For example, the "gap" framework of SQ proposed by Zeithaml et al. (1993) explains issues engulfing this fundamental

comparison. Their pattern scrutinizes that there exist some relations in the total service delivery process through which the level of congruence between variables will influence the ending result. Solomon et al. (1985) show another facet of this comparison process. They reported that EXP concerning SQ was different from those about manufactured goods quality.

When the service customers lack physical referents, they may nurture a cognitive script that brings about EXP about the total service event. Afterwards, within the service circumstances, the EXP may create a model through which the clients can contrast their real perception with assess for similarity. Moreover, Hubbert et al. (1995) reported a method to reveal EXP and minimize a number of menstruation problems within the EXP is script way.

2.6.3 (PQ) Perceived Quality

PQ, pursuant to Zeithaml (1988), is defined as a client's interpretation about the total primacy of a service or product. It is known as one of the prominent variables of BL. Since PQ can impact organization performance and customer purchase behavior (Zeithaml et al., 1996); it is considered as an important strategy for survival and success of any institution dealing with business (McCain et al., 2005). As far as the prominence of service quality for any trade is concerned, PQ studies, also, in recent decades have been carried out to examine this construct throughout different kinds of industries (Ekinci et al., 2008).

Apart from some of the SQ researches, there existed little agreement in the formation of its construct, consequences, dimensionality, and measurement (Ladhari, 2008). The reason that there is no agreement above might be pertained to the certain properties of heterogeneity, services-intangibility, as well as inseparability of consumption and production that all and all result in the subjectivity of explanation (Rust & Oliver, 1994).

Likewise, Rust and Oliver (1994) suggested the Three-Component framework of SQ which includes functional quality, the service environment, and technical quality. Moreover, further development suggests that clients both assess the understandings of SQ utilizing a plethora of dimensions, but through a hierarchical structure (Clemes et al., 2010).

As SERVQUAL lacks evidence theoretically and empirically, Cronin and Taylor (1992) reported the SERVPERF framework to evaluate SQ. Furthermore, the framework measures SQ through examining clients performance understandings comparing their EXP of the service encounter. The argument between SERVPERF method and method is utilized by some researchers such as Furrer et al. (2000), in support of SERVQUAL as a well-established measurement method. Other scholars such as Brown et al. (1993) are in favor of SERVPERF.

Although there exist such differences, Carrillat et al.'s (2007) meta-analytic study claimed that both frameworks are valid predictors of total SQ. SERVPERF is known as a proper way for prognosticating variables such as BL and CS. This issue reports SQ as

the predictor of CS, PV, as well as BL. Therefore, SQ is considered to be examined through PSQ.

SQ is often known as a prominent competition method (Han et al., 2008; Kayaman & Arasli, 2007); also, there are a large number of researches which investigate SQ and its correlations with other factors in services environments. An abundance of researches measure the performance of SQ and the dimensionality throughout culture contexts (Chu & Choi, 2000; Nasution & Mavondo, 2005). These researches often utilize SERVQUAL and hold that the dimensions of SQ and their relative prominence differ across different cultural contexts (Ladhari, 2008).

Other studies examine SQ through identifying the relationships between SQ and other pertained variables such as PV (Chitty et al., 2007; Kim et al., 2008), CS (Juwaheer, 2004), BL as an example of purchasing behavior (Han et al., 2008; Lobo, 2008), as well as brand image (Cretu & Brodie, 2007). In essence, these researches all hold that SQ plays a vital role in affecting PV, CS, and BL. Nonetheless, how PSQ impacts PV, CS, and BL remains to be unknown. Hence, it is important to note that in investigating BL framework, SQ ought to be utilized as one of its determinants.

2.6.4 (PV) Perceived Value

Clients prefer one manufactured goods over another one since they maintain it will turn out to yield better worthiness (Zeithaml et al., 2006); Besides, due to its prominence in the process of decision making , customer PV is one of the most important elements in marketing management (Wang et al., 2004). SQ, CS, and PV are usually interpreted in

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different ways. Woodruff (1997) held that PV could be characterized as a client's perceived favorite according to the assessment of the produce properties, consequences, and performance to obtain their customers' goals.

On the one hand, Sinha and DeSarbo (1998) reported that worthiness is the quality that the client can provide; on the other, Gale (1994) considered value as quality which is the customers interpreted by them. There are an abundance of definitions with respect to PV; nevertheless, most of the definitions hold that PV is a relationship between what is given and what is received. The important concepts of Zeithaml's (1988) definition are two-fold as comparison and benefit sacrifice. The latter has two elements. Firstly, benefit refers to both the quality and quantity of services or goods customers enjoy. Secondly, sacrifice shows the cost the customers pay. It is too simplistic to view the interpretation of value grounded on quality and price since it considers only one element of PV (Sweeney & Soutar, 2001). In essence, the advantages and victim in utilizing produce or services are usually pertained to psychological (Kotler et al., 2010). As a result, the conceptualization of benefit and sacrifice within client PV ought to take into account monetary, quality, as well as psychological facets. Furthermore, comparison deals with the inconsistency among benefit and sacrifice as well as the client PV as the customer understands that the advantage of consuming goods or services goes beyond the sacrifices to utilize those (Slater & Narver, 2000).

Obtaining superior customer value is widely acknowledged as a positive influence on both employees and clients (Nasution & Mavondo) with BL and CS (Kim et al., 2008) and high customer value relating to strong customer persuasion (Gowan et al., 2001);

hence, it is a source of competitive benefit (Sinha & DeSarbo, 1998). Substantial interest has been given to this construct in the services context with respect to the prominence of PV in impacting the client's behavior.

A large number of empirical studies in this respect evaluates perceived service value with regard to other service assessment concepts such as BI (Lai et al., 2009); and CS (Kim et al., 2008); Also, SQ (Chitty et al., 2007), and service result, specifically BL (Kim et al., 2008). Most of the studies in this respect claim that PV is a prominent factor for BL. Nevertheless, the extent PV influences the connection between service assessment and quality and BL remains unclear (Cretu & Brodie, 2007). Therefore, it is important to note that this study considers PV as one of the BL determinants.

2.6.5 (CS) Customer Satisfaction

CS is among one of the goals of the marketing to meet which links the process of consumption and purchasing with subsequent purchase phenomena. Customers who become satisfied are considered very important in the concept of marketing (Kotler & Armstrong, 2004) since it influences profitability (Chitty et al., 2007), future consumer purchase (Yoo & Park, 2007), as well as shareholder value (Anderson et al., 2004).

If a customer claims that the quality of the good or service does not meet their needs, wants, and EXP, it can be assumed that CS will be at its low level.

The judgments concerning SQ are considered as more cognitive responses and assessments of unique characteristics; while, satisfaction judgments were rather more affective, comprehensive, as well as emotional reactions (Oliver, 1997). In general, a

high SQ results in a high degree of persuasion; however, a customer does not need to purchase the high quality service in search for need satisfaction. As a result, low SQ is perceived and also a client might be willing with the provider since his/her EXP is not in high level (Rust et al., 1996).

Furthermore, CS studies in various services environments can be categorized into two parts. The first classification is the abundance of studies that examines the degree of CS and investigates the deficit of the service transfer (Ryan & Huimin, 2007). These studies are more managerial-oriented goals since they remain diagnostic in nature. The second classification examines CS in a multivariate framework which consists of its antecedent variables including PV (Lai et al., 2009), SQ (Lobo, 2008), BI (Kayaman & Arasli, 2007), and its repercussions within BL (Namkung & Jang, 2007).

In general, many of the scholars believe that customer satisfaction both influences brand loyalty. It, also, determines the correlations among PV, SQ, as well as BI on BL. Nonetheless, researchers including Ganesh et al. (2000) and Oliver (1999) believe that the studies which are available throughout the literature have not yet adequately argued the complicated relationship between customer purchasing behavior and his/her satisfaction. Hence, it's essential that this factor is assumed as one of the BL determinants in the current study.

2.7 Relationship between BL and CS

The previous parts in the current research have argued and examined the four important determinants of BL which comprise PV, EXP, SQ, BI, as well as CS. The literature

shows the existence of correlations between these determinant factors. This part tends to discuss the trends between BL as well as such determinants in the hotel industry environment to investigate both existing and suggested relationships.

There are a plethora of researches gauging BL and its related determinants in the hotel industry. Most of them are carried out in developed countries. The other studies consist of bivariate studies which investigate BL with a specific determinant including PV (Nasution & Mavondo, 2005), CS (Bowen & Chen, 2001), as well as SQ (McCain et al., 2005). In general, the researches measure the loyalty determinant dimensions which prognosticate BL significantly. These researches offer hotel managers with a foundation for nurturing strategy to satisfy customer to re-buy. However, as the studies underscore a single loyalty determinant and examine loyalty according to a BL and its related determinants.

Current researches upon brand loyalty within the hotel industry have taken into account several loyalty determinants including BI, SQ, involvement and CS, as well as switching cost. In line with the bivariate researches, with an exception to Han et al.'s (2008) research, the studies investigated BL through conative loyalty which can also be termed as behavioral intention or attitudinal loyalty (Kim et al., 2008). These researches show that CS, PV, SQ, as well as BI appear as important variables of brand loyalty. Two of the many researches within the literature have investigated the correlation between CS, PV, BL, BI, and SQ in a specific research framework.

Chitty et al. (2007) investigated the variables which impact customer loyalty and satisfaction in youth schools through using the (ECSI) framework focused on individual backpackers in Australia and maintained that this framework couldn't give details about the relationships between BL and its determinants.

Their study proposed that CS and BI enjoy direct effects upon BL. It also indicated that price and SQ influence BL indirectly based on both CS and PV. Their study gauged BL through only CBL; nonetheless, their results do not show the definition of BL which yields broader concepts.

Furthermore, their study did not evaluate the direct influence of PV and SQ on customer loyalty. While there exists possible consistency between PV, SQ, as well as BL (Cronin et al., 2000), omitting these correlations ignores a likely superior interpretation of brand loyalty. A current thorough study was carried out by Clemes et al. (2009) in the hotels of Taiwan on the correlations between CS, SQ, BI, PV, and behavioral intention. Adopting from Zeithaml et al.'s (1996) loyalty battery, they aimed to obtain a deeper perception of conative loyalty. They, also, maintained the influence of SQ on BI, PV, CS, and conative loyalty. Moreover, Clemes et al.'s (2009) research indicated how the ordered service quality impacts on customer's conative loyalty. Nevertheless, they did not evaluate the discriminant validity of the factors which affected the appropriateness of their results. The evaluation of the discriminant validity of the variables could likely influence the variables as well as the nature of their correlations.

To sum up, the empirical researches discussed demonstrated an agreement that PV, CS, SQ, and BI directly and indirectly influence BL. Nonetheless, only few researches have assessed these determinants in a specific framework of BL within the hotel management. Moreover, these researches tend to underscore a special dimension concerning BL. Hence, how such determinants influence the multi-dimensional BL simultaneously (i.e., behavioral and attitudinal components) has not been answered.

Chapter 3

RESEARCH HYPOTHESIS

3.1 Conceptual Model Development

The present study aims to identify the influence of brand loyalty in tourism field. Moreover, it will measure customer satisfaction through (ECSI) European Customer Satisfaction Index model and brand loyalty as final result. In other words, the main purpose of study is to investigate the impact of different variables such as BI, PQ, EXP, and PV in CS and to examine the attitudinal BL role, namely CogBL, ABL, and CBL as mediator variables for BBL as final result. Figure 3.1 demonstrates the conceptual model of the current study.
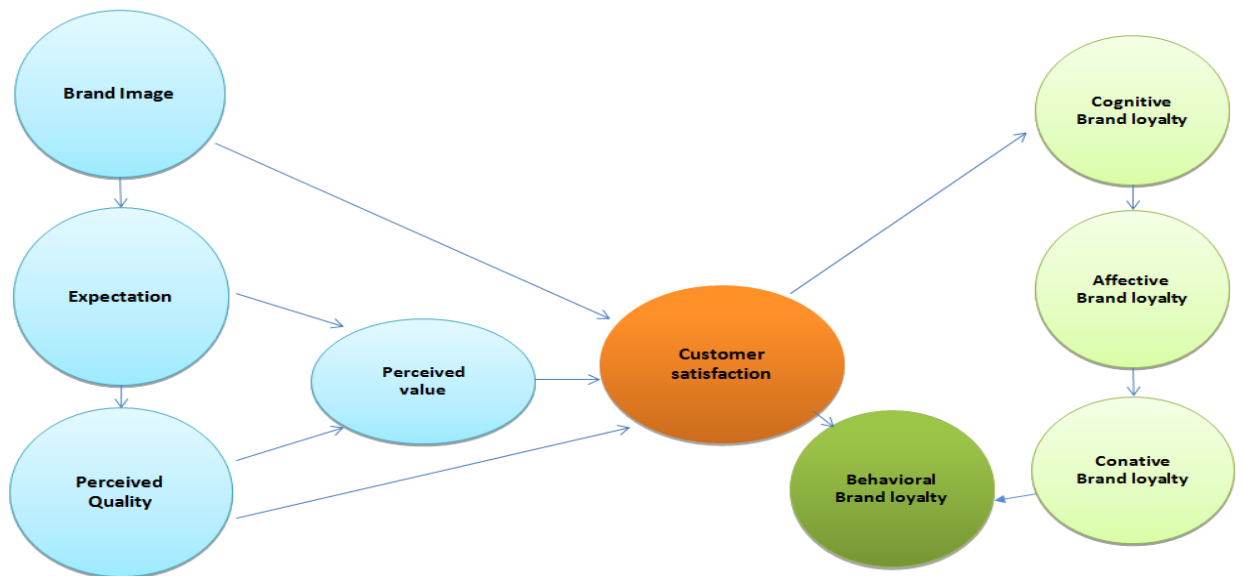

Figure 3.1: Conceptual Model of the Study (Ball et al., 2004) and (Back and Parks, 2003)

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3.2 Hypothesis Development

As shown in the above figure concerning effective parameters on customer satisfaction, the current study has tried to find whether there exists a relationship between different variables such as BI, EXP, PQ and PV in CS and their relation with BL.

BI can influence the customer understanding of BL (Kandampully & Hu, 2007), PQ, PV, and CS (Zeithaml & Bitner, 1996). Some researches maintained positive relationship between BI and CS (Lai et al., 2009). Nevertheless, other scholars showed insignificant correlation between the two (Clemes et al., 2007). Besides, Back (2005) claimed a positive correlation between BI and CS in the hotel context. Chitty et al., (2007), also, indicated that one of the predictors of PV and CS is BI.

The relationship between CS and BI has not yet gained enough attention in hospitality literature. One of the reasons may lie in the fact that they are ordinarily investigated with other variables such as customer loyalty (Kandampully & Suhartanto, 2000). A plethora of studies have indicated that the image can be among one of the most prominent factors which influence CS and their subsequent behavioral intentions (Cai et al., 2003).

According to Oliver (1987) individual expectations are considered as one's viewpoints concerning how a produce has the potentiality to function in further (Oliver 1987). Furthermore, these individual expectations are defined in terms of the degree to which a customer is loyal to an especial product which itself mainly depends on the degree to which the customers are pleased with the quality of the brand or product and also their PV (Back, 2005). As soon as a hotel visitor realizes the SQ provided by the hotel staff

outruns their EXP, wants, and needs, they will be satisfied. Moreover, if the high SQ is accompanied by a reasonable customer persuasion, a high PV is triggered which results in BBL. This instance of hotel service consumption EXP is an illustration that the connection between SQ and BL is both direct and indirect in terms of CS and PV.

The study of SQ and it is influence on BL shows different result. Zeithaml et al. (1996) suggested a direct correlation amongst SQ and BBL. Assessment in trade, output, and a service setting is an important illustration of the impact of SQ on CBL. Nevertheless, the magnitude of impact across the examiner settings differs. In a research, Brady and Cronin (2001) investigated in services marketing notion and maintained relations between PV, SQ, BBL, and CS. Their study illustrated that SQ enjoys a direct impact on CS, PV, and BBL. Furthermore, their study indicated the indirect influence of SQ on BBL through CS and PV. Cronin et al. (2000) maintained indirect connection among service behavior intention and SQ in several service settings. Their study showed that there exists a considerable indirect correlation between BBL and SQ through CS and PV. Lai et al. (2009) reported indirect relations between SQ and BL only in terms of PV.

Various results concerning the relationships between service BL and quality, which is measured by attitudinal BL or CBL, are found in empirical research. Other studies in this respect found indirect relationship between BL and SQ through PV (Kim et al., 2008) as well as CS (Ekinci et al., 2008). For instance, a study on the monolith model of BL carried out by Han et al., (2008) in two different hotels in China indicated that in SQ was only considerable in terms of CogBL and they couldn't find any relationship towards the rest of the BL dimensions.

A plethora of empirical findings reported that SQ enjoyed the potentiality to directly influence CS, PV, as well as attitudinal loyalty. Besides, the studies reported that PQ determines PV (Zeithaml et al., 2006). Empirical studies showed that BL, which is typically measured by CBL, and CS have been experimental addressed as the result of PV (Hutchinson et al., 2009). In addition, Chitty et al., (2007) maintained that PV has a direct impact on CS in the hotel industry. Other studies have shown that PV has both directly and indirectly influences in CS (Chitty et al., 2007). Most of the research are in the same vein and concur that PV directly has an impact on BL and CS; however, it indirectly influences attitudinal loyalty in terms of CS.

The satisfaction experience that customers obtain from expending a goods or service will increase and develop their viewpoints in the quality of them which results in a tendency to re-buy. Many of the studies which are carried out in various industry reports that the relationship among BL and CS is well grounded (Lai et al., 2009). Also, studies conducted within the hotel industry setting show a positive relationship between BL and CS (Back, 2005). Nevertheless, most of those study only assess the connection among CBL and CS (Kandampully & Hu, 2007), BBL and CogBL (Back & Parks, 2003), or test the overall BL (Han et al., 2008).

Furthermore, the suggested model of BL indicated that BL consists of attitudinal BL and BBL. Attitudinal BL is a hierarchical variable which includes the sub-dimensions of ABL, CogBL, and CBL. In their meta-analytic study, Glasman and Albarracın (2006) investigated the relationship between behavior and attitude and found that there existed a relationship between attitude and future behavior. Also, they maintained that the

relationship between these variables would be highly significant if the attitude object is stable and accessible over time. For instance, the attitudes of hotel guests toward a hotel environment will be a significant factor which influences their future stay in the hotel. Current literature widely concurs on a direct relationship between BBL and attitudinal BL (Bandyopadhyay & Martell, 2007).

Based on the above discussion, the following hypotheses are formulated:

- H1: BI has positive effect in CS.
- H2: PV has positive effect in CS.
- H3: PQ has positive effect in CS.
- H4: EXP has positive impact in PV.
- H5: PQ has positive effect in PV.
- H6: BI has positive impact in EXP.
- H7: EX has positive impact in PQ.
- H8: CS has positive impact in CogBL.
- H9: CS has positive impact in BBL.
- H10: CogBL has positive impact in ABL.
- H11: ABL has positive impact in CBL.
- H12: CBL has positive impact in BBL.

Chapter 4

METHODOLOGY

4.1 Introductions

In this section the researcher tries to explain the essential information concerning conceptual model design, sampling, Questionnaire design, data collection, as well as data analysis.

The ultimate purpose of this study is to scrutinize the impact of brand loyalty in tourism sector and the case of 5 star hotels in North Cyprus. Also, European Customer Satisfaction Index (ECSI) model and brand loyalty were utilized as final resort and their variables to examine are: BI, PQ, EXP, PV, CS, as well as BL. Besides, on the part of brand loyalty, it aimed to find the relationship between different components of attitudinal brand loyalty as the mediator for Behavioural Brand loyalty.

4.2 Procedure of Quantitative Research

With respect to the research purpose, model, and hypotheses developed, quantitative approach is utilized in the current study. Quantitative method is defined investigation methodology which aims to quantify the data with the intention of utilize statistics for gauging the data set. This approach provides the scholar with an opportunity to establish actuarial evidence on the significance of the correlation among different items. Besides,

this method is utilized to assess hypotheses in a study and determine the validity and reliability through measuring the variable (Malhotra, 2004). Furthermore, loyalty studies have used quantitative methodologies successfully, especially in the hotel industry environment (Back, 2005).

4.2.1 Questionnaire Design

In this study the questionnaire was designed in 9 parts with the total of 23 questions Brand image with 4 items, 2) expectation with 4 items, 3) perceived quality with 4 items, 4) perceived value with 3 items, 5) customer satisfaction with 4 items, 6) cognitive brand loyalty with 2 items, 7) affective brand loyalty with 3 items, 8) conative brand loyalty with 2 items and 9) behavioral brand loyalty with 2 items from items.

4.2.1.1 Demographic Characteristic

This research gathered respondent demographic data: gender of participants, their age, their level of education, as well as their profession.

4.2.1.2 Evaluation scale in questionnaire

Within the framework of multivariate statistics, most of the techniques available can only be applied to continuous scales Through utilizing Likert-type scales within the framework of multivariate statistics, issues relating to whether continuous scales can be applied is raised (Hair et al., 2006). Nevertheless, as Byrne (2010) holds, a researcher could ignore categorical scale pitfalls when there exists a large number of categories. The constructs utilized in the current research is 5-point Likert-type scale from 1 (strongly disagree) to 5 (strongly agree).

4.2.2 Questionnaire Translation

The questionnaire was originally created in English; however, we needed to translate it to Turkish and Persian (we translated it to Persian because of Iranian tourists that they came here for Norouz holiday in Iran).

Brace (2004) argues that a proper translation of a questionnaire should be carried out with sensitivity in that the meaning and subtleties are appropriately retained. Following this opinion, original version of questionnaire was translated to Turkish and Persian with back- to- back method.

4.2.3 Primary Test

The researcher used 10% of the sample size (i.e., 20 questionnaires) as pilot sample for this test.

4.3 Sampling

Both sample design and sample size are essential factors which ought to be considered by scholars (Sekaran, 2005). Hoelter (1983) suggested an essential sample size of 200 cases for assessment; hence, the researcher used this range of sample size in the current study.

4.4 Procedures of Data Analysis

Kumar et al. 1999 imparted, this part (Data Analysis) is an essential phase since it has the possibility to weaken an elegant research. The most important issue in this part is

accuracy in different stages of data analysis. In this research, sets of data were analysed with SPSS software and Smart PLS2.

4.4.1 Partial Least Squares (PLS)

This program is defined a software which paves the way for the approximation of the implied latent variables through different index with multivariate technique and the investigation of the ways among such latent variables (Cassel et al., 1999). PLS analysis, which is considered as a nonparametric method, cannot hypothesize the normality of the data nor cannot assume as bulky a sample size as other causal modeling methods (Arnett et al., 2003). Cassel et al. (1999) showed that adding to the sample size from 50 to 200 increased the significance below the expectations on the estimates of PLS.

According to the previous argument, PLS was selected as a proper analytical method to investigate the research hypotheses.

Chapter 5

DATA ANALYSIS AND RESULT

5.1 Demographic Profile

The demographic result of this research is described in the following part:

Figure 5.1shows the gender of the respondents. As it is seen 53.5% of subjects are male and 46.5% are female.
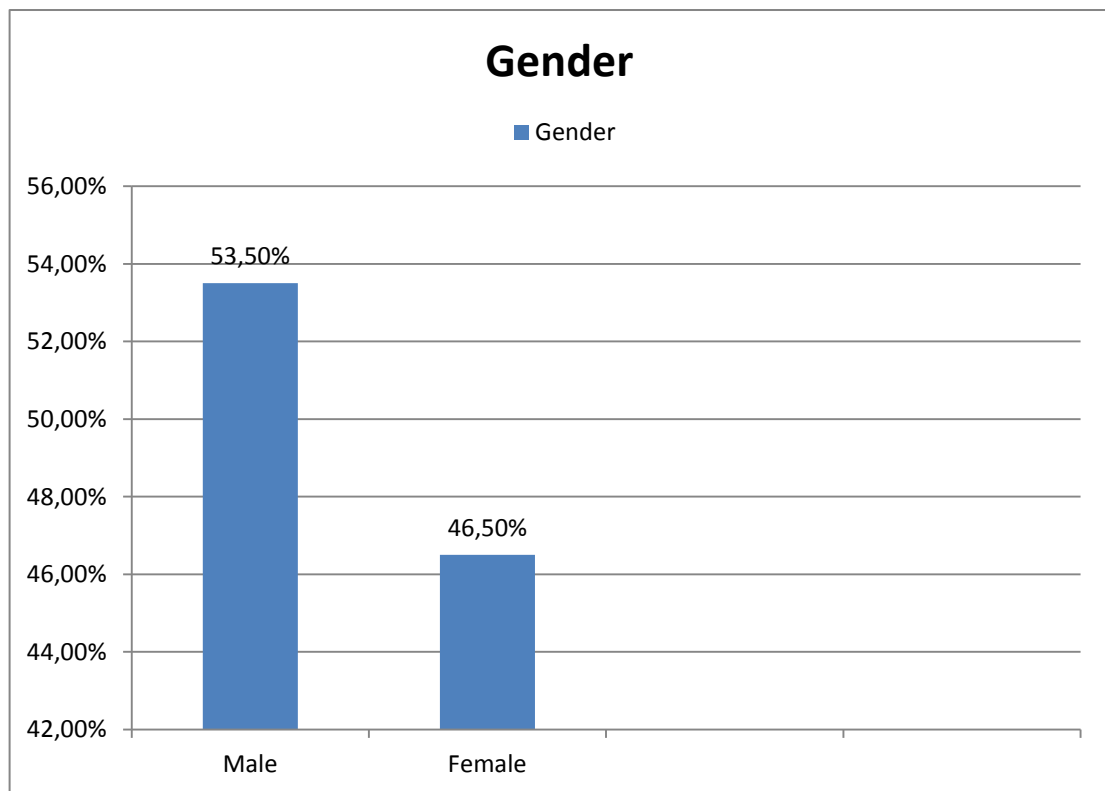
Figure 5.1: Gender

The age group is indicated in figure 5.2 in which most of the respondents belong to the age range of 25-35years old. In other words, 46% of the subjects are put in the second age group ranging from 25to 35.

Age group

Figure 5.2: Age Group

Figure 5.3 shows the educational level of the subjects. Half of the subjects (50%) have bachelor degree.

Figure 5.3: Educational Level

Figure 5.4 demonstrates the occupation type of the respondents. As it is indicated, most of the subjects (41.6%) belong to business type occupation.
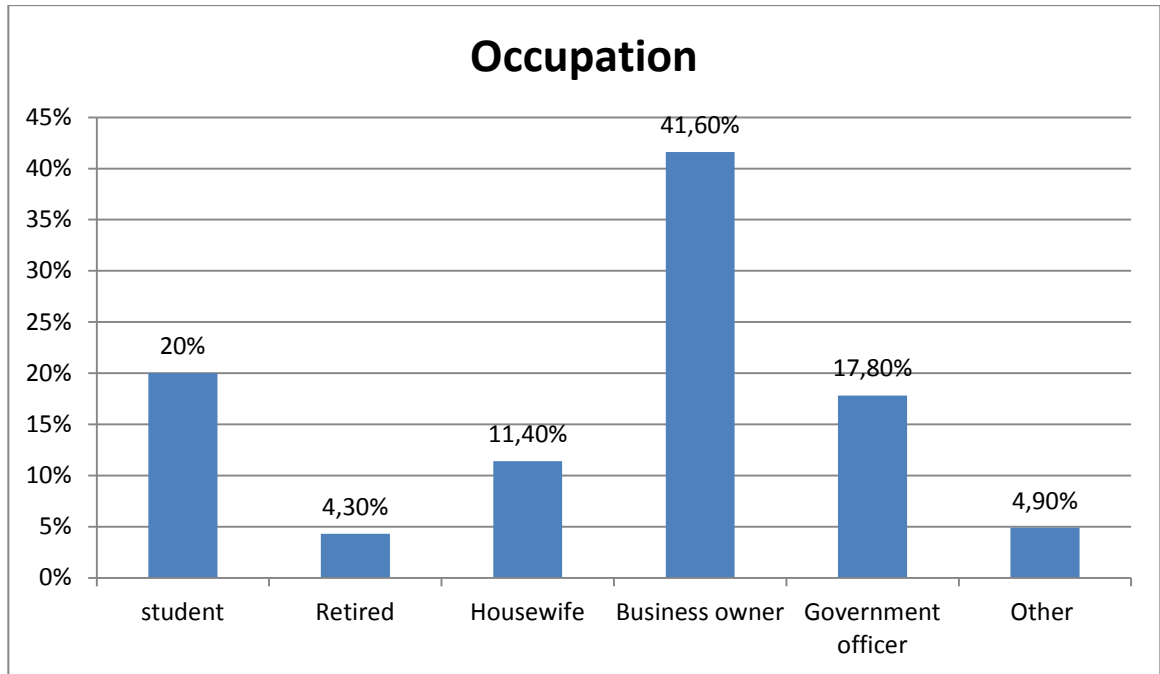
Figure 5.4: Occupation Type of the Subjects

5.2 Findings

5.2.1 Reliability and Validity

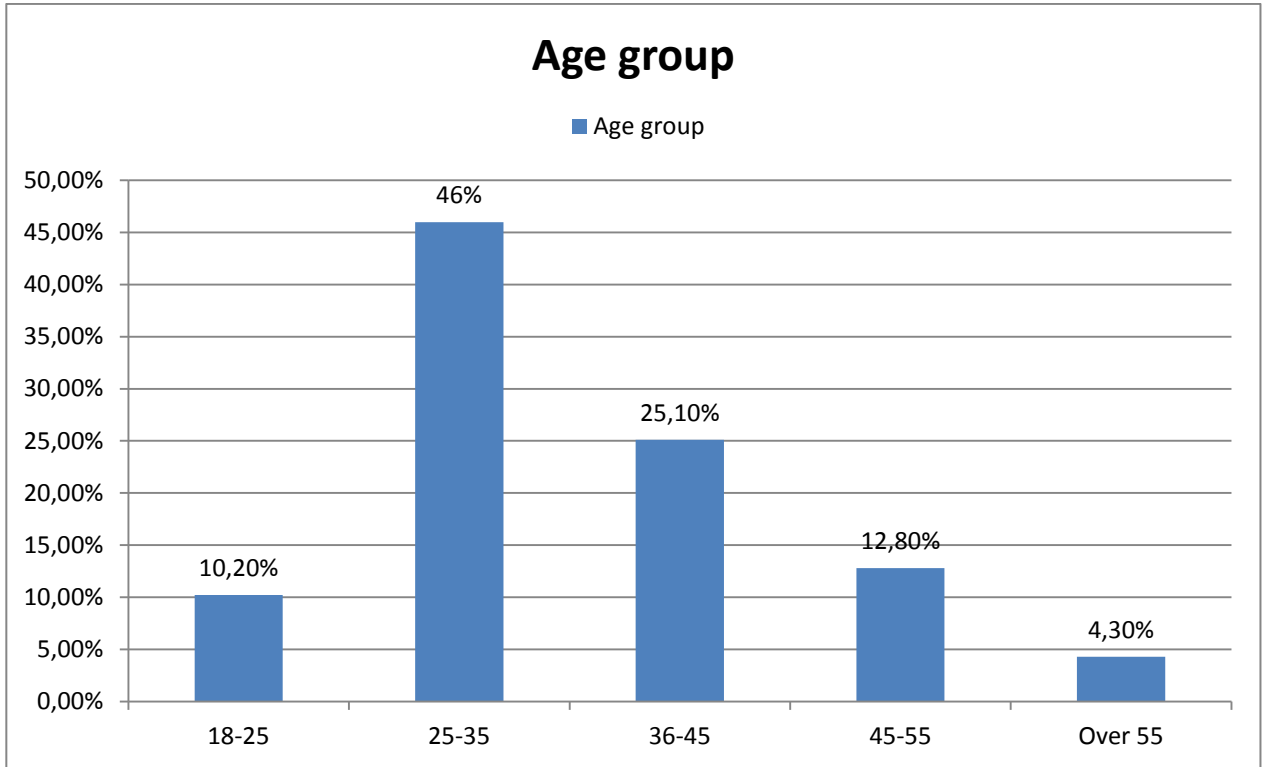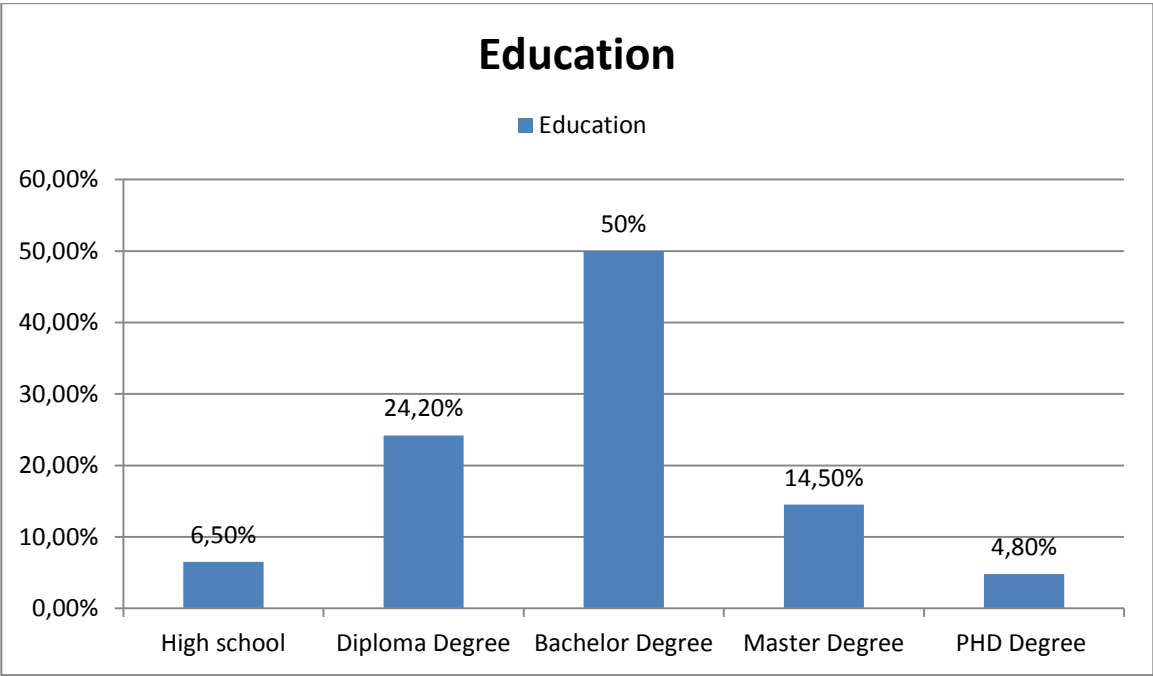The evaluation of model of measurement by the help of PLS is carried out through the application of convergent and discriminant validity and reliability .With respect to the measurement of the internal consistency, as it is demonstrated table 5.5, it is seen that all the values of the composite reliability are above 0.7, which is taken into account as the point of cut-off. In addition, it is possible to measure reliability by the means of Cronbach's alpha which in fact is employed to measure the internal consistency. The cut-off point of Cronbach's alpha is 0.5 (Fornel and Larcker, 1981). As it is shown in table 5.5, all the values of Cronbach's alpha for all of the constructs are exceeding 0.5. Regarding this point, it is obvious that the results have a high degree of reliability.

Additionally, with respect to Average Variance Extracted (AVE), it is seen that their values are also above 0.5, which is one more indicator of reliability.

Table 5.5: AVE and Reliability Analysis

	Ave	Composite reliability	Cranach's alpha
Affective BL	0,803058	0,924388	0,877083
Behavioral BL	0,959017	0,979080	0,957267
Brand image	0,679876	0,864008	0,763266
Cognitive BL	0,792559	0,884160	0,742388
Conative BL	0,897559	0,946014	0,885958
Customer satisfaction	0,860664	0,925115	0,838108
Expectation	0,733278	0,891287	0,815753
Perceived quality	0,737328	0,918108	0,880777
Perceived value	0,864540	0,927349	0,843360

Factor loadings are computed in order to measure the reliability of individual items. Table 5.6 indicates that items loading exceeds 0.5.For the purpose of convergent validity evaluation, two standards namely indicator loading and construct average were proposed by Fornel & Larcker (1981).They proposed that a significant indicator loading should be above 0.7 and each constructs average (AVE) should be above 0.5. As the statistical findings in Table 5.6 demonstrate, the results are in the same line. The construct average values and indicator loadings are mounting 0.5 and 0.7 respectively.

Table 5.6: Standardize Factor Loadings

	Factor loading	AVE
Brand image	0.80	**0.679**
	0.88	
	0.78	
	0.82	
Expectation	0.89	**0.733**
	0.90	
	0.85	
	0.76	
Perceived quality	0.83	**0.737**
	0.82	
	0.90	
	0.87	
Perceived value	0.92	**0.864**
	0.92	
	0.93	
Customer satisfaction	0.92	**0.860**
	0.93	
	0.93	
	0.92	
Cognitive BL	0.85	**0.792**
	0.91	
Affective BL	0.93	**0.803**
	0.88	
	0.88	
Conative BL	0.94	**0.897**
	0.95	
Behavioral BL	0.98	**0.959**
	0.98	

Also, they proposed that, if it is thought to present this fact that the variables indicate distinct constructs; the correlation coefficient degree should not be above 0.9. Table 5.7 demonstrates the variable correlations in which the correlation coefficients of all the variables are less than 0.9.

Table 5.7: Latent Variable Correlation

	ABL	BBL	BI	CogBL	CBL	CS	EXP	PQ	PV
Affective BL	1.000								
Behavioral BL	0.818	1.000							
Brand image	0.783	0.743	1.000						
Cognitive BL	0.859	0.806	0.712	1.000					
Conative BL	0.750	0.819	0.647	0.759	1.000				
Customer satisfaction	0.857	0.856	0.755	0.888	0.813	1.000			
Expectation	0.844	0.801	0.798	0.836	0.756	0.849	1.000		
Perceived quality	0.789	0.787	0.722	0.860	0.788	0.834	0.882	1.000	
Perceived value	0.794	0.762	0.681	0.834	0.728	0.815	0.770	0.783	1.000

5.2.2 Structural Model Test

PLS method was used for the investigation of to the Hypothesis relationship. According to Chin (1998) calculated T-statistics and path coefficients are used to measure the model significance. In Table 5.8 and figure 5.9 the findings of the structural model test of this research are illustrated.

Table 5.8: Path Coefficients and Hypothesis Testing

Hypothesis	Relationship	Effect	coefficient	R square	T- value	Supported
H1	Brand IMAGE -> Customer Satisfaction	+	0.326	------	3.913	Yes
H2	Perceived Value -> Customer Satisfaction	+	0.379	0.642	6.175	Yes
H3	Perceived Quality -> Customer Satisfaction	+	0.778	0.778	5.633	Yes
H4	Expectation -> Perceived Value	+	0.439	0.637	3.381	Yes
H5	Perceived Quality -> Perceived Value	+	0.853	0.778	4.741	Yes
H6	Brand IMAGE -> Expectation	+	0.824	-----	21.520	Yes
H7	Expectation -> Perceived Quality	+	0.598	0.637	49.723	Yes
H8	Customer Satisfaction -> Cognitive Brand Loyalty	+	0.856	0.788	67.673	Yes
H9	Customer Satisfaction -> Behavioral Brand Loyalty	+	0.560	0.788	8.325	Yes
H10	Cognitive Brand Loyalty -> Affective Brand Loyalty	+	0.600	0.789	57.627	Yes
H11	Affective Brand Loyalty -> Conative Brand Loyalty	+	0.750	0.739	26.078	Yes
H12	Conative Brand Loyalty ->Behavioral Brand Loyalty	+	0.358	0.562	5.151	Yes

n=200, p< 0.10
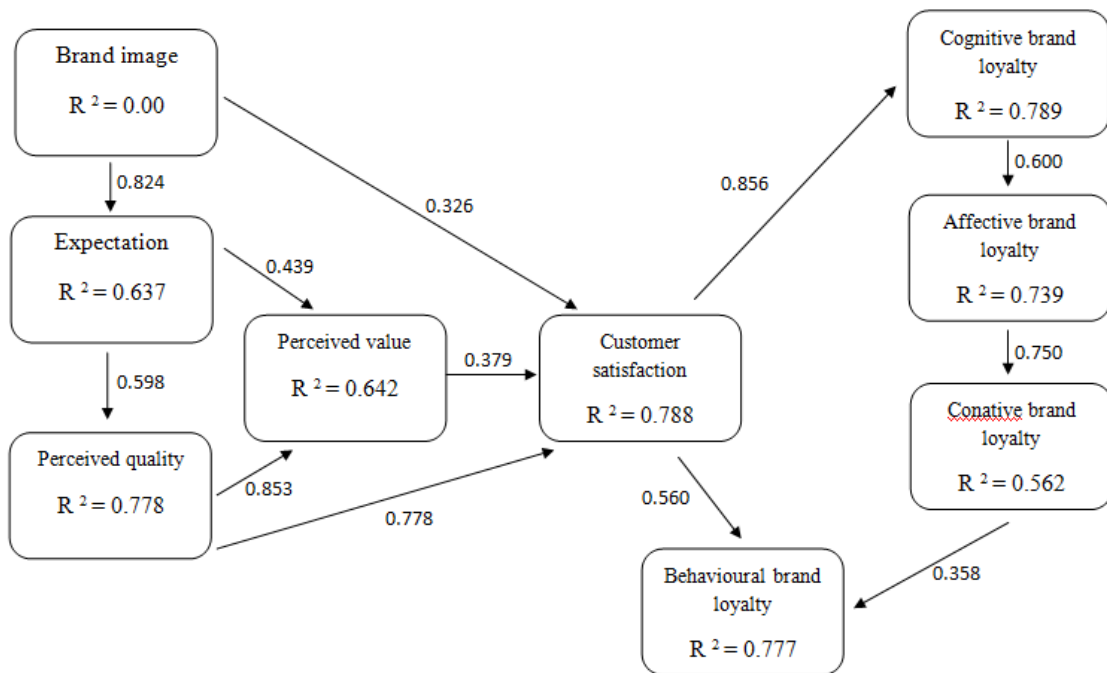
Figure 5.9: Result of Structural Model Analysis

The evaluation of the path coefficients and the R^2 value are used for the estimation of the structural model. The path coefficients demonstrates to what extent the relations among the dependent and independent variables are strong, while the R^2 value indicates the amount of the strength of predictability of a model for the dependent variables. The findings of PLS analysis indicate that all hypothesis have positive effects and they are all supported. As the results show, based on R^2 scores the model is adequate for 56.2% to 78.9% of the variances. Furthermore, all of the hypothesis are verified and supported and finally all paths are proved to be significant.

Chapter 6

CONCLUSION AND MANAGERIAL IMPLICATIONS

6.1 CONCLUSION

As it was shown in the last chapters, the conceptual model of current study was designed in two main parts. First part tried to find whether there exists a relationship between different variables such as BI, EXP, PQ and PV in CS (Ball et al., 2004).Second part tried to find a relation between CS with attitudinal and BBL (Back and Parks, 2003). In first part, seven following hypotheses are formulated: H1: BI has positive effect in CS, H2: PV has positive effect in CS, H3: PQ has positive effect in CS, H4: EXP has positive effect in PV, H5: PQ has positive effect in PV, H6: BI has positive effect in EXP and H7: EX has positive effect in PQ and all of them are supported.

Result of this study shows positive effect of PQ, BI, and PV on CS. This finding confirms the results of a study done by Clemes et al. (2009) which was done in Taiwan. The study finding indicated that in hotel industry of Taiwan, SQ, PV, and BI could justify the majority of the variation in satisfaction of hotel guests. According to this study, BI, SQ and PV have an outstanding influence on the CS of the hotel guests. Considering the amount of influence, the SQ was standing in the first position. Moreover, this finding confirms the result of a study done by Dwi Suhartanto (2011) which was done in Indonesian; these findings support H1, H2 and H3.

The earlier studies confirm that PV is a sort of an exchange tradeoff between benefit and sacrifice (Kotler et al., 2010). The findings of this research present that the attitudes towards the SQ offered by the hotel to customers and the EXP of customers are the determinant factors in the identification of PV. It is obvious that the benefits coming from the SQ is a substantial factor in CS. According to Skogland & Siguaw (2004) if customers are loyal to a particular hotel, they would not face much variation in costs, procedure and relations. As a result, considering the hotel value, for hotel customers, an important factor is the benefit of the SQ rather than the costs. So, H4 and H5 are supported. Moreover, the correlation between BI with EXP and EXP of the customers and SQ offered by the hotel service was a determinant factor in the justification of the variation of EXP and SQ, in these studies; as a result, H6 and H7 are supported.

In the second part, which was a survey about relationship between CS and BL, all of hypotheses are supported (H8 – H12). The result demonstrates that the relationship between the CS and CogBL was significant. As a result, the satisfaction of hotel guests had a positive impact on cognitive brand loyalty. Based on this finding, the amount of belief confidence about the attitude object is increased. The findings indicate that attitudinal loyalty includes various indicators such as CogBL, ABL and CBL. These indicators propose that a customer who is loyal to a particular hotel has following considerations. In an attitudinal sense, he or she imagines that the chosen hotel will have the best service than other hotels, in CogBL sense he or she likes to spend more to the chosen hotel than the others, in ABL sense he or she is more affective and sensitive to the hotel and in CBL sense he or she prefers to reside in that hotel time and again. The earlier studies (Back and Parks, 2003) confirm these findings.

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In Relationship between Attitudinal and Behavioral brand loyalty the statistical findings indicate that the customer's attitude towards a specific hotel in comparison with the other hotels is an issue which influences his or her decision of choosing that hotel again or not. The result of this study is in agreement with the attitudes of Dick and Basu's (1994) that shows relative attitude appears to be a significant representation of repeat patronage. This finding indicates this fact that the hotel clients who have a strong belief, interest and commitment towards a particular hotel will prefer to reside in that hotel in comparison with the competitor hotels. Considering the findings of the previous studies, it is seen that the results of this research are in agreement with those findings regarding the influence of attitudinal BL on BBL. Also, Baldinger and Rubinson (1996) indicated that clients who are highly loyal to a specific hotel, are more likely to buy the brand again. In addition, Li and Petrick's (2008) study proved that attitudinal loyalty significantly predicts behavioral loyalty, even if the power of prediction is not high.

This research shows positive Relations among CS and BBL. The finding of this study is different and opposite of Back and Park's (2003) study. According to Back and Park's (2003) study which was done on the average class hotels in USA, attitudinal loyalty has a mediation penetration on the relations between behavioral BL and CS of the hotel customers but he didn't found significant relationship between CS and BBL.

6.2 Managerial Implications

Regarding the managerial implications of the findings of this study, there are some important issues that hotel managers and administrative would take into account. In order to improve behavioral loyalty, hotel managers need to highly emphasize the

importance of attitudinal loyalty. Moreover, in order to increase the quality and customers' satisfaction, the hotel managers should simultaneously consider the significance of all components of attitudinal loyalty. Furthermore, providing a proper degree of service quality and a desirable brand image are key determinant factors for the satisfaction of hotel customers and creation of loyalty that the managers of hotel should take into account. The importance of attitudinal loyalty showed that the service quality of hotel is not the only determinant factor in customers' loyalty towards a hotel in comparison with the competitor hotels. This fact confirms that the establishment of an actual brand loyalty is not limited to offering an adequate service quality, having a strong perceived value, and the satisfaction of hotel guests. Although the importance of these factors cannot be overlooked, in the competitive situations, the hotel managers have to maintain the best service quality so as to keep their loyal customers. For this purpose, hotel managers have to assess their service quality with the competitor hotels time and again in order to not to lose their customers and improve their quality. They can get the customers' reflections and feedbacks on the services given to them and at the same time ask them give their opinions of any strong or weak points in relation to the offered services and in comparison to other hotels in the same position. which sort of service assessment leads the hotel managers to continuously enhance the hotel service quality, satisfy their customers and consequently help hotel customers stay loyal to the hotel.

6.3 Limitation and Recommendation

The recognition of the research limitations is considered as the strong point of any sort of project. As all studies, this research has some limitations that I am going to comment

on them. The first limitation that this study came across was referring to sampling procedure, using the large sample size could be more useful in future research. Also, the sample was collected at low season and collecting data in high season will be recommended; it will help to collecting large sample size with variety of demographic result.

The second limitation refers to the sort of questionnaire which was employed in the process of data collection. Even if self-completion questionnaire is frequently employed in data collection process in most of the hospitality, it appears that this method has some shortcomings. Since in self-completion process, the researcher is not mostly present in the process, the subjects may have some questions or some problems would occur.

The variables existing in the research model might be one source of limitations of this research. It is possible to use various kinds of variables which may influence the satisfaction of hotel guests (CS) which in turn includes trust and service fairness.

The subjects studied in this study are all five star hotels in North Cyprus, but it is possible to study all kinds of hotels including three and four star hotels.

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