Extending satisfaction and loyalty research with a longitudinal perspective

MiRan Kim
*The School of Hospitality Business, Michigan State University*

Christine Vogt
*Department of Community, Agriculture, Recreation and Resource Studies, Michigan State University*

Bonnie Knutson
*School of Hospitality Business, Michigan State University*

Follow this and additional works at: https://scholarworks.umass.edu/ttra

https://scholarworks.umass.edu/ttra/2012/Oral/27
Extending satisfaction and loyalty research with a longitudinal perspective

MiRan Kim  
*The* School of Hospitality Business  
Michigan State University

and

Christine Vogt  
Department of Community, Agriculture, Recreation and Resource Studies  
Michigan State University

and

Bonnie Knutson  
*The* School of Hospitality Business  
Michigan State University

**ABSTRACT**

This study examines the relationship between customer satisfaction and loyalty based on two dimensions of loyalty: attitudinal loyalty and behavioral loyalty. By measuring a traveler’s actual future behavior on a longitudinal perspective rather than just at a cross-sectional perspective, this research seeks to contribute to develop theoretical frameworks and quality measures of customer loyalty. The proposed model was tested in a hotel setting with structural equation analysis with the results showing that customer satisfaction is an important antecedent to attitudinal loyalty. Customer satisfaction and attitudinal loyalty were found to not be related to behavioral loyalty. Theoretical and practical implications of the study are discussed.

**Keywords:** tourist behavior, customer loyalty, destination marketing

**INTRODUCTION**

Customer loyalty is critically related to the success of business organizations. As one of the key marketing concepts among tourism and hospitality scholars, loyalty has been studied with a robust variety of theoretical foundations and measurements (Back and Parks, 2003; Oliver, 1999; Yuksel, Yuksel, and Bilim, 2010). In the tourism and hospitality setting, much of the loyalty research has focused on attitudinal dimensions (Dick and Basu, 1994; Li and Petrick, 2008; Morais, Dorsch, and Backman, 2004; Oliver, 1999; Yi and La, 2004) because loyalty in this field involves more attitudinal and emotional commitment to a product or service/experience provider than goods or manufacturers (Back, 2005; Schall, 2003). The power of attitudinal loyalty predicting future purchase behavior and providing sufficient explanation of true customer loyalty has fallen short (Kraus, 1995; Li and Petrick, 2008, Opermann, 1999) because the attitude-based loyalty framework limits the operationalization of dynamic relationships between customers and providers (Fournier, 1998). Managers appear to rely more heavily on customer’s actual repeat behavior rather than attitudinal loyalty for more realistic status of business performance for estimating customer life-time value and developing cost-related strategies (O’Mally, 1998; Oppermann, 1998).
Currently, researchers in the tourism and hospitality field believe that neither attitudinal nor behavioral aspects alone are enough to measure customer loyalty. Instead, a true measure of loyalty includes both attitudinal and behavioral aspects (Back and Crompton, 1991; Dekimpe, Steenkamp, Mellens, and Vanden, 1997; Dick and Basu, 1994; Li and Petrick, 2008; Oppermann, 2000; Yi and La, 2004). Published writings on loyalty often espouse attitudinal and behavioral aspects of customer loyalty, but there has been few empirical studies conducted that measure and model both (Back and Parks, 2003). In particular, behavioral loyalty measures are not well developed or agreed upon and researchers use a wide variety of indicators for post-purchase behaviors including: repurchase intent, repeat purchase, long-term choice probability for a brand, switching, or proportion of brand purchase (Li and Petrick, 2008; Yi and La, 2004). Oppermann (2000) argued that repurchase intent and actual future repurchase may be completely different measures. Further, in tourism and hospitality settings, there is little research conducted on behavioral loyalty from a longitudinal perspective (Oppermann, 2000).

A related field of research is the relationship between customer satisfaction and loyalty (Back and Parks, 2005; Mattila and Mount, 2003; Jeong, Oh, and Gregoire, 2003). Some studies suggest customer satisfaction does not result in customer loyalty (Back and Parks, 2003; Jones and Sasser, 1995; Skogland and Siguaw, 2004; Stewart, 1997; Szymanski and Henard, 2001; Yi and La, 2004). Additional empirical research is needed to test loyalty formation and influences, particularly as loyalty relates to satisfaction.

This study focused on examining the relationship between customer satisfaction and loyalty based on two dimensions of loyalty: attitudinal loyalty and behavioral loyalty. By measuring a traveler’s actual future behavior on a longitudinal perspective rather than just at a cross-sectional perspective, this research seeks to contribute to effectively explore the relationships between customer satisfaction and loyalty in the context of tourism and hospitality systems. Additionally, this research includes predictive validity testing, often not available by using a consumer survey administered by a researcher, that was “book-ended” with customer information from a hotel information system at two points in time (initial reservation, one year later). This study employs robust loyalty measurement and suggests implications for future research and offers marketing strategies for the tourism and hotel industry.

**LITERATURE**

**Behavioral and attitudinal loyalty**

Behavioral loyalty is defined as the consumer’s tendency to repurchase which is revealed through behavior that is measured and directly impacts brand sales (Hammond, East, and Ehrenberg, 1996). A repurchase pattern is determined as actual purchase frequency as the proportion of occasions in which a specific brand is purchased as compared to the total number of purchased brands and/or the actual amount of purchase. Earlier loyalty researchers have simply measured behavioral variables to predict the customer’s purchasing behavior in the future (Beck and Parks, 2003). Behavioral loyalty focuses on realistic data, which can facilitate calculation of customer life-time value, and assist in developing cost-effective marketing strategies while attitudinal loyalty emphasizes the importance of understanding why customers buy (O’Mally, 1998). Behavioral loyalty is the consequence of prior behavior and observed market share (Olshavsky and Granbois, 1979). Measuring only behavioral aspects of loyalty may overestimate true loyalty between intentionally loyal and spuriously loyal customers (Day, 1969; Prichard, Howard, and Havitz, 1992).
Much of the previous loyalty research has been focused on the attitudinal dimension of loyalty (Dick and Basu, 1994; Li and Petrick, 2008; Morais, Dorsch, and Backman, 2004; Oliver, 1999; Yi and La, 2004) because of the measurement limitations of behavioral loyalty. Attitudinal loyalty is the customer’s predisposition towards a brand, which is a function of psychological processes (Jacoby and Chestnut, 1978). Attitudinal loyalty is measured by the degree of customer’s intentions to revisit the destination and in their recommendations to others (Oppermann, 2000; Li and Petrick, 2008; Yi and La, 2004; Yoon and Uysal, 2005). According to the attitude-based loyalty framework, customers develop positive affective attachment and beliefs about a provider and then experience stronger intentions to purchase preferentially from that provider. Patronizing behavior toward the provider is, therefore, the result of attitude development (Dick and Basu, 1994; Morais, Dorsch, and Backman, 2004; Oliver, 1999). This framework brings important insight into the antecedents of loyalty, however, this framework alone would not be sufficient in predicting behavior and it will not accurately predict a change in behavior (Blackston, 1993; Dall’Olmo Riley, Ehrenberg, Castleberry, and Barnard, 1997; Fournier, 1998; Kraus, 1995). Managers need a combined attitude-behavior tool that allows tracking of satisfaction and loyalty (O’Mally, 1998; Oppermann, 1998).

**Relationship between customer satisfaction and loyalty**

A number of studies have investigated the relationship between customer satisfaction and loyalty and they have provided empirical evidence of a positive relationship between customer satisfaction and loyalty. Customer satisfaction had a positive effect on attitudes and these positive attitudes were found to revise attitudes toward the product or brand, such as increased level of positive belief, reinforce the level of positive affect, and enhance repurchase intentions (Oliver, 1999). A number of studies found increased customer satisfaction increases brand loyalty in terms of repurchase likelihood and price tolerance given repurchase. (Back and Parks, 2003; Fornell, Johnson, Anderson, Cha, and Bryant, 1996). Fornell, Johnson, Anderson, Cha, and Bryant (1996) found increased customer satisfaction also increases brand loyalty in terms of repurchase likelihood and price tolerance given repurchase. Getty and Thompson (1994) suggested customers' intentions to recommend to others are a function of their own perception of satisfaction and service quality with the lodging experience.

The relationship between customer satisfaction and behavioral loyalty are not well developed although a number of studies have investigated the relationship between customer satisfaction and attitudinal loyalty. Back and Parks (2003) found no relationship between customer satisfaction and behavioral loyalty and Shoemaker and Lewis (1999) found a weak link. Based on the theory of reasoned action (Ajzen and Fishbein, 1980), patronizing behavior toward a provider is the result of attitude development (Dick and Basu, 1994; Oliver 1999). Several studies found that there is a positive relationship between attitudinal and behavioral loyalty (Bowen and Shoemaker, 1998; Dick and Basu, 1994) while other studies proposed that a decrease in positive attitudes caused many customers to switch to other brands (Beck and Parks, 2003; Peter and Olson, 1993).

Based on the literature review, the following hypotheses are proposed:

H1: Customer satisfaction is positively related to attitudinal loyalty.
H2: Customer satisfaction is positively related to behavioral loyalty.
H3: Attitudinal loyalty is positively related to behavioral loyalty.
METHODOLOGY

Sampling
To study relationships among these three constructs—customer satisfaction, attitudinal loyalty, and behavioral loyalty—tourism destinations or commercial hospitality businesses were considered. A popular resort in a Midwestern destination (hotel/resort), which is independently owned and operated, was selected to avoid corporate brand halo effects. A survey was conducted for nine weeks starting in July 2009 via a self-administered online survey using the web-based survey tool, Qualtrics. Subjects were all guests during the nine weeks who had an email address in their customer profile with the resort. One week after a stay at this resort, an email was sent based on the weekly guest records along with an incentive for their requested participation in the research study. One thousand-five hundred-seventy-three (1,573) surveys were completed yielding a 46% response rate. The survey was aimed at measuring customer satisfaction and the likelihood to return/recommend to stay at this hotel (attitudinal loyalty). A follow-up study about the actual future stays with the same hotel within the next 12 months from the previous stay was evaluated. The hotel’s customer information system, which includes profile, reservations, actual stays, and spending, provided a complimentary research tool to the web-based survey that went well beyond data collection. Data were analyzed using SPSS 17.0 software for descriptive statistics; and structural equation modeling (SEM) was used to test the proposed model.

Measurement
On the basis of previous studies, the survey items for each construct were developed. Customer satisfaction was measured with four items (Finn, 2005; Spreng, MacKenzie, and Olshavsky, 1996). Responses were given on a seven-point Likert scale from 1 = strongly disagree to 7 = strongly agree with the following questions: “Overall, this hotel was comfortable,” “Overall, this hotel was satisfying,” “Overall, this hotel was pleasing,” and “Overall, this hotel was contenting.”

To measure attitudinal loyalty, three indicators were used based on the previous research (Li and Petrick, 2008; McMullan and Gilmore, 2003). One item was on a seven-point Likert scale from 1 = strongly disagree to 7 = strongly agree with the following question: “I intend to continue staying at this hotel.” Two other items included: “I will return to this hotel in the next year” and “I will recommend this hotel to others.” These items were measured on a seven-point Likert scale from 1 = extremely unlikely to 7 = quite likely. To measure behavioral loyalty, the actual future stays with the same hotel within the next 12 months from the previous stay was used.

RESULTS
A profile of the respondents from the online survey showed that the majority of the participants were female (69%) and the average age was 44 years. The majority of participants (82%) were European American/Middle Eastern/White. About 65% of respondents had an annual household income over $50,000. The average number of people in a household was three persons and the majority of respondents (60%) resided in Michigan, followed by those living in Ohio (11%), Canada (6%), and other states. About 47% of the survey respondents came back to stay at this hotel within the following 12 months from their previous stay. Sixty-one percent of them revisited this hotel one time and 32% of the guests revisited this hotel two or three times within 12 months of their previous stay. About 70% of the re-visited were members of the hotel’s loyalty program.
Next, item results were combined into composite scales for the three main constructs. An initial chi-square test was performed to preliminarily examine the relation between customer satisfaction and attitudinal loyalty, next satisfaction and behavioral loyalty, and finally attitudinal loyalty and behavioral loyalty. The relation between customer satisfaction was significant ($\chi^2 (4, N=1,358)=159.205, p<.001$), while the relationships between customer satisfaction and behavioral loyalty ($\chi^2 (2, N=1,374)=2.007, p>.367$), and attitudinal loyalty and behavioral loyalty ($\chi^2 (2, N=1,358)=2.589, p>.274$) were not significant.

Table 1. Results of Chi-square Tests

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Likely Return</th>
<th>Neutral</th>
<th>Unlikely Return</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied</td>
<td>54%</td>
<td>23%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Unsatisfied</td>
<td>0%</td>
<td>1%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55%</td>
<td>25%</td>
<td>20%</td>
<td>100%</td>
</tr>
</tbody>
</table>

$x^2=(4, N=1,358)=159.205, p<.001$

Finally, structural equation modeling (SEM) was used to test the proposed model. A confirmatory factor analysis (CFA) was conducted to confirm the relationships between observed variables and their underlying constructs to assess the degree to which the data fit the proposed measurement model. The proposed measurement model produced a good fit with the data ($\chi^2 (17, N=1,357)=75.135, p<.001, CFI=.994, TLI=.990, RMSEA=.050$) (Hu and Bentler, 1999), while the $\chi^2$ statistic indicated a poor fit due to the large sample size. The measurement model examined reliability and construct validity including convergent and discriminant validity. The reliability test was conducted using the Cronbach’s alpha ($\alpha$) and a composite reliability, which indicates the internal consistency of the observed variables measuring each factor. Cronbach’s $\alpha$ of all four factors exceeded the recommended 0.70 (Nunnally, 1978). Composite reliability was estimated as a second measure of reliability because Cronbach's alpha ($\alpha$) may over- or under-estimate scale reliability (Raykov, 1998). The acceptable range for composite reliability should be greater than 0.70 (Chin, 1998) and all factors were found to be acceptable. To assess construct validity, convergent validity and discriminant validity were investigated. Convergent validity was supported with all factor loadings for the observed variables were statistically significant ($p < .001$) and they ranged from 0.65 to 0.97 for standardized factors. All the average variance extracted (AVE) exceeded 0.50. Discriminant validity was also confirmed.
by noting that the AVE for each construct was greater than their shared variance (Fornell and Larcker, 1981).

**Figure 1. Results of Testing the Proposed Structured Model**

The three hypotheses testing the relationships among the factors are reported as structural equation model results in Figure 1. The model fit indices indicated an adequate fit to the data, while $\chi^2$ indicated a poor fit due to the large sample size ($\chi^2 (17, N=1,357)=75.135$, $p<.001$, CFI=.994, TLI=.990, RMSEA=.050). Hypothesis 1 was supported. The findings of the model estimation present a strong positive relationship between customer satisfaction and attitudinal loyalty ($\beta=0.80$, $p<.000$). Hypothesis 2 and 3 were not supported as no significant relationships between customer satisfaction and behavioral loyalty and between attitudinal loyalty and behavioral loyalty were found. Customer satisfaction explained 38 percent of variance in attitude loyalty.

**CONCLUSION**

This study extends previous research on the relationships among customer loyalty, attitudinal loyalty, and behavioral loyalty by measuring actual future behavior on a longitudinal perspective rather than a cross-sectional perspective. The importance of measuring both attitudinal and behavioral aspects of loyalty has been presented in this paper and the lack of longitudinal studies on behavioral loyalty has been raised. This study was intended to help develop a more robust theoretical frameworks and quality measures of customer loyalty.

Specifically, the findings from this study show there is a significant relationship between customer satisfaction and attitudinal loyalty, which is similar to previous empirical studies. The finding reinforces that customer satisfaction is an important antecedent to attitudinal loyalty. Customer satisfaction and attitudinal loyalty were found to not be related to behavioral loyalty while past research has shown inconsistent relationships among them. As Gitelson and Crompton (1984) suggested, customer satisfaction is not sufficient to explain the behavioral loyalty although satisfaction with a particular destination is a necessary condition for explaining repeat visitation.

Several studies found that satisfied customers switched although they are satisfied with the service provided because of novelty seeking, convenience, competitive actions or prices (Keaveney, 1995; Oliver, 1999; Reichheld, 1996; Stewart, 1997). In particular, in the tourism
and hospitality industry, the impact of satisfaction on actual behavioral loyalty is different from other industries (Gunn, 1997; Oppermann, 1999) and has low destination loyalty because customers want to go some other place for novelty and new experiences although they remain loyalty to the destination (Hsieh, O'Leary and Morrison, 1994; McDowell, 2010; Oppermann, 1999).

While past research has revealed a positive relationship between attitudinal loyalty and behavioral loyalty (Ajzen and Madden, 1986; Bowen and Shoemaker, 1998; Dick and Basu, 1994,), this study showed the relationship between attitudinal loyalty and behavioral loyalty is not significant. Kraus (1995) argued that attitudinal loyalty predicts behavior, but it will not accurately predict a change in behavior (Dall’Olmo Riley et al., 1997). From a behavioral perspective, preferential purchasing behavior precedes positive attitudes because customers tend to rationalize their purchase decisions (Riley et al. 2001). Moreover, some researchers suggested that the attitude-based loyalty framework doesn’t recognize that the provider plays a very important role in the relationship and considers the loyalty construct only from the customers’ view (Blackston 1993; Fournier,1998; Riley, Niininen, Szivas, and Willis, 2001).

Results of this study also suggest some managerial implications. It is important for managers to identify what really constitutes loyalty and to understand which measures or dimensions they need to use to develop effective marketing and customer relationship strategies. The findings help managers better understanding the relationship among satisfaction, attitudinal loyalty, and behavioral loyalty.

Researchers are encouraged to try other behavioral measures such as proportion of brand purchase (Li and Petrick, 2008; Yi and La, 2004) and to attempt longitudinal studies. Different populations of customers are also recommended along different types of accommodations and different service industries in an effort to gain external validity.

REFERENCES


213-217.


