

See discussions, stats, and author profiles for this publication at:  
<https://www.researchgate.net/publication/275333939>

# Customer loyalty: A review and future directions with a special focus on the hospitality industry

Article in *International Journal of Contemporary Hospitality Management* · April 2015

DOI: 10.1108/IJCHM-03-2014-0151

---

CITATIONS

16

---

READS

2,121

3 authors, including:



Jay Kandampully

The Ohio State University

86 PUBLICATIONS 2,389 CITATIONS

SEE PROFILE



Anil Bilgihan

Florida Atlantic University

59 PUBLICATIONS 214 CITATIONS

SEE PROFILE

# Customer loyalty: a review and future directions with a special focus on the hospitality industry

Jay Kandampully and Tingting (Christina) Zhang  
*Department of Consumer Sciences, The Ohio State University,  
Columbus, Ohio, USA, and*

Anil Bilgihan  
*Department of Marketing, Florida Atlantic University,  
Boca Raton, Florida, USA*

## Abstract

**Purpose** – This article aims to provide a summary review of what is already known about customer loyalty and identifies some emerging issues that play an important role in it. As a result of dramatic changes in the marketplace and in consumers' connections with the hospitality industry, researchers and practitioners are keen to understand the factors that underpin customer loyalty.

**Design/methodology/approach** – By synthesizing extant customer loyalty literature, this article seeks further understanding of loyalty and offers priorities for ongoing loyalty research.

**Findings** – Using conceptual models, this study provides a framework designed to extend the understanding of customer loyalty and the impact of the evolving role of engaged customers.

**Practical implications** – Companies are advised to create emotionally engaged, loyal brand ambassadors by focusing on emerging areas, such as customer engagement, brand citizenship behaviors, mass personalization, employee engagement, brand ambassadors (both employees and customers), co-creation of value, co-design, co-consumption and rapport between customers and employees.

**Originality/value** – This article crafts a conceptual framework for customer loyalty and identifies those factors that influence its development in the service industry with a special focus on the hospitality industry.

**Keywords** Employee engagement, Customer satisfaction, Customer loyalty, Profitability, Brand image, Word of mouth, Customer trust, Customer engagement, Brand experience, Willingness to pay more, Share of wallet

**Paper type** Research paper

## 1. Introduction

The concept of customer loyalty is central to marketing scholarship ([Toufaily et al., 2013](#)); from a practitioner's perspective, it also is among the most enduring assets possessed by a company. Creating and maintaining customer loyalty helps companies develop long-term, mutually beneficial relationships with customers ([Pan et al., 2012](#)); these loyal customers exhibit attachment and commitment toward the company, and are not attracted to competitors offerings ([So et al., 2013](#)). Furthermore, loyal customers are willing to pay more, express higher buying intentions and resist switching ([Evanschitzky et al., 2012](#)). In this sense, it is imperative for firms to have loyal customers.



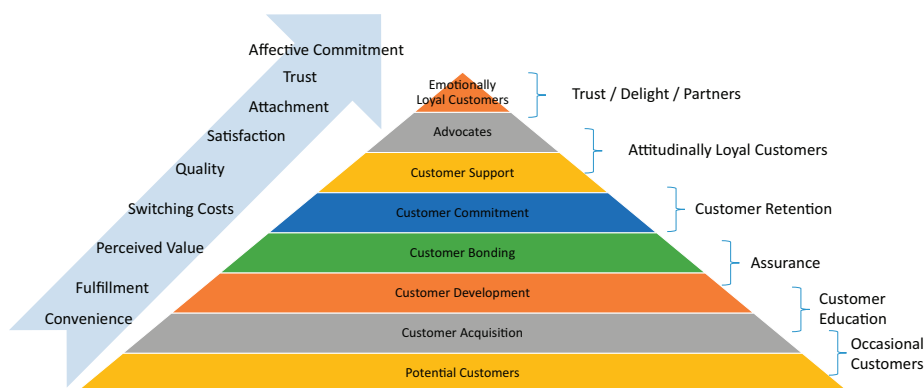
The online marketplaces of the twenty-first century, together with fundamental changes to consumer lifestyles, have compelled organizations to transform the way they conduct business. In particular, increasing consumer demand for superior service, together with the acceptance and widespread use of information technology, mobile devices, the Internet and social media, require that firms rethink their business environment. Profound changes in consumer lifestyles and buying behavior highlight the need for firms to adapt to their customers' new mind-sets to sustain their effective market dominance. The new paradigm for the connected twenty-first century therefore might consist of new factors (i.e. customer perceived value, co-creation, brand ambassadors, opinion leaders, customer engagement, customer communities, social media and employee engagement) not previously conceived of within the realm of loyalty. Customers' extensive adoption of technology and various online communication channels, such as social media and customer communities, provide customers with a new role ([Wirtz et al., 2013](#)), such that they assume they can make a significant contribution to service value, determine a firm's technology adoption and bring online communication and communities to life. The role of customers thus has extended beyond the idea of a co-producer of value, to the more important function of co-ownership of the brand and its potential success. In the past, brand management was a firm's primary task, in its effort to gain a superior market image and customer loyalty ([Allaway et al., 2011](#)). Today, service customers are both co-producers of value and co-owners of the brand. The strategic focus, beyond mere customer loyalty, is to achieve the active engagement of customers as co-owners and co-creators of value. Companies thus seek strategies to enhance customers' active engagement with the firm and encourage them to serve as brand ambassadors ([James, 2013](#)).

It is essential to grasp the facets of business performance that persuade customers to become repeat purchasers, to exhibit behavioral loyalty ([Wilkins et al., 2009](#)) and to enhance their engagement with the firm. This study undertakes an in-depth review and synthesis of current literature on service marketing/management, retailing, tourism and hospitality literature to examine the nascent theory that underpins the idea of loyalty in service industries (in this case, using hospitality as a focal context). Given that service provision is central to the customer-perceived value, hospitality researchers and practitioners have used service literature for guidance on how best to improve service in the hospitality industry ([Kandampully et al., 2014](#)). Through an extensive review of literature, the authors propose two models:

- (1) the progression of loyalty and the customer's attachment to or relationship with the firm ([Figure 1](#)); and
- (2) the antecedents and consequences of loyalty, according to prior empirical research ([Figure 2](#)).

Through this synthesis of literature, we also specify the progress of loyalty research to date, which indicates some further research directions. This study should be of considerable interest to researchers and practitioners, as they seek cutting-edge strategies, to investigate and to implement. The growth of the hospitality industry has transformed it not only into a global industry but, more importantly, a service-oriented and customer-focused highly competitive market. Customers thus are among the most important assets of any hospitality firm ([Purohit and Purohit, 2013](#)). Moreover,

**Figure 1.**  
Customer loyalty  
pyramid



developing and maintaining a long-term, engaged relationship with key customer groups is imperative for firm success.

## 2. Literature review

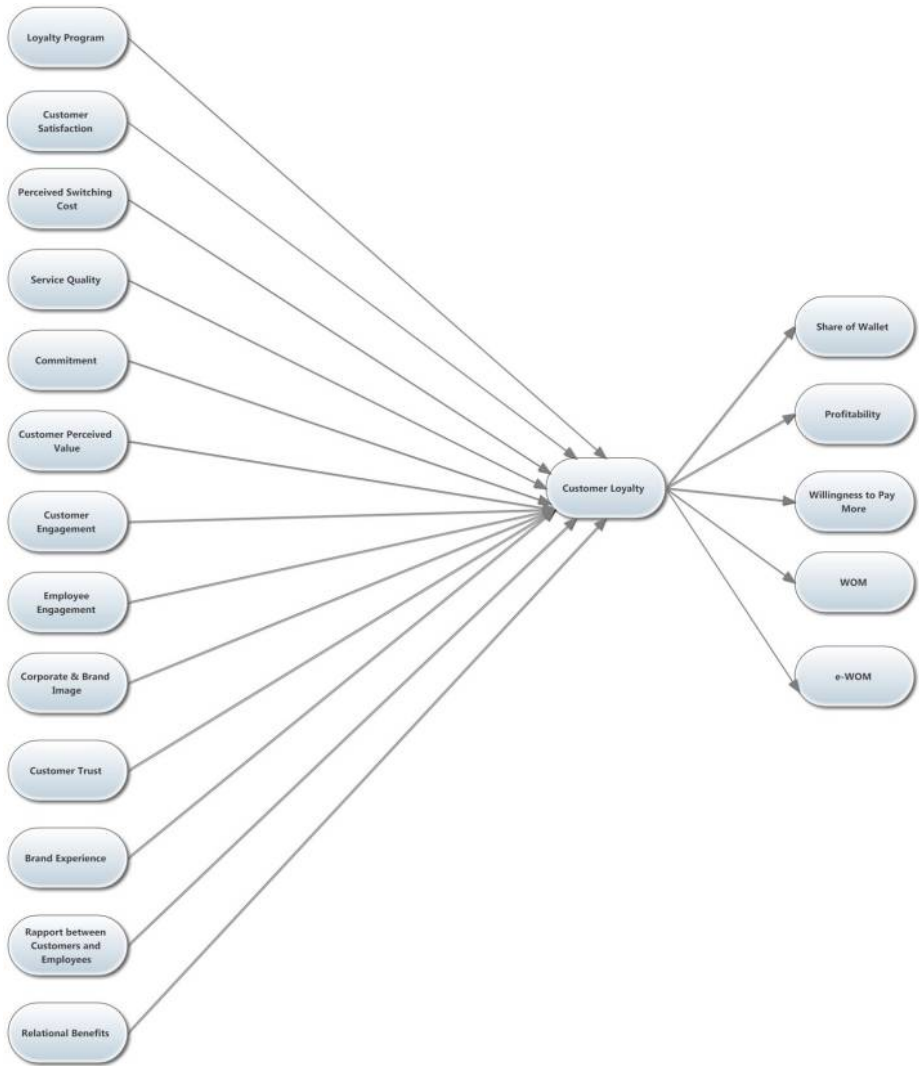
### 2.1 Customer loyalty and its strategic priority

Typically, literature classifies customer loyalty in two facets, behavioral and attitudinal. A particular brand's purchase frequency and purchase possibility are proposed as a means to measure behavioral loyalty (Yi and Jeon, 2003). Such definitions have been criticized for their limitations in distinguishing between commitment and convenience. Attitudinal loyalty, however, is defined as:

[...] a deeply held commitment to rebuy or patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 1997, p. 392).

Competitiveness in global markets has intensified the importance of customer loyalty as a means to achieve long-term competitive advantages (Aksoy, 2013). More than ever before, managers must implement innovative strategies to gain the trust and loyalty of their existing customers (Dominici and Guzzo, 2010) to entice them to engage in positive word of mouth (WOM) (Reichheld and Sasser, 1990; Zeithaml, 2000). Faced with increasing competition, many service companies recognize the importance of building strong relationships with their existing customers (Morgan and Rego, 2006). For the hospitality industry, this realization comes with many challenges (Kandampully and Hu, 2007; Verma *et al.*, 2007; Wilkins, 2010). Previously, hospitality firms could communicate value to customers by establishing the economic value and unique attributes of their products and services. Today, most hospitality firms offer identical or comparable products and services, which appear simply as commodities to the market and its customers (Victorino *et al.*, 2005). This phenomenon is discussed in the literature as commoditization (Weil and Stoughton, 1998; Davenport, 2005).

Because product and service features no longer constitute unique differentiating attributes, it is the customer as a brand ambassador that has become the most important asset central to a firm's success (Solnet and Kandampully, 2008). Customer-provided WOM, online or offline, positive or negative, is closely reviewed by prospective customers, making it a powerful marketing tool (Brown *et al.*, 2007; Khare *et al.*, 2011),



**Figure 2.**  
Antecedents and consequences of customer loyalty

such that customer relationships trust and engagement with the firm (Eisingerich *et al.*, 2014) are an imperative strategic focus for firms.

With regard to service loyalty, one of the most important and well-researched constructs in service literature and a driving force of firms' long-term success (Rust *et al.*, 2004), we note various long- and short-term benefits, even in mature, competitive markets (Liu *et al.*, 2011). For example, loyal, long-term customers tend to expand their relationship, providing cumulative rewards to the firm (Srinivasan *et al.*, 2002). Moreover, loyal customers often act as credible advocates through social media (electronic WOM), informally linking networks of friends, relatives and other potential

customers to the organization (See-To and Ho, 2014). Such impacts have particular importance in this connected world. Moreover, the customer's attachment to the firm progressively strengthens as the trust and relationship develops over time, as illustrated by the customer loyalty pyramid (Figure 1).

## 2.2 Customer loyalty pyramid

Hospitality companies acknowledge that their existence and growth depend on their ability to create unique, memorable and positive experiences for customers (Walls *et al.*, 2011). Tailoring and designing personalized experiences that connect the company with like-minded consumers could be a means to create brand ambassadors and co-creators of value, ultimately enhancing loyalty and profitability. Co-creation and brand communities both offer promising ways to establish valuable relationships with existing or potential customers (Füller, 2010) because customers feel greater loyalty toward brands with which they develop strong affinity (Hwang and Kandampully, 2012). Thus, service companies have shifted their emphasis from customer acquisition to creating customer engagement and participation (Pralhad and Ramaswamy, 2004; Sawhney *et al.*, 2005). Engaged consumers generate product/brand referrals, co-create experience and value and contribute to organizational innovation processes and consumer loyalty (Hoyer *et al.*, 2010; Prahalad and Ramaswamy, 2004). Customer loyalty in the hospitality industry requires a long-term relationship (Bowen and Shoemaker, 2003). Figure 1 portrays the stages of developing an emotionally committed loyal lifetime customer base and creating brand ambassadors for service companies. The strategic value of a customer increases as he or she moves up the stages of the theoretical pyramid. Attracting, converting, engaging and bonding customers are part of the pathway to creating brand advocates and emotionally loyal customers. In this process, individuals are not passive recipients of marketing cues but increasingly are proactive participants in interactive, value-generating co-creation processes (Hollebeek, 2013).

To create emotionally loyal customers, it is necessary to build *customer commitment* (Evanschitzky *et al.*, 2012), especially its affective form. Personal relationships and trust nurture customers' loyalty over time. In their seminal research, Bowen and Shoemaker (2003) highlight the importance of building relationships based on trust and commitment. Customer participation here has a significant impact on customer loyalty (Eisingerich and Bell, 2006). As customers participate and become more involved in the service process, they tend to share the credit, and the blame, for service outcomes, as well as develop new social bonds. It is important for hospitality organizations to keep their customers involved throughout the product life cycle and developing services to meet their changing needs. For example, Marriott's *Travel Brilliantly* (<https://travel-brilliantly.marriott.com>) asks guests to help "shape the future of travel" by sharing groundbreaking ideas about how to improve the modern travel experience, whether through design, cuisine, wellness or technology. Members of such platforms derive benefits from interacting with like-minded peers and gaining mutual assistance. The resulting social relationships create a sense of community (Gebauer *et al.*, 2013). In this context, social media has significantly influenced how marketers attempt to engage customers. Groups of *advocates*, *brand ambassadors* and *emotionally loyal* customers are the most strategically significant; they have high life-time value potential, such that they not only buy more themselves but also influence others' behaviors and willingness to

purchase by endorsing the firm's products and services through positive WOM ([Bijmolt et al., 2010](#)). More meaningful, deeper relationships might be achieved by nurturing active interactions ([Kumar et al., 2010a, 2010b](#)). That is, when a customer co-creates, the customer – supplier relationships extend through interactions ([Payne et al., 2009](#)) and the network relationships provide a source of innovation and knowledge ([Kandampully, 2003](#)). Customers expect to learn about products and services from their experienced peers; they also rely heavily on online reviews during their decision-making process. Because greater customer loyalty aligns with positive emotions, such that it stems from consistently positive emotional experiences, customer engagement in personalized interactions (whether face-to-face or online) will help companies create an emotionally loyal customer base.

### *2.3 Loyalty – value relationship*

Loyalty is transient by nature, and customers expect firms to offer superior value in every interaction ([Helkkula et al., 2012](#)); therefore, customer loyalty is particularly undependable in the hypercompetitive hospitality market ([Deng et al., 2010](#)). Given the competitive market, loyalty programs have proven incapable of gaining customers long-term loyalty. Direct links have, however, been found between loyalty and hotels' service performance ([Kandampully and Hu, 2007](#)) and the perceived value of the firm's offer ([Siu et al., 2013](#)).

Research has indicated that value is inextricably linked to customer loyalty and that perceived value is central to inducing positive responses from consumers ([Chang, 2013](#)). Customers seek two forms of service value: economic, or transaction, value, which pertains to the perceived price, and psychological value, or the emotional and cognitive aspects of the product/service choice ([Gallarza and Gil Saura, 2006](#)). As an important component of customer relationships, value is an important component of customer relationships: it reflects the firm's commitment to its customers while simultaneously establishing a point of differentiation and competitive advantage ([Grönroos and Ravald, 2011](#); [Ravald and Grönroos, 1996](#)). However, continually innovating and developing value-enhanced products and services is not easy, so firms collaborate with and enter into multiple relationships with other firms (often through extended networks of partners), which helps them to offer more valuable benefit to the customer ([Kandampully, 2003](#)). The firm's competitiveness depends on the value it can create through networks, or *constellations* of relationships in which multiple, interdependent service providers combine to offer customers complementary value and synergetic benefits. [Van Riel et al. \(2013\)](#) argue that consumers value services as elements of larger constellations of mutually facilitating, complementary and supporting services. Moreover, value provides the firm with the opportunity to strengthen its bond with customers and sustain long-term relationship loyalty.

[Figure 2](#) and [Table I](#) display the relevant antecedents and consequences of customer loyalty in service marketing/management, hospitality and tourism management literature and practitioner research. The 13 antecedents of customer loyalty and five outcomes of customer loyalty identified are depicted in [Figure 2](#). In the following section, we discuss the 13 antecedents of customer loyalty.



Authors	Constructs	Method	Service context	Key findings
Chang (2013)	<i>IV</i> : corporate reputation <i>DV</i> : customer loyalty <i>Mediator</i> : perceived trust/perceived value/satisfaction	Survey	Restaurant	Corporate reputation enhances customer loyalty through perceived trust and customer perceived value; perceived trust has a significant effect on loyalty through mediating effect of customer satisfaction and perceived value
Coelho and Henseler (2012)	<i>IV</i> : service customization <i>DV</i> : customer loyalty <i>Mediator</i> : perceived service quality/satisfaction/trust	Survey	Banking/TV cable industry	Customized service creates customer loyalty through mediating effects of perceived service quality, customer trust and satisfaction
Chen and Hu (2010)	<i>IV</i> : relational benefits <i>DV</i> : customer loyalty <i>Mediator</i> : perceived value	Survey	Coffee outlet industry	Relational benefits (social, special treatment, confidence) positively influence perceived value and customer loyalty and perceived value enhances customer loyalty as well
Dagger <i>et al.</i> (2010)	<i>IV</i> : relational benefits <i>DV</i> : customer loyalty <i>Mediator</i> : satisfaction/trust/commitment <i>Moderator</i> : customer experience	Survey	Nine service types including doctor, hairdresser, travel agent, photo printing, pest control, cinema, fast food, banking and airline	The influence of relational benefits, namely, confidence, social and special treatment benefits on customer loyalty through the perceptions of satisfaction, trust and commitment differ significantly dependant on customer experience
Demirci Orel and Kara (2014)	<i>IV</i> : service quality <i>DV</i> : customer loyalty/satisfaction	Survey	Retailing	The quality of self-checkout systems is positively associated with customer loyalty through the path of satisfaction
Delcourt <i>et al.</i> (2013)	<i>IV</i> : employee emotional competence <i>DV</i> : customer loyalty/customer satisfaction <i>Mediator</i> : rapport	Survey	Hair dressing	Employee Emotional Competence (EEC) customers perceive during service encounters positively influence customer satisfaction and loyalty; Rapport partially mediates both effects ( <i>continued</i> )

**Table I.**  
Prior research on antecedents of customer loyalty



Table I.

Authors	Constructs	Method	Service context	Key findings
Severt <i>et al.</i> (2007)	<i>IV</i> : conference performance <i>DV</i> : loyalty <i>Mediator</i> : satisfaction	Survey	Conference	The relationships between educational activities, overall satisfaction, WOM and intent to return were found to be significant
Um <i>et al.</i> (2006)	<i>IV</i> : perceived attractiveness/perceived quality of service/perceived value for money <i>DV</i> : revisit intention <i>Mediator</i> : satisfaction	Survey	Tourism	Research findings reveal that perceived attractiveness, rather than overall satisfaction, is the most important indicator
Deng <i>et al.</i> (2010)	<i>IV</i> : trust/perceived service quality/ customer perceived value/switching costs <i>DV</i> : customer loyalty <i>Mediator</i> : customer satisfaction <i>Moderator</i> : age/gender/usage time	Survey	Mobile instant message services	Customers' trust, perceived service quality and customer value and switching costs have a significant effect on customer loyalty with satisfaction as mediator. Additionally, customers' age, gender and usage time moderates the strength of the effects
(Evanschitzky <i>et al.</i> , 2012)	<i>IV</i> : commitment/trust/satisfaction/ social benefits/program value/special treatment <i>DV</i> : customer loyalty/program loyalty	Survey	Retailing	Company commitment, trust and satisfaction influence customer loyalty, while program value, social benefits and special treatment are associated with program loyalty
Ferguson <i>et al.</i> (2010)	<i>IV</i> : customer experience/sociability <i>DV</i> : customer loyalty/WOM	Survey	Healthcare industry	Customers' experience and sociability traits are positively associated with customer WOM intentions and customer loyalty
(Hollebeek, 2011)	<i>IV</i> : customer engagement <i>DV</i> : customer loyalty	Conceptual	General	Engaged customers have greater loyalty to the brand and firm <i>(continued)</i>

Authors	Constructs	Method	Service context	Key findings
Kandampully and Hu (2007)	<i>IV</i> : service quality/customer satisfaction <i>DV</i> : customer loyalty <i>Mediator</i> : corporate image	Survey	Hotel	Customers associate loyalty to a favorable hotel image attributed by service quality and customer satisfaction
Kumar <i>et al.</i> (2011)	<i>IV</i> : operation performance <i>DV</i> : customer loyalty	Longitudinal study	Telecommunications	Dependability of operation performance is the most critical factor influencing customer loyalty in the long term compared with speed
Lee <i>et al.</i> (2012)	<i>IV</i> : employee engagement/service quality/operation performance <i>DV</i> : customer loyalty <i>Mediator</i> : customer satisfaction	Survey	Healthcare industry	High performance of operation system enhances employee engagement and service quality which in turn creates customer loyalty through the mediating effect of customer satisfaction
Liu <i>et al.</i> (2011)	<i>IV</i> : relationship quality/switching barriers <i>DV</i> : customer loyalty	Survey	Mobile phone industry	Relationship quality including satisfaction and trust and switching barriers have a significant effect on customer loyalty
Suh and Ahn (2012)	<i>IV</i> : customer perceived value <i>DV</i> : customer loyalty <i>Mediator</i> : services switching costs	Survey	Restaurant	Customers' perceived value including economic value, psychological value and social value, greatly impacts customer loyalty with services switching costs as a mediating effect
Prentice (2013)	<i>IV</i> : perceived service quality <i>DV</i> : customer loyalty <i>Moderator</i> : customer segments/customer service preferences	Focus group interview	Casino	Customers at different segments and with distinct service preferences are found to have various perceptions of service quality, which greatly influences their customer loyalty with the company

*(continued)*

Table I.

Authors	Constructs	Method	Service context	Key findings
Ramanathan and Ramanathan (2011)	<i>IV</i> : performance of hotels <i>DV</i> : customer loyalty	Regression based classification methodology	Hotels	Attribute of "Value for money" in terms of hotel performance is critical for influencing customer loyalty
Sanchez-Franco and Rondan-Cataluña (2010)	<i>IV</i> : Web site designs/relationship quality <i>DV</i> : customer loyalty <i>Moderator</i> : purchase involvement	Survey	Tourism	Variables of Web site design (usability and visual aesthetics) and variables of relationship quality (satisfaction and trust) lead to customer loyalty with purchase involvement as moderator
Yee and Faziharudean (2010)	<i>IV</i> : trust/habit/reputation/service quality/perceived value <i>DV</i> : customer loyalty	Survey	Internet banking	Variables of trust, habit and reputation have a great effect on customer loyalty, while service quality and perceived value is not significantly related to loyalty
Wang (2010)	<i>IV</i> : customer perceived value/service quality/corporate image <i>DV</i> : customer loyalty <i>Moderator</i> : switching costs	Survey	Haircut service	Customer loyalty is influenced by customer-perceived value, service quality and corporate image with the moderating effect of switching costs
Salanova <i>et al.</i> (2005))	<i>IV</i> : employee engagement <i>DV</i> : customer loyalty <i>Mediator</i> : service climate	Survey	Hotels and restaurants	Employee engagement predicts service climate and then predicts customer loyalty
Ogba and Tan (2009)	<i>IV</i> : brand image <i>DV</i> : customer loyalty/commitment	Survey	Mobile phone industry	Brand image strengthens customer intention for loyalty and commitment to market offerings
Iglesias <i>et al.</i> (2011)	<i>IV</i> : brand experience <i>DV</i> : brand loyalty <i>Mediator</i> : affective commitment	Survey	Retailing	Brand experience positively influences brand loyalty through mediating effect of affective commitment
Ou <i>et al.</i> (2011)	<i>IV</i> : loyalty program <i>DV</i> : customer loyalty <i>Mediator</i> : relationship quality and commitment	Survey	Retailing	Loyalty programs serve as a partial support for maintaining customer loyalty through the effects of relationship quality and commitment

*(continued)*

Authors	Constructs	Method	Service context	Key findings
Hu <i>et al.</i> (2010)	<i>IV</i> : rewards program <i>DV</i> : customer loyalty <i>Mediator</i> : value perception of loyalty/program loyalty <i>Moderator</i> : hotel experience	Experimental design	Hotel	Rewards program positively leads to customer loyalty through program loyalty and value perception of loyalty; hotel experience moderates the effects
Han and Ryu (2009)	<i>IV</i> : physical environment (décor and artifacts, spatial layout, ambient conditions) <i>DV</i> : customer loyalty <i>Mediator</i> : price perception/customer satisfaction <i>IV</i> : service orientation/service quality <i>DV</i> : customer loyalty <i>Mediator</i> : customer satisfaction	Survey	Restaurant	Décor and artifacts were the most significant predictors of price perception among the three components of the physical environment. Price perception and customer satisfaction were significant mediators
Kim (2011)	<i>IV</i> : service orientation/service quality <i>DV</i> : customer loyalty <i>Mediator</i> : customer satisfaction	Survey	Restaurant	Customers' perceptions of service quality fully mediated the effect of employees' service orientation on customer satisfaction and that customer satisfaction fully mediates the relationship between customers' perceptions of service quality and customers' decision to remain loyal
O'Mahony <i>et al.</i> (2013)	<i>IV</i> : termination costs/special treatment benefits/social benefits/confidence behaviors <i>DV</i> : customer loyalty <i>Mediator</i> : communication/trust <i>IV</i> : customer satisfaction <i>DV</i> : customer loyalty <i>Moderator</i> : previous experience	Survey	Hotel	Australians value special treatment and social benefits, while Thais place more emphasis on communications and opportunistic behavior
Chi (2012)	<i>IV</i> : customer satisfaction <i>DV</i> : customer loyalty <i>Moderator</i> : previous experience	Survey	Hotel	Previous experiences moderated the relationship between tourist satisfaction and destination loyalty – satisfaction played a more important role in leading to loyalty for first-timers than for repeaters

(continued)

Table I.

Authors	Constructs	Method	Service context	Key findings
González <i>et al.</i> (2007)	<i>IV</i> : service quality/customer satisfaction <i>DV</i> : customer loyalty	Survey	Spa resort	The results clearly demonstrate the influence of service quality and customer satisfaction on behavioral intentions
Clemes <i>et al.</i> (2010)	<i>IV</i> : service quality/customer satisfaction <i>DV</i> : revisit intention	Survey	Motel	Statistical support is found for three primary dimensions and ten sub-dimensions of service quality for motels. The hypothesized paths between the higher order constructs – service quality, value (price), satisfaction and favorable behavioral intentions – are confirmed
Gracia <i>et al.</i> (2011)	<i>IV</i> : service quality <i>DV</i> : customer loyalty <i>Mediator</i> : positive emotions	Survey	Hotel and Restaurant	Positive affective responses partially mediate the relationship between service quality perceptions and customer loyalty in hotels and restaurants simultaneously
Hyun (2010)	<i>IV</i> : food quality, service quality, price, location and environment <i>DV</i> : customer loyalty <i>Mediator</i> : quality of relationship	Survey	Restaurant	These five attributes, namely, food quality, service quality, price, location and environment influence loyalty formation, with impact mediated by relationship quality
Tanford <i>et al.</i> (2011)	<i>IV</i> : commitment/rewards membership <i>DV</i> : customer loyalty <i>Mediator</i> : switching costs Moderator: membership tier	Survey	Hotel	Value commitment and rewards membership strengthen customer loyalty through switching costs; membership tier moderates the effects

**Notes:** IV and DV stand for “Independent Variable” and “Dependent Variable,” respectively

## 2.4 Antecedents of customer loyalty

The antecedents of customer loyalty have been widely explored and investigated by both academia and practitioners ([Allaway et al., 2011](#); [Kandampully and Suhartanto, 2000](#); [Wang, 2010](#)) because the factors leading to customer loyalty might be crucial ingredients for a firm's sustainability and competitiveness ([Berezan et al., 2013](#)). In an attempt to provide an overall picture of how to achieve customer loyalty and uncover latent relationships among its antecedents, we address two groups of variables:

- (1) variables that have been established and extensively discussed in the literature; and
- (2) variables that have recently emerged within exploratory literature.

*2.4.1 Loyalty programs, perceived switching costs, customer satisfaction, service quality and commitment.* Previous customer loyalty literature has extensively investigated the roles of loyalty program variables ([Uncles et al., 2003](#)), perceived switching costs ([Lee et al., 2001](#)), customer satisfaction ([Kandampully and Suhartanto, 2000](#); [Yoon and Uysal, 2005](#)), service quality ([Caruana, 2002](#); [González et al., 2007](#)) and commitment ([Little and Dean, 2006](#)). Loyalty programs, whether in the form of membership cards ([Tanford et al., 2011](#)) or rewards programs ([Hu et al., 2010](#)), were predicted to have direct influences on customer loyalty, parallel to the effect of switching costs ([Baloglu, 2002](#)). However, loyalty programs have been criticized, as researchers have posited doubt as to whether they actually work because they fail to understand customer behaviors and expectations ([Xie and Chen, 2014](#)). Customer loyalty is very sensitive to perceived switching costs ([de Matos et al., 2013](#)); it also should increase with the benefits offered by loyalty programs ([Uncles et al., 2003](#)). Customer satisfaction and commitment are widely discussed indicators of customer loyalty; satisfied and committed customers are more likely to repurchase and spread positive WOM about these benefits ([Garbarino and Johnson, 1999](#)). Service quality also has an influence on customer loyalty, albeit indirectly, as it helps customers determine their satisfaction with service offerings ([Demirci Orel and Kara, 2014](#)). For several decades, researchers have considered loyalty programs, perceived switching costs, customer satisfaction, service quality and commitment fundamental to customer loyalty ([Demirci Orel and Kara, 2014](#); [Kandampully and Suhartanto, 2000](#); [Lee et al., 2001](#); [Hu et al., 2010](#)).

Recent studies have identified other variables as potential determinants of customer loyalty:

- customer perceived value ([Chen and Hu, 2010](#));
- customer engagement ([Doorn et al., 2010](#); [Gonring, 2008](#));
- employee engagement ([Saks, 2006](#));
- corporate and brand image ([Wang, 2010](#));
- customer trust ([Choi and La, 2013](#));
- brand experience ([Iglesias et al., 2011](#));
- rapport between customers and employees ([Delcourt et al., 2013](#)); and
- relational benefits ([Chen and Hu, 2010](#)).

These new perspectives offer valuable implications for service industries that have been striving for enhanced customer loyalty and long-term relationships ([Lariviere et al.,](#)

2014). Loyal customers are sustainable revenue contributors ([Berezan et al., 2013](#)), as well as free and credible WOM providers, such that they help bring new customers to the company ([Garnefeld et al., 2011](#)).

*2.4.2 Customer perceived value.* Developing superior value for customers can sustain a firm's competitiveness and success ([Hitt et al., 2011](#); [Porter and Kramer, 2011](#); [Loureiro et al., 2014](#)). In acknowledging customer diversity, previous literature proposes different dimensions of perceived value ([Chen and Hu, 2010](#); [Kim et al., 2012](#)). For example, [Chen and Hu \(2010\)](#) suggest two underlying dimensions, functional value and symbolic value and explore how service quality affects customers' perceived value in the coffee shop industry. In addition, [Ryu et al. \(2010\)](#) and [Kim et al. \(2012\)](#) empirically establish a relationship between utilitarian and hedonic values and customer loyalty in the restaurant context. Because value is often perceived as a trade-off between benefits and costs, the most widely applied dimensions are economic and psychological value, which refer, respectively, to perceived prices (transaction value) and emotional aspects that influence a customer's choices ([Gallarza and Gil Saura, 2006](#)).

*2.4.3 Customer engagement.* There appears to be no consensus on the definition of customer engagement or its dimensions ([Hollebeek, 2011](#)). [Verhoef et al. \(2010\)](#) propose that customer engagement goes beyond transactions, with a focus on the firm or brand, resulting from emotion-centric motivations. [Brodie et al. \(2011, p. 253\)](#) instead argue that it "reflects consumers' interactive, co-creative experiences with other stakeholders in focal, networked service relationships", on the basis of their exploration of theoretical literature pertaining to engagement in social science and marketing literature. [Doorn et al. \(2010\)](#) define customer engagement to include a vast array of behaviors, such as WOM, recommendations, helping other customers, blogging, writing reviews and so forth. Their conceptual model of the antecedents and consequences (customers, firms, societal) of customer engagement leads them to suggest a direct relationship of customer engagement with customer loyalty ([Doorn et al., 2010](#)).

*2.4.4 Employee engagement.* Although defined in various ways, employee engagement generally is connected with organizational commitment, organizational citizenship behavior, job satisfaction and turnover intentions ([Salanova et al., 2005](#)). For example, [Saks \(2006\)](#) proposes three components, cognitive, emotional and behavioral engagement, that employees exhibit toward the firm and that define their individual role performance. [Macey and Schneider \(2008\)](#) assert that employee engagement incorporates three key elements: trait (positive view of life and work), state (feeling of energy and absorption) and behavioral (extra-role behavior) engagement. Engaged employees, in turn, should exhibit a proactive personality, conscientiousness, affective satisfaction with the firm, commitment, high involvement, organizational citizenship behavior and adaptiveness.

*2.4.5 Image (corporate and brand).* Corporate and brand image is defined as the general impression of the public toward a firm or its brand ([Wang, 2010](#)). Corporate image and brand image are closely related; in many cases, their link to multiple attributes of the firm is identical, such as product or service quality, interactions with the firm's employees and the brand experience ([Jin et al., 2012](#)). The image projected by the firm or brand thus should exert a strong effect on customer loyalty ([Kandampully and Suhartanto, 2000](#)). [Kandampully and Hu \(2007, p. 437\)](#) also propose that corporate and brand image function as "filtering mechanisms" that determine the customer's



evaluation of products and services, as well as their satisfaction and intentions to stay loyal to the firm.

*2.4.6 Customer trust.* Customer trust reflects the belief that the product or service firm is reliable and will behave, such that “the long-term interests of the consumers will be served” (Martínez and Rodríguez del Bosque, 2013, p. 91). Researchers define trust as having two components: performance or credibility trust and benevolence trust (Sirdeshmukh *et al.*, 2002). In the hospitality sector, performance or credibility trust implies assurance or confidence in the capabilities of hospitality firms to provide good quality services, as expected in terms of their abilities and infrastructure, as well as the skills and knowledge of employees (Martínez and Rodríguez del Bosque, 2013). Benevolence trust is the belief that the firm will provide reliable and competent services while exhibiting care, concern, honesty and benevolence (Kiyani *et al.*, 2012). In their evaluation of long-term loyalty intentions, O’Mahony *et al.* (2013) found trust and commitment to have a strong positive impact on hotel guests’ loyalty.

*2.4.7 Brand experience.* Brand management and marketing literature define brand experience as a “takeaway expression” (Iglesias *et al.*, 2011) in the consumer’s mind, resulting from multiple encounters with a brand (i.e. various products or services that the brand offers). Researchers such as Prahalad and Ramaswamy (2004), Payne *et al.* (2009) and Simmons (2009) highlight the essential role of experience for brand building. Payne *et al.* (2009) conceptualize brand experiences as a series of sensations, feelings, cognitions and behavioral responses, triggered by brand-related stimuli, which include the brand’s design, identity, environment and communications. From this perspective, brand experience entails managing functional and emotional elements of brand offerings (Kiyani *et al.*, 2012). Functional components have been extensively studied as routes to avoid customer dissatisfaction; emotions elicited during the consumption experience instead have strong impacts on customers’ memory of the brand (Payne *et al.*, 2009). Therefore, brands that can deliver a superior brand experience are more likely to promote strong emotional responses from consumers, which help the brands achieve preference and differentiation, as well as build brand loyalty and foster evangelism (Payne *et al.*, 2009).

*2.4.8 Rapport between customers and employees.* Rapport between people results from good interactions, due to “chemistry” (Delcourt *et al.*, 2013). This rapport provides a good indicator of relationship quality and forms mainly during interactions between customers and employees (Hennig-Thurau *et al.*, 2006). Service literature has defined rapport as reflecting customers’ perceptions of an enjoyable interaction with employees, such that they form a personal connection (Gremler and Gwinner, 2000). An enjoyable interaction involves an affect-laden, cognitive assessment of the exchange with contact employees (Gremler and Gwinner, 2000); a personal connection is the bond that customers perceive in the dyadic experience (Gremler and Gwinner, 2000). Rapport captures the interpersonal aspects of the service delivery process and is a key determinant of customer satisfaction and loyalty (Gremler and Gwinner, 2008). In addition, rapport appears to correlate positively with trust; as the rapport between the employee and the customer increases, uncertainty decreases, allowing trust between the two parties to increase (Macintosh, 2009). Furthermore, trust engenders customer satisfaction (Macintosh, 2009), and satisfied customers are more likely to stay with the service firm (Kiyani *et al.*, 2012) and actively engage in positive WOM (Brown *et al.*, 2007), which are central elements of customer loyalty (Coelho and Henseler, 2012).

*2.4.9 Relational benefits.* Relationship marketing literature increasingly stresses the importance of generating relational benefits to build, develop and maintain long-lasting, intimate customer relationships (Chen and Hu, 2010). Relational benefits are interpersonal in nature and accrue through the active engagement of customers in continuing relationships with service employees and firms (Li, 2011). They consist of four components: psychological (confidence), social, economic and customization benefits (Chen and Hu, 2010). According to Chen and Hu (2010), psychological or confidence benefits help reduce anxiety and grant comfort because the customer knows what to expect from the services offerings; social benefits pertain to the emotions and personal connection between customers and employees as friends, which can be achieved through long-term relationships; and economic and customization benefits together comprise “special treatment benefits” (Hennig-Thurau *et al.*, 2002, p. 234), which might include price reductions, faster services or individualized services, subject to customer focus and customer selectivity. The next section discusses the outcomes of customer loyalty based on the relevant literature.

### *2.5 Consequences of customer loyalty*

*2.5.1 Profitability.* According to Kumar *et al.* (2010a, 2010b), loyal customers nurture bonds with the company and exhibit different behaviors than non-loyal customers. Loyalty due to well-nurtured relationships affects loyal customers’ behavioral outcomes, such as repurchase intentions, increased share of wallet, WOM and lowered acquisition costs; ultimately, the loyalty of the customer should lead to the profitability of the company (Chi and Gursoy, 2009; Dalci *et al.*, 2010; Evanschitzky *et al.*, 2012; Gandomi and Zolfaghari, 2013; Zeithaml, 2000). Gandomi and Zolfaghari’s (2013) models and analytical investigation focus on the profitability of loyalty programs, with customer satisfaction and valuation as mediators. Chi and Gursoy (2009) adopt a service profit chain model to emphasize the role of customer satisfaction and loyalty as mediators between employee satisfaction and financial performance. Service management literature further argues that customer loyalty creates profits, through increased revenues, reduced costs to acquire customers, lower customer price sensitivity and decreased costs to serve repeat customers (Gurau, 2003; Palmatier and Gopalakrishna, 2005; Taylor and Neslin, 2005). In line with Gee *et al.* (2008) and Garland (2005), Reinartz and Kumar (2002, p. 9) propose “win loyalty, therefore, and profits will follow as night follows day”.

However, debate persists about the effects of customer loyalty on profitability (Zhang *et al.*, 2010b). The taken-for-granted assumption that gaining loyalty engenders profitability comes under scrutiny (Gee *et al.*, 2008). Reinartz and Kumar (2002) question whether loyal customers are equally profitable and therefore classify customers as butterflies, true friends, strangers or barnacles. Strangers produce minimal profit and have short tenures as customers; true friends are long-term, profitable customers who need extensive nurturing (Reinartz and Kumar, 2002). Butterflies are highly profitable but less loyal customers, whereas barnacles are loyal customers who have a negative impact on profitability because of the low volume of their transactions. Garland (2005) also questions the effects of loyalty on profitability and proposes marketing strategies based on Reinartz and Kumar’s (2002) classification. Although companies might aim to provide superior service to all their customers, they often cannot, because it is neither practical nor profitable to meet (or exceed) the expectations of all these diverse

customers. [Zeithaml et al. \(2001\)](#) assert that if all customers were treated the same, highly profitable customers would wind up subsidizing service for low-profit customers. Instead, loyalty demands sophisticated management and tailored marketing and relationship strategies, based on customer segmentation, if the company is to generate profitability from it.

*2.5.2 Share of wallet.* The measure refers to how consumers divide their purchases across competing firms ([Evanschitzky et al., 2012](#)). In the hospitality industry, we define share of wallet as the value of a customer's business at one hotel, as a percentage of the total value of the customer's business at all other hotels ([Xie and Chen, 2014](#)). In competitive markets, customers express polygamous loyalty to firms, rather than monogamous loyalty ([Kim and Lee, 2010](#)). Therefore, share of wallet offers a significant means for the company to investigate how its customers divide their purchases across competing firms and what strategies it might adopt to increase its share of total purchases ([Keiningham et al., 2015](#)). Managerially, the endeavor to improve share of wallet should have a greater financial impact on the company than does a mere focus on customer retention ([Keiningham et al., 2007](#)). In support of this assertion, McKinsey & Co. reports that improving customers' share of wallet and customer retention can produce ten times more value for a company than focusing on customer retention alone ([Coyles and Gokey, 2005](#)).

Various scholars and practitioners ([Keiningham et al., 2012, 2007](#); [Meyer-Waarden, 2007](#)) theoretically and empirically examine the relationship between customer loyalty and share of wallet. [Meyer-Waarden \(2007\)](#) explains how loyalty programs can affect customer lifetime duration and share of wallet in retailing; loyalty significantly determines customer share of wallet. [Keiningham et al.'s \(2012\)](#) empirical survey shows that repeated satisfactory transactions significantly contribute to a customer's share of wallet. [Kim and Lee \(2010\)](#) collect data from apparel and grocery shoppers to test the moderating effects of education, relationship duration and product type on the relationships of emotional and conative loyalty with share of wallet; they find that emotional loyalty is influenced more by the moderating factors in the correlation with share of wallet.

*2.5.3 Willingness to pay more.* A customer might express an intention to pay a higher price to one focal firm than other competing firms because he or she perceives value associated with the focal firm ([Ladhari, 2009](#)). Managerially, willingness to pay more is an essential financial outcome for a firm because it reveals the average premium that customers would pay to the company for the same products and/or services from competitors ([Evanschitzky et al., 2012](#)), such that it increases opportunities for profitability ([Trudel and Cotte, 2009](#)) and improved share of wallet ([Marshall, 2010](#)) for the company.

The relationship between loyalty and willingness to pay more has been researched extensively ([Allender and Richards, 2012](#); [Varadarajan and Yadav, 2009](#)), revealing that customers who are loyal to a company express lower price sensitivity than non-loyal customers ([Goldsmith et al., 2010](#); [Ramirez and Goldsmith, 2009](#)) and are more willing to pay a premium price to remain in the relationship with their preferred service providers ([Evanschitzky et al., 2012](#)). As [Evanschitzky et al. \(2012\)](#) illustrate, loyal customers forge emotional attachments to their favorable companies, which motivates them to stay in the long-term relationship, nurturing their bonds, identification and even partnership with the company. Compared with non-loyal customers who only focus on the economic

benefits of purchasing from one company, loyal customers consider the emotional benefits they obtain from purchasing with their preferred company, rather than incur additional search costs (Aksoy, 2013; Gázquez-Abad and Sanchez-Perez, 2009).

*2.5.4 Word of mouth.* Customer WOM is arguably the most important outcome of customer – firm relationships (Brown *et al.*, 2007; Reichheld, 2003), as a relational outcome in a business context (Ye *et al.*, 2011). Positive WOM exerts a powerful influence in service contexts because services cannot be tested prior to purchase (Ng *et al.*, 2011). It is also widely considered an important form of loyalty (Garnefeld *et al.*, 2011). WOM has been proven to have a positive association with customer loyalty (Severt *et al.*, 2007). Customers regard WOM information as reliable because the firm cannot manipulate it, so it attracts prospective customers' interest, as a trustworthy source of information, due to its personalized transmission and the content and the context reflecting personal experiences. Scholars citing the importance of WOM acknowledge that it serves as peers' advice, which can influence consumer decision-making, as well as product evaluations and purchase decisions (Litvin *et al.*, 2008; Park and Lee, 2009; Zhang *et al.*, 2010a). Customer-to-customer (C2C) advocacy through WOM should have a profound influence on customer attitudes and purchase behavior (Ye *et al.*, 2011; Blazevic *et al.*, 2013), as well as dominate the marketplace.

WOM also can be part of an intentional, proactive marketing strategy. Whether intentional or unintentional, if a firm receives repeated endorsements by positive WOM, the communication among customers can grow beyond sharing direct experiences, to become storytelling and folklore (Solnet and Kandampully, 2008). The narrative discourse about a firm then leads to the formation of the "truth" about the firm in the minds of customers. WOM communication appears both credible and unbiased because the sender of the information usually has nothing to gain if the recipient decides to make a purchase (Cheung *et al.*, 2012). Prospective customers trust this testimony because they know WOM is fueled by satisfactory experiences and reflects the firm's customer orientation (Lytle and Timmerman, 2006).

Firms thus recognize that their traditional marketing mechanisms have limited influence (Blazevic *et al.*, 2013). New technology, and mobile technology in particular, grants customers powerful influences in the world of business. Technology-induced social networks/social media significantly alter customers' social environment, allowing them to interact and exchange their likes, dislikes, views and emotions with fellow customers. Many customers consider it their responsibility to protect or help fellow customers (Schmitt *et al.*, 2011). Thus, C2C interactions are increasingly important, which has considerable implications for firms; the exchange of information about customers' experiences influences each party's attitudes and behaviors (Blazevic *et al.*, 2013). Through their extensive meta-analytic review of antecedents of WOM communication, de Matos and Rossi (2008) illustrate the important roles of satisfaction, loyalty, quality, commitment, trust and perceived value. WOM communications also get coproduced in consumer networks (Kozinets *et al.*, 2010).

*2.5.5 Electronic word of mouth.* Electronic word of mouth (eWOM) is an extended version of WOM that provides information through the Internet. Along with various similarities, we note considerable differences between traditional WOM and eWOM (Table II). Traditional WOM is limited in its social contacts because its influence quickly diminishes over time and distance (Duan *et al.*, 2008a). Prior to the Internet, WOM information primarily spread to very limited circles of friends and family;

**Table II.**  
Similarities and  
differences between  
WOM and eWOM

	WOM	eWOM
Similarities	Interpersonal communication Influence decision-making Bidirectional and interactive	
<i>Differences</i>		
Mode	Usually spoken and written Person-to-person/face-to-face Identified sources Companies have less control over WOM	Through various online forms Includes identified and unidentified sources Companies have more control over eWOM
Scope	Affected by geographic and time constraints One-on-one or in a smaller group Limited receiver pool	No geographic or time constraints Can be one-to-many Larger receiver pool
Speed	Slow	Fast
Relationship between sender and receiver	Know each other Real social ties	Generally anonymous Virtual social ties
Format	Mostly linear	Mostly non-linear
Ease of transmission	Difficult to transmit	Easy to transmit/forward

communicating to a wider audience was not easy or possible in some cases. Thus, both positive and negative WOM had relatively limited impacts. In contrast, eWOM enables information to reach a much wider audience, and the impacts of online reviews, particularly negative ones, may be substantial if firms cannot proactively manage customer experiences. This status poses both a challenge and opportunities for gaining timely, valuable feedback and evaluations (Litvin *et al.*, 2008). Advances in information technology and the increasing popularity of blogs, discussion boards, online rate-and-review Web sites and other social media also enable consumers to voice their impressions about the firm easily. These reviews are relatively unbiased, so they are more valuable for potential consumers (Brown *et al.*, 2007; Khare *et al.*, 2011). According to Gruen *et al.* (2006), eWOM communication affects the perceived overall value of the firm's offering; customers' exchanges of know-how thus exert a direct effect on loyalty intentions.

Of the various media forms and types of eWOM, consumer reviews are among the most accessible and prevalent (Zhang *et al.*, 2010a). Amazon.com began offering consumers an option to post their comments about products on its Web site in 1995; currently, it features approximately 10 million consumer reviews, across various product categories. These reviews represent one of the most popular and successful features of the website (Chen and Xie, 2008). Amazon provided the opportunity and encouraged customers to write online reviews, endorsing the products and services it had for sale.

Recent studies further suggest that consumer reviews are determinants of consumer purchase decisions and product sales. As seems logical, considering the increased popularity and prevalence of eWOM, marketing literature confirms that consumers attend to online product reviews and act on them to make purchasing decisions



(Chevalier and Mayzlin, 2006; Senecal and Nantel, 2004). The notion of virtual exchange and reciprocity also appears increasingly important. Munzel and Kunz (2014) show that readers of others' contributions perceive a social debt and feel obliged to give something back to the community. Altruism also plays a central role. Sharing experiences with other consumers on online platforms gives consumers an opportunity to express their desire to help others make appropriate decisions, and product review Web sites have a greater influence on consumer decisions than all other media. Participants exposed to online consumer reviews also show more interest in the product than those who see only the corporate webpage (Chen and Xie, 2008). Moreover, behavioral economics suggests positive relationships between user-generated content and product sales (Chevalier and Mayzlin, 2006; Duan *et al.*, 2008b; Ye *et al.*, 2011). Several companies, recognizing the inherent business opportunities in this phenomenon, proactively seek to induce consumers to "speak to the world" on online platforms about their products and services (Godes *et al.*, 2005).

### *2.6 Customer relationships in modern hospitality firms*

Creating and maintaining long-term, mutually beneficial relationships with the customer is the ultimate goal of any truly customer-driven firm. However, firms benefit more from loyal customers who actively participate and engage with them, such that loyalty can beneficially be addressed as active or passive (Ganesh *et al.*, 2000), according to customers' willingness to engage with the firm. Active loyalty refers to customers' engagement with the firm and willingness to serve as brand ambassadors who endorse the firm's products and services with positive WOM (Bijmolt *et al.*, 2010). Engagement implies the customer's active interaction and participation with the firm, which produces a more meaningful, deeper relationship (Kumar *et al.*, 2010a, 2010b). Physical processes, encompassing both cognition and affect, lead to customer loyalty (Bowden, 2009). Passive loyalty indicates that customers express their loyalty as an intention to maintain their relationship with the firm, despite price increases or more suitable offers from competitive firms (Vázquez-Carrasco and Foxall, 2006). Although firms need both active and passive loyalty, the extensive uses of social media and online communication among customers imply that active loyalty plays a more significant role in terms of strengthening firms' marketing communication. The interactive nature of social media grants firms the means to share information and seek customer reviews, but it also has shifted power to the customer, who can share and exchange information and reviews with multiple customers within a network (Sashi, 2012). Starbucks' loyal customers thus actively participate to co-innovate products and services through the My Starbucks Idea online network (Piller *et al.*, 2011); in the My Lego Network, Lego customers co-design Lego figures and market them within the community (Ramaswamy and Ozcan, 2013). According to Lusch and Vargo (2006), customers often co-create value. Co-creation then might be regarded as engagement by customers, which transforms their active participation with the firm into mutual benefit (Rihova *et al.*, 2013). In an active, loyal context, the consumer and firm engage intimately in value creation that is unique and valuable to the individual customer and sustainable to the firm (Pralhalad and Ramaswamy, 2004).

Firms seek to nurture loyal customers' engagement through various initiatives, including customer communities offline (Wirtz *et al.*, 2013). Nearly 50 per cent of the top 100 global brands have established brand communities (Manchanda *et al.*, 2013). These

communities have evolved, from offline groups to online communities that rely on the Internet to connect customers and the brand globally. The Harley-Davidson brand communities, which first emerged in early 1983, now features a strong online component, even as customers continue to participate in offline events. Many customer communities cultivate resonance among members who define their personal identity through their brand associations and loyalty. Customer communities help organizations strengthen their relationships with loyal customers (Fournier and Lee, 2009); they also create a platform for spreading WOM, both within communities and externally through social networks (Brown *et al.*, 2007).

In a service business such as hospitality, co-creating a unique customer experience requires the employee to have experience “inside the organization” (Ramaswamy, 2009). Moreover, the employee’s commitment and loyalty to the firm is essential in high contact service industries to create customer loyalty and profitability (Yee *et al.*, 2010). That is, because customer – employee direct interactions are imperative, both parties engage in value co-creation. Although both customer loyalty and employee loyalty are imperative for an organization, in many cases, customer loyalty can be achieved and sustained through committed and loyal employees. Firms such as Southwest Airlines and Ritz-Carlton hotels nurture loyal relationships with their employees, which helps them entice employees to serve as brand ambassadors (Bendapudi and Bendapudi, 2005). Service providers not only deliver and create services but often are seen as synonymous with the firm for customers. Therefore, the Ritz-Carlton calls its employees the “ladies and gentlemen” of the hotel profession, who are inherently familiar with how best to serve the “ladies and gentlemen” who stay there. At Southwest Airlines, a mantra states “customers come second – and still get great service”. Thus, service personnel’s thoughtful actions can enhance customers’ perception of the brand and its value (Little and Dean, 2006). In most hospitality firms, their actual experience with the firm dominates customers’ brand perceptions, trust and loyalty (Ind, 2003). Therefore, we conclude that to create a positive customer experience, relationship and loyalty, the firm must first promote the relationship and employees’ experiences (King and Grace, 2008).

Firms at the forefront of any market have gained the loyalty of their customers and employees. Shared positive experiences strengthen their engagement with the firm. Customer loyalty *per se* has limited value; the strength of engagement lifts the firm to the top of the market. Active engagement results in three distinct but interrelated, vital outcomes: idea contributions (e.g. My Starbucks Idea); actions to promote and support the brand among prospective customers; and positive WOM through online and offline channels (Singh and Cullinane, 2010).

### 3. Research priorities for customer loyalty

As companies and customers undergo an information revolution, new marketing areas and issues continue emerging (Jain and Singh, 2002). About a decade ago, the emphasis shifted, from treating customers as entities involved in the business process to treating them as co-creators of value. Customers who value their relationship with the firm take a significant role, by engaging in various activities to support the brand (Brodie *et al.*, 2011). In this connected world, customers engage with their preferred brands, both online and offline, as both individual customers and customer communities (Schau *et al.*, 2009). These evolving practices provide multiple opportunities for research. When companies seek to create emotionally engaged, loyal brand ambassadors, researchers



should focus on emerging topic areas, such as customer engagement, brand citizenship behaviors, mass personalization, employee engagement, brand ambassadors (both employees and customers), co-creation of value, co-design, co-consumption and rapport between customers and employees. Consumer choice is usually influenced by others' perceptions ([Perez et al., 2011](#)), so further research might investigate the antecedents of C2C interactions and their effects on customer loyalty. Because both customers and employees can serve as brand ambassadors in socially interconnected networks, research on the growing importance of brand communities could explicate the influence of customers' social interactions, both online and offline. Additional research should explore how the best hospitality firms manage C2C interactions.

We also call for research that examines the relationships of these constructs with customer loyalty. Human resources within the hospitality industry have a direct impact on customer loyalty. Hospitality employees should become brand ambassadors by enacting behaviors that align with customers' brand expectations during employee – customer interactions (i.e. moments of truth, virtual interactions) to create a compelling relationship ([Xiong et al., 2013](#)). Noting the role of engaged employees, we hope researchers will investigate the potential that employees' social engagement and advocacy represent precursors of customer loyalty. Another stream of research might investigate the return on investments in interactive marketing, such as social media relationship marketing. A comparison of the returns on investments in traditional marketing expenses and new marketing tools and their contributions to firm performance also might be informative.

Research should also investigate the loyalty behaviors of Generation-Y members. This economically robust cohort accounts for \$200 billion in annual expenditures and \$136 billion in travel expenses; it represents 22 per cent of online leisure travelers in the USA. They also review user-generated content before making travel purchases ([Nusair et al., 2013](#)), as well as actively contribute, share, search for and consume content online ([Bolton et al., 2013](#)). Social media have strong impacts on their lives because this cohort embraces the very nature of interactive online media ([Nusair et al., 2013](#)). Research should aim to determine those factors that lead to commitment and attachment and the effectiveness of potential brand ambassador programs. We also recommend future studies to investigate the characteristics of Generation-Y members in the workplace and their impact on customer loyalty.

In addition, there is a need for empirical evidence to understand the effects of brand experiences and customer loyalty. More insight should clarify the relationship among customer loyalty and revenue management, and further explorations might address the effect of mobile channels on customer loyalty. We also recommend investigations of the interpersonal aspects of service delivery because they are vital to service companies. The effect of customer education on customer participation and loyalty should be studied too. Such inquiries might use empirical methods to test the proposed relationships.

Moreover, results from research into Western consumers do not necessarily predict the behaviors of Eastern consumers. For example, in Western cultures, customers tend to focus on personal preferences ([Reykowski, 1994](#)) and pay more attention to intrinsic attributes (e.g. quality). In Eastern cultures, customers instead tend to choose brands more for prestige ([Wong and Ahuvia, 1998](#)) and attend to their extrinsic attributes. Thus, further research should test whether customer participation and other variables

differ across Eastern and Western cultures. Finally, we invite researchers to investigate co-creation from different approaches, such as motivations or demographic information. Accordingly, we provide a summary list of research priorities:

- (1) Customer-oriented:
  - engaged customers' impact on loyalty;
  - customer-to-customer interaction and its influence on loyalty;
  - impact of customer commitment on loyalty and WOM;
  - customer value co-creation and its influence on loyalty;
  - longitudinal examinations of customer loyalty;
  - a hospitality firm's green orientation and its impact on loyalty; and
  - opinion leaders and their effect on loyalty.
- (2) Employee-oriented:
  - employee engagement and its impact on customer loyalty;
  - employee-to-customer interaction and its impact on customer loyalty;
  - ethnic diversity of serving staff and its impact on customer loyalty; and
  - employee empowerment and its impact on customer loyalty.
- (3) Social media and technology:
  - online social interactions and their effect on brand loyalty;
  - social media and new technology impacts on customer loyalty;
  - hospitality firm's Web site loyalty vs online travel agency loyalty;
  - loyalty and its influence on brand communities;
  - customer loyalty in social media;
  - online community management and its effect on loyalty;
  - use of big data to further understand customer loyalty;
  - the role of technology and service innovation in creating customer loyalty; and
  - impact of mobile Web solutions and app experiences on customer loyalty.
- (4) Generation Y:
  - engaging Generation-Y customers and fostering their loyalty;
  - Generation-Y employees and the implications for loyalty;
  - Generation-Y customers and their influence on loyalty strategies;
  - Generation-Y customer loyalty and the influence of hospitality technology reservation channels such as hotel branding apps; and
  - Generation-Y customers, eWOM and the impact on loyalty.

With the growth of social media, online forums, virtual communities and C2C exchanges, researchers should adopt new perspectives to try to comprehend loyalty through the creation of strong ties, a sense of commitment and a sense of belonging to a community. We recommend that future studies test the proposed relationships with

latent constructs using statistical techniques such as structural equation modeling and multiple regression.

The notion that customers create personal relationship with the firm is central for most firms' interest in customer engagement through active loyalty. Thus, further research is needed to understand the consequences of the absence of reduced customers' direct interaction with employees (who represent the firm) due to technology driven on line check-in, check-out and many other in-house services. Further research may also identify appropriate mechanisms that will prove essential to maintain the on-going customer – firm relationships to ensure relationship, intimacy, emotion and engagement.

Generation-Y is anticipated to become one of the largest segments in the marketplace, and their behavior a harbinger of how people may behave in the future ([Bolton et al., 2013](#)). Therefore, satisfying and engaging Generation-Y is a major impetus to harnessing the success of hospitality firms. Given the importance, Generation-Y customers for the hospitality firms, future research may identify appropriate organizational structure that would enable effective management of technology led communication channels to engage Generation-Y customer. Although there is an ever-growing competitive environment and challenges, limited research on the relationship between Generation-Y customers' loyalty and its influence on brand performance. Further study may also aim to create a valid and reliable scale to assess the loyalty of Generation-Y's engagement, drivers and moderators of Generation-Y engagement and its outcomes on the brand. Thus, further research is necessary to help hospitality firms to make strategic use of the changes in the marketplace.

#### 4. Conclusions

Given the changing role of customers and their potential to become a firm's loyal ambassador, this study undertakes an extensive review and synthesis of both the antecedents and outcomes of customer loyalty, and examines the critical role of customers in an organization. Customer retention and their lifetime value have been identified as important by academics ([Nitzan and Libai, 2011](#)) and continues to be widely discussed in the boardroom ([Kabiraj and Shanmugan, 2011](#)). Hospitality firms frequently use loyalty programs ([Hikkerova, 2011](#)) in an attempt to enhance customers' perceived value, brand image and trust, leading to customer engagement, enhanced experience and positive WOM. Given the changing role of customers and their potential to become a firm's most valuable and emotionally engaged brand ambassador, customer loyalty paradigms today encompass fresh concepts that include co-creation of value, customers' emotional engagement, customer communities and customer participation through social media. Firms are no longer content with the mere passive allegiance of a loyal customer, they seek active engaged co-creators of value who assume co-ownership of the brand, as brand ambassadors. Both companies and customers are adopting new ways to communicate and to engage are emerging. Customers virtually interact with other customers and companies during pre-purchase, purchase and post-purchase stages this would require companies to innovate not only in the way they communicate but more importantly to gain customers active engagement.

## References

- Aksoy, L. (2013), "How do you measure what you can't define? The current state of loyalty measurement and management", *Journal of Service Management*, Vol. 24 No. 4, pp. 356-381.
- Allaway, A.W., Huddleston, P., Whipple, J. and Ellinger, A.E. (2011), "Customer-based brand equity, equity drivers, and customer loyalty in the supermarket industry", *Journal of Product & Brand Management*, Vol. 20 No. 3, pp. 190-204.
- Allender, W.J. and Richards, T.J. (2012), "Brand loyalty and price promotion strategies: an empirical analysis", *Journal of Retailing*, Vol. 88 No. 3, pp. 323-342.
- Baloglu, S. (2002), "Dimensions of customer loyalty: separating friends from well wishers", *The Cornell Hotel and Restaurant Administration Quarterly*, Vol. 43 No. 1, pp. 47-59.
- Bendapudi, N. and Bendapudi, V. (2005), "Creating the living brand", *Harvard Business Review*, Vol. 83 No. 5, pp. 124-132.
- Berezan, O., Raab, C., Yoo, M. and Love, C. (2013), "Sustainable hotel practices and nationality: the impact on guest satisfaction and guest intention to return", *International Journal of Hospitality Management*, Vol. 34, pp. 227-233.
- Bijmolt, T.H.A., Leeflang, P.S.H., Block, F., Eisenbeiss, M., Hardie, B.G.S., Lemmens, A. and Saffert, P. (2010), "Analytics for customer engagement", *Journal of Service Research*, Vol. 13 No. 3, pp. 341-356.
- Blazevic, V., Hammedi, W., Garnefeld, I., Rust, R.T., Keiningham, T., Andreassen, T.W., Donthu, N. and Carl, W. (2013), "Beyond traditional word-of-mouth: an expanded model of customer-driven influence", *Journal of Service Management*, Vol. 24 No. 3, pp. 294-313.
- Bolton, R.N., Parasuraman, A., Hoefnagels, A., Migchels, N., Kabadayi, S., Gruber, T., Loureiro, Y.K. and Solnet, D. (2013), "Understanding generation Y and their use of social media: a review and research agenda", *Journal of Service Management*, Vol. 24 No. 3, pp. 245-267.
- Bowden, J.L.-H. (2009), "The process of customer engagement: a conceptual framework", *The Journal of Marketing Theory and Practice*, Vol. 17 No. 1, pp. 63-74.
- Bowen, J.T. and Shoemaker, S. (2003), "Loyalty: a strategic commitment", *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 44 Nos 5/6, pp. 31-46.
- Brodie, R.J., Hollebeek, L.D., Jurić, B. and Ilić, A. (2011), "Customer engagement conceptual domain, fundamental propositions, and implications for research", *Journal of Service Research*, Vol. 14 No. 3, pp. 252-271.
- Brown, J., Broderick, A.J. and Lee, N. (2007), "Word of mouth communication within online communities: conceptualizing the online social network", *Journal of Interactive Marketing*, Vol. 21 No. 3, pp. 2-20.
- Caruana, A. (2002), "Service loyalty: the effects of service quality and the mediating role of customer satisfaction", *European Journal of Marketing*, Vol. 36 Nos 7/8, pp. 811-828.
- Chang, K.-C. (2013), "How reputation creates loyalty in the restaurant sector", *International Journal of Contemporary Hospitality Management*, Vol. 25 No. 4, pp. 536-557.
- Chen, P.-T. and Hu, H.-H. (2010), "The effect of relational benefits on perceived value in relation to customer loyalty: an empirical study in the Australian coffee outlets industry", *International Journal of Hospitality Management*, Vol. 29 No. 3, pp. 405-412.
- Chen, Y. and Xie, J. (2008), "Online consumer review: word-of-mouth as a new element of marketing communication mix", *Management Science*, Vol. 54 No. 3, pp. 477-491.

- Cheung, C.M.-Y., Sia, C.-L. and Kuan, K.K. (2012), "Is this review believable? A study of factors affecting the credibility of online consumer reviews from an ELM perspective", *Journal of the Association for Information Systems*, Vol. 13 No. 8.
- Chevalier, J.A. and Mayzlin, D. (2006), "The effect of word of mouth on sales: online book reviews", *Journal of Marketing Research*, Vol. 43 No. 3, pp. 345-354.
- Chi, C.G. (2012), "An examination of destination loyalty differences between first-time and repeat visitors", *Journal of Hospitality & Tourism Research*, Vol. 36 No. 1, pp. 3-24.
- Chi, C.G. and Gursoy, D. (2009), "Employee satisfaction, customer satisfaction, and financial performance: an empirical examination", *International Journal of Hospitality Management*, Vol. 28 No. 2, pp. 245-253.
- Choi, B. and La, S. (2013), "The impact of corporate social responsibility and customer trust on the restoration of loyalty after service failure and recovery", *Journal of Services Marketing*, Vol. 27 No. 3, pp. 4-4.
- Clemes, M.D., Gan, C. and Ren, M. (2010), "Synthesizing the effects of service quality, value, and customer satisfaction on behavioral intentions in the motel industry: an empirical analysis", *Journal of Hospitality & Tourism Research*, Vol. 35 No. 4.
- Coelho, P.S. and Henseler, J. (2012), "Creating customer loyalty through service customization", *European Journal of Marketing*, Vol. 46 Nos 3/4, pp. 331-356.
- Coyles, S. and Gokey, T.C. (2005), "Customer retention is not enough", *Journal of Consumer Marketing*, Vol. 22 No. 2, pp. 101-105.
- Dagger, T.S. and Brien, T.K. (2010), "Does experience matter?", *European Journal of Marketing*, Vol. 44 Nos 9/10, pp. 1528-1552.
- Dalci, I., Tanis, V. and Kosan, L. (2010), "Customer profitability analysis with time-driven activity-based costing: a case study in a hotel", *International Journal of Contemporary Hospitality Management*, Vol. 22 No. 5, pp. 609-637.
- Davenport, T.H. (2005), "The coming commoditization of PROCESSES", *Harvard Business Review*, Vol. 83 No. 6, pp. 100-108.
- de Matos, C.A., Henrique, J.L. and de Rosa, F. (2013), "Customer reactions to service failure and recovery in the banking industry: the influence of switching costs", *Journal of Services Marketing*, Vol. 27 No. 7, pp. 526-538.
- de Matos, C.A. de and Rossi, C.A.V. (2008), "Word-of-mouth communications in marketing: a meta-analytic review of the antecedents and moderators", *Journal of the Academy of Marketing Science*, Vol. 36 No. 4, pp. 578-596.
- Delcourt, C., Gremler, D.D., Riel, A.C.R. and Birgelen, van M. (2013), "Effects of perceived employee emotional competence on customer satisfaction and loyalty: the mediating role of rapport", *Journal of Service Management*, Vol. 24 No. 1, pp. 5-24.
- Demirci Orel, F. and Kara, A. (2014), "Supermarket self-checkout service quality, customer satisfaction, and loyalty: empirical evidence from an emerging market", *Journal of Retailing and Consumer Services*, Vol. 21 No. 2, pp. 118-129.
- Deng, Z., Lu, Y., Wei, K.K. and Zhang, J. (2010), "Understanding customer satisfaction and loyalty: an empirical study of mobile instant messages in China", *International Journal of Information Management*, Vol. 30 No. 4, pp. 289-300.
- Dominici, G. and Guzzo, R. (2010), "Customer satisfaction in the hotel industry: a case study from Sicily", *International Journal of Marketing Studies*, Vol. 2 No. 2.

- Doorn, J. van, Lemon, K.N., Mittal, V., Nass, S., Pick, D., Pirner, P. and Verhoef, P.C. (2010), "Customer engagement behavior: theoretical foundations and research directions", *Journal of Service Research*, Vol. 13 No. 3, pp. 253-266.
- Duan, W., Gu, B. and Whinston, A.B. (2008a), "Do online reviews matter? – an empirical investigation of panel data", *Decision Support Systems*, Vol. 45 No. 4, pp. 1007-1016.
- Duan, W., Gu, B. and Whinston, A.B. (2008b), "The dynamics of online word-of-mouth and product sales – an empirical investigation of the movie industry", *Journal of Retailing*, Vol. 84 No. 2, pp. 233-242.
- Eisingerich, A.B. and Bell, S.J. (2006), "Relationship marketing in the financial services industry: the importance of customer education, participation and problem management for customer loyalty", *Journal of Financial Services Marketing*, Vol. 10 No. 4, pp. 86-97.
- Eisingerich, A.B., Auh, S. and Merlo, O. (2014), "Acta non verba? The role of customer participation and word of mouth in the relationship between service firms' customer satisfaction and sales performance", *Journal of Service Research*, Vol. 17 No. 1, pp. 40-53.
- Evanschitzky, H., Ramaseshan, B., Woisetschlager, D.M., Richelsen, V., Blut, M. and Backhaus, C. (2012), "Consequences of customer loyalty to the loyalty program and to the company", *Journal of the Academy of Marketing Science*, Vol. 40 No. 5, pp. 625-638.
- Ferguson, R.J., Paulin, M. and Bergeron, J. (2010), "Customer sociability and the total service experience: antecedents of positive word-of-mouth intentions", *Journal of Service Management*, Vol. 21 No. 1, pp. 25-44.
- Fournier, S. and Lee, L. (2009), "Getting brand communities right", *Harvard Business Review*, Vol. 87 No. 4, pp. 105-111.
- Füller, J. (2010), "Refining virtual co-creation from a consumer perspective", *California Management Review*, Vol. 52 No. 2, pp. 98-122.
- Gallarza, M.G. and Gil Saura, I. (2006), "Value dimensions, perceived value, satisfaction and loyalty: an investigation of university students' travel behaviour", *Tourism Management*, Vol. 27 No. 3, pp. 437-452.
- Gandomi, A. and Zolfaghari, S. (2013), "Profitability of loyalty reward programs: an analytical investigation", *Omega*, Vol. 41 No. 4, pp. 797-807.
- Ganesh, J., Arnold, M.J. and Reynolds, K.E. (2000), "Understanding the customer base of service providers: an examination of the differences between switchers and stayers", *Journal of Marketing*, Vol. 64 No. 3, pp. 65-87.
- Garbarino, E. and Johnson, M.S. (1999), "The different roles of satisfaction, trust, and commitment in customer relationships", *Journal of Marketing*, Vol. 63 No. 2, pp. 70-87.
- Garland, R. (2005), "Segmenting retail banking customers", *Journal of Financial Services Marketing*, Vol. 10 No. 2, pp. 179-191.
- Garnefeld, I., Helm, S. and Eggert, A. (2011), "Walk your talk: an experimental investigation of the relationship between word of mouth and communicators' loyalty", *Journal of Service Research*, Vol. 14 No. 1, pp. 93-107.
- Gázquez-Abad, J.C. and Sanchez-Perez, M. (2009), "Characterising the deal-proneness of consumers by analysis of price sensitivity and brand loyalty: an analysis in the retail environment", *The International Review of Retail, Distribution and Consumer Research*, Vol. 19 No. 1, pp. 1-28.



- Gebauer, J., Füller, J. and Pezzeri, R. (2013), "The dark and the bright side of co-creation: triggers of member behavior in online innovation communities", *Journal of Business Research*, Vol. 66 No. 9, pp. 1516-1527.
- Gee, R., Coates, G. and Nicholson, M. (2008), "Understanding and profitably managing customer loyalty", *Marketing Intelligence & Planning*, Vol. 26 No. 4, pp. 359-374.
- Godes, D., Mayzlin, D., Chen, Y., Das, S., Dellarocas, C., Pfeiffer, B., Libai, B., Sen, S., Shi, M. and Verlegh, P. (2005), "The firm's management of social interactions", *Marketing Letters*, Vol. 16 Nos 3/4, pp. 415-428.
- Goldsmith, R.E., Flynn, L.R. and Kim, D. (2010), "Status consumption and price sensitivity", *The Journal of Marketing Theory and Practice*, Vol. 18 No. 4, pp. 323-338.
- Gonring, M.P. (2008), "Customer loyalty and employee engagement: an alignment for value", *Journal of Business Strategy*, Vol. 29 No. 4, pp. 29-40.
- González, M.E.A., Comesaña, L.R. and Brea, J.A.F. (2007), "Assessing tourist behavioral intentions through perceived service quality and customer satisfaction", *Journal of Business Research*, Vol. 60 No. 2, pp. 153-160.
- Gracia, E., Bakker, A.B. and Grau, R.M. (2011), "Positive emotions: the connection between customer quality evaluations and loyalty", *Cornell Hospitality Quarterly*, Vol. 52 No. 4, pp. 458-465.
- Gremler, D.D. and Gwinner, K.P. (2000), "Customer-employee rapport in service relationships", *Journal of Service Research*, Vol. 3 No. 1, pp. 82-104.
- Gremler, D.D. and Gwinner, K.P. (2008), "Rapport-building behaviors used by retail employees", *Journal of Retailing*, Vol. 84 No. 3, pp. 308-324.
- Grönroos, C. and Ravald, A. (2011), "Service as business logic: implications for value creation and marketing", *Journal of Service Management*, Vol. 22 No. 1, pp. 5-22.
- Gruen, T.W., Osmonbekov, T. and Czaplewski, A.J. (2006), "eWOM: the impact of customer-to-customer online know-how exchange on customer value and loyalty", *Journal of Business Research*, Vol. 59 No. 4, pp. 449-456.
- Gurau, C. (2003), "Tailoring e-service quality through CRM", *Managing Service Quality*, Vol. 13 No. 6, pp. 520-531.
- Han, H. and Ryu, K. (2009), "The roles of the physical environment, price perception, and customer satisfaction in determining customer loyalty in the restaurant industry", *Journal of Hospitality & Tourism Research*, Vol. 33 No. 4, pp. 487-510.
- Helkkula, A., Kelleher, C. and Pihlström, M. (2012), "Characterizing value as an experience implications for service researchers and managers", *Journal of Service Research*, Vol. 15 No. 1, pp. 59-75.
- Hennig-Thurau, T., Gwinner, K.P. and Gremler, D.D. (2002), "Understanding relationship marketing outcomes an integration of relational benefits and relationship quality", *Journal of Service Research*, Vol. 4 No. 3, pp. 230-247.
- Hennig-Thurau, T., Groth, M., Paul, M. and Gremler, D.D. (2006), "Are all smiles created equal? How emotional contagion and emotional labor affect service relationships", *Journal of Marketing*, Vol. 70 No. 3, pp. 58-73.
- Hikkerova, L. (2011), "The effectiveness of loyalty programs: an application in the hospitality industry", *International Journal of Business*, Vol. 16 No. 2, p. 150.



- Hitt, M.A., Ireland, R.D., Sirmon, D.G. and Trahms, C.A. (2011), "Strategic entrepreneurship: creating value for individuals, organizations, and society", *The Academy of Management Perspectives*, Vol. 25 No. 2, pp. 57-75.
- Hollebeek, L.D. (2011), "Demystifying customer brand engagement: exploring the loyalty nexus", *Journal of Marketing Management*, Vol. 27 Nos 7/8, pp. 785-807.
- Hollebeek, L.D. (2013), "The customer engagement/value interface: an exploratory investigation", *Australasian Marketing Journal (AMJ)*, Vol. 21 No. 1, pp. 17-24.
- Hoyer, W.D., Chandy, R., Dorotic, M., Krafft, M. and Singh, S.S. (2010), "Consumer cocreation in new product development", *Journal of Service Research*, Vol. 13 No. 3, pp. 283-296.
- Hu, H.-H., Huang, C.-T. and Chen, P.-T. (2010), "Do reward programs truly build loyalty for lodging industry?", *International Journal of Hospitality Management*, Vol. 29 No. 1, pp. 128-135.
- Hwang, J. and Kandampully, J. (2012), "The role of emotional aspects in younger consumer-brand relationships", *Journal of Product & Brand Management*, Vol. 21 No. 2, pp. 98-108.
- Hyun, S.S. (2010), "Predictors of relationship quality and loyalty in the chain restaurant industry", *Cornell Hospitality Quarterly*, Vol. 51 No. 2, pp. 251-267.
- Iglesias, O., Singh, J.J. and Batista-Foguet, J.M. (2011), "The role of brand experience and affective commitment in determining brand loyalty", *Journal of Brand Management*, Vol. 18 No. 8, pp. 570-582.
- Ind, N. (2003), "Inside out: how employees build value", *Journal of Brand Management*, Vol. 10 No. 6, p. 393.
- Jain, D. and Singh, S.S. (2002), "Customer lifetime value research in marketing: a review and future directions", *Journal of Interactive Marketing*, Vol. 16 No. 2, pp. 34-46.
- James, J. (2013), "The heart makes the mouse: Disney's approach to brand loyalty", *Journal of Brand Strategy*, Vol. 2 No. 1, pp. 16-20.
- Jin, N.P., Lee, S. and Huffman, L. (2012), "Impact of restaurant experience on brand image and customer loyalty: moderating role of dining motivation", *Journal of Travel & Tourism Marketing*, Vol. 29 No. 6, pp. 532-551.
- Kabiraj, S. and Shanmugan, J. (2011), "Development of a conceptual framework for brand loyalty: a Euro-Mediterranean perspective", *Journal of Brand Management*, Vol. 18 No. 4, pp. 285-299.
- Kandampully, J. (2003), "B2B relationships and networks in the Internet age", *Management Decision*, Vol. 41 No. 5, pp. 443-451.
- Kandampully, J. and Hu, H.-H. (2007), "Do hoteliers need to manage image to retain loyal customers?", *International Journal of Contemporary Hospitality Management*, Vol. 19 No. 6, pp. 435-443.
- Kandampully, J., Keating, B.W., Kim, B.P., Mattila, A.S. and Solnet, D. (2014), "Service research in the hospitality literature insights from a systematic review", *Cornell Hospitality Quarterly*, Vol. 55 No. 3, pp. 287-299.
- Kandampully, J. and Suhartanto, D. (2000), "Customer loyalty in the hotel industry: the role of customer satisfaction and image", *International Journal of Contemporary Hospitality Management*, Vol. 12 No. 6, pp. 346-351.

- Keiningham, T.L., Aksoy, L., Malthouse, E.C., Bouye, A. and Lariviere, B. (2012), "The cumulative effect of transaction-specific satisfaction on share of wallet: a longitudinal investigation", in Eisend, M., Langner, T. and Okazaki, S. (Eds), *Advances in Advertising Research*, Vol. 3, European Advertising Academy, Gabler Verlag, pp. 381-390.
- Keiningham, T.L., Cooil, B., Aksoy, L., Andreassen, T.W. and Weiner, J. (2007), "The value of different customer satisfaction and loyalty metrics in predicting customer retention, recommendation, and share-of-wallet", *Managing Service Quality*, Vol. 17 No. 4, pp. 361-384.
- Keiningham, T.L., Cooil, B., Malthouse, E.C., Buoye, A., Aksoy, L., Keyser, A. and Larivière, B. (2015), "Perceptions are relative: an examination of the relationship between relative satisfaction metrics and share of wallet", *Journal of Service Marketing*, Vol. 26.
- Khare, A., Labrecque, L.I. and Asare, A.K. (2011), "The assimilative and contrastive effects of word-of-mouth volume: an experimental examination of online consumer ratings", *Journal of Retailing*, Vol. 87 No. 1, pp. 111-126.
- Kim, H.J. (2011), "Service orientation, service quality, customer satisfaction, and customer loyalty: testing a structural model", *Journal of Hospitality Marketing & Management*, Vol. 20 No. 6, pp. 619-637.
- Kim, H.-Y. and Lee, M.-Y. (2010), "Emotional loyalty and share of wallet: a contingency approach", *Journal of Retailing and Consumer Services*, Vol. 17 No. 5, pp. 333-339.
- Kim, I., Jeon, S.M. and Hyun, S.S. (2012), "Chain restaurant patrons' well-being perception and dining intentions: the moderating role of involvement", *International Journal of Contemporary Hospitality Management*, Vol. 24 No. 3, pp. 402-429.
- King, C. and Grace, D. (2008), "Internal branding: exploring the employee's perspective", *Journal of Brand Management*, Vol. 15 No. 5, pp. 358-372.
- Kiyani, T.M., Niazi, M., Rizvi, R.A. and Khan, I. (2012), "The relationship between brand trust, customer satisfaction and customer loyalty. (evidence from automobile sector of Pakistan)", *Interdisciplinary Journal of Contemporary Research in Business*, Vol. 4 No. 1, pp. 489-502.
- Kozinets, R.V., De Valck, K., Wojnicki, A.C. and Wilner, S.J. (2010), "Networked narratives: understanding word-of-mouth marketing in online communities", *Journal of Marketing*, Vol. 74 No. 2, pp. 71-89.
- Kumar, V., Aksoy, L., Donkers, B., Venkatesan, R., Wiesel, T. and Tillmanns, S. (2010a), "Undervalued or overvalued customers: capturing total customer engagement value", *Journal of Service Research*, Vol. 13 No. 3, pp. 297-310.
- Kumar, V., Batista, L. and Maull, R. (2011), "The impact of operations performance on customer loyalty", *Service Science*, Vol. 3 No. 2, pp. 158-171.
- Kumar, V., Petersen, J.A. and Leone, R.P. (2010b), "Driving profitability by encouraging customer referrals: who, when, and how", *Journal of Marketing*, Vol. 74 No. 5, pp. 1-17.
- Ladhari, R. (2009), "Service quality, emotional satisfaction, and behavioural intentions: a study in the hotel industry", *Managing Service Quality*, Vol. 19 No. 3, pp. 308-331.
- Lariviere, B., Keiningham, T.L., Cooil, B., Aksoy, L. and Malthouse, E.C. (2014), "A longitudinal examination of customer commitment and loyalty", *Journal of Service Management*, Vol. 25 No. 1, pp. 4-4.
- Lee, J., Lee, J. and Feick, L. (2001), "The impact of switching costs on the customer satisfaction-loyalty link: mobile phone service in France", *Journal of Services Marketing*, Vol. 15 No. 1, pp. 35-48.

- Lee, S.M., Lee, D. and Kang, C.-Y. (2012), "The impact of high-performance work systems in the health-care industry: employee reactions, service quality, customer satisfaction, and customer loyalty", *Service Industries Journal*, Vol. 32 No. 1, pp. 17-36.
- Li, L. (2011), "Assessing the relational benefits of logistics services perceived by manufacturers in supply chain", *International Journal of Production Economics*, Vol. 132 No. 1, pp. 58-67.
- Little, M.M. and Dean, A.M. (2006), "Links between service climate, employee commitment and employees' service quality capability", *Managing Service Quality*, Vol. 16 No. 5, pp. 460-476.
- Litvin, S.W., Goldsmith, R.E. and Pan, B. (2008), "Electronic word-of-mouth in hospitality and tourism management", *Tourism management*, Vol. 29 No. 3, pp. 458-468.
- Liu, C.-T., Guo, Y.M. and Lee, C.-H. (2011), "The effects of relationship quality and switching barriers on customer loyalty", *International Journal of Information Management*, Vol. 31 No. 1, pp. 71-79.
- Loureiro, S.M.C., Miranda, F.J. and Breazeale, M. (2014), "Who needs delight? The greater impact of value, trust and satisfaction in utilitarian, frequent-use retail", *Journal of Service Management*, Vol. 25 No. 1, pp. 5-5.
- Lusch, R.F. and Vargo, S.L. (2006), "Service-dominant logic: reactions, reflections and refinements", *Marketing Theory*, Vol. 6 No. 3, pp. 281-288.
- Lytle, R.S. and Timmerman, J.E. (2006), "Service orientation and performance: an organizational perspective", *Journal of Services Marketing*, Vol. 20 No. 2, pp. 136-147.
- Macey, W.H. and Schneider, B. (2008), "The meaning of employee engagement", *Industrial and Organizational Psychology*, Vol. 1 No. 1, pp. 3-30.
- Macintosh, G. (2009), "The role of rapport in professional services: antecedents and outcomes", *Journal of Services Marketing*, Vol. 23 No. 2, pp. 70-78.
- Manchanda, P., Packard, G.M. and Pattabhiramaiah, A. (2013), "Social dollars: the economic impact of customer participation in a firm-sponsored online customer community", SSRN Scholarly Paper No. ID 1984350, Social Science Research Network, Rochester, NY, available at: <http://papers.ssrn.com/abstract=1984350> (accessed 9 February 2014).
- Marshall, N.W. (2010), "Commitment, loyalty and customer lifetime value: investigating the relationships among key determinants", *Journal of Business & Economics Research (JBER)*, Vol. 8 No. 8.
- Martínez, P. and Rodríguez del Bosque, I. (2013), "CSR and customer loyalty: the roles of trust, customer identification with the company and satisfaction", *International Journal of Hospitality Management*, Vol. 35, pp. 89-99.
- Meyer-Waarden, L. (2007), "The effects of loyalty programs on customer lifetime duration and share of wallet", *Journal of Retailing*, Vol. 83 No. 2, pp. 223-236.
- Morgan, N.A. and Rego, L.L. (2006), "The value of different customer satisfaction and loyalty metrics in predicting business performance", *Marketing Science*, Vol. 25 No. 5.
- Munzel, A. and Kunz, W.H. (2014), "Creators, multipliers and lurkers: who contributes and who benefits at online review sites", *Journal of Service Management*, Vol. 25 No. 1, pp. 3-3.
- Ng, S., David, M.E. and Dagger, T.S. (2011), "Generating positive word-of-mouth in the service experience", *Managing Service Quality*, Vol. 21 No. 2, pp. 133-151.
- Nitzan, I. and Libai, B. (2011), "Social effects on customer retention", *Journal of Marketing*, Vol. 75 No. 6, pp. 24-38.

- Nusair, K., Bilgihan, A., Okumus, F. and Cobanoglu, C. (2013), "Generation Y travelers' commitment to online social network websites", *Tourism Management*, Vol. 35, pp. 13-22.
- Ogba, I.E. and Tan, Z. (2009), "Exploring the impact of brand image on customer loyalty and commitment in China", *Journal of Technology Management in China*, Vol. 4 No. 2, pp. 132-144.
- Oliver, R.L. (1997), *Satisfaction: A Behavioral Perspective on the Customer*, New York, NY.
- O'Mahony, G.B., Sophonsiri, S. and Turner, L.W. (2013), "The impact of the antecedents of relationship development on Thai and Australian resort hotels guests", *International Journal of Hospitality Management*, Vol. 34, pp. 214-226.
- Ou, W.-M., Shih, C.-M., Chen, C.-Y. and Wang, K.-C. (2011), "Relationships among customer loyalty programs, service quality, relationship quality and loyalty: an empirical study", *Chinese Management Studies*, Vol. 5 No. 2, pp. 194-206.
- Palmatier, R.W. and Gopalakrishna, S. (2005), "Determining the payoff from relationship marketing programs", MSI Reports: Marketing Science Institute Working Paper Series, Vol. 1, pp. 49-70.
- Pan, Y., Sheng, S. and Xie, F.T. (2012), "Antecedents of customer loyalty: an empirical synthesis and reexamination", *Journal of Retailing and Consumer Services*, Vol. 19 No. 1, pp. 150-158.
- Park, C. and Lee, T.M. (2009), "Information direction, website reputation and eWOM effect: a moderating role of product type", *Journal of Business Research*, Vol. 62 No. 1, pp. 61-67.
- Payne, A., Storbacka, K., Frow, P. and Knox, S. (2009), "Co-creating brands: diagnosing and designing the relationship experience", *Journal of Business Research*, Vol. 62 No. 3, pp. 379-389.
- Perez, M.E., Padgett, D. and Burgers, W. (2011), "Intergenerational influence on brand preferences", *Journal of Product & Brand Management*, Vol. 20 No. 1, pp. 5-13.
- Piller, F.T., Vossen, A. and Ihl, C. (2011), "From social media to social product development: the impact of social media on co-creation of innovation", SSRN Scholarly Paper No. ID 1975523, Social Science Research Network, Rochester, NY, available at: <http://papers.ssrn.com/abstract=1975523> (accessed 8 February 2014).
- Porter, M.E. and Kramer, M.R. (2011), "Creating shared value", *Harvard Business Review*, Vol. 89 Nos 1/2, pp. 62-77.
- Prahalad, C.K. and Ramaswamy, V. (2004), "Co-creation experiences: the next practice in value creation", *Journal of Interactive Marketing*, Vol. 18 No. 3, pp. 5-14.
- Prentice, C. (2013), "Service quality perceptions and customer loyalty in casinos", *International Journal of Contemporary Hospitality Management*, Vol. 25 No. 1, pp. 49-64.
- Purohit, G. and Purohit, D. (2013), "From customer satisfaction to customer delight: a new trend in hospitality industry", *Global Journal of Management and Business Studies*, Vol. 3 No. 5, pp. 545-548.
- Ramanathan, U. and Ramanathan, R. (2011), "Guests' perceptions on factors influencing customer loyalty: an analysis for UK hotels", *International Journal of Contemporary Hospitality Management*, Vol. 23 No. 1, pp. 7-25.
- Ramaswamy, V. (2009), "Leading the transformation to co-creation of value", *Strategy & Leadership*, Vol. 37 No. 2, pp. 32-37.

- Ramaswamy, V. and Ozcan, K. (2013), "Strategy and co-creation thinking", *Strategy & Leadership*, Vol. 41 No. 6, pp. 5-10.
- Ramirez, E. and Goldsmith, R.E. (2009), "Some antecedents of price sensitivity", *The Journal of Marketing Theory and Practice*, Vol. 17 No. 3, pp. 199-214.
- Ravald, A. and Grönroos, C. (1996), "The value concept and relationship marketing", *European Journal of Marketing*, Vol. 30 No. 2, pp. 19-30.
- Reichheld, F.F. (2003), "The one number you need to grow", *Harvard Business Review*, Vol. 81 No. 12, pp. 46-55.
- Reichheld, F.F. and Sasser, W.E. Jr. (1990), "Zero defections: quality comes to services", *Harvard Business Review*, Vol. 68 No. 5, pp. 105-111.
- Reinartz, W. and Kumar, V. (2002), "The mismanagement of customer loyalty", *Harvard Business Review*, Vol. 80 No. 7, pp. 86-95.
- Reykowski, J. (1994), "Collectivism and individualism as dimensions of social change", *Cross Cultural Research and Methodology Series-Sage*, Vol. 18, pp. 276-276.
- Rihova, I., Buhalis, D., Moital, M. and Gouthro, M.B. (2013), "Social layers of customer-to-customer value co-creation", *Journal of Service Management*, Vol. 24 No. 5, pp. 553-566.
- Rust, R.T., Lemon, K.N. and Zeithaml, V.A. (2004), "Return on marketing: using customer equity to focus marketing strategy", *Journal of Marketing*, Vol. 68 No. 1, pp. 109-127.
- Ryu, K., Han, H. and Jang, S.S. (2010), "Relationships among hedonic and utilitarian values, satisfaction and behavioral intentions in the fast-casual restaurant industry", *International Journal of Contemporary Hospitality Management*, Vol. 22 No. 3, pp. 416-432.
- Saks, A.M. (2006), "Antecedents and consequences of employee engagement", *Journal of Managerial Psychology*, Vol. 21 No. 7, pp. 600-619.
- Salanova, M., Agut, S. and Peiró, J.M. (2005), "Linking organizational resources and work engagement to employee performance and customer loyalty: the mediation of service climate", *Journal of Applied Psychology*, Vol. 90 No. 6, pp. 1217-1227.
- Sanchez-Franco, M.J. and Rondan-Cataluña, F.J. (2010), "Virtual travel communities and customer loyalty: customer purchase involvement and web site design", *Electronic Commerce Research and Applications*, Vol. 9 No. 2, pp. 171-182.
- Sashi, C.M. (2012), "Customer engagement, buyer-seller relationships, and social media", *Management Decision*, Vol. 50 No. 2, pp. 253-272.
- Sawhney, M., Verona, G. and Prandelli, E. (2005), "Collaborating to create: the Internet as a platform for customer engagement in product innovation", *Journal of Interactive Marketing*, Vol. 19 No. 4, pp. 4-17.
- Schau, H.J., Muñoz, A.M. Jr and Arnould, E.J. (2009), "How brand community practices create value", *Journal of Marketing*, Vol. 73 No. 5, pp. 30-51.
- Schmitt, P., Skiera, B. and Van den Bulte, C. (2011), "Referral programs and customer value", *Journal of Marketing*, Vol. 75 No. 1, pp. 46-59.
- See-To, E.W.K. and Ho, K.K.W. (2014), "Value co-creation and purchase intention in social network sites: the role of electronic word-of-mouth and trust – a theoretical analysis", *Computers in Human Behavior*, Vol. 31, pp. 182-189.
- Senecal, S. and Nantel, J. (2004), "The influence of online product recommendations on consumers' online choices", *Journal of Retailing*, Vol. 80 No. 2, pp. 159-169.

- Severt, D., Wang, Y., Chen, P.-J. and Breiter, D. (2007), "Examining the motivation, *perceived performance, and behavioral intentions of convention attendees: evidence from a regional conference*", *Tourism Management*, Vol. 28 No. 2, pp. 399-408.
- Simmons, J.A. (2009), "Both sides now': aligning external and internal branding for a socially responsible era", *Marketing Intelligence & Planning*, Vol. 27 No. 5, pp. 681-697.
- Singh, T. and Cullinane, J. (2010), "Social networks and marketing: potential and pitfalls", *International Journal of Electronic Marketing and Retailing*, Vol. 3 No. 3, pp. 202-220.
- Sirdeshmukh, D., Singh, J. and Sabol, B. (2002), "Consumer trust, value, and loyalty in relational exchanges", *Journal of Marketing*, Vol. 66 No. 1, pp. 15-37.
- Siu, N.Y.-M., Zhang, T.J.-F., Dong, P. and Kwan, H.-Y. (2013), "New service bonds and customer value in customer relationship management: the case of museum visitors", *Tourism Management*, Vol. 36, pp. 293-303.
- So, K.K.F., King, C., Sparks, B.A. and Wang, Y. (2013), "The influence of customer brand identification on hotel brand evaluation and loyalty development", *International Journal of Hospitality Management*, Vol. 34, pp. 31-41.
- Solnet, D. and Kandampully, J. (2008), "How some service firms have become part of 'service excellence' folklore: an exploratory study", *Managing Service Quality*, Vol. 18 No. 2, pp. 179-193.
- Srinivasan, S.S., Anderson, R. and Ponnavaolu, K. (2002), "Customer loyalty in e-commerce: an exploration of its antecedents and consequences", *Journal of Retailing*, Vol. 78 No. 1, pp. 41-50.
- Suh, B.W. and Ahn, T.H. (2012), "The relationships among perceived value of service, services switching costs, and customer loyalty in seafood restaurants", *Korean Journal of Food Marketing Economics*, available at: <http://agris.fao.org/agris-search/search.do?f=2013/KR/KR201305.xml;KR2013000805> (accessed 4 February 2014).
- Tanford, S., Raab, C. and Kim, Y.-S. (2011), "The influence of reward program membership and commitment on hotel loyalty", *Journal of Hospitality & Tourism Research*, Vol. 35 No. 3, pp. 279-307.
- Taylor, G.A. and Neslin, S.A. (2005), "The current and future sales impact of a retail frequency reward program", *Journal of Retailing*, Vol. 81 No. 4, pp. 293-305.
- Toufaily, E., Ricard, L. and Perrien, J. (2013), "Customer loyalty to a commercial website: descriptive meta-analysis of the empirical literature and proposal of an integrative model", *Journal of Business Research*, Vol. 66 No. 9, pp. 1436-1447.
- Trudel, R. and Cotte, J. (2009), "Does it pay to be good", *MIT Sloan Management Review*, Vol. 50 No. 2, pp. 61-68.
- Um, S., Chon, K. and Ro, Y. (2006), "Antecedents of revisit intention", *Annals of Tourism Research*, Vol. 33 No. 4, pp. 1141-1158.
- Uncles, M.D., Dowling, G.R. and Hammond, K. (2003), "Customer loyalty and customer loyalty programs", *Journal of Consumer Marketing*, Vol. 20 No. 4, pp. 294-316.
- Van Riel, A.C., Calabretta, G., Driessen, P.H., Hillebrand, B., Humphreys, A., Krafft, M. and Beckers, S.F. (2013), "Consumer perceptions of service constellations: implications for service innovation", *Journal of Service Management*, Vol. 24 No. 3, pp. 5-5.
- Varadarajan, R. and Yadav, M.S. (2009), "Marketing strategy in an internet-enabled environment: a retrospective on the first ten years of jim and a prospective on the next ten years", *Journal of Interactive Marketing*, Vol. 23 No. 1, pp. 11-22.



- Vázquez-Carrasco, R. and Foxall, G.R. (2006), "Positive vs. negative switching barriers: the influence of service consumers' need for variety", *Journal of Consumer Behaviour*, Vol. 5 No. 4, pp. 367-379.
- Verhoef, P.C., Reinartz, W.J. and Krafft, M. (2010), "Customer engagement as a new perspective in customer management", *Journal of Service Research*, Vol. 13 No. 3, pp. 247-252.
- Verma, R., Victorino, L., Karniouchina, K. and Feickert, J. (2007), "Segmenting hotel customers based on the technology readiness index", *Cornell Hospitality Report*, Vol. 7 No. 13, pp. 4-16.
- Victorino, L., Verma, R., Plaschka, G. and Dev, C. (2005), "Service innovation and customer choices in the hospitality industry", *Managing Service Quality*, Vol. 15 No. 6, pp. 555-576.
- Walls, A.R., Okumus, F., Wang, Y.R. and Kwun, D.J.W. (2011), "An epistemological view of consumer experiences", *International Journal of Hospitality Management*, Vol. 30 No. 1, pp. 10-21.
- Wang, C.-Y. (2010), "Service quality, perceived value, corporate image, and customer loyalty in the context of varying levels of switching costs", *Psychology and Marketing*, Vol. 27 No. 3, pp. 252-262.
- Weil, H.B. and Stoughton, M.D. (1998), "Commoditization of technology-based products and services: the base case scenarios for three industries", available at: <http://18.7.29.232/handle/1721.1/2707> (accessed 5 March 2014).
- Wilkins, H. (2010), "Using importance-performance analysis to appreciate satisfaction in hotels", *Journal of Hospitality Marketing & Management*, Vol. 19 No. 8, pp. 866-888.
- Wilkins, H., Merrilees, B. and Herington, C. (2009), "The determinants of loyalty in hotels", *Journal of Hospitality Marketing & Management*, Vol. 19 No. 1, pp. 1-21.
- Wirtz, J., Ambtman, A. den, Bloemer, J., Horváth, C., Ramaseshan, B., Klundert, J. van de, Canli, Z.G. and Kandampully, J. (2013), "Managing brands and customer engagement in online brand communities", *Journal of Service Management*, Vol. 24 No. 3, pp. 223-244.
- Wong, N.Y. and Ahuvia, A.C. (1998), "Personal taste and family face: luxury consumption in Confucian and Western societies", *Psychology and Marketing*, Vol. 15 No. 5, pp. 423-441.
- Xie, L.K. and Chen, C.-C. (2014), "Hotel loyalty programs: how valuable is valuable enough?", *International Journal of Contemporary Hospitality Management*, Vol. 26 No. 1, pp. 107-129.
- Xiong, L., King, C. and Piehler, R. (2013), "'That's not my job': exploring the employee perspective in the development of brand ambassadors", *International Journal of Hospitality Management*, Vol. 35, pp. 348-359.
- Ye, Q., Law, R., Gu, B. and Chen, W. (2011), "The influence of user-generated content on traveler behavior: an empirical investigation on the effects of e-word-of-mouth to hotel online bookings", *Computers in Human Behavior*, Vol. 27 No. 2, pp. 634-639.
- Yee, B.Y. and Faziharudean, T.M. (2010), "Factors affecting customer loyalty of using Internet banking in Malaysia", *Journal of Electronic Banking Systems*, Vol. 2010, p. 21.
- Yee, R.W.Y., Yeung, A.C.L. and Edwin Cheng, T.C. (2010), "An empirical study of employee loyalty, service quality and firm performance in the service industry", *International Journal of Production Economics*, Vol. 124 No. 1, pp. 109-120.
- Yi, Y. and Jeon, H. (2003), "Effects of loyalty programs on value perception, program loyalty, and brand loyalty", *Journal of the Academy of Marketing Science*, Vol. 31 No. 3, pp. 229-240.



Yoon, Y. and Uysal, M. (2005), "An examination of the effects of motivation and satisfaction on destination loyalty: a structural model", *Tourism Management*, Vol. 26 No. 1, pp. 45-56.

Zeithaml, V.A. (2000), "Service quality, profitability, and the economic worth of customers: what we know and what we need to learn", *Journal of the Academy of Marketing Science*, Vol. 28 No. 1, p. 67.

Zeithaml, V.A., Rust, R.T. and Lemon, K.N. (2001), "The customer pyramid: creating and serving profitable customers", *California Management Review*, Vol. 43 No. 4.

Zhang, J.Q., Craciun, G. and Shin, D. (2010a), "When does electronic word-of-mouth matter? A study of consumer product reviews", *Journal of Business Research*, Vol. 63 No. 12, pp. 1336-1341.

Zhang, J.Q., Dixit, A. and Friedmann, R. (2010b), "Customer loyalty and lifetime value: an empirical investigation of consumer packaged goods", *The Journal of Marketing Theory and Practice*, Vol. 18 No. 2, pp. 127-140.

#### **Further reading**

Chernatony, L., Cottam, S. and Segal-Horn, S. (2006), "Communicating services brands' values internally and externally", *The Service Industries Journal*, Vol. 26 No. 8, pp. 819-836.

Wang, Y.J., Minor, M.S. and Wei, J. (2011), "Aesthetics and the online shopping environment: understanding consumer responses", *Journal of Retailing*, Vol. 87 No. 1, pp. 46-58.

#### **Corresponding author**

Anil Bilgihan can be contacted at: [abilgihan@fau.edu](mailto:abilgihan@fau.edu)

---

For instructions on how to order reprints of this article, please visit our website:

[www.emeraldgroupublishing.com/licensing/reprints.htm](http://www.emeraldgroupublishing.com/licensing/reprints.htm)

Or contact us for further details: [permissions@emeraldinsight.com](mailto:permissions@emeraldinsight.com)