IN SEARCH FOR CUSTOMER LOYALTY MODEL OF TOURIST SERVICES

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ABSTRACT   The purpose of the hereby study is to discuss models presented in the subject literature and reflecting the customer loyalty development process, identifying the explanatory variables applied in these models, as well as specifying the ones which can be subject to verification in research covering customer loyalty on tourist market. The author attempts to implement the selected model constructions in the area of tourist economy, whereas the analysis and critical approach to the available literature facilitates the development of a theoretical model proposal covering customer loyalty of tourist enterprises.

Introduction

The main objective of this review presenting theoretical concepts is to discuss models presented in the subject literature and reflecting the customer loyalty development process, identifying the explanatory variables applied in these models, as well as specifying the ones which can be subject to verification in research covering customer loyalty on tourist market. In accordance with the research methodology, the research methods used in the article

represent preliminary research of an exploratory nature and constitute a starting point for other studies of the subject matter. The method used was a review of literature for utilitarian purposes and cognitive purposes of a heuristic nature and based on the analysis and evaluation of previous research projects and existing publications covering the subject matter. The analysis and critical approach to literature allows for an organization and aggregation of knowledge and also supports the conceptualization of the underlying terms. The author attempts to implement the selected model constructions in the area of tourist economy, whereas the analysis and critical approach to the available literature facilitates the development of a theoretical model proposal covering customer loyalty of tourist enterprises.

The knowledge of customer behavior emerged at the background of empirical market research initiated in USA by: V. Pareto, P.A. Samuelson, J.R. Hicks and the other representatives of neoclassical school of economics, especially its subjectivist field, who were closely analyzing customer behaviors, specifying their scales of preference and many different determinants influencing purchase decisions and who applied an interdisciplinary approach in the course of analyzing cause and effect correlations responsible for customer behaviors (Światowy, 2006: 14; Smyczek, Sowa, 2005: 59). The development of an independent scientific discipline defined as "customer behavior" originates from marketing which inspired research and implemented its results in business activities of an enterprise. This complicated nature of customer behavior, as well as the diversity of determinants influencing such behavior became an incentive for researchers to take up a complex approach to internal and external impacts resulting in particular purchase decisions (Rudnicki, 2012: 16).

The modelling of customer market behavior

The concept of "modelling" is applied extensively in social science, where the term "model" refers most frequently to an abstract presentation of reality in order to arrange and simplify its perception by reconstructing its basic characteristics (). It means that a model represents a certain illustration of reality which allows to highlight the crucial correlations occurring between the characteristics which remain of highest significance in the studied phenomenon, as well as develop empirically verifiable assertions regarding these relations (Alejziak, 2013: 21; see Abell, 1975).

In terms of the research analyzing customer market behavior it can be stated that customer behavior models present, having adopted numerous assumptions and limitations – resulting from the missing knowledge about a market, a client and his/her behavior diversification – possibly true reflection of phenomena and mechanisms taking into account variables (characteristics) and correlations occurring between them, which are responsible for customer decision making process and, at the same time, constitute the background for presenting hypotheses and theories in this matter (cf. Zalega, 2012: 226).

Therefore models represent the theoretical generalization of a particular fragment of the studied phenomenon or process which, owing to their concise and structured knowledge about customer behaviors, allow for better comprehension of the mutual customer – market relations, explain the customer decision making processes and also allow model applying entities to find their individual solutions of the occurring problems (Zalega, 2012: 226–227; Skowron, Skowron, 2012: 29).

The correctly developed model of customer behaviors should remain: simple (illustrate various aspects of customer behaviors in a simple manner by means of components easy to comprehend), based on facts (have reference to empirically verified phenomena), logical (if a model is supposed to be credible the phenomena

it presents have to make sense and remain internally consistent), original (if it is supposed to develop knowledge about a particular subject matter, its construction or combining the previously identified knowledge areas should be original), explain how and why particular market behaviors do occur, offer an opportunity for making predictions (it should support predicting market behaviors (reactions) of customers under the influence of certain incentives (factors), present heuristic power (it should identify new research areas covering customer behaviors), verifiable (it should be subject to verification, to testing the suggested correlations (dependence) between variables in a given model) (Smyczek, Sowa, 2005: 147–148; see Phipps, Simmons, 1997: 215).

The review of customer loyalty models

The attempts to explain and describe mechanisms responsible for loyalty development in subject literature appear in different research perspectives. Researchers describe factors influencing loyalty development, discover and analyze cause and effect mechanisms resulting in its occurrence, as well as study various states of this phenomenon intensity. Among different approaches to loyalty an attempt to describe it in the form of comprehensive models, which investigate not only factors but also how they influence loyalty development, is of great importance.

In their classification D. Siemieniako, W. Urban (see Siemieniako, Urban, 2006: 12–18; Urban, Siemieniako, 2008: 33–43) present the division into models based on: customer satisfaction, brand, enterprise image, social factors and customer attitude.

Models based on customer satisfaction represent the research approach in which customer satisfaction and offer quality represent major determinants responsible for customer loyalty on the market. It is one of more popular approaches presented in the subject literature, which is also most frequently verified in the conducted empirical research (based on: Pong, Yee, 2001, see Siemieniako, Urban, 2008: 12). L.T. Pong and T.P. Yee suggest a synthetic, simple model taking into account both quality and satisfaction, which was empirically verified based on the research sample covering customers of service enterprises. The authors imply that customer satisfaction has stronger influence on service enterprise customer loyalty than the perceived quality of its services.

Models based on a brand do not confirm such vital role played by satisfaction in the model of customer loyalty development (Mc Alexander et al., 2003). The research results conducted by J.H. Mc Alexander, S.K. Kim and S.D. Roberts indicate that general satisfaction does not constitute the primary factor influencing the occurrence of loyalty phenomenon, whereas confidence and involvement displace it as major loyalty oriented factors. They suggest a model in which customer integration around the brand is of key significance and exerts impact on both, general customer satisfaction and the occurrence of loyalty. In this model brand related integration has much larger power in loyalty development than general satisfaction (Mc Alexander et al., 2003).

Models based on company image in terms of customer loyalty influencing factors verify cause and effects relations between an enterprise image, customer satisfaction and their loyalty. Based on empirical studies conducted in the sector of hospitality services, J. Kandampully and D. Suhartando (Kandampully, Suhartando, 2000) suggested the model of equivalent company image and customer satisfaction impact on their loyalty. The model authors showed that a hotel image and customer satisfaction from its offer constitute two basic factors determining the intention of accommodation service re-purchase and also an inclination towards recommending it to others, which means that they are responsible for loyalty towards this particular hotel.

Similar results were obtained by A.H. Zins (2001) whose empirical studies confirm direct influence of airlines image and customer satisfaction on loyalty towards a given carrier.

Models based on social factors refer to an approach covering more detailed factors present in the process of loyalty development. K. Butcher, B. Sparks, F. O'Callaghan suggest the following determinants of loyalty (Butcher, Sparks, O'Callaghan 2001):

– evaluating reviews e.g.: satisfaction, offer quality evaluation and company value assessment,
– factors of personal relationships – personal ties between a customer and company staff as well as customer's confidence in a company,
– barriers in changing a supplier, i.e. so-called "barriers to exit".

The research conducted by these authors in several branches of customer oriented services proved an important role played by satisfaction as the primary factor preceding customer loyalty, however, they have also confirmed the significance of other factors such as: partnership type of relations between a client and service enterprise staff, service quality expressed by their customers' satisfaction, involvement of the company staff and social respect experienced by a client. On the other hand, service value assessment in cash did not turn out to be such a vital loyalty enhancing factor.

P. Luarn and H. Lin (2003) recommend the model of factors influencing loyalty towards a service provider in which three factors: confidence, satisfaction and the perceived offer value, result directly in the occurrence of loyalty phenomenon, but at the same time have impact on involvement which is of great importance in loyalty establishment. The cause and effect correlations captured by the model were confirmed by the statistically significant dependence identified by the authors of empirical studies conducted among B2C market clients and, in particular, online tourist and entertainment services market.

In case of the model based on customer attitude suggested by A. Dick and K. Basu loyalty is approached as a relationship between an attitude towards the brand and brand supporting behavior (cf. Urban, Siemieniako. 2008: 41 and next). An attitude towards the brand and brand supporting repetitive behaviors allow for identifying various loyalty levels – from its absence to full loyalty. According to the model by A. Dick and K. Basu (1994), loyalty results in consequences taking the form of: lower motivation to search for alternative offers, resistance to persuasion from competitive enterprises and recommendations given to familiar offers.

Even though the above-mentioned complete and abundant model is referred to by many other loyalty researchers (Urban, Siemieniako, 2008: 42) there are also examples of in-depth analyses indicating various doubts. For example, A.H. Zins observed that in the definition of A. Dick and K. Basu's model an attitude towards the brand remains the basic factor preceding (causing) the loyalty phenomenon and, at the same time, represents an explanatory concept clarifying the nature of customer loyalty (Zins, 2001). Therefore there appear comments about the absence of a clear distinction between explanatory variables which can definitely be regarded as this model weakness.

As the above discussed review of models illustrates, some of them indicate a simple relationship between several basic factors, whereas other do not. The presented loyalty models allow for better understanding of the significance, essence and an extensive dimension of customer loyalty concept in order to manage this phenomenon effectively.

Table 1. Customer loyalty explanatory variables in customer loyalty models

Customer loyalty explanatory variables	L.T. Pong, T.P. Yee	J.H. Mc Alexander, S.K. Kim, D.D. Roberts	J. Kandampully, D.D. Suhartanto	A.H. Zins	K. Butcher, B. Sparks, F. O'Callaghan	P. Luarn, H. Lin	A. Dick, K. Basu
Satisfaction	•	•	•	•	•	•	•
Perceived service quality	•				•		
Integration around the brand		•					
Supplier's image			•	•			•
Perceived offer value					•	•	
Friendship							
Partnership relations					•		
Confidence					•	•	•
Barriers to exit					•		•
Involvement						•	
Attitude towards the brand							•
Brand supporting behavior							•

Source: author's compilation.

Even though, as the above presented Table suggests, satisfaction plays an important role in all discussed approaches, it appears that it is not sufficient in explaining this phenomenon occurrence and the conducted research projects cover many other factors of various nature – depending on the research perspective adopted by the authors (cf. Urban, Siemieniako, 2008: 43).

Numerous studies have shown that the assumption stating that dissatisfied customers are bound to leave, whereas the satisfied ones will remain loyal is a too far-fetched simplification. As the empirical studies conducted by K.N. Lemon, T.B. White, R.S. Winer (2002: 1) satisfaction is responsible for no more than 40% of variability in customer retention models which confirms the existence of other factors bearing high significance for their loyalty. The absence of re-purchase, in spite of positive experiences with the particular brand and the experienced satisfaction can be explained by the influence of other factors, such as e.g.: offer range, comfort of making the purchase or financial availability of an offer for a particular customer.

Each of the above presented concepts focuses on a different sphere of loyalty emergence and its determinants. Different approaches emphasize the role of satisfaction and that of customers' expectations, perceived offer quality, service supplier image and correlation of cognitive and emotional processes experienced by those who purchase such services.

As far as tourist market is concerned, non-uniform influence and the impact power of the identified loyalty development concepts can remain different depending on this sector specific nature as well as the category of offers subject to customer's evaluation. In case of tourist market research, apart from the satisfaction of tourist services customer, the particular role, while attempting to model customers loyalty, is assigned to enterprise or tourist destination image which can have direct impact on tourists' loyalty or through influencing customers' expectations, offer quality, perceived value or satisfaction (Bigne et al., 2001: 607–616; Chen, Tsai 2007: 1115–1122; Chi, Hu 2008: 624–636, see Seweryn, 2012: 204).

The developed path models – SCSB, ACSI, EPSI

Finalizing the presented review it is also worth discussing the so-called developed path models (SCSB, ACSI, EPSI) which currently constitute the most advanced and the most accurate tool. Swedish Customer Satisfaction Barometer (SCSB) is considered the first developed model measuring customer satisfaction and loyalty, which was developed in 1989 and the first empirical studies covered the sample of 130 enterprises from 32 different sectors of the Swedish market (Johnson et al., 2001: 217–245). Swedish Post was the leading initiator and sponsor of research, which also turned out to be the largest beneficiary of the discussed model since in the period 1989–1995 the profit from its operational activities increased by over 300% (Johnson et al., 2001: 217–245, see Skowron, Skowron, 2012: 80).

The structure of SCSB model reflects that of customer satisfaction psychological models, however, it extends their classical construction based on expectations, perceived value and satisfaction, by two additional categories, namely: loyalty (post-purchase behaviors) and customer complaints (number of complaints made and their solving method).
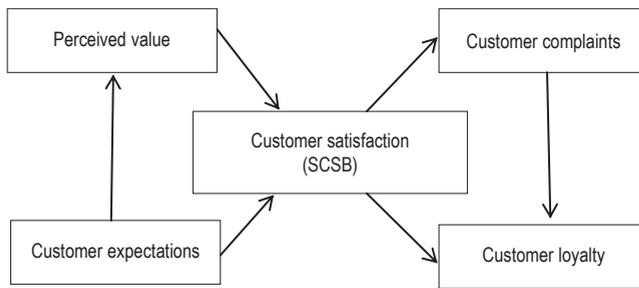

Figure 1. Swedish Customer Satisfaction Barometer – SCSB model

Source: Fornell (1992): 1–21.

Based on the Swedish Customer Satisfaction Barometer more developed path models for customer loyalty and satisfaction were constructed. Among the most important ones the following are included: American model – American Customer Satisfaction Index (ACSI – Figure 2) and the European model – European Performance Satisfaction Index (EPSI – Figure 3).

American Customer Satisfaction Index (ACSI) model was suggested in 1994 based on extended empirical research – conducted by C.G. Fornell – in USA. The study covered 45906 phone interviews conducted with selected customers of over 200 companies included in 35 economy sectors in USA (Skowron, Skowron, 2012: 80). In the light of this research results customer satisfaction represents the phenomenon resulting from the influence of three primary components: perceived quality, level of expectations realization and also perceived value which refers to two directly dependent factors, i.e.: price and quality (more in: Fornell, 1997: 25).
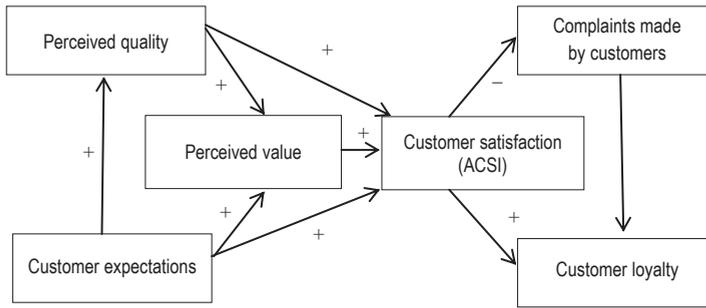
Figure 2. American Customer Satisfaction Index – ACSI Model

Source: Fornell et al. (1996): 8; Fornell (1997): 9.

The above model presents an approach following which the level of experienced satisfaction implies two alternative paths of customer reactions: loyalty development (re-purchase along with price acceptance) or customer complaints.

Having adjusted customer loyalty measurement methodology to the specific nature of European markets the initial construction of previously presented models was modified and in 1999 EPSI model (European Performance Satisfaction Index) was suggested – Figure 3. This model was developed following experiences resulting from combining the American model (ACSI), and the Swedish model (SCSB) as well as several models applied in some European countries, such as: NCSB – Norwegian Customer Satisfaction Barometer; DK – German Barometer and DCSI – Danish Customer Satisfaction Index) (see Skowron, Skowron, 2012: 83).
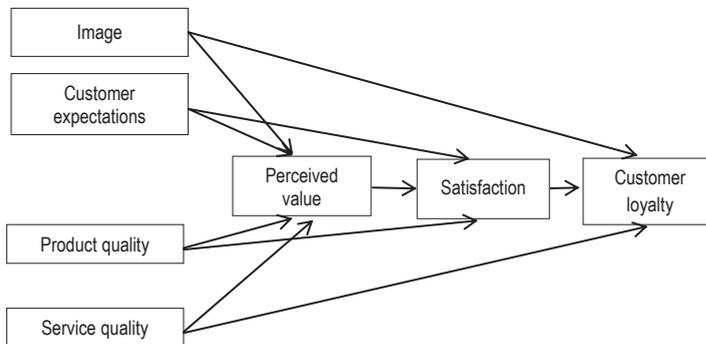

Figure 3. European Performance Satisfaction Index – EPSI Model

Source: Eskildsen et al. (2004); Johnson et al. (2001), see Skowron, Skowron (2012): 83.

The basic differences between American and European models consist in the number of independent model components, the applied variables to describe these modules and questions describing the analyzed areas used in research tools designing (American Customer…, 2005: 14).

The presented path models for customer satisfaction and loyalty measurement (SCSB, ACSI and EPSI) should be referred to as basic constructions which can be successfully implemented in analyzing entities functioning on various markets. Due to the fact that particular markets and sectors are characterized by different properties of customer loyalty development process and sector approach is of crucial significance in loyalty phenomenon modelling, the presented paths can or even should be subject to further modifications for better model adjustment and thus reflect adequate market process of customer loyalty development phenomenon in the best possible way.

The proposal for a theoretical customer loyalty model construction with reference to tourist enterprises

Such multiplicity and diversity of discussed models indicates that none of them covers the problem entirely and therefore it can be stated, beyond any doubt, that so far the ultimate, always adequate market customer loyalty model has not yet been developed. The author rests assured that there is huge demand for knowledge about the loyalty oriented customer behaviors on the market of tourist services, since their awareness and, in particular, the skill of predicting them and reacting to them properly decides about market success of tourist enterprises. These problems require in-depth studies and ongoing update constituting the research challenge for economists, sociologists and psychologists.

The indicated direction of research covering customer loyalty of tourist market consists in both, empirical verification of the already presented models, developed by other researchers, as well as investigating author's own models explaining causes and mechanisms related to the phenomenon of customer loyalty with reference to tourist services.

In view of the guidelines by R. Phipps and C. Simmons (Phipps, Simmons, 1997: 214) who refer to a model as a physical, visual or mathematical simplified picture of a complex process, one can observe that a model of customer loyalty behavior with reference to tourist enterprises represents the presentation of actual loyalty behaviors in a simplified manner and illustrates the relations occurring between different elements of these behaviors following their prior analysis (Kieżel, Smyczek, 2011: 72).

The author assumes that the satisfaction of a tourist services customer remains an indispensable condition for the emergence of loyalty shown by customers of tourist services, however by itself – just like quality – does not remain the sufficient condition. Moreover, having taken into account the specific nature of tourist market, the characteristic attributes of tourist services and the description of customer behaviors on this market (more in Michalska-Dudek, 2013) the verification will cover: integrated loyalty model based on formative indicators: satisfaction and perceived tourist service quality (cf. Pong, Yee, 2001), tourist enterprise image, its customers' satisfaction (cf. Kandampully, Suhartanto, 2000), and also EPSI European path model.

Moreover, in the author's opinion, customer loyalty with reference to tourist enterprises in a theoretical model should be presented in a broader perspective, whereas the combination of affective and behavioral approach, i.e. loyalty perceived as both an attitude and behavior shall allow for more complete presentation of tourist market specificity and the essence of behaviors manifested in re-purchase and in recommending a given tourist company or brand. The combination of affective and behavioral presentations, and therefore loyalty, perceived both as an attitude and behavior, is understood as a consumer's attachment to the type of purchased tourist offers and places of their selling/booking, whereas a particular behavior, manifested in making repetitive purchases and propagating opinions about a particular company or tourist brand, results from a consumer's attitude and intention to purchase tourist services.

Paraphrasing R.L. Oliver's definition (cf. Oliver 1999) referring to both an attitude and behavior, the loyalty of consumers of tourist enterprises can be characterized as the deeply rooted belief presented by a consumer to make the repetitive purchase of tourist offers or an ongoing condescending approach to the preferred categories of tourist offers, which results in repurchasing a particular brand or item offered by a tourist enterprise, executed despite the marketing efforts and situational impacts of the competition, which could theoretically result in changing the behavior of a consumer of tourist services (Michalska-Dudek, 2013).

These assumptions are reflected in the below presented proposal – theoretical loyalty model of customers of tourist enterprises. The suggested model is a simplified version for customer loyalty development of tourist services created in order to present relations between the discussed process components covering selected variables, which are manifested in mutual correlations and explain theoretically the occurrence of particular loyalty behaviors performed by customers of tourist services.
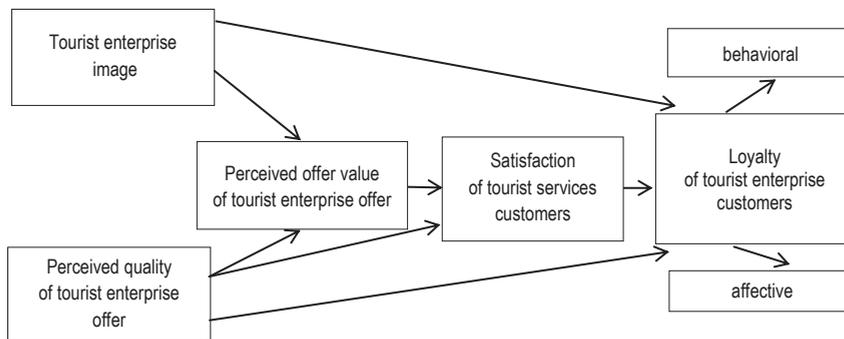

Figure 4. Conceptualization of tourist enterprises customers loyalty model

Source: author's compilation based on EPSI model (European Performance Satisfaction Index).

In accordance with the scientific research methodology, the suggested model approach remains a preliminary study – of investigating and exploratory nature – thus constituting an initial stage for proper own research in the area of the discussed subject matter.

From the perspective of expanding opportunities for an effective implementation of activities aimed to establish relations between tourism companies and their consumers, as well as strengthening the loyalty of tourist enterprises' clients, it is crucial to identify the model of loyalty and also to conduct in-depth studies on the nature of loyalty manifested by the consumers of tourist products.

The conceptualization proposal serves as a theoretical tool allowing for the identification and understanding of correlations between its particular components and facilitating the explanation of decision making processes by tourist services customers and thus realizing the following functions: descriptive and analytical, explanatory, prognostic and utilitarian (cf. Kieżel, Smyczek, 2011: 72). The above presented model, subject to verification and confirmed by branch empirical studies of tourist services consumers, can represent the utilitarian tool useful in the process of making business decisions on the tourist market.

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