Evaluating an Extended Relationship Marketing Model for Arab Guests of Five-Star Hotels

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for the degree of Doctor of Philosophy

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DEDICATION

This thesis is dedicated to

my wonderful parents, Fatemah and

Bahjat, my brilliant brother Amjad, my lovely

sister Jehan, and my dearly departed uncle Yahya

DECLARATION

I, Ahmad Shammout, declare that the PhD thesis *Evaluating An Extended A Relationship Marketing Model For Arab Guests of Five-star Hotels* is no more than 100,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signed………………………..

Ahmad Shammout
20 December 2007

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ABSTRACT

Increasingly, relationship marketing has been viewed to be critical to the success of business firms, with the growing understanding that acquiring new customers is far more expensive than maintaining existing ones. While keeping customers loyal, however, is a key objective of relationship marketing, there is little agreement on which antecedents could be used to achieve this aim. In response, this thesis develops a model of relationship marketing based on a review of the literature to empirically investigate in one single model: (1) the affect of relational bonds (financial, social and structural) on relationship quality and customer emotions; (2) emotions on relationship quality; and (3) the ultimate affect of both relationship quality and emotions on customer loyalty. In particular, this thesis seeks to investigate the role of the emotions variable as a consequence of relational bonds (financial, social and structural), and antecedent of relationship quality. Furthermore, it presents and discusses empirical findings from a survey of 271 loyal Arab guests at five-star hotels examined from their perspectives as end users using structural equation modelling (AMOS 6.0).

The findings of this thesis largely support the hypothesised relationships proposed in the theoretical model. Specifically, the results revealed that social and structural bonds, but not financial bonds, are crucial in affecting relationship quality and customer emotions. The results also provide strong evidence of the relationship between emotions and relationship quality, which in turn are necessary determinants of customer loyalty. This thesis contributes to theoretical and practical knowledge by providing for the first time, evidence about relationships between social and structural bonds and emotions, and further between emotion and relationship quality. The inclusion of an emotions construct is suggested to contribute additionally to the body of relationship marketing literature and provide a more complete model within a hospitality context. Findings imply the need for service firms in general, and hotels in particular, to strategically lever on the key antecedents of a relationship quality and customer loyalty including relational bonds and emotions, in pursuit of a more competitive advantage, and long-term profit.

LIST OF ABBREVIATIONS

AMOS	Analysis of Moment Structure
AGFI	Adjusted Goodness-of-Fit
AVE	Average Variance Extracted
CES	Consumption Emotions Set
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CR	Composite Reliability
CR	Critical Ratio
DES	Differential Emotion Scale
DF	Degree of Freedom
EFA	Exploratory Factor Analysis
ML	Maximum Likelihood
NFI	Normed Fit Index
GFI	Goodness-of-Fit Index
PAD	Pleasure-Arousal-Dominance
RM	Relationship Marketing
RMSEA	Root Mean Square Error of Approximation
SEM	Structural Equation Modelling
SD	Standard Deviation
SE	Standard Error
SPSS	Statistical Package for Social Science
TLI	Tuker-Lewis Index
WOM	Word of Mouth

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CHAPTER ONE
INTRODUCTION

1.1 Introduction

This chapter provides an introduction to the scope of this thesis. It is divided into six sections. Following the introduction, section 1.2 presents issues related to the research background, and the second section (1.3) specifies the research problem. Section 1.4 identifies the research question, formulated to achieve the objectives of this research, and section 1.5 describes its significance. The methodology used to achieve the aims is briefly discussed in section 1.6. Finally, the overall structure of thesis content is outlined in section 1.7.

1.2 Research Background

Because of the economic advantages associated with retaining existing customers as opposed to recruiting new ones, academics and practitioners today are paying increasing attention to relationship marketing (Anderson et al., 1994; Price and Arnould, 1997; Verhoef, 2003; Ndubisi, 2007). In order to remain competitive, firms indeed need to build and enhance customer relationships that deliver value beyond that provided by the core product (Zineldin, 2006). Benefits associated with such an approach include improved seller performance (Reynolds and Beatty, 1999), profitability (Bowen and Shoemaker, 1998), business referral and publicity (Kim and Cha, 2002), customer share (De Wulf et al., 2001; Verhoef, 2003), competitive positioning (Zineldin, 2006), and most significantly, customer loyalty (Hennig-Thurau et al., 2002; Reynolds and Beatty, 1999). For hotel businesses, loyal customers are more profitable because they are more attached to the hotel and thus easier to serve than those who are non-loyal (Tepeci, 1999). Bowen and Shoemaker (1998) maintain that a small increase in loyal customers can result in a substantial increase in profitability. Further, Kim and Cha (2002) argue that the longer a customer stays loyal to a hotel, the more profitable it is for the hotel. In this context, Reichheld and Sasser (1990) found that firms could improve their profits from two to eight percent by

reducing customer defections by five percent. The benefits of relationship marketing, however, are not limited to service firms. Customer benefits include the simplification of information processes, customization of product and services (Crosby et al., 1990), and reduced risk associated with purchase and enhanced psychological comfort (Bejou, 1997; Grönroos, 2004; Berry, 2002). Relationship marketing therefore represents a strategy for achieving a distinct and sustainable competitive advantage (Roberts et al., 2003) to keep customers loyal.

Given that globally the hospitality industry is facing a strong competitive environment that is forcing it to enhance the sustainability and development of loyalty opportunities, the question is then - What are the common characteristics of successful relationship marketing programs that lead to customer loyalty? This question indeed informed this thesis in developing a relationship marketing model that can be effectively used in securing customer loyalty in five star hotels.

For hotel organisations, applications of academically developed relationship marketing models would present competitive opportunities for building and increasing customer loyalty. Five-star hotels have been chosen as the context of this thesis, as previous research indicates that greater use of relationship marketing practice occurs in these hotels than it does in midrange or budget hotels (Kim and Cha, 2002). Further, the scope of this thesis is to empirically investigate the model from the perspective of loyal Arab customers as end users. That is, most research in business-to-customer relationships has been based on theoretical frameworks developed in western culture (i.e., Sheth and Paravatiyar, 1995; Gwinner et al., 1998; De Wulf et al., 2001). As Arnold and Bianchi (2001) note, variables important to the understanding of relationship marketing can be affected by cultural differences. Therefore, it is quite possible that the benefits received, or their importance in business-to-customer relationships, may be different when considered in another cultural context. Bearing this in mind, the purpose here is not to compare Arab customers with others. It is however to explore how Arab customers view relationships with their service providers, as this has not previously been empirically evaluated (Abu-Roman, 2005). The focus of this thesis, therefore, on Arab guests will contribute to the relevant literature on how these customers view their relationships with hoteliers. It will also provide managers in services, particularly those in the hotel

industry dealing with Arab guests, with relevant information and recommendations to assist in improving their relationship marketing programs. This issue will be also discussed further in section 4.7.1.

1.3 Research Problem

Given that the development and sustainability of loyalty is becoming increasingly difficult to achieve in a competitive environment, and remains ambiguous regarding its underlying determinants (Liang and Wang, 2005), authors have attempted to develop distinct models suited to investigate relationship marketing in a range of contexts. In reviewing these models, it has been found that relationship quality and customer loyalty (the final goal) are the most critical variables (Gwinner et al., 1998, Shamdasani and Balakrishnan, 2000; De Wulf et al., 2001; Hennig–Thurau et al., 2002; Kim and Cha, 2002; De Wulf et al., 2003; Lin et al., 2003; Hsieh et al., 2005; Liang and Wang, 2005; Wang et al., 2006; Palmatier et al., 2006). That is, relationship quality as measured by trust, satisfaction, and commitment, provides the best assessment of relationship strength (DeWulf et al., 2001), and achieving customer loyalty is the aim of relationship marketing (Too et al., 2001).

There is no agreement, however, among relationship marketing authors about the antecedents that best capture the characteristics of a relational exchange that influences performance (Palmatier et al., 2006). In other words, which antecedents (when they are associated with relationship quality and loyalty in one single model) provide a completed understanding for successful relationship marketing? Whilst there are a number of variables that could be useful as antecedents to relationship quality that ultimately evokes customer loyalty, researchers have considered relational bonds – financial, social and structura l- as the cornerstone in relational exchange between service providers and customers (see Berry and Parsuraman, 1991; Berry, 1995; Liljindar and Strandivik, 1995; Smith, 1998; Peltier and Westfall, 2000; Arantola, 2002; Lin et al., 2003; Hsieh et al., 2005; Liang and Wang, 2005; Palmatier et al., 2006; Wang et al., 2006).

Customer bonds with organisations, according to Smith (1998), are important components of relationship marketing, and psychological attachments produced by relational bonds are central to relationship stability. That is, any relationship attempting to develop customer values through partnering activities is likely to create a greater bonding between consumer and marketer, and the more the relationship is enhanced through such bonding, the more committed the consumer becomes. Hence, the customer is less likely to switch to other competitors (Sheth and Parvatiyar, 1995).

Accordingly, the principle of relational bonds is a useful framework for investigation, and further development of these constructs is clearly warranted (Smith, 1998). This is particularly so in the context of business-to-customer markets, as relationship marketing already has a strong theoretical base in industrial and channel settings (Beatty et al., 1996; De Wulf et al., 2001; Liang and Wang, 2005). While there is empirical evidence to suggest that relational bonds are associated with relationship quality (Smith, 1998; Wang et al., 2006), a number of critical research gaps remain in regard to which other relational outcomes these relational bonds could lead. One of these gaps is a lack of systematic investigation into the impact of relational bonds – financial, social and structural - on customer emotions.

The emotional response of customers is becoming an area of interest in relationship marketing. Barnes (1997, p.774) argued that, "a relationship cannot be thought to exist without emotional content." The need for empirical evidence of the antecedents and consequences of customer emotions being a key variable has been suggested in previous research. For example, Ruth et al. (2004) provided an important avenue for future research to investigate how emotions might affect consumers' judgment about whether and how they wish to maintain the relationship. Anderson and Kumar (2006) also conclude that although many scholars have attempted to explain the development of relationship marketing, few have paid explicit attention to importance of emotions in this process. Hence, this thesis proposes an extended relationship marketing model in which relationship quality is not only the variable influenced by relational bonds – financial, social and structural-but a model in which customer emotions are also hypothesized to be an important variable.

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Furthermore, this thesis attempts to investigate the affect of emotions on relationship quality, as this association is important in customer relationship development. Emotional experience, according to Wong (2004), helps in determining the assessment of overall relationship quality. Although Wong is the only researcher to have investigated the association between emotions and relationship quality, in doing so he has not looked at the global measures of trust, satisfaction, and commitment to measure relationship quality. This suggests that the link between emotions and relationship quality is another gap in the literature that needs to be explored. Accordingly, the following three questions set out the problem of this research:

1   *What is the significant influence of relational bonds on relationship quality and customer emotions for Arabic customers of five-star hotels?*

2   *Do emotions of Arabic customers influence relationship quality and customer loyalty?*

3   *Is relationship quality important in determining the loyalty that Arab customers have with five-star hotels?*

1.4 Research Aims

In order to answer the above research questions, the aims of this thesis are fourfold:

- Extend the research on relational bonds by investigating their influence on relationship quality and customer emotions.

- Fill the gaps that exist in literature by investigating the role of emotions in the course of relationship development as a consequence of relational bonds and as an antecedent to relationship quality, and ultimately customer loyalty.

- Investigate whether relationship quality serves as a predictor of customer loyalty.

- Examine empirically the overall association between elements of the proposed relationship marketing model from loyal Arab customers' perspectives at five-star hotels, specifically: relational bonds – financial, social and structural – (exogenous variables), customer emotions, relationship quality and loyalty (endogenous variables).

1.5 Statement of Significance

In a review of the literature, it is clear that to date the conceptual foundations of relationship marketing have not been fully developed. There is no consensus about the key elements that capture this concept, particularly in relation to different industries (Ehert, 2004; Eiriz and Wilson, 2006). More specifically, few studies have focused on testing relationship marketing models in the hotel industry context (Kim and Cha, 2002). In response, this thesis furthers academic understanding by extending the knowledge of both relationship marketing and hospitality theory and practice. Thus, the proposed model contributes to existing theories on relationship marketing by empirically investigating the association between its derived components – relational bonds, relationship quality, emotions, and loyalty – applied to Arabic customers of five-star hotel chains. The inclusion of an emotions variable as a consequence of relational bonds – financial, social and structural – and an antecedent of relationship quality, provides an additional contribution. Importantly, this research also provides managers in services, particularly those in the hotel industry dealing with Arab guests, relevant information and recommendations to assist in improving their relationship marketing programs.

1.6 Research Methodology Used in this Thesis

Data for this thesis was collected using a quantitative, survey-based methodology. This approach is important when causal relationships among the underlying theoretical constructs need to be examined. Self-administered questionnaires were

considered to be the most appropriate tool. Most importantly, this method is quick, inexpensive, efficient, and can be administered to a large sample (McCelland, 1994; Churchill, 1995, Sekaran, 2000; Zikmund, 2003).

The questionnaire was developed using 7-point Likert type scale, ranging from (1= strongly disagree) to (7 = strongly agree). Because participants were non-English speakers, translation and back-translation procedure of the instrument was used as recommended by methodological authors (i.e., Brislin et al., 1973; Malhotra et al., 1996). With exception of the demographic questions, the instrument included a total of 69 items, reflecting the constructs of interest. These items were taken from previously valid scales (i.e., 18 items for relational bonds, 16 for relationship quality, 23 for emotions, and 11 for loyalty). To ensure that the questions were clearly understood and there was no ambiguity among them, a pre-test was conducted.

The sample of this thesis − loyal guests at fifteen five-star hotel chains in Jordan − was purposively chosen. To identify loyal guests, this thesis applied the definition that 'loyal guests' were individuals who had stayed ten nights or more a year with a hotel chain. Hotel chains were selected because, as previous research indicates, five-star hotels use relationship marketing practices more frequently than mid-range or budget hotels (Kim and Cha, 2002). Jordan was selected as the sample location of this thesis because it is centrally located for tourists from Arabic countries, and has sufficient five star hotel chains to permit a large sample of guests. Questionnaires were given out to guests by front desk staff during check in, and completed questionnaires were returned at check out. Using this procedure, 1500 questionnaires were distributed in fifteen hotels, i.e., 100 questionnaires per hotel.

Descriptive analysis for the entire sample was performed using SPSS (Statistical Package for the Social Sciences). SPSS was used to screen the collected data prior to performing structural equation modelling. To test the hypotheses of this thesis, structural equation modelling (SEM) using AMOS 6.0 (Analysis of Moment Structures) was conducted. SEM is a multivariate statistical technique often used to confirm the causal relationships among latent variables. SEM was conducted using the two-stage approach recommended by Anderson and Gerbing (1988). The aim of the first stage (measurement model) is to specify the causal relationships between the

observed variables (items) and the underlying theoretical constructs (composite and latent variables), and provide reliable and valid constructs, while the aim of the second stage is to test the hypotheses that reflect the relationships between these theoretical constructs. The model fit was determined through goodness-of-fit indices, and the significance of paths through using coefficient parameter estimates.

1.7 Structure of Thesis

This section provides a brief review of the structure of the thesis. First, *Chapter One* introduces the issues related to the topic under investigation, with a brief discussion about the methodology used. The following *Chapter Two* provides an overview of relationship marketing theory. It critically reviews the relevant literature related to the constructs that form the proposed relationship marketing model. These constructs include: relational bonds (i.e., financial, social and structural), relationship quality, emotions, and loyalty.

Drawing on the literature in Chapter Two, *Chapter Three* discusses the conceptual framework of relationship marketing proposed in this thesis. It discusses the nine hypotheses to be tested and analysed. H1a, H1b, H1c, H2a, H2b, and H2c, relate to the influence of each type of relational bond − financial, social and structural − on relationship quality and customer emotions, respectively. H3 and H4 represent the influence of emotions on both relationship quality and loyalty, and H5 reflects the relationship between relationship quality and loyalty.

In *Chapter Four*, the methodology used to empirically examine the proposed relationship marketing model established in Chapter Three is outlined. This methodology comprises an overview of the design and justifies the use of quantitative methods, discusses the scale items selected to measure the underlying constructs, describes the instrument used to collect the data, discusses the pre-test and final survey, justifies the techniques used to analyse the collected data; discusses the reliability and validity of the constructs, and finally presents the ethical considerations related to conducting this research.

Chapter Five reports the results of data analysed using the techniques justified in Chapter Four. This includes results related to the sample profile, and testing the underlying hypotheses using the two-stage approach of structural equation modelling. The aim in the first stage was to have valid and reliable constructs in order to test the nine hypotheses presented in Chapter Three that represent the relationships among them.

The final *Chapter Six* interprets the results drawn from testing the nine hypotheses, aiming to answer the three research questions identified in Chapter One. Theoretical and managerial implications are drawn from the results reported in Chapter Five. Limitations of this thesis and avenues for further research are also discussed. Lastly, final conclusions emanating from the research findings are presented.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature related to the proposed relationship marketing model used in this thesis. This includes a discussion of relationship marketing as a new paradigm, which is used as a basis for further discussion about constructs chosen for testing the proposed theortical model of this thesis. This review is organised into seven sections. The next section (2.2) presents the overview of relationship marketing theory in order to provide a background for discussing the constructs of interest. The following four sections are then devoted to discussing the constructs forming the proposed relationship marketing model, including relational bonds (i.e., financial, social and structural) (2.3), relationship quality (2.4), emotions (2.5), and loyalty (2.6). A summary of the chapter is presented in the last section (2.7).

2.2 Relationship Marketing Overview

This section outlines the foundation for discussing the constructs used in this thesis. It begins by discussing relationship marketing theory describing how it has developed to become an important paradigm for use, particularly in service marketing research (see Section 2.2.1). This section then critically analyses the definitions used in previous literature to support the definition specific to this thesis (see Section 2.2.2). In order to provide a better understanding of the proposed theoretical model, it is also necessary to describe the reasons that motivate service providers and customers to engage in relationships. Therefore, the benefits that each party achieves through practicing relationship marketing are then discussed (see Section 2.2.3). The section ends with a description of the proposed model developed in this thesis (see Section 2.2.4).

2.2.1 Relationship Marketing Evolution

Relationship marketing is of considerable interest both to academics and practitioners (Berry, 1995; Barnes, 1997; Payne, 2000; Egan, 2004). Different arguments about its origins are found in the literature, and most authors usually attribute the origin of the term to Berry (1983), who first proposed it in the context of professional services. However, it has also been argued that the emergence of relationship marketing in the 1980s was not so much a new discovery but a rediscovery of an approach that had long been accepted as the focus of any successful business (Sheth and Parvatiyar, 2000). In this context, Wilson (1995) stated that relationships between buyers and sellers have existed since humans began trading goods and services. Parvatiyar and Sheth (2000) observe that relationship marketing's roots were in the pre-industrial age, and Gummesson (1999) guides us to the Dale Carnegie's (1936) *How to Win Friends and Influence People* as the bible for understanding relationship concepts. Within the particular discipline of marketing, Bejou (1997) cites Baggozzi (1978) as the first to argue that exchange relationships are the essence of marketing, and that Arndt (1979) introduced the notion of long-term buyer-seller relationships in the context of domesticated markets. These authors and others, according to Bejou (1997), have made an important contribution to our understanding of earlier relationship marketing thought, although these theorists treated the relationship exchange as discrete rather than as a long-term process.

Subsequent to the contribution of the above authors, relationship marketing theory became globally accepted in the 1990s (i.e., Crosby et al, 1990; Webster, 1992; Grönroos, 1994; Gummeson, 1994; Morgan and Hunt, 1994; Palmer and Bejou, 1996; Berry, 1995; Sheth and Parvatiyar, 1995; Wilson, 1995; Hennig-Thurau and Klee, 1997; Gummeson, 1999), covering a range of marketing activities (Palmer, 2000), and thus it is described as a "new-old" concept (Berry, 1995). As a result, relationship marketing has become a topic of interest in special issues of international journals such as the *Journal of the Academy of Marketing Science* (Fall 1995), *European Journal of Marketing* (issue 2, 1996), *Industrial Marketing Management* (issue 2,1997)*,* and *Asia-Australia Marketing Journal* (issue 1,1994 and issue 1,1997). A number of books have also been published in the same area. Payne (2000) identified a total of seven edited and authored books on relationship marketing. In reviewing this

literature, it has been found that relationship marketing is covered in several contexts including channel relationships (Anderson and Narus, 1990; Ganesan, 1994; El-Ansary, 1997), business-to-business marketing (Dwyer et al., 1987; Morgan and Hunt, 1994; Kumar et al, 1995; Wilson, 1995), business alliances (Sheth and Parvatiyar, 1992), service marketing (Berry, 1983; Crosby et al., 1990); network marketing (Håkansson and Snehota, 1995), sales management (Smith and Barclay, 1997); database marketing (Treacy and Wiersema, 1993), internal marketing (Berry and Parasuraman, 1991), and business-to-customer marketing (Gruen, 1995; Sheth and Parvatiyar, 1995; Christy et al., 1996; Wang et al., 2006).

Relationship marketing is usually discussed as the new marketing paradigm based not on transactional exchanges but on relational exchanges. Authors generally agree that this new paradigm emphasises a shift in marketing from short-term transactions (also called traditional marketing or marketing mix) to long-term relations (Dwyer et al., 1987; Kotler, 1992; Morgan and Hunt, 1994; Palmer, 1994; Lin et al, 2003). To understand this paradigm, Morgan and Hunt (1994) have called for a clear distinction between a discrete transaction (a distinct beginning, a short duration, and a sharp ending by performance) and a relational exchange (tracing back to previous agreements, lasting longer, and reflecting on ongoing processes). Here, it can be said that the bulk of literature distinguishes between these two types to deliver a better understanding of relationship marketing. Gummesson (1994, p.9) points out that, "the marketing mix would always be needed, but that it had become peripheral in comparison to relationships." Within the hospitality context (the interest of this thesis), Bowen and Shoemaker (1998) also maintain that relationship marketing means developing the customer as a partner, and is a process that is markedly different from traditional transaction-based marketing. That is, it focuses on moving away from activities for attracting customers to activities for having customers and taking care of them (Grönroos, 1996). Indeed, relationship marketing aims to retain profitable customers by building and maintaining strong relationships, whereas traditional marketing aims to acquire new customers. In his attempt to show how much relationship marketing is important in services contexts, Bejou (1997) maintained that traditional marketing may not apply to services. Furthermore, Bennett (1996) argued that relationship marketing aims to establish long-term, committed, trusting and co-operative relationships, which are characterized by openness, genuine

customer suggestions, fair dealing, and a willingness to sacrifice short-term advantage for long-term advantage. In other words, relationship marketing is oriented towards long-term on-going relationships (Kim et al., 2001).

In reviewing related literature, it has been found that relationship marketing is handled in different ways by different authors (see Gummesson, 1996), influenced by a diversity of disciplinary and research traditions leading to four different schools of thought: Nordic, Industrial Marketing and Purchasing (IMP), North American, and Anglo-Australian (see Table 2.1).

Table 2.1: Schools of Thought in Relationship Marketing

Schools	Key Issues
Nordic	Integrate the network approach with issues related to service relationships and relationship economics
Industrial Marketing and Purchasing (IMP)	Buyer-seller relationships are built from a series of interactions, and a close link between the concept of adoption and the process of evolving relationships
North American	Focus on buyer and seller in context of organizational environment
Anglo-Australian	Make integration between quality management, and the use of a service marketing concept and customer relationship economics
	Investigate the nature of relationships in marketing

First, the Nordic school authors (i.e., Grönroos and Gummesson, 1985) emphasise on the long-term relational aspects of service marketing. To indicate the relational nature of this kind of marketing, they used terms such as buyer-seller interactions and interactive marketing, customer relationship life cycle, the new marketing concept; phase of the service consumption process; and interactive relationships. According to Parvatiyar and Sheth (2000), the Nordic school tried to integrate the network approach (popular among Scandinavian and European schools) with issues related to service relationships.

Second, the European IMP[1] group – consisting of approximately 300 member firms - studied relationship marketing as it is occurred in distribution channels (i.e., Håkansson 1982; Håkansson and Snehota, 1995). They found that buyer-seller relationships are built on a series of interactions in which the concept of adoption is closely linked with the process of evolving relationships. Given the importance of process as well as outcome in these interactions service marketers have highlighted the potential value associated with the development of 'relationships' between supplier and customer. In this case, relationships are seen as being the outcome of a series of interactions with particular emphasis placed on the active role-played by buyers. Thirdly, the North American school (i.e., Berry, 1983; Perrien et al., 1993) focuses on the relationship between buyer and seller in organizational environments within business-to-business markets. Fourth, based on the work of Christopher et al. (1991), the Anglo-Australian school emphasises the integration of quality management, the use of a service marketing concept, and customer relationship economics. The six-market model introduced by Christopher et al. (1991) considers relationship marketing as having six markets: internal, referral, influence, supplier and alliance, recruitment, and customer markets, as the centre of all marketing activities. According to Egan (2001), the Anglo-Australian school generally investigates the nature of relationships in marketing.

2.2.2 Towards a Definition of Relationship Marketing

In spite of the fact that relationship marketing has been widely investigated in marketing, the majority of relationship marketers agree that it is not an easy concept to formulate (Egan, 2004). Indeed, relationship marketing consists of a range of activities, and therefore could mean different things to different companies (Palmer, 1994; Morris et al., 1998) in varying contexts (Too et al., 2001). This problem has also been recognized by several authors, including Nevin (1995), who found multiple uses of the term relationship marketing within the literature to such an extent that it has become a "popularised buzzword"(p.502). Parvatiyar and Sheth (2000) also

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[1] The Industrial Marketing and Purchasing (IMP) group is an association consisting of approximately 300 member companies in more then 15 European countries. This association aims to improve marketing relationships within the channel and networks market.

pointed out that the term 'relationship marketing' has become ambiguous within the marketing literature, and for this reason some authors have listed a range of selected definitions. For example, Harker (1999) listed 26 substantial definitions, whereas Dann and Dann (2001) found about 50 definitions in the literature. Indeed, there are many definitions for the term 'relationship marketing', and discussing all of them is outside the scope of this thesis. However, the most commonly used definitions are discussed below in order to identify the most suited to this thesis. The following discussion presents these definitions based on the contribution of different authors. Table 2.2 presents these definitions, identifying the contexts and themes (key elements).

In an early conference paper, Berry (1983) defines relationship marketing as attracting, maintaining, and enhancing customer relationships, acknowledging the idea that attracting new customers is seen only as an intermediate step in marketing processes. This is similar to the subsequent popular definition proposed by Grönroos (1990). However, Grönroos (p.5) added the perspective of non-customer partnership, mutual benefit, promise keeping, and profitability, while viewing relationship marketing "to establish, maintain, enhance with customers and other partners, at profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises." In approaching relationship marketing as a synthesis of marketing, customer service and quality management, Christopher et al. (1991) stated that relationship marketing has the dual focus of getting and keeping customers. This definition and a similar one used by Kotler (1992) specify that relationships are a series of stakeholders or markets going beyond the basic customer-supplier dyad (Gummesson, 1994). Others (i.e., Palmer, 1994) view relationship marketing in terms of strategies that enhance profitability through a focus on the value of the buyer-seller relationship over time. Guemmesson (1996, p.32) also sees relationship marketing as comprising three key elements including relationships, networks, and interaction. In his definition, relationships refer to a contact between two or more people, which could also exist between people and objects, whereas a network refers to a set of relationships. Interaction refers to activities performed within relationships and networks.

In the spirit of Grönroos (1990), Morgan and Hunt (1994) provide a broadened scope through inclusion of the term 'relational exchange' to cover the processes of all types of ongoing relationships. They defined relationship marketing as "all marketing activities directed toward establishing, developing, and maintaining successful relational exchange" (p.22). Morgan and Hunt's definition, according to Parvatiyar and Sheth (2000), has come under the attack by some authors. For example, Peterson (1995, p.279) acknowledges that the definition is guilty of an error of commission, and states that if their "definition is true, then relationship marketing and marketing are redundant terms and one is unnecessary and should be stricken from the literature because having both only leads to confusion". Further, it has been argued that the definition only focuses on the ultimate goal of relationship marketing, but not on what it actually entails (Too et al., 2001). In contrast, Kim and Cha (2002) conducted research in the context of hospitality industry, and considered Morgan and Hunt's definition as a major shift in marketing theory and practice. Kim and Cha seem to have adopted Morgan and Hunt's definition, making minor changes when they focused on mutual benefits with targeted customers to make the definition more suited to the hospitality context. They defined relationship marketing as "a set of marketing activities that attract, maintain, and enhance customer relationships for the benefit of both sides, emphasizing on retaining existing customers" (p. 323).

Parvatiyar and Sheth (2000) found that the definitions of Berry (1983), Grönroos (1990), and Morgan and Hunt (1994) take the process aspects of relationship development and maintenance into account. Parvatiyar and Sheth (2000) further suggest that relationship marketing is concerned with cooperative and collaborative relationships between the firm and customers. These customers could be one or many, including end customers, distributors or channel members, and business-to-business customers. They define relationship marketing as "the ongoing process of engaging in cooperative and collectivise activities and programs with immediate and end-user customers to create or enhance mutual economic value at reduced cost" (p.9).

More recently, Herington (2002) found that definitions of Grönroos (1990), Morgan and Hunt (1994), and Gummesson (1996), are seen as most favoured by relationship marketing authors due to their frequency of adoption. However, based on seven conceptual categories of relationship marketing (including birth, developing,

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maintenance, temporal, interaction, outputs, and emotional content), Harker (1999, p.16) concludes that "the definition presented by Grönroos (1994, 1995) is the "best" in terms of it coverage of the underlying conceptualisations of relationship marketing and its acceptability through the RM community". Grönroos (1994, p.9) sees relationship marketing as " … to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, and this is done by a mutual exchange and fulfilment of promises"(p.9). Grönroos's (1994) definition was found to be appropriate for the needs of this thesis. This is because not only commonly used in the literature, but also includes all aspect of long-term relationships between service providers and customers.

In sum, to date there is no consensus among authors on one accepted definition for relationship marketing. Different definitions reflect different stages in the evolution of relationship marketing as a concept. According to Harwood and Garry (2006), this may be due to the debate between academics and practitioners about what relationship marketing actually is, when it is appropriate, who should be included in the relationship, and when a relationship may exist between the parties. However, as seen above authors in general have identified the aim of relationship marketing through their contributions. Grönroos's (1994) definition is particularly concise, as it includes all aspects of the relationships that service provider and customer could have. Therefore, it has been regarded as the most applicable definition for use in this thesis.

Table 2.2: Definitions of Relationship Marketing

Authors	Definition	Context	Key elements
Berry (1983)	Attracting, maintaining and enhancing customer relationships	Services	Attracting, maintaining, and enhancing
Grönroos (1990)	To establish, maintain, and enhance relationships with customers and other partners, at profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises	Valid to be used in all contexts	Non-customer partnership, mutual benefit, promise keeping, and profitability
Christopher et al. (1991)	Concerns the dual focus of getting and keeping customers	Services	Keeping customers
Grönroos (1994)	Identify and establish, maintain and enhance, and when necessary, also terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met. This is done by a mutual exchange and fulfilment of promises	Valid to be used in all contexts	This is slightly different to Grönroos's (1990) definition, which includes identifying and terminating relationships with customers and stakeholders
Morgan and Hunt (1994)	All marketing activities directed toward establishing, developing and maintaining successful relational exchange	Business-business	All types of ongoing relationship as a process in relational exchange
Palmer (1994)	Strategies that enhance profitability through a focus on the value of buyer-seller relationships over time	Marketing education	Mutual value between buyer and seller
(Gummesson, 1996)	Relationships, networks, and interaction	Network marketing	Relationships, networks, and interaction
Parvatiyar and Sheth (2000)	Ongoing process of engaging in cooperative and collectivised activities and programs with immediate and end-user customers to create or enhance mutual economic value at reduced cost	Business-to-customer	Cooperative and collaborative
Kim and Cha (2002)	A set of marketing activities that attract, maintain, and enhance customer relationships for the benefit of both sides, emphasizing retaining existing customers	Hotels	Mutual benefits emphasized for existing customers

2.2.3 Benefits of Relationship Marketing

The importance of relationship marketing has been seen in terms of the benefits received by both parties, the service provider and the customer. These benefits are discussed in this section in order to identify aspects leading customers in this thesis to be in relationships with service providers (five-star hotels). Although some researchers have questioned whether the practice of relationship marketing implies reciprocity of benefits for both customer and service provider (Sheth and Parvatiyar, 2000), empirical evidence has established several benefits for both. Palmer (1994) argues that relationship marketing can allow buyer and seller to work together in joint problem solving in which the seller relieves the buyer of the need to specify many aspects of their purchase requirements. For example, from the perspective of the service provider, developing and enhancing a relationship with customers allow the firm to remain competitive (Rashid, 2003; Zineldin, 2006). It is widely accepted that retaining a customer is five to ten times more profitable than acquiring a new one. For example, based on the analysis of more than 100 companies in two-dozen industries, Reichheld and Sasser (1990) found that companies could improve their profits from two to eight percent by reducing customer defections of five percent. These findings have also been supported in context of the hospitality industry, where Kim and Cha (2002) established that the longer a customer stays in a relationship with a hotel, the more profit the hotel achieves in this relationship.

From the customer perspective (the interest of this thesis), Sheth and Parvatiyar (1995) maintain that customers like to reduce their choices by engaging in ongoing loyal relationships with marketers. Similarly, Bejou (1997) points out that long-term relationships reduce customer risk and the need for customers to search for new information. Further, Grönroos (2004) suggests that an on-going relationship may provide the customer with security, a feeling of control, a sense of trust, and a minimized purchasing risk, which ultimately reduced costs to the customer. Parasuraman et al. (1991) confirms that customer's desire for more personalised, closer relationships with service providers are evident in customer interview transcripts, especially for those services provided intermittently such as in hotels. In summary, customers themselves want to find firms that evoke their loyalty. However, although the benefits received by service providers and customers are clear, Rashid (2003) questions

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how successful relationships are developed. This question led this thesis to propose a model to identify how loyal customers perceive their relationships with five-star hotels. The objective here is to examine relationship marketing from a loyal customer perspective. This is further discussed below.

2.2.4 Relationship Marketing Model in this Thesis

As was identified in Chapter One and will be discussed in Chapter Three, the relationship marketing model proposed in this thesis is developed through the review of literature, incorporating elements that have not previously been presented in a single model. That is, this thesis provides insights into an effective relationship marketing program by suggesting emotions as an important variable in customer relationship development. This is in addition to the purpose of investigating specific relationships about the association between the constructs, including relational bonds −financial, social and structural− consumer emotions, relationship quality, and loyalty. In this thesis, these constructs have been examined in the hotel industry in terms of loyal Arabic customers' perceptions as end users.

In summary, section 2.2 discusses several issues related to relationship marketing theory, focusing on its evolution, benefits and most common definitions, to finally identify the proposed relationship marketing model of this thesis. In other words, this section establishes the foundation to critically review the following four sections that discuss the rationale for the choice of constructs proposed in the theoretical model.

2.3 Relational Bonds

Within the relationship marketing literature, relational bonds are focal components (Håkansson, 1982; Wilson and Mummalaneni, 1986; Dwyer et al., 1987; Turnbull and Wilson 1989; Liljindar and Strandivik, 1995; Wilson, 1995; Smith, 1998; De Wulf et al., 2001; Arantola, 2002; Lin et al., 2003; Walls, 2003; Liang and Wang, 2005; Wang et al., 2006). That is, building strong bonds with the customer is a core objective in relationship marketing (Liljander and Strandvik, 1995; Smith, 1998; Arantola, 2002). Taking this into account, bonds are widely regarded as the cornerstones for keeping

customers loyal to the firm. Roberts et al. (2003) acknowledged that, "one strategy that has gained considerable attention is the strategy of relationship marketing in which firms invest in developing long-term bonds with individual customers." They further emphasise that the importance of this strategy is not only limited to increasing customer retention, but also provides a sustainable competitive advantage to the firm as the intangible features of a relationship are difficult for competitors to duplicate. Zeithaml and Bitner (1996) maintain that bonds are usually used by firms to build relationships and tie customers more closely to them. Turnbull and Wilson (1989) argue that if the firm needs to protect itself from competitors by keeping customers, marketing activities that create value to these customers are strongly required. These activities should invest in creating social as well as structural bonds (both of these types are discussed below) with customers. Sheth and Parvtiyar (1995) proposed that employing any relationship that attempts to develop customer value among partnering activities could create a greater bonding between consumers and marketers. Thus, customers will be more committed to seller when bonding enhanced the relationships.

Following this introduction to the significance of relational bonds in the course of buyer-seller relationship, this section further seeks to investigate these bonds in terms of their nature, role in relationship development, number, and types. This is followed by a discussion for each type of relational bond −financial, social and structural −used in this thesis.

2.3.1 The Nature of Relational Bonds

The term 'bond' was initially introduced by Bowlby (1969) to explain the closeness between two parties in a social interaction. This term is used in everyday language in the context of intensive relationships, such as the relationship between a child and its mother, or between parties who 'forge a bond' (Arantola, 2002). In an earlier work, Turner (1970) introduced the term of bonds as existing "when some value of the individual-shared or unique-is felt to be fostered by association and interaction with some other person or group" (p.41). In the relationship marketing literature, however, it seems there is no clear definition of bonds. According to Walls (2002), the term 'bond' has never been clearly defined, and it has different meanings in different works. Also, Arantola (2002) critically analysed previous works and found that bonds have been

treated in many ways (these are further investigated below). Based on her critical analysis to these works, she concluded that there is no standard definition for bonds. If this is the case, these different ways of defining bonds need to be discussed to give an understanding of the development of its notion in the course of relationship marketing. This discussion will also provide a strong grounding for conceptualisation of bonds used in this thesis. Thus, the following discussion includes different definitions used within the literature taking into account different context perspectives. In order to clearly define key elements of these definitions, Table 2.3 has been compiled.

In discussing bonds, some authors consider bonds as 'exit barriers' (i.e., Strobacka et al. 1994). This view refers to their function of preventing the customer from switching providers, even though the service delivered may have been of low quality. For example, Strobacka et al. (1994, p.25) took this mode of thinking to define bonds as "exit barriers that tie the customer to the service provider and maintain the relationship." On the other hand, relational bonds have been seen as relational benefits (Gwinner et al., 1998; Liljander, 2000). This has been defined as "the advantages that the customers enjoy or perceive in a relationship, in addition to the core product" (Liljander, 2000, p.9). Liljander explains that there is direct matching between the benefits which are discussed by Gwinner et al. (1998) and the bonds listed by Berry (1995) and Liljander and Strandvik (1995). For example, psychological benefits and psychological bonds, social benefits and social bonds, economic benefits and financial bonds, customisation benefits and knowledge bonds, and time saving and time bonds, are examples of this kind of matching. With making a distinction between positive and negative bonds, Liljander (2000) adds that it seems there is no conceptual difference between relational bonds and positive bonds. According to him, these bonds are positive or negative based entirely on the situation. For example, economic bonds (one type of relational bonds) could be negative as customers are tied to a product because they do not have the financial resources to switch, or would lose money by switching. On the other hand, it could be positive due to customer prefrences of one relationship over alternatives because of economic benefits. This view seems similar to the recent definition proposed by Arantola (2002). She defines a bond as "… a perception by the customer of disincentive for switching suppliers. The context of bonds is a relationship. Negative bonds are barriers to exit when the customer has an incentive to leave the

relationship, while positive bonds are incentives to continue the relationship even when a switching possibility presents itself "(p.103).

In addition, Arantola (2002) has extended our understanding of the role of relational bonds through an analysis of previous studies. She proposed three dichotomies related to bonds. The first of these are potential and residual bonds, where potential bonds refer to situations in which relationship start-up procedures have taken place but economic exchange has not yet occurred and residual bonds in which the remains of bonds that once existed and are now broken. The second refers to operational and relational bonds. Operational bonds refer to concrete ties that are generated at a daily operational level, and relational bonds incorporate the mutual expectation of future interaction. Arantola divides the third dichotomy into two levels: higher−level vs. lower−level bonds. Higher–level bonds are attraction, trust, and commitment, whereas lower−level bonds are economic and social.

From an industrial marketing perspective, Håkansson and Snehota (1995) describe relational bonds as acting between key individuals in organisations that evolve over time, and as the product of both task and social interaction. Similar to this view, Holmlund and Kock (1996, p.289), within the same context, maintain that the bonds "are outcomes of adoptions and investment made by the interacting partners aiming at higher efficiency and more cost effective exchange." However, in the business-to-business context, Smith (1998, p.19) based his definition on earlier works such as Turner (1970) and includes other components when he conceptualised bonds as "the psychological, emotional, economic, or physical attachment in a relationship that are fostered by association and interaction and serve to bind parties together under relational exchange."

Table 2.3: Definitions of Relational Bonds

Authors	Definition	Context	Key elements/Themes
Parsuraman and Berry (1991), Berry (1995)	Practicing multiple levels of relationship marketing based on types of bonds used to foster customer loyalty	Services	The higher the level at which relationship marketing practiced, the greater its potential for sustained competitive advantages
Strobacka et al. (1994)	Exit barriers that tie the customer to the service provider and maintain the relationship	Services	Exit barriers
Håkansson and Snehota (1995)	Actors between key individuals in organisations that evolve over time, occurring as the product of both task and social interaction	Industrial marketing	Interaction
Liljander (2000)	Advantages that the customer enjoys or perceives in a relationship, in addition to the core product	Services	Relational bonds are similar to relational benefits
Holmlund and Kock (1996)	Outcomes of adoptions and investments made by interacting partners aiming at higher efficiency and more cost effective exchanges	Industrial marketing,	Adoption and investment based on interactions
Smith (1998)	The psychological, emotional, economic, or physical attachment in a relationship fostered by association and interaction serves to bind parties together under relational exchange	Business-to-business	Psychological, emotional, economic, or physical attachment which are based on interaction between parties
DeWulf et al. (2001, 2003)	They have been described as marketing tactics	Business-to-customer	They adopted the approach of Berry and Parsuraman (1991) and Berry (1995)
Liang and Wang, (2005), Wang et al., (2006)	They have been described as relationship bonding tactics, and defined as an ongoing process	Business-to-customer	They adopted the approach of Berry and Parsuraman (1991)
Peltier and Westfall (2000), Lin et al. (2003), Hsieh et al. (2005), and Palmatier et al. (2006)	They have been described as relational bonds	Business-to-customer	They adopted the approach of Berry and Parsuraman (1991), and Berry (1995)

In the business-to-customer setting (the context of this thesis), more recent research has viewed the term 'bond' in a more practical sense. It has been described as relationship marketing tactic (DeWulf et al. 2001; De Wulf et al., 2003), relationship bonding tactic (Liang and Wang, 2005; Wang et al., 2006), and relational bond (Peltier and Westfall; 2000; Lin et al., 2003; Hsieh et al., 2005). Despite different terminologies being used by these authors, they are the same in terms of meaning. This is because these authors adopted the typology proposed by the earlier work of Berry and Parsuraman (1991), or the subsequent study of Berry (1995), in which relationship marketing is seen as being practiced on multiple levels, depending on the types of bond(s) used to secure customer loyalty (see Section 2.3.3 for further discussion). This thesis has also adopted the way that Berry and Parsuraman (1991), and Berry (1995) describe bonds, agreeing with those who calling them relational bonds.

2.3.2 Relational Bonds in Relationship Development Models

Yet another way of understanding bonds is in terms of relationship development. Dwyer et al. (1987) divided relationship development processes into five general phases. These phases include awareness, exploration, expansion, and commitment. They consider commitment as representing the highest stage of relational bonding. According to Wilson and Mummalaneni (1986), one of the best models in investigating different aspects of relationship marketing and interaction is the Industrial Marketing and Purchasing (IMP) project (Håkansson, 1982). In the IMP project, it has been found that relationships are seen as an outcome of a series of interactions. This interaction requires both adoption and co-operation in order to forge the ties that bind the buyer and seller. Similarly, a study by Möller and Wilson (1995) modelled bonds as consequences of interaction. In their model, bonds were divided into functional ties, including economic, legal, technical, knowledge and procedures. In business-to-business, Wilson and Mummalaneni (1986) also developed another model based on the frameworks of IMP Group and the framework of bonding (Turner, 1970; McCall, 1970). They suggested that relationship marketing exists on at least three levels between two firms. For example, they might exist at corporate level through a complex web of financial, legal and interpersonal ties; at intermediate level between a selling team and buying centre; and at individual level between a specific buyer and a seller. They believe that bonds might exist on some or all of these levels. Given the importance of the role that

relational bonds play in the relationship development process, the next section further discusses relational bond types.

2.3.3 Relational Bonds Types

Lin et al. (2003) suggest that businesses can build customer relationships by developing one or several types of bonds. Vieira and Ennew (2004) also maintain that certain types of bonds or ties are required to develop relationships between two parties, customer and service provider. Other authors have argued that in order to strengthen the relationship between customers and service providers, a variety of bonds are needed (Liljindar and Strandivik, 1995; Wilson and Mummalaneni, 1986). Several types of bonds have been investigated in relationship marketing literature (see Table 2.4). For instance, the industrial marketing literature proposes six different types (i.e., Håkansson, 1982; Wilson and Mummalaneni, 1986). These include social bonds, technological, knowledge, planning, legal and economics. In service marketing context, Liljander and Strandvik (1995) introduce another four bonds: geographical, cultural, ideological and psychological. Therefore, the ten different types that can be applied in the consumer market are legal, economics, technological, geographical, time, knowledge, social, cultural, ideological and psychological. Liljander and Strandvik suggest that the first five of these bonds should be considered as effective exit barriers, not simply influenced by customers, but observed and managed by the service firm. They see these types of bonds as likely to be perceived by customers in a more negative sense. The second five bonds represent positive links to the customer, and are difficult for the service firm to measure and manage because of their perceptual factors.

Table 2.4: Types and Numbers of Relational Bonds Used in Related Literature

Authors	Types of Bonds	Number of Bonds	Context	Key Elements/ Themes
Berry and Parsuraman (1991)	Financial, social, structural	3	Service	Treated as relationship marketing levels. financial (level one), social (level two), and structural (level three)
Berry (1995)	Financial, social, structural	3	Service	Same as Berry and Parsuraman (1991)
Liljander and Strandvik (1995)	Legal, economics, technological, geographical, time, knowledge, social, cultural, ideological and psychological	10	Service	The first five perceived as negative by customers, whereas the second five seen as positive
Smith (1998)	Functional (or economics bonds), social and structural	3	Business-to-business	Treated as one construct including all three types of bonds
Williams et al. (1998)	Social and structural	2	Business-to-business	Treated as separate variables
Rodríguez and Wilson (2000)	Social and structural	2	Business-to-business	Treated as separate variables
Peltier and Westfall (2000)	Financial, social and structural bonds	3	Health maintenance organisations	Adopted the approach of Berry and Parsuraman (1991), and Berry (1995)
DeWulf et al. (2001, 2003)	Financial and social tactics	2	Retail	Treated as separate variables and levels: financial (level one), and social (level two)
Lin et al. (2003)	Financial, social and structural bonds	3	Financial services	Adopted the approach of Berry and Parsuraman (1991), and Berry (1995)
Liang and Wang (2005)	Relationship bonding tactics, including financial, social and structural	3	Service finance	Adopted the approach of Berry and Parsuraman (1991), and Berry (1995)
Wang et al. (2006)	Relationship bonding tactics, including financial, social and structural	3	Information service industry	Adopted the approach of Berry and Parsuraman (1991), and Berry (1995)

While ten different types of bonds have been identified, the main focus of relationship marketing researchers is to examine three types: financial, social and structural (which are defined separately in the following pages, as they are the focus of this thesis). With

the exception of Smith (1998), the earlier works by business-to-business authors have only established empirical evidence for two of them, social and structural bonds (see Han, 1991; Wilson, 1995; Holmlund and Kock, 1996; Rodríguez and Wilson, 2002). This is because they are applicable to the effective development of buyer-seller relationships. Holmlund and Kock (1996) argue that social and structural bonds are more widely discussed in relationship marketing than others. Williams et al. (1998, p.137) point out that bonding is typically conceptualised as "a dichotomy between structural and social bonding." However, within the same setting Smith (1998) argues that functional or economic bonds also serve to bind parties to a relationship. Thus, relational bonds in his study have been treated as a higher order construct comprising the three types of functional, social and structural relational bonds.

Following Smith's (1998) study, financial bonds also have become the main focus of business-to-customer studies. This can be seen in the studies of Peltier and Westfall (2000), Lin et al. (2003), Hsieh et al., (2005), Liang and Wang (2005), and Wang et al. (2006), who have separately investigated the impact of each of the three relational bonds on other relational outcomes, rather than treating them as one higher-order construct. This way is consistent with earlier works of Berry and Parsuraman (1991) and Berry (1995), who theorised that relationship marketing can be practiced on one of three levels, depending on the type and number of bonds implemented to secure customer loyalty. According to Berry and Parsuraman (1991) and Berry (1995), the first level of relationship marketing relies on pricing incentives to secure customer loyalty (i.e., financial bonds). This is usually referred to as level one relationship marketing, and considered the lowest level because competitors can easily duplicate price stability. The second level focuses on the social components through personalisation of the relationship, which is less easily imitated by competitors (i.e., social bonds). Level three of relationship marketing offers structural solutions to customer problems, providing the most potential for competitive differentiation. These three levels are further discussed in the next section (i.e., structural bonds).

DeWulf et al. (2001) and De Wulf et al. (2003) have been the only notable studies to distinguish between four types of tactics being distributed across only two levels of relationship marketing rather than three. Level one of relationship marketing consists of tangible rewards (financial bonds), whilst level two consists of direct mail, preferential

treatment, and interpersonal communication (social bonds). These authors did not examine the third level of relationship marketing (structural bonds) because they believe that solutions to customer's problems belonging to this type are built into the service-delivery system rather than depend on relationship building skills. In contrast, Peltier and Westfall (2000), Lin et al. (2003), Hsieh et al. (2005), Liang and Wang (2005), and Wang et al. (2006) have suggested that firms can build relationships with their customers by applying three types of relational bonds: financial, social, and structural. In agreement with these authors, this thesis explores how loyal customers evaluate their relationships with five-star hotels, based on these three relational bonds. Hence, these three relational bonds are considered as the basis of the proposed relationship marketing model of this thesis, and thus treated as separate variables in order to investigate the impact of each one on relational outcomes. These three relational bonds are discussed more fully below.

2.3.3.1 Financial Bonds

Financial bonds are usually referred to as frequency marketing or retention marketing, where the service provider uses economic benefits, such as price, discounts or other financial incentives to secure customer loyalty (Berry and Parsuraman, 1991; Berry, 1995; Lin et al., 2003; Hsieh et al., 2005). In a broader view, Smith (1998) proposes that financial incentives are as functional bonds in the business-to-business context. He describes functional bonds as "the multiplicity of economic, performance, or instrumental ties or linkages that serve to promote continuity in a relationship" (p.79). Functional bonds are created through economic, strategic, technological (knowledge or information), and instrumental (product or service related) benefits that are derived by the parties. In a hospitality context, for example, hotel chains may provide free or discounted travel services to frequent guests through loyalty programs (Berry and Parsuraman, 1991). Airlines may design financial programs enabling frequent travellers to accumulate mileage redeemable for free or upgraded travel is another example (Lin et al., 2003).

Berry and Parsuraman, (1991) and Berry (1995) point out that the problem associated with financial bonds is that they are the easiest type of bond for competitors to imitate. They provided an example about how during three years of American Airlines creating

its AAdvantage frequent flyer program, 23 other airlines offered their own frequent flyer programs. This type of bond does not offer long-term competitive advantages and Berry and Parsuraman, (1991) and Berry (1995) referred this type as level one, which is considered the weakest or the lowest level of relationship marketing building. Similar to this view, an earlier study by Dwyer et al. (1987) also proposed economic rewards could be used in the exploration phase of the relationship development process.

More recent empirical research has found that financial bonds need to be modelled in addition to other relational bonds, such social and structure (Smith, 1998; Lin et al., 2003; Hsieh et al., 2005; Liang and Wang, 2005). That is, researchers agree that saving money is one motivation for engaging in a relationship with the service provider (Berry, 1995; Peterson, 1995; Lin et al., 2003; Hsieh et al., 2005; Liang and Wang, 2005; Wang et al., 2006). In agreement, this thesis considered financial bonds as important components in investigating the relationship between buyer and seller, especially within the hospitality context.

2.3.3.2 Social Bonds

Social bonds are used in this thesis and are another type of bond that is widely explored in the literature. Stone (1954) initially suggested the importance of social exchange, recognizing the existence of shoppers who evaluate personal contact in stores, because they do not like to be served in a uniform way. In relationship marketing, the root of this type of bond is derived from business-to-business literature, where it was used to indicate good personal relations (i.e., Smith, 1998; Williams et al., 1998; Rodríguez and Wilson, 2000). This mode of thinking has also been adopted by subsequent studies in business-to-consumer markets (see De Wulf et al., 2001; De Wulf et al., 2003; Lin et al., 2003; Liang and Wang, 2005; Wang et al., 2006).

In conceptualising social bonds, Han (1991, p.61) describe these as "the degree to which certain ties link and hold a buyer and seller together closely in a personal (emotional sense)." This definition stresses the importance of the relationship between social bonds and emotions, another variable this thesis focuses on (see Section 2.5). Other studies extended this definition and included buyer-seller interactions. For example, Smith (1998), and Ling and Wang (2005) define social bonds as personal ties

or linkages that are forged during interaction at work. Their view was adapted from the earlier work of Turner (1970), who saw personal bonding as similar to the social bonds. Thus, social bonds include linking of identities through self-disclosure, closeness, providing support or advice, being empathetic and responsive, feelings of affiliation, attachment, or connectedness, and shared experience. Lin et al. (2003) and Hsieh et al. (2005) provide a more comprehensive view by defining social bonds as personal ties that pertain to service dimensions that offer interpersonal interactions, friendships, and identifications. This view is incorporated in this thesis, as it includes all aspects of personal treatment that loyal guests may experience during their interaction with hotels.

Berry and Parasuraman (1991) and Berry (1995) referred to social bonds as level two (intermediate level) of relationship marketing in securing customer loyalty. At this level, the service provider goes further than price incentives to build lasting relationships by building social bridges with customers without neglecting the price competition. They claim that customers who are treated personally should have stronger reasons not to switch companies, although social bonds do not overcome price differences or any weaknesses in service delivery (Berry and Parasuraman, 1991). However, in business-to-business context, Turnbull and Wilson (1989) claimed that although social bonding could be high between buyers and sales people, this relationship will not be sustained if there are price differences between providers. They base this assumption on the idea that professional buyers may only justify a small price premium. In business-to-consumer context, Peltier and Westfall (2000) have suggested these bonds are also important and help prevent the pressure of competitive pricing. Within the same context, Liang and Wang (2005, p.68) also argue that "although social bonds cannot replace price attraction, social bonding provides customised services that develops an independent relationships, allows the customers to trust and be satisfied with the retailers' service, and assists understanding and learning about the customer's needs and expectations."

In general, social bonds consist of many aspects, including familiarity, friendship, social support, keep in touch, self-disclosure, or any interpersonal interaction (Price and Arnold, 1999). According to Han (1991), these aspects measure the strength of personal relationship between two parties, buyer and seller. This type of relationship is likely to range from a business relationship to a close social relationship. Social bonds develop

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through subjective social interactions (Wilson, 1995). Zeithaml and Bitner (1996) maintain that these bonds can be derived from both customer-customer and customer-provider interactions. That is, repeated interpersonal interactions foster the development of familiarity toward one's exchange partner, and attraction not only toward the relationship but also toward the partner (Han, 1991). Rao and Perry (2002) propose anothe that social bonds are a dynamic process that can play a focal role in ongoing exchange episodes. They note that multilevel contacts between buyer and seller lead to the strengthening of social bonds through transforming from formal organisational to informal personal interaction. Furthermore, Voss and Voss (1997) viewed these kinds of bonds as dependent on shared values. Liang and Wang (2005) also point out that firms deliver their friendship or gratitude by giving gifts to their customers, which serves to build stable relationships and enhance relationship quality. Given above advantages, social bonds have been included for this thesis.

2.3.3.3 Structural Bonds

In addition to the previous two types of bonds, structural bonds have also been included in this thesis to explore whether their use secures customer loyalty. Previous research have emphasised that customer loyalty usually increases as one moves from financial to social and then to structural bonds (Peltier and Westfall, 2000). Structural bonds have been included in this thesis as important components in secure customer loyalty. According to Smith (1998), structural bonds have been seen as "ties relating to the structure, governance, and institutionalzation of norms in a relationship. The rules, policies, procedures, or agreements that provide formal structure to a relationship; the norms or routines that informally govern interaction; and organizational systems and technologies, such as electronic mail or electronic data interchange, that enable or facilitate interaction can provide psychological, legal, and physical ties that bind parties to a relationship and make it difficult to consider other exchange partners" (p.79). Thus, business may offer integrated services with its partners, or offer innovative services that meet customer needs (Lin et al., 2003). Accordingly, the view of both Smith and Lin et al. are considered for this thesis because they both cover fundamental aspects that hoteliers may use to maintain loyal guests. By implementing these activities, hotels can create advantages for guests that cannot be easily copied or imitated by competitors. For example, Scandic provided WAP-based technologies to its customers, which fosters

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loyalty because regular guests are provided with a WAP- enabled device on which to access reservation and other information (Louvieris et al., 2003).

Structural bonds usually arise when businesses enhance customer relationships by offering solutions to customer problems in the form of service-delivery systems, rather than remaining dependent upon the relationship building skills of individual service providers (Sheth and Parvatiyar, 2000; Lin et al., 2003). Structural bonds also can be generated when the two parties make investments that are not easy to terminate, or when it becomes difficult to terminate the relationship because of the complexity and cost of changing resources (Thrunbull and Wilson, 1989). Structural bonds are considered the highest level of relationship marketing because the fact that companies can consolidate their relationships with customers by adding structural bridges in addition to the financial and social bonds (Berry and Parasuraman, 1991, Berry, 1995). Structural bonds are necessary for organisations such as hotels because they provide value-adding services for customers that are not readily available in another place. Berry and Parasuraman (1991) maintain that such services are not only difficult, but also expensive for customers to provide for themselves. Liang and Wang (2005) also argue that value-adding services help customers to be more efficient and productive. They further maintain that competitors find difficulty to emulate such services due to the hight costs in transformation. Furthermore, Peltier and Westfall (2000) point out that structural bonds build feelings of what they called 'empowerment' and offer some level of psychological control of the buyer-seller relationship.

This section summarised the literature related to the three types of relational bonds, which were included in the proposed theoretical model of this thesis. Relational bonds have been discussed in terms of how they defined in the literature, how they develop within the relationship process, and finally how they are divided to three different types – financial, social and structural. Hence, these three types: of bonds have been modelled and used as foundation constructs in the proposed relationship marketing model (see Section 3.3).

2.4 Relationship Quality

This section discusses relationship quality as a higher-order construct comprising three components or dimensions, trust, satisfaction and commitment. This is followed by discussion of each component, aiming to understand the role of these components within relationship quality.

Relationship quality has long been an area of interest in the relationship marketing literature (i.e., Crosby et al. 1990; Morgan and Hunt 1994; Kumar et al, 1995; Hennig-Thurau et al. 1997; Dorsch et al. 1998; Hennig –Thurau et al. 2002; Kim and Cha, 2002; De Wulf et al., 2003; Roberts et al., 2003; Woo and Ennew, 2004; Wang et al., 2006). This is because relationship quality is deemed to be important relationship marketing sucess (Morgan and Hunt, 1994; Hennig-Thurau, 2000). Thus, relationship quality has been used as one of the relationship outcomes in the proposed model in this thesis.

Relationship quality has been viewed as "an overall assessment of the strength of the relationship and the extent to which it meets the needs and expectations of the parties based on a history of successful encounters or events"(Smith, 1998, p.78). In other words, relationship quality refers to how much the relationship will meet customers' needs, perceptions, goals and desires (Wong and Sohal, 2002). Crosby et al. (1990) developed a model showing that relationship quality is achieved from a customer's perspective through the salesperson's ability to reduce perceived uncertainty. In this model, high relationship quality means that the customer is able to rely on the salesperson's integrity, and has confidence in his/her future performance because the level of past performance was consistently satisfactory. Relationship quality can also be seen from the service provider's perspective. Roberts et al. (2003, p. 190) maintain that "firms should be able to monitor the quality of their consumers' relationship with them, as well as the effectiveness of their relationship programs aimed at building relationship quality, since relationship quality provides a metric for such assessment."

The construct of relationship quality is generally conceptualised as a multi-dimensional construct (Woo and Ennew, 2004). It is considered as a higher-order construct, consisting of several distinct though related dimensions (Dwyer et al., 1987; Crosby et al., 1990; Kumar et al., 1995). Leuthesser (1997, p.246) states that, "in the area of relationship marketing, the primary emphasis of studies to date has been on understanding the factors that influence the relationship quality." In one of the earliest studies of relationship quality, Dwyer et al. (1987) argued that high levels of satisfaction, trust, and minimal opportunism distinguish quality relationships from non-quality relationship. Similar to this, Crosby et al. (1990, p.70) conceptualised relationship quality as "a higher–order construct composed of at least two dimensions, including trust in the salesperson, and satisfaction with the salesperson". From the review of literature, it seems that Crosby et al.'s definition forms the base for discussing the construct of relationship quality. For example, studies by Laglace et al. (1991), Shamdasani and Balakrishan (2000), and Kim and Cha (2002) have all considered relationship quality as a high-order construct comprised of trust and satisfaction. However, Hennig-Thuraru and Klee (1997), Leuthesser (1997), Dorsch et al. (1998), Beloucif et al. (2004), Wang et al. (2005), and Palmatier et al. (2006) added a third dimension of relationship commitment to the earlier two dimensions of relationship quality (trust and satisfaction). Other dimensions of relationship quality have also been proposed in the literature. These include communication (i.e., Anderson and Narus, 1990; Bejou et al., 1996), cooperation (Woo and Ennew, 2004), customer orientation (Palmer and Bejou, 1994; Dorsch et al, 1998), seller expertise (Palmer and Bejou, 1994), seller ethics (Palmer and Bejou, 1994), opportunism (Dwyer et al., 1987; Dorsch et al., 1998), willingness to invest, and expectation to continue (Kumar et al., 1995), and conflict (Dwyer et al., 1987; Kumar et al., 1996; Roberts et al., 2003). Table 2.4 provides an overview of the literature using these dimensions, and showing different definitions of relationship quality within different contexts.

While there is no consensus on the dimensions or components comprising relationship quality construct, there is general agreement that customer satisfaction with the service provider's performance, trust in the service provider, and commitment to the relationship with the service firm are key components of relationship quality (Palmer and Bejou, 1994; Dorsch et al., 1998; Smith, 1998, Hennig-Thurau, 2002; Palmatier et al., 2006; Wang et al. 2006). As pointed out by Garbarino and Johnson (1999), these

three dimensions (or evaluations) can be used to summarize a consumer's knowledge and experience with a particular service provider and lead to subsequent consumer actions. Recently, Palmatier et al. (2006) identified that trust, commitment and satisfaction are the dimensions of relationship quality that most often studied, as relationship quality is a composite measure of relationship strength. To this end, this thesis views relationship quality as a higher order construct that comprises the three dimensions trust, satisfaction and commitment; reasons each of these dimensions are incorporated in this thesis are discussed next. In accordance with Smith (1998) and De Wulf et al. (2001), the proposed model treats these dimensions as interrelated rather than separate variables because it is hard for the customers to make fine distinctions between these three conceptually distinct dimensions (DeWulf et al., 2001). As these three dimensions form the basis for in depth understanding of relationship quality in this thesis, they are discussed separately below.

Table 2.5: Review of Literature on Dimensions of Relationship Quality

Authors	Dimensions	Definition	Context
Dwyer et al. (1987)	Satisfaction, trust, and minimal opportunism	Relationship quality is reflected in satisfaction with and trust of one's exchange partner, and minimal opportunism	Buyer-seller relationships in channels
Crosby et al. (1990)	Trust, satisfaction	High relationship quality means that the customer is able to rely on the salesperson's integrity, and has confidence in the sales person's future performance because the level of past performance was consistently satisfactory	Life insurance
Palmer and Bejou (1994)	Satisfaction, trustworthiness, seller's customer orientation, selling orientation, sellers' expertise, sellers' ethics	None	Service relationships within the investment services sector
Bejou et al. (1996)	Ethics, salesperson's expertise, relationship duration, selling orientation, and customer orientation	None	Financial services consumers
Kumar et al. (1995)	Conflict, trust, commitment, willingness to invest in the relationship, and expectation of continuity	Relationship quality encompasses conflict, trust, commitment, willingness to invest in the relationship, and expectation of continuity	Buyer-seller relationships in business-to-business market
Hennig-Thurau and Klee (1997)	Product-or service-related quality perception, trust, and commitment	Relationship quality can be seen generally as the degree of appropriateness of a relationship in fulfilling the needs of the customer associated with the relationship	Buyer-seller relationships (General approach)
Dorsch et al. (1998)	Trust, satisfaction, commitment, minimal opportunism, customer orientation, and ethical profile	Relationship quality is considered as a higher-order construct that encompasses trust, satisfaction, commitment, minimal opportunism, customer orientation, and ethical profile	Buyer-vendor relationships

(Continued)

Table2.5 (Continue)

Smith (1998)	Trust, satisfaction and commitment	Relationship quality is a general assessment of relationship strength and the extent to which a relationship meets the needs and expectation of the parties involved based on a history of successful or unsuccessful encounters or events	Industrial purchasing
Shamdasani and Balakrishan (2000)	Trust and satisfaction	Relationship quality is the degree of trust in and satisfaction with all possible customer-service firm interfaces including interactions with contact personnel, the physical environment, and the customer environment	Service encounter and customer
De Wulf et al. (2001)	Satisfaction, trust and commitment	Relationship quality is considered as an overall assessment of the strength of a relationship	Retailer-consumer relationships
Kim and Cha (2002)	Trust and satisfaction	Relationship quality refers to customer perceptions and evaluations of individual service employees' communication and behaviour, such as respect, courtesy, warmth, empathy, and helpfulness	Hotel employees and customers
Roberts et al. (2003)	Trust in integrity, trust in benevolence, commitment, affective conflict, and satisfaction	None	Service firms and their customers
Beloucif et al. (2004)	Trust, satisfaction and commitment	None	Brokers and clients in insurance industry
Woo and Ennew (2004)	Cooperation, adoption, and atmosphere	Relationship quality is an overall evaluation of the relationship between buyer and seller, and focuses on identifying the construct	Business-to-business market
Lin and Ding (2005)	Trust and satisfaction	Relationship quality is a general assessment of relationship strength and the extent to which a relationship meets the needs and expectations of the parties involved, based on a history of successful or unsuccessful encounters or events	IT experience of relationships in ISP service

Trust

Trust is the first dimension used to measure relationship quality in this thesis. The concept of trust has been widely discussed in the literature of buyer-seller long-term relationships (see Dwyer et al., 1987; Anderson and Narus, 1990; Crosby et al., 1990; Berry and Parasuraman, 1991; Moorman et al., 1992; Morgan and Hunt, 1994; Berry, 1995; Bowen and Shoemaker, 1998; Garbarino and Jhonson, 1999; Hennig- Thurau, 2002; Wong and Sohal, 2002; Lin et al., 2003; Eastlicka et al., 2006). Authors in general agree that trust is one of the most important components framing the relationship between buyers and sellers. For instance, Garbarino and Johnson (1999) suggested that when a customer trusts an organization, he/she has the confidence in the quality and reliability of the service offered. Chow and Holden (1997) argue that the more trusting a relationship, the higher the value a customer places on the relationship; in response, the customer is more likely to maintain a trusting relationship than risk uncertainty in the building of new exchange processes. That is, uncertainty implies a potential for service failures and thus negative outcomes (Crosby et al., 1990). Furthermore, trust is seen as having a positive impact on the stability of buyer-vendor relationships (Anderson and Weitz, 1989). Hence, the choice of trust in this thesis is consistent with those who believe that it should be treated as a basic block (Wong and Sohal, 2002), a necessary ingredient for successful long-term relationships (Morgan and Hunt, 1994; Berry, 1995; Hennig-Thurau, 2002; Lin et al., 2003), central to all relational exchange (Morgan and Hunt, 1994), and a core element for development of high-level relationships, especially during the initial period (Wang et al., 2006).

In their definitions of trust, relationship marketing authors draw from classic views proposed in the social exchange domain, such as Blau (1967), Rotter (1967), and Fox (1974). For example, an early study of Schurr and Ozanne (1985) defined trust as "the belief that a party's word or promise is reliable and a party will fulfil his/her obligations in an exchange relationship" (p.940). Dwyer et al. (1987) defined trust in terms of a party's expectation that another party desires coordination and will put its weight into relationship. From a perceived outcomes perspective, Anderson and Narus (1990, p.45) defined trust as "the firm's belief that another company will perform actions that will result in positive outcomes for the firm as well as not take an unexpected action that result in negative outcomes."

Other authors went further and viewed trust in terms of willingness to maintain a relationship. For example, Moorman et al. (1992) viewed trust as a kind of willingness to rely on an exchange partner in whom one has confidence. They argue that if one believes that a partner is trustworthy without having the willingness to rely on that partner, then trust is limited. They draw upon two approaches proposed in the literature: (1) trust as a belief, sentiment, or expectation about an exchange partner's trustworthiness that results from the partner's expertise, reliability, or internationality; and (2) behavioural intention reflects reliance on a partner and involves vulnerability. In other words, trustworthiness refers to confidence in the partner, and trusting behaviour relates to willingness to engage in risk-taking reflecting a reliance on that partner (Smith and Barclay, 1997). In similar fashion, more recent research by Johnson and Grayson (2005) described trust as both cognitive and affective. They consider cognitive trust as a customer's willingness to rely on a service provider's competence and reliability, with affective trust as the perception of that a partner's actions are intrinsically well motivated. Parallel to Moorman et al., Morgan and Hunt (1994) explained trust in terms of confidence and reliability. They conceptualised that trust "exists when one party has confidence in an exchange partner's reliability and integrity" (p.23). However, their definition does not include the behavioural intention of "willingness" that is employed in Moorman et al.'s view. This is because Morgan and Hunt believe that willingness to act is implicitly considered in their definition. That is, one could not describe a trading partner as "trustworthy" if one were not willing to take actions.

Although the above studies have provided an important contribution to defining trust, it has been found that the approach of Ganesan (1994), Kumar et al., (1995), and Doney and Cannon (1997) is more appropriate for shaping trust in this thesis. This is because these authors view trust as a two-dimensional construct that includes perceived credibility and benevolence of the trust target. In their definitions, the first dimension of trust, credibility, focuses on the extent to which the customer believes that firms' word can be relied on, that they are sincere, and that they will perform their role effectively and reliably. The second dimension of trust, benevolence, focuses on customers' perception of the extent to which a firm is concerned about their welfare. In this context, Doney and Cannon (1997) maintained that repeated

interactions between customers and service providers can help customers to assess the service firm's credibility and benevolence. This view has also been incorporated in recent works similar to this thesis. For example, Lin et al. (2003) examined how much the implementation of relational bonds − financial, social and structural− enhance customer trust as measured by credibility and benevolence in the financial service business context. Roberts et al. (2003) also use credibility and benevolence to measure trust as a dimension to assess the quality of relationship between service firms and their customers. Consistent with Roberts et al 's (2003) view, this thesis assumes that a two-dimensional definition of trust (credibility and benevolence) is also important for use in the hospitality context.

Satisfaction

Customer satisfaction is one of the most important components in a customer's decision to keep or switch a product or service provider (Lemon et al., 2002). Satisfaction is the second dimension used to measure relationship quality in this thesis. The choice of satisfaction is consistent with previous research in relationship marketing that has found satisfaction to be a key determinant of the relationship between customer and service provider (Hennig-Thurau and Klee, 1997; Smith and Barklay 1997; Rosen and Surprenant, 1998; Shamdasani and Balakrishan, 2000; Hennig-Thurau et al., 2002; Kim and Cha, 2002; Roberts et al., 2003; Hsieh and Hiang, 2004, Leverin and Liljander, 2006). In relationship marketing, authors have generally drawn on the service marketing literature to develop their notion of satisfaction. Thus, this section reviews satisfaction within service literature to provide the basis for discussing it from a relationship marketing perspective.

In reviewing the service literature, customer satisfaction has been generally viewed within the expectation-disconfirmation theory or paradigm describing the process in which customers evaluate satisfaction (Oliver, 1980; Oliver, 1981; Churchill and Surprenant, 1982; Swan, 1983; Tse and Wilson, 1988; Westbrook and Oliver, 1991; Wirtz and Bateson, 1999). In this traditional view, satisfaction is treated as the outcome of a comparison process between expectation and perceived performance. This comparison leads to one of two outcomes: customer satisfaction (CS,) in which perceived performance was at least same or higher than expectation, and customer dissatisfaction (CD), in which perceived performance is less than customer

expectation. The first outcome can be considered as a positive confirmation, while the second outcome as a negative disconfirmation. Satisfaction in this case refers to the degree to which the performance meets customers' expectation (Wilson 1995; Parsons, 2002). Selnes (1998) argues that the expectation-disconfirmation theory does not distinguish between different types of expectations, and thus makes no distinction between the expectation towards the core product and expectation towards the supplier. This argument may have led Payne and Holt (2001) to argue that there are other aspects that customers use to evaluate their relationship satisfaction, such as values (i.e., benefits received) rather than expectation. This also has been suggested by Rosen and Surprenant (1998), who noticed that perceived values provide better predictors of satisfaction because values are more enduring than pre-purchase expectation.

In an attempt to further explore customer satisfaction as a concept, service marketing researchers have preferred to make a distinction between satisfaction and related constructs. For example, Bitner (1990) argues that satisfaction is not the same as a customer's general attitude towards the service. That is, satisfaction assessment relates to individual transactions, and satisfaction as an attitude is more general. Liljander and Strandvik (1994), Parasuraman et al. (1994), and Shemwell et al. (1998) also distinguished between service quality and satisfaction. For example, according to Liljander and Strandvik (1994), perceived service quality can be viewed as an outsider perspective, a cognitive judgment of a service; satisfaction, on the other hand, refers to an insider perspective (the customer's own experiences of a service, where the outcomes have been evaluated in terms of what value was received). Here, the customer's own experience of a service, in which the outcome has been evaluated, is based on what values (i.e., benefits) that have been received. More recently, Zeithmal and Bitner (2003) have argued that satisfaction is generally viewed as a broader concept, and service quality is a component of satisfaction. However, despite satisfaction being conceptualised differently in the service marketing literature, Fornell's (1992) conclusion that satisfaction is a post-purchase assessment leading to an overall feeling about specific transaction provides a useful summary for the term.

In reviewing the relationship marketing literature (the focus of this thesis), Crosby et al. (1990) conceptualised satisfaction as an emotional state that occurs in response to an evaluation of interaction experiences. Similar to this view, Anderson and Narus

(1990, p.45), in business-to-business context, defined satisfaction as "a positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm.". This view has also been incorporated in subsequent research in business-to-consumer market (see De Wulf et al. 2001, De Wulf et al., 2003; Liang and Wang, 2005; Palmatier et al., 2006). Anderson and Narus (1990) maintained that satisfaction, by its nature, is not only a close proxy for the concept perceived effectiveness, but also predictive of future actions by partners. Therefore, they viewed satisfaction as leading to the long–term continuation of relationships. In contrast, Liljander and Strandvik (1994) suggested that cognition is also part of the evaluation when defining satisfaction as "customer's cognitive and affective evaluation based on their personal experience across all service episodes within the relationship" (p.25). Their definition was used by Roberts et al. (2003), who investigated the role of satisfaction as a measure of relationship quality. In their definition, however, they included that the cognition aspect to evaluate satisfaction was not only important to model relationship quality, but also for the determination of service quality.

Because satisfaction in this thesis is one measure of relationship quality, it is reasonable to discuss it accordingly. That is, this thesis does not treat satisfaction as a separate construct in the proposed theoretical model (see Figure 3.1). In a review of similar literature discussing the role of satisfaction as a measure of relationship quality, satisfaction has been defined as an affective state without the cognitive aspect. This may be because the affective-based component of satisfaction is more important than the cognitive component (Mano and Oliver, 1993), especially when satisfaction is evaluated in terms of ongoing relationships exchange between partners (Shemwell et al., 1998). Support for using the affective state definition of satisfaction can be found in the work of Sanzo et al. (2003), who focused on satisfaction as an outcome of a buyer-seller orientation. They argue that the definition includes an evaluation of the economical and non-economical aspects of such relationships. First, they consider economic-based satisfaction as having a positive affective response in which one of the participants looks for rewards. This type of satisfaction refers to the effectiveness and productivity of the relationship, and to the obtained financial results. Second, they regard non-economic-based satisfaction as having a positive affective response towards the relationship's psychological aspects, with satisfied participants

enjoying working with partners, who are concerned with their welfare. This provides participants with the motivation to share information with their partners. Here it can be seen that aspects of both economic and non-economic relationships are similar to financial and social bonds used in this thesis (see Section 2.3.3). Within this context, Liang and Wang (2005) argue that different kinds and degrees of relational bonds may result in different degrees of customer satisfaction. In other words, customer satisfaction varies according to the quality of interpersonal interaction between the customer and service provider (Shamdasani and Balakrishan, 2000).

The above definition of affective state has also been used in a large number of studies, including Smith and Barclay (1997), De Wulf et al. (2001), De Wulf et al. (2003), Liang and Wang (2005), and Palmatier et al. (2006). In the same vein, these authors argue that satisfaction is a cumulative effect within the course of a relationship, rather than a satisfaction specified with each transaction. According to Anderson and Narus (1990), the benefit of long-term cumulative customer satisfaction "is what motivates firms to invest in customer satisfaction" (p.54). Therefore, given the intention in this thesis is to evaluate satisfaction as a measure of relationship quality based on the relationship experience that the customers have with their hotelier, this definition is appropriate.

In sum, although satisfaction has been discussed in a variety of ways, Leverin and Liljander (2006) maintain that customer satisfaction could be understood better within the transactional exchange (i.e., each transaction is evaluated separately) or relational exchange. This is because the role of satisfaction in the context of relationship marketing differs from customer satisfaction in an overall exchange (Palmatier et al., 2006). Based on this view, this thesis investigates the role of satisfaction in the context of relationship marketing only. That is, loyal customers in this thesis evaluate their satisfaction based on the relationship experience with hoteliers, not satisfaction as a specific service encounter.

Commitment
Commitment is the third dimension used to measure relationship quality within this thesis. A number of views have been put forward in the literature about the significance of commitment in long-term relationships. For instance, Berry and

Parasuraman (1991, p.139) maintained that "relationships are built on the foundation of mutual commitment," and according to Morgan and Hunt (1994) commitment is regarded as an essential component for successful long-term relationships. Furthermore, it has been considered to be an important outcome of good relational interaction (Dwyer et al., 1987) and an important variable in discriminating between "stayers and leavers" (Mummalaneni, 1987). Bennet (1996) argued that the strength of customers' commitment to a firm depends on their perceptions of the firm's efforts. Because commitment is a critical variable in measuring the future of the relationship between buyer and seller, most authors in relationship marketing regard it as an important dimension of relationship quality (see Dorsch, 1998; Smith, 1998; De Wulf et al., 2001; Hennig-Thurau et al., 2002; Parsons, 2002; De Wulf et al., 2003; Roberts et al., 2003; Bansal, 2004; Palmatier, 2006; Wang et al., 2006). In this context, Roberts et al. (2003, p.178) maintain that, "customer's commitment to a service organisation is an important indicator of the health of a relationship, and thus should be included as a dimension of relationship quality." Therefore, the choice of commitment as a measure of relationship quality in this thesis is consistent with these studies. To provide a deep understanding to commitment used in this thesis, this section reviews how this concept is broadly viewed in marketing literature, prior to reviewing it in literature related to relationship marketing (the focus of this thesis).

Commitment has been viewed in different ways. Authors in marketing have borrowed their conceptualisation of commitment from two disciplines: social exchange (i.e., Kanter, 1968; Cook and Emerson, 1978), and organizational behaviour (i.e., Becker, 1960; Mowday et al., 1979; O'Reilly and Chatman, 1986; Allen and Meyer, 1990; Mathieu and Zajac, 1990; Meyer and Allen, 1991). From organisational behaviour perspective, Porter et al. (1974, p.604) define organizational commitment as "the strength of an individual's identification with the involvement in a particular organization." This definition includes an assessment of motivation, intent to remain with the organization, and the employees' identification with the values of the organization (Han, 1991). In their comprehensive review of organizational commitment literature, Meyer and Herscovitch (2001) found that a large body of research supports the three-component model of organizational commitment proposed by Allen and Meyer (1990). In Meyer and Herscovitch's study, commitment is conceptualised as: *affective* (a desire-based attachment to organization), *continuance*

(cost-based attachment of leaving an organization), and *normative* (obligations-based attachment to stay with an organisation). Roberts et al. (2003) maintain that these types of commitment work through different psychological mechanisms. They state that, "employees with strong affective commitment stay with the organization because they want to, employees with strong continuance commitment stay because they feel they have to, and those with strong normative commitment stay because they feel they ought to" (p.179).

The three-component model of Allen and Meyer (1990) has also been integrated in marketing. However, with the exception of Bansal et al. (2004) and Gruen et al. (2000), marketing authors have generally considered only two components of commitment as being important: affective and continuance (Harrison-Wallker, 2001; Gilliand and Bello, 2002; Fullerton, 2003; Fullerton, 2005a, 2005b). Fullerton (2005a, p.99) provides two reasons to justify omitting of the normative component in marketing literature: (1) "the effect of normative commitment has been almost always in the same direction and weaker than the effect of affective commitment when these constructs have been examined in organisational behaviour literature," and (2) "normative commitment is usually highly correlated with affective commitment and some researchers in organizational behaviour have questioned the extent to which it is a distinct construct." He also supports the fact that normative commitment is highly correlated with affective commitment.

In reviewing relevant literature on relationship marketing, it has been found that the majority of researchers have not explicitly applied the three-component model of commitment proposed by Allen and Meyer (1990) to investigate relationship commitment. Their definition of commitment, however, is implicitly related to these components. According to Fullerton (2005b), definitions of commitment within relationship marketing mirror those in the organizational behavioural setting where commitment has been conceptualised within the three-component framework. This is particularly so when taking into account that affective commitment and normative commitment are the same due to the components being highly correlated (as mentioned above). For instance, definitions of Dwyer et al. (1987), Gundlach et al. (1995), and Bendapudi and Berry (1997) seem to reflect the component of continuance commitment. That is, the application of continuance commitment is

rooted in switching costs, lack of choice and dependence (Fullerton, 2005b), and benefits (Bendapudi and Berry, 1997). From continuance perspective, commitment is fuelled by the ongoing benefits accruing to each partner. Dwyer et al. (1987) defined commitment as "an implicit or explicit pledge of relational continuity between exchange partners" (p.19). Dwyer et al. also proposed the model of relationship development process, in which they suggested three measurable criteria of commitment: input, durability, and consistency. The first criterion refers to the parties who provide high levels of input to the association. The second refers to the idea that durability is necessary for commitment to be maintained. The third refers to the consistency with which the inputs are made.

However, relationship marketing authors in general opertionalise commitment as affective commitment (Fullerton, 2005a). This type of commitment has generally been treated as an attitudinal construct (Gundlach et al., 1995; Bansal et al., 2004; Fullerton, 2003). In addressing the significance of this component, Roberts et al. (2003) acknowledged that of the various kinds of commitment, only affective commitment influences the degree to which a consumer wants to maintain a relationship with the firm. Additional support for affective commitment has been proposed by Fullerton (2005a), who suggests that customers overall should be viewed as being affectively committed to a service provider when they like their service provider, regardless of the type of service that is being consumed. Affective commitment exists where an individual consumer identifies with, and is also attached to their relational partner (Gruen et al. 2000, Fulletron, 2003). Furthermore, commitment represents customers' feelings about the act of maintaining a relationship with a commercial partner, which is rooted in shared values, identification and attachment (Gundlach et al., 1995; Fullerton, 2005a). Such claims provide insight for this thesis to also see commitment from an affective perspective.

From an affective commitment point of view, a number of definitions have been proposed in the literature. For instance, Moorman et al. (1992, p.316) defined commitment as "an enduring desire to maintain a valued relationship". This view not only focuses on relational continuity, as proposed in Dwyer et al. (1987), but also on the value of a relationship and enduring desire to maintain the relationship. In this sense, Wong and Sohal (2002) point out that the term 'valued relationship' enhanced

the belief that commitment exists only when the relationship is considered important. This view is consistent with Morgan and Hunt's (1994) work, where they modelled both commitment and trust as a key mediating variable in context of a business-to-business market. Morgan and Hunt acknowledged that 'valued relationship' is similar to their belief that commitment exists only when a relationship is considered important. That is, there is an enduring desire for a committed partner wanting the relationship to endure, and therefore there is more willingness to work to maintain it. They defined commitment as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it" (1994, p.23).

In reviewing related literature on commitment, it has been found that many recent studies, particularly those in the business-to-customer market, have largely been inspired by the views of Moorman et al. (1992), and Morgan and Hunt (1994). That is, De Wulf et al. (2001), Parsons (2002), De Wulf et al. (2003), Roberts et al. (2003), Liang (2005), Palmatier et al. (2006), and Wang et al. (2006) all have investigated empirically affective commitment as a component of relationship quality. For example, De Wulf et al. (2001) emphasise that Morgan and Hunt's definition includes the presence and consistency over time of desire to not only continue a relationship, but also the willingness to make efforts directed towards sustaining this relationship. These aspects have also been considered in hospitality settings. Bowen and Shoemaker (1998) provide an example of how hotels are willing to make short-term sacrifices to realise long-term benefits. According to them, "a hotel would make the short-term sacrifices of holding a block of rooms at a reduced corporate rate for the long-term benefit of working with a regular customer, even though those rooms might be sold at a higher rate if the block were released" (p.15). In agreement with those measured commitment as a dimension of relationship quality, it is believd that Moorman's et al. (1992) and Morgan and Hunt's (1994) definitions are adequate to be used in this thesis.

In reviewing the literature related to commitment, it has been found that marketers have developed their definitions based on the three components model - continuance, normative and affective - proposed by Allen and Meyer (1990). Most marketing authors, particularly those in relationship marketing found that commitment is better

seen as affective, as it works more effectively in long-terms relationships. It also has been found that Moorman et al. (1992) and Morgan and Hunt's (1994) definitions dominated the discussion on commitment in relationship marketing literature. That is, most subsequent studies, particularly those treating commitment as a dimension of relationship quality, have adopted these definitions. In agreement, these two definitions have been found adequate for this thesis.

2.5 Emotions

An emotions construct has been included in the proposed theoretical model for the following two reasons. First, although emotions have previously been considered as an important component in relationship marketing, further empirical investigation into their effect within this context is needed (Barnes, 1997; Ruth et al., 2004; Anderson and Kumar, 2006; Bagozzi, 2006). Second, the importance of investigating the role of emotions has not only been emphasised within the long-term relationships literature, but has also been strongly suggested within the hospitality literature as an issue needing more exploration (Barsky and Nash, 2002; Pullman and Gross, 2004).

To understand the nature of emotions as used in this thesis, this section is structured as follows. First, it provides an overview of literature on the nature of emotions. It then discusses the ways that emotions are opertionalised in the marketing literature. This is followed with a review of the literature that discusses customer emotions in relationship marketing (the focus of this thesis).

2.5.1 The Nature of Emotions

The related constructs of emotions, affect, mood and attitude are often confused (Krampf et al., 2003; Burns and Neisner, 2006); for the purposes of this thesis, it is first necessary to distinguish between them. The affect construct has been seen as the umbrella for describing the general feeling state (Bagozzi et al., 1999, Krampf et al., 2003; Burns and Neisner, 2006). In this context, some authors have viewed emotions, mood, and attitude as facets of affect (i.e., Bagozzi et al., 1999).

On the other hand, some authors make a fine distinction between mood and emotions (i.e., Krampf et al., 2003). Such authors regard emotions as a more intense stimulus than mood, and generally associated with action tendencies. In addition, Frijda (1993), and Clore et al. (2001) regard emotions as typically intentional (based on specific objects), while moods are generally non-intentional (global or diffused). Furthermore, drawing from previous works, Burns and Neisner (2006) also have concluded that moods are not generally associated with behavioural motivations and are not as action-oriented as emotions. This is because moods are aroused without conscious awareness and without awareness of cause. Other authors also suggest a distinction between emotions and attitude. For example, Holbrook (1986) states that emotions are differ from attitude, where the former represent a richer and more diverse domain of phenomenological experience. Krampf et al. (2003) noted that attitudes can be stored for a long time and thus retrieved, while this is not the case for emotions experience. Although it has been necessary to understand the distinctions between affective, mood, attitude and emotions to avoid confusion, the next discussion will be limited to emotions.

In defining emotions, Krampf et al. (2003) and Burns (2006) refer to the origin of understanding emotions in the earlier nineteenth century work of James (1890), who considered them as being multifaceted, involving different patterns of arousal. Similarly, Schachter and Singer (1962) described emotions as a general state of arousal, which is understood through a cognitive appraisal process. Later, Westbrook and Oliver (1991) defined emotions as a response elicited during product usage or consumption experience, belonging to the different categories of emotional experience and expressions. Looking from a broader definition, Bagozzi et al. (1999, p. 184) described emotions as being "a mental state of readiness that arises from cognitive appraisals of an events or thoughts; has a phenomenological tone; is accompanied by physiological processes; is often expressed physically; and may result in specific actions to affirm or cope with the emotion, depending on its nature and the person having it." This definition has been considered most appropriate for this thesis because it is consistent with the research findings that one's positive emotions are linked to one's decision to stay with a particular service provider, and one's negative emotions are linked to one's decision to discontinue involvement (Wong, 2004).

2.5.2 Emotions in Marketing

Within the discrete or categorical approach to emotional experience, several taxonomic schemes have been proposed in marketing literature. Table 2.6 provides an overview to these schemes. Marketers first began to investigate emotions based on the traditional scales proposed in psychology by Izard (1977), and Plutchik (1980), which have been widely used in marketing research (i.e., Westbrook and Oliver, 1991). Izard (1972) proposed ten basic measures of positive and negative emotions − the Differential Emotion Scale (DES-I) − while Plutchick proposed a smaller framework that included eight primary emotions. The ten basic emotions of Izard's taxonomy scale have been developed to include 30 descriptors considered as Izard's DES-II (Izard, 1977), in which three words measure each of the ten basic emotions. In addition to Izard and Plutchicks' categories, Mehrabian and Russell (1974) developed a PAD scale (pleasure-arousal-dominance) to gauge emotional experience as response to environmental stimuli, such as architectural. This scale includes eighteen emotions words measured on a semantic differential scale.

Consequently, these sets or scales of emotions have become popular in subsequent marketing research, particularly in consumer behaviour research (i.e., Westbrook and Oliver, 1991, Richins, 1997). For instance, Westbrook and Oliver (1991) adopted Izard's scale to explore the relationship between consumption emotions and satisfaction, and to represent the patterns of emotional response to product experiences. Other authors have made contributions to the emotions literature by making comparisons between these various scales. For example, Havlena and Holbrook (1986) compared the PAD and Plutchik emotions frameworks in the consumption context and found that PAD scale captured more information about the emotional character of consumption experiences than the eight basic categories proposed by Plutchik. However, Machleit and Eroglu (2000) more recently compared the three-abovementioned emotions scales of Izard, Plutchik, and Mehrabian and Rusell (PAD) and noted that the Izard and Plutchik measures work considerably better than the PAD measures, as they include more information about the emotional response.

Table 2.6: Review of Emotions Scales Used in Marketing Literature

Authors	Context	Scales
Mehrabian and Russell (1974)	Psychology	PAD scale (pleasure-arousal-dominance)
		Pleasure: happy- unhappy, pleased satisfied, contented, hopeful, relaxed
		Arousal: stimulate, excited, frenzied, Jittery, wide a wake, and aroused
		Dominance: controlling, influential, in control, important, dominant, autonomous
Izard (1977)	Psychology	Positive: Interest, and joy
		Negative: fear, anger, sadness, disgust and surprise
Plutchik (1980)	Psychology	Positive: joy, expectancy, acceptance, and surprise
		Negative: fear, anger, sadness and disgust,
Richins (1997)	Consumption experience	Positive and negative emotions called Consumption Emotions Set (CES), including thirteen sets (anger, discontent, worry, sadness, fear, shame, envy, loneliness, romantic love, love, peacefulness, contentment, optimism), and 47 descriptors
Barsky and Nash (2002)	Hotels	Sixteen positive emotions (comfortable, welcome, content, practical, secure, important, entertained, extravagant, relaxed, elegant, pampered, hip/cool, excited, inspired, sophisticated, respected)

Although the Mehrabian and Russell (1974), Izard (1977), and Plutchik's (1980) taxonomies have been widely used by marketing scholars, more recently they also have been criticized. Richins's (1997) analytical review of these emotions scales, for instance, argues that the mechanism of measuring basic emotions proposed by Izard and Plutchik have not been well explained. Similarly, Mano and Oliver (1993) also note that negative emotions are dominant in Izard's scale, and thus a wider category of emotions is needed. Richins (1997) also found that the PAD scale developed by Mehrabian and Russell (1974) is useful for measuring the dimension underlying emotions states, but not for investigating specific emotions being experienced. Richins therefore suggested a Consumption Emotions Set (CES), including thirteen sets of emotions and 47 emotions' descriptors.

In marketing, emotions have been investigated within specific contexts. According to Richins (1997, p.129), emotions arising in the context of intimate interpersonal relationship are likely to differ in intensity and quality from emotions experienced when buying a pair of shoes. Bearing this in mind, it is suggested that emotions are specific to a product (i.e., Holbrook et al., 1984), service (i.e., Price et al., 1995), consumption experience (i.e., Richins, 1997), advertisement (i.e., Batra and Holbrook, 1990), or the relationship between buyer and seller (i.e., Barnes, 1997, Ruth et al, 2004). One the other hand, some authors have sought to study the effectiveness of specific emotion words in influencing customers' experience. For instance, Rust and Oliver (2000) concluded that 'delight' is one of a set of extreme positive emotions that could include exhilaration and excitement. Similarly, Oliver et al. (1997) found that 'delight' is an important result of a high level of surprisingly positive disconfirmation and has an influence on the consumer's willingness to reengage the consumable.

While emotions have been investigated in a range of contexts, a major focus has been distinguish between positive and negative emotions. Although some authors have posited that emotions are a unidimensional construct by including only on dimension, either negative or positive, the majority of authors have found it necessary to investigate emotions as a bipolar construct. In the hospitality context, for instance, Barsky and Nash (2002) proposed only positive emotions (sixteen) should be used to measure customer feelings in five star hotels. Of these emotions, they found that some interactions with hoteliers (i.e., service staff) significantly affected on the positive experience of loyal customers. However, it has been more common to reduce emotions into hierarchal groupings of both positive and negative emotions (Shaver et al., 1987). This has been supported recently by Yu and Dean (2001), who noted that dichotomous positive and negative emotions are often used to measure customer response. That is, actors experience positive emotions when they are able to attain their desired objectives and they experienced negative emotions when they are unable to achieve their desired objectives (Anderson and Kumar, 2006). As such, customer emotions in this thesis are considered as a two-dimensional construct comprising both positive and negative components. This is supported by Babin et al. (1998), who

proposed the following example to illustrate that both positive and negative emotions can be experienced during interactions with a service provider.

> A customer enters a pleasant restaurant environment and enjoys the ambiance while awaiting services, but rather than getting prompt service, the customer waits over 30 minutes before receiving his/her meal. The house wine is surprisingly pleasing, but the salad has the wrong dressing and the steak is over-cooked. A request for water brings another extraordinary wait, as does a demand for the check. On leaving the customer complains to a floor manager. The floor manager apologizes and offers the customer a free dessert. The offer of a free dessert is a vain attempt at having the customer leave happy (p.271).

This example shows the potential for any customer to have both desirable and undesirable emotional experiences at the same time, which could also be the case in this thesis.

2.5.3 Emotions in Relationship Marketing

Several authors have argued that customers' emotional experience is an important component in the course of relationship marketing (Barnes 1997; Liljander and Strandvik, 1997; Pullman and Gross, 2004; Ruth et al., 2004; Wong, 2004; Anderson and Kumar, 2006; Bagozzi, 2006). Researchers in relationship marketing have used different scales to investigate the role of emotions (see Table 2.7). For example, in his attempt to assess the closeness of relationships, Barnes (1997) acknowledged that these cannot exist without emotional content, and adopted ten different emotions (five positive and five negative) to focus on the concept of emotional tone (which is the difference between total positive and total negative emotions; i.e. it is positive if positive emotions are stronger than negative emotions). By asking respondents to indicate the frequency with which they experience particular emotions in their interaction with the particular provider, their results provide strong support for the fact that the emotional tone of the relationship is the best predictor of the closeness of that relationship. Within the hospitality context, Pullman and Gross (2004) investigate the importance of only positive emotions as an outcome of relational context by including fifteen words on positive emotions. Relational context in their study refers to two types of interaction: (1) between the guest and service provider, and (2) between the guest and other guests. Their findings suggest that if the service provider keeps a

long-relationship with customers, an emotional response affecting future interactions can occur. Within other services contexts, Liljandar and Strandvik (1997) employed seven emotions (three positive and four negative) and argue that emotions can be studied at two levels: episode [2] and relationship. In their study, relationship consists of several episodes, whereas post-purchase reactions serve as input into the next repurchase stage. They reminded us that emotions might be present in all interactions between the customer and service provider. As a result, past experiences may affect perceived emotions either positively or negatively. More recent studies propose similar views; for example, Ruth et al. (2004) maintain that when positive or negative emotions are experienced, the overall preconceptions of the recipients to their relationship are also positive or negative. They used five basic emotions and five subordinate emotions (both positive and negative). Their scale focus on systematic correspondence with recipients, to find their views of relationship outcomes, in an attempt to examine the multiple emotions experienced in gift-receipt context. Their study included basic emotions and other descriptors representing these basic emotions. By using four positive emotions and four negative emotions, Wong (2004) proposes that if customers present positive emotions during interactions with service providers, then it is expected that they will also present positive perceptions of overall relationship quality. All above views seem consistent with the idea discussed by Edwardson (1998) that different emotions may arise in a consumer context in response to events that are important to the individual's goals, motives, and concerns.

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[2] " … episode-dominated conceptualisation can be enlarged in a relationship perspective. A relationship consists of several episodes in which the post-purchase reactions serves as input into the next repurchase phase" (Liljander and Strandvik, 1997, p.154)

Table 2.7: Review of Emotions Scales using Relevant Literature on Relationship Marketing

Authors	Number and/or source of emotions	Context	Emotion Types
Barnes (1997)	Five positive and five negative emotions result in the emotional tones taken from Berscheid et al. (1989)	Financial services	Positive: relaxed, welcome, pleased, pleasantly surprised, and comfortable. Negative: angry, frustrated, disappointed, letdown, and ignored
Liljander and Strandvik (1997)	Three positive and four negative	Service	Positive: happy, hopeful, positively surprised Negative: angry depressed, guilty, and humiliated
Pullman and Gross (2004)	Fifteen positive emotions. Basic emotions (pleasure-arousal), and VIP emotions based on Barsky and Nash (2002)	Hospitality industry	Inspired, excited, satisfied, happy, relaxed, comfortable, pampered, hip or cool, sophisticated, important, privileged, entertained, amused, curios, and part of the troupe
Ruth et al. (2004)	Six basic emotions and five subordinate members of these, based on Shaver et al. (1987)	Gift-receipt context	Basic emotions (love, joy, fear, anger, sadness); and subordinate category (gratitude, pride, guilt, uneasiness and embarrassment)
Wong (2004)	Four positive and four negative categories of emotional satisfaction based on Reynold and Beatty (1999)	Retail context	Positive: pleased, happy, contented, enjoyable Negative: displeased, unhappy, disgusted, and frustrating

Although the emotions construct is an important variable in the development of customer relationships, yet it has been found that there is no agreement on which emotions should be studied or how emotions should be measured. This is because a number of authors have used different scales and ways to measure emotions. Therefore, this thesis attempts to employ multiple emotions that measure the positive and negative affects that loyal Arab customers at five-star hotels may experience, taking into account the specific domain of relationship marketing. The purpose here is not to distinguish between emotions, but to see whether emotions (combining positive and negative emotions) are experienced by customers, based on their relationship with the service provider. In agreement with Barnes (1997), positive and negative emotions are combined in this thesis to form a measure of emotional tone, referring to the balance between total positive and total negative emotions (i.e., it is more positive if positive emotions are stronger than negative emotions). Following Barnes' approach in measuring emotions, this thesis seeks to examine the emotional experience of customers by employing 23 emotions (13 positive and 10 negative). Consistent with Richins (1997), who found that scholars usually adopt emotions from many possible domains without focusing on a particular one, this thesis employed a range of emotions, reflecting basic emotions widely accepted within the literature (Ruth et al., 2003; Barnes, 1997; Ruth et al., 2004); and in a hospitality context (Barsky and Nash, 2002; Pullman and Gross, 2004).

2.6 Customer Loyalty

As the main objective of relationship marketing is to establish and maintain long-term relationships that translate into customer loyalty (Bowen and Shoemaker; 1998; Kurtz and Clow, 1998; Too et al., 2001), in this thesis customer loyalty has been treated as the final dependent variable. Several authors have suggested that loyalty is a phenomenon related to relationships (i.e., Jacopy and Kyner, 1973; Sheth and Parvatiyar, 1995). Therefore, it is considered as the most important part of relationship marketing (Palmer, 1994); and central to the paradigm of relationship marketing (Hart et al., 1999). The significance of this concept arises from the idea that maintaining a customer is more profitable than winning a new one because: (1) the cost of serving loyal customers is less (2) fewer loyal customers are price sensitive,

and (3) loyal customers spend more with the company (Berry and Parasuraman, 1991; Dowling and Uncle, 1997; Bowen and Shoemaker, 1998; Tepeci, 1998; Noon et al, 2003).

Customer loyalty is also one major driver of success in the hospitality industry (the context of this thesis). Pullman and Gross (2004) acknowledge that loyal customers are the key to success for many services, particularly those in the hospitality setting. Bowen and Shoemaker (1998) also maintain that a small increase in loyal customers can result in a substantial increase in profitability. Further, Kandampully and Suhartano (2000) claim that the significance of customer loyalty is likely to become a necessary prerequisite for the future survival of hotel organizations. Furthermore, Tepeci (1999) found that loyal customers are more profitable for hospitality firms, because they are easier to serve than non-loyal customers. From a customer perspective, Reichheld (1996) maintains that customers are willing to invest their loyalty in businesses that can deliver superior value relative to competitors. Similar to this, Yang and Peterson (2004) also acknowledge that there is a tendency for customers to avoid searching, locating, and evaluating purchase alternatives, which predisposes them to be loyal to one company. That is, when customers become loyal, they tend to avoid such processes that consume the time and effort required to be accustomed to new vendors. For all of the above reasons, this thesis considers that hotels' efforts to maintain relationships using relational bonds should be evaluated through a loyal customer perspective.

Following the above introduction of describing the significance of customer loyalty, this section discusses the conceptualisation of loyalty within the three common approaches used in the loyalty literature, including behavioural, attitudinal, and two-dimensional (comprising behavioural and attitudinal). This discussion is then followed by a review of the relevant literature on relationship marketing to provide a justification for loyalty as defined in this thesis.

2.6.1 Conceptualisation of Customer Loyalty

According to Dick and Basu (1994), customer loyalty can be with a brand, service, store, or vendor. The concept of customer loyalty was initially studied as brand

loyalty in the 1920s, although the terms brand and loyalty were not explicitly incorporated. In 1978, Jacoby and Chestnut reviewed the literature and listed 53 definitions of brand loyalty. Although there are a considerable number of definitions in the expanding body of literature related to customer loyalty, this concept remains a little understood phenomenon. This is possibly because there is no globally agreed definition or appropriate way to measure loyalty (Jacoby and Chestnut, 1978; Dick and Basu, 1994; Oliver, 1999; Uncles et al., 2003). At a general level, loyalty can be described as "something that consumers may exhibit to brands, services, stores, product categories (e.g. cigarettes), and activities (e.g. swimming)" (Uncles et al., 2003, p.295). However, the literature in both services marketing and in relationship marketing commonly defines customer loyalty as based on three approaches: behavioural loyalty (i.e., Liljander and Strandvik, 1993), attitudinal loyalty (i.e., Zeithaml et al., 1996), and a composite approach of behavioural and attitudinal loyalty (i.e., Dick and Basu, 1994). Consistent with this, these approaches are the focal point in the following discussion of customer loyalty.

2.6.1.1 Behavioural Loyalty

A behavioural loyalty approach was the main focus of early research on customer loyalty (i.e., Brown, 1952; Cunningham, 1956). This approach was developed to understand brand loyalty related to goods in the marketing domain, which was later used within the service marketing context. From this behavioural perspective, loyalty generally has been defined in terms of purchases measures over a defined period of time (see Table 2.8). These measures include purchasing frequency (i.e., Liljander and Strandvik, 1993), proportion of purchases (i.e., Backman and Crompton, 1991), purchase sequence (i.e., Kahn et al., 1986), and probability of purchase (Massey et al., 1970). However, because attitudinal loyalty has been used in addition to behavioural in this thesis, purchasing frequency has been deemed sufficient to measure behavioural loyalty.

Tucker (1964) advocates that the behavioural approach to loyalty should recognize internal processes as spurious, because behaviour is the true statement of brand loyalty. Although the use of such behavioural measures in loyalty research remains popular (Bloemer and de Ruyter, 1998), these purely behavioural measures have been

criticised in a considerable body of research related to loyalty. It has been suggested that repeat purchase, for example, does not distinguish between true, or intentionally loyal, and superiorly loyal customers (Moulson, 1965). This primary criticism has also been identified as a key problem in the conceptualisation of loyalty in subsequent works (i.e., Day, 1969; Jacopy and Chestnut, 1978). This problem is due to the fact that repeat patronage of a particular service may have actually occurred due to lack of customer choice, habit, low income, and/or convenience (Hart et al., 1999). Keeping this criticism in mind, it has also been argued that using behavioural measures may not yield comprehensive insight into the underlying reasons for loyalty; instead, it is a consumer's disposition in terms of preferences or intentions that plays an important role in determining loyalty (Reily et al., 2001). Another criticism in the literature is that behavioural conceptualisations and opertionalisations are often unable to explain why and how brand loyalty occurs (Jacoby and Chestnut, 1978; Dick and Basu, 1994; Bloemer and de Ruyter, 1998). As a response to the shortcomings of using only behavioural aspects to measure loyalty, recent studies on customer loyalty suggest adding attitudinal loyalty. The attitudinal approach to loyalty is discussed in the next section

2.6.1.2 Attitudinal Loyalty

In conceptualising loyalty, some marketing authors prefer to adopt an attitudinal approach in which the strength of attitudes is the key predictor of a brand's purchase and repeat patronage (Uncles et al., 2003). This approach has been viewed in many ways. For example, Dick and Basu (1994) view an attitude as serving an object appraisal function, whereas Butcher et al. (2001, p.313) emphasise attitudinal components and define customer loyalty as "psychological attachment of a customer to a particular service provider." Attitudinal loyalty has also been recognized as explaining an additional proportion of the variance that behavioural measures do not (Olson and Jacoby, 1971), whereas Czepiel and Glimore (1987) described attitudinal loyalty as a specific desire to continue a relationship with a service provider. Attitudinal loyalty has also been viewed as commitment. For instance, Chaudhuri and Holbrook (2001) describe attitudinal loyalty as a degree of dispositional commitment in terms of some unique value associated with the brand. This could be the reason why Iverson and Kuruvilla (1995) pointed out that commitment and loyalty are

interchangeable terms. In contrast, other researchers see that there are distinctions between commitment and loyalty, and thus the constructs are not the same. For example, Pritchard et al. (1999) argue that commitment serves as a precursor to loyal attitude and its appraisal a function of continued patronage. Evanschitzky et al. (2006) argue that commitment differs from loyalty, where commitment refers to the economic, emotional, and/or psychological attachment that the customer may have toward the brand. It is obvious that the literature is inconsistent about commitment as a term indicating attitudinal loyalty or a measure of loyalty. Hence, this thesis adopts the approach suggested by Pritchard et al. (1999), Too et al. (2001), Fullerton (2003), and Evanschitzky et al. (2006), who provide empirical evidence to support the use of commitment as a prerequisite of customer loyalty in which attitudinal loyalty is a dimension.

In measuring attitudinal loyalty, the literature mainly focuses on customer preferences for a brand through repeat purchase intention (Cronin and Taylor, 1992); advocacy to others, referring to intention of word-of-mouth (WOM) or willingness to recommend a service provider (i.e., Zeithaml et al., 1996); and a tendency to resist switching to alternate service provider (i.e., Crosby and Taylor, 1983). Table 2.8 provides an overview on how relevant literature defined behavioural loyalty using these components. Although Butcher et al. (2001) see that positive word-of mouth is a common approach used to conceptualise loyalty, other authors consider customer preference to the brand as a central part of customer loyalty (i.e., Dick and Basu, 1994; Oliver, 1999). However, Yi and La (2004) suggest that the use of the three measures of repeat purchase intention, willingness to recommend a service provider, and tendency to resist switching, provides insight into the nature of customer loyalty. In agreement with Yi and La, attitudinal loyalty in this thesis is investigated through these three measures.

Although an attitudinal loyalty approach has been widely used in the literature, the conceptualisation of loyalty from exclusively this perspective has, as in the behavioural approach, also been criticised. Baloglu (2002) notes that studying loyalty as an attitudinal alone will not tell us much about competitive effects such as multi-brand or shared loyalty. Riley (2001) also argues that using only attitudes as measures fails to capture the mechanical element of the kind of behaviour that keeps customer

loyal. In response to these arguments, this thesis adopts the two-dimensional approach suggested in the literature, which remedies the deficit of defining customer loyalty based on only one.

2.6.1.3 Customer Loyalty as a Two-Dimensional Construct

In order to overcome the shortcomings of using a single construct to define loyalty, several authors have suggested using the two-dimensional behavioural-attitudinal loyalty approach (i.e., Day, 1969; Jacopy and Kyner, 1973; Jacoby, 1978; Dick and Basu, 1994; Jones and Farquhar, 2003). Table 2.8 provides an overview on how loyalty in the literature is viewed within this approach. The shortcoming of adopting either behavioural or attitudinal measures of loyalty was questioned in an earlier study by Day (1969), who argued that an attitudinal dimension should be added to the behavioural dimension. In practical terms, he described loyalty as " … a buyer has a brand loyalty score for each brand purchased in a given period based on share of total purchases and attitude toward the brand"(p.30). Further support for Day's two-dimensional view can be found in the empirical study of Olson and Jacoby (1971, p.49), who define loyalty as "a process in which various alternative brands are psychologically compared and evaluated on certain criteria and the selected brand or brands are selected." Jacoby and Chestnut (1978) also suggest that researchers should investigate the attitudinal components of loyalty for more understanding of the stochastic representation of behavioural loyalty. Furthermore, Assael (1992, p.87) defined brand loyalty as "a favourable attitude toward a brand resulting in consistent purchase of the brand over time". Accordingly, the interaction of attitudinal and behavioural components have become frequently used in the theoretical literature conceptualising loyalty. Therefore, in this thesis customer loyalty is considered as a composite concept combining both behavioural and attitudinal loyalty.

Table 2.8: Selected Definitions /Measures of Customer Loyalty

Authors	Approach	Definitions/Measures	Context
Kahn et al. (1986)	Behavioural	Introduced new measures, including sequence repurchase	Panel data from National Purchase Diary (NPD)
Backman and Crompton (1991)	Behavioural	Measured as proportion of purchases	Recreation participant
Liljander and Strandvik (1993)	Behavioural	Measured as repeat purchase behaviour	Restaurants
Gwinner et al. (1998)	Behavioural	Defined as proportion of purchases against use of alternate service providers	Relationship marketing
Crosby and Tylor, (1983)	Attitudinal	Defined as psychological commitment in which there is a tendency to resist switching	Bottle ban
Cronin and Taylor (1992)	Attitudinal	Measured in terms of repurchasing intentions	Services
Zeithaml et al. (1996)	Attitudinal	Measured as willingness to recommend the service to another	Services
Day (1969)	Behavioural and Attitudinal	Defined as a buyer with brand loyalty score for each brand purchased in a given period , based on share of total purchases and attitude toward the brand	Buyer behaviour
Dick and Basu (1994)	Behavioural and Attitudinal	Repeat purchase coupled with relative attitude	Relationship marketing
Pitchard et al. (1999)	Behavioural and Attitudinal	Defined as a ratio of proportion of purchase and attitude in which commitment is linked to loyalty	Airline and hotels
Jones and Farquhar (2003)	Behavioural and Attitudinal	Interaction between relative attitude and intention to repurchase	Financial Service

Regarding which perspective (behavioural or attitudinal) is more important in capturing the nature of customer loyalty, it seems that different authors have different views. For example, some researchers have been more balanced in weighting the importance of either behavioural or attitudinal aspects in their definitions of loyalty. For example, Lemmink and Mattson (1998) describe loyalty as the sum of likelihood of return and likelihood of recommending the service. On the other hand, in their acknowledgment of the need to incorporate a psychological component of loyalty, Stum and Thiry (1991) argue that loyalty is skewed towards behaviour rather than attitude. However, Dick and Basu (1994) argue that loyalty is only achieved when relative attitude is coupled with high repeat patronage. The view of Dick and Basu is better suited to this thesis, as they used variables including emotions as antecedents of loyalty (similar to this thesis).

In describing the interaction (or the relationship) between loyalty as an attitude and behaviour, further progress has been made by Dick and Basu (1994) who catalogue four different types of loyalty. These were presented in a two by two matrix to conceptualise customer loyalty as a combination of repeat patronage and relative attitude towards the target (brand/ services/ store/ vendor). These include the following four types, which are presented in order of preference:

- True loyalty: customers present favourable correspondence between relative attitude and repeat patronage.
- Superior loyalty: customers present low relative attitude accompanied by high
  repeat patronage.
- Latent loyalty: customers present high relative attitude, with low repeat
  patronage.
- Low or no loyalty: customers present weak or low levels of both relative
  attitudes combined with low repeat patronage.

Oliver's (1997) work also provided a comprehensive view of the loyalty construct, when he proposed four sequential brand-loyalty phases. First, *cognitive loyalty* refers to the existence of belief that a brand is preferable to others. Second, *affective loyalty* represents a favourable attitude that refers to customer liking or positive attitude towards a brand. Third, *conative loyalty* includes a deeply held commitment to the development of behavioural intention. Finally, *action loyalty* is where customers translate intentions into actions. Even though this last phase is ideal, there is difficulty in observing and measuring it. This is the reason that most researchers tend to include conative or behavioural intentions measures (Yang and Peterson, 2004). A similar view was adopted by Gremler and Brown (1997), who divided service loyalty into a three-dimensional construct that included behavioural loyalty, affective loyalty, and cognitive loyalty. However, consistent with similar studies conducted in a relationship marketing setting, this thesis is limited to investigating loyalty as a two-dimensional construct (comprising behavioural and attitudinal), rather than loyalty types.

2.6.2 Customer Loyalty in Related Literature of Relationship Marketing

As was discussed earlier in this section, it is necessary to review how the loyalty construct is developed in relationship marketing in order to support the conceptualisation of loyalty used in this thesis.

In reviewing relevant relationship marketing studies, it has been found that authors have defined and/or measured the construct of customer loyalty differently, based on the three approaches demonstrated earlier (see Table 2.9). For example, some authors only view customer loyalty from a behavioural perspective. This can be clearly seen in the recent study of De Wulf et al. (2001, p.37), who view customer loyalty as "a composite measure based on a consumer's purchasing frequency and amount spent at a retailer compared with the amount spent at other retailers from which the consumer buys." They have built up their definition of loyalty based on the idea suggested by Sharp and Sharp (1997) that the effectiveness of relationship marketing tactics should be evaluated through the behavioural changes they created. More recently, Liang and Wang (2005) also investigated customer loyalty in a financial service context, and define it as a behavioural construct, although the items they used to measure customer loyalty reflect attitudinal as well.

Table 2.9: Review of Relationship Marketing Literature on Customer Loyalty

Authors	Approach	Definitions/Measures	Context
DeWulf et al. (2001)	Behavioural	Defined as a composite measure based on a consumer's purchasing frequency and amount spent at a retailer compared with the amount spent at other retailers from which the consumer buys	Cross-industry
Liang and Wang (2005)	Behavioural	Measured in terms of repurchasing intentions, recommendations to others, and intersecting purchase intentions	Financial service industry
Hennig-Thurau et al. (2002)	Attitudinal	Measured in terms of attitudinal loyalty	Different Services
Shamdasani and Balakrishnan (2000)	Behavioural and attitudinal	Defined in terms of repeat patronage, switching behavioural, WOM, recommendations, and complaints	Personalised service
Too et al. (2001)	Behavioural and attitudinal	Defined as a multi-faceted construct which takes into account both psychological and behavioural components	Retail
Kim and Cha (2002)	Behavioural and attitudinal	Share of purchase, relationship continuity, and WOM treated as a separate construct and consequence of relationship quality	Hotels
Lin and Ding (2005)	Behavioural and attitudinal	Defined in terms of repeat patronage, switching behavioural, and WOM recommendations	ISP service
Palmatier et al. (2006)	Behavioural and attitudinal	Defined as composite or multidimensional construct combining different groupings of intentions, attitudes, and seller performance indicators	Meta-analysis framework
Wang et al.	Behavioural	Measured in terms of repurchase intentions,	Information

| (2006) | and attitudinal | recommendation to others, and intentions of cross purchase | service industry |
| Shammout et al. (2006) | Behavioural and attitudinal | Defined as a dimensional construct, including behavioural and attitudinal | Five-star hotels |

They measure behavioural loyalty in terms of repurchasing intentions, recommendations to others, and intersecting purchase intentions. On the other hand, authors such as Hennig-Thurau et al. (2002) have defined customer loyalty from an attitudinal perspective by including WOM as a separate variable in their model.

Because most research in relationship marketing focuses on repeat purchase to capture customer loyalty (Too et al., 2001), recent studies have included attitudinal and behavioural customer loyalty. For instance, Kim and Cha (2002) adopted an alternative way to conceptualise customer loyalty in five-star hotels in Taiwan. They used share of purchase, relationship continuity and WOM to measure loyalty. Although these three aspects reflect both behavioural and attitudinal loyalty, Kim and Cha (2002) did not combine them in one construct. They rather modelled them separately. Therefore, this approach was not found suitable for use in this thesis, which defines customer loyalty as a composite construct. As discussed above, this thesis argues that customer loyalty is better to understood through combining behavioural and attitudinal into one composite construct.

Palmatier et al. (2006) view customer loyalty as combining intentions, attitudes, and seller performance indicators. They argue that customers with weak relational bonds and little loyalty may continue dealing with their service provider due to perceptions of high switching costs or insufficient time to evaluate alternatives. Given that relational bonds have been employed in this thesis, Palmatier et al.'s study provides insight into viewing loyalty as a composite construct consisting of both behavioural and attitudinal. This view provides the strongest possible definition to customer loyalty (Too et al., 2001), and is consistent with the recent studies of Shamdasani and Balakrishnan (2000), Lin and Ding (2005), Shammout et al. (2006), and Wang et al. (2006).

In summary, it is clear that customer loyalty is a focal component in relationship marketing and in particular the context of hospitality. Consistent with previous literature, customer loyalty in this thesis has been reviewed through three common approaches, including behavioural, attitudinal, and a composite of behavioural and attitudinal (two-dimensional approach). The literature indicates that there is a deficiency in defining customer loyalty from a single perspective of either behaviours or attitudes. Therefore, researchers, particularly those in relationship marketing, empirically support the use of a composite approach in conceptualising loyalty. For instance, Too et al. (2001) argue that the strongest conceptualisation of customer loyalty is a multi-faceted construct which takes into account both attitudinal and behavioural aspects. In response, this multi-dimensional view of customer loyalty has been adopted in this thesis.

2.7 Summary

This chapter defines the boundaries of the thesis by discussing the constructs that are to be empirically examined within the proposed relationship marketing model. This model incorporates the constructs of relational bonds (financial, social and structural), customer emotions (positive and negative), relationship quality (trust, satisfaction, and commitment), and loyalty (behavioural and attitudinal).

In reviewing the relevant literature, it should be noted that the constructs used in this thesis have not previously been presented in one single model (this is further discussed in chapter three). Further, the inclusion of customer emotions as an important variable in the proposed model provides a better understanding for the relationship development between customers and service providers within the hospitality context of this thesis. Although there could be constructs other than those incorporated in the proposed model above, it is believed that this research has included the constructs that are most suited to answer the research questions posed in Chapter One.

In order to provide a basis for identifying the above-proposed model, a number of issues of relationship marketing assumed to be relevant to this thesis, are discussed.

This is followed by four sections that review each construct, providing a better understanding of the role that they play in the proposed theoretical model. For this reason, it has been necessary to review marketing literature with a particular focus on relationship marketing. This discussion is also supported by reviewing the relevant literature specific to the context of hospitality industry.

In the next chapter, the hypotheses established by the theoretical model to be empirically tested, are discussed. These hypotheses represent the relationships between the underlying constructs discussed in this chapter: relational bonds – financial, social and structural – relationship quality, emotions, and loyalty.

CHAPTER THREE
CONCEPTUAL FRAMEWORK

3.1 Introduction

Chapter Two discussed the theoretical foundation for the thesis. Chapter Three discusses the development of the proposed model to be analysed and the hypotheses to be tested. This will establish how loyal Arab guests at five-star hotel chains perceive their relationships with these hotels. This chapter is organised into six sections. The following section (3.2) provides an overview of the proposed model, which has been developed to examine the research questions. The research hypotheses specifying the relationships between the underlying constructs are then discussed. Section 3.3 discusses the consequences of relational bonds − financial, social and structural − including relationship quality and emotions. Section 3.4 discusses the consequences of emotions, including relationship quality and loyalty, and section 3.5 discusses the consequences of relationship quality, including loyalty. The final section (3.6) presents a chapter summary.

3.2 The Proposed Theoretical Model Overview

As discussed in Chapters One and Two, this thesis is concerned with advancing our understanding of the long-term relationships, focusing on loyal Arab customer within a hospitality service domain. Furthermore, for the first time linkages between relational bonds − financial, social and structural − and emotions, emotions and relationship quality have been integrated into one relationship model. This addresses a gap in the literature by providing a more complete model within the context of

relationship marketing. This is consistent with Anderson and Kumar (2006), who argue that even though many scholars have attempted to explain the development of buyer-seller relationships, few have paid explicit attention to the role played by emotions in this process. In accordance with Anderson and Kumar (2006), this thesis then seeks to contribute to the existing literature by investigating the integration of emotions as an important component in buyer-seller relationship development.

Based on the preceding literature review (see Chapter Two), the conceptual framework of the present research, shown in Figure 3.1, includes five main hypotheses, which will be tested. Hypotheses (H1a, H1b and H1c) and (H2a, H2b and H2c) reflect the influence of each type of relational bond - financial, social and structural - on relationship quality and customer emotions, respectively. Hypotheses H3 and H4 identify the effect of emotions on relationship quality and loyalty, where hypothesis H5 proposes the linkage between relationship quality and loyalty.

In order to provide a more complete understanding of the cause and affect of these hypotheses, this chapter explains the consequences of relational bonds - financial, social and structural − relationship quality, and customer emotions. However, there is no hypothesised consequence of loyalty, as it is the final predicted construct in the proposed model. In this model, relational bonds have been treated as exogenous constructs, while relationship quality, emotions and loyalty have been treated as endogenous constructs. As was discussed in section 2.3.3, this is because relational bonds represent the foundation upon which customers base their evaluation of the relationship they have with their service provider (i.e., five-star hotels in the case of this thesis).

Figure 3.1: Proposed Theoretical Model of Relationship Marketing
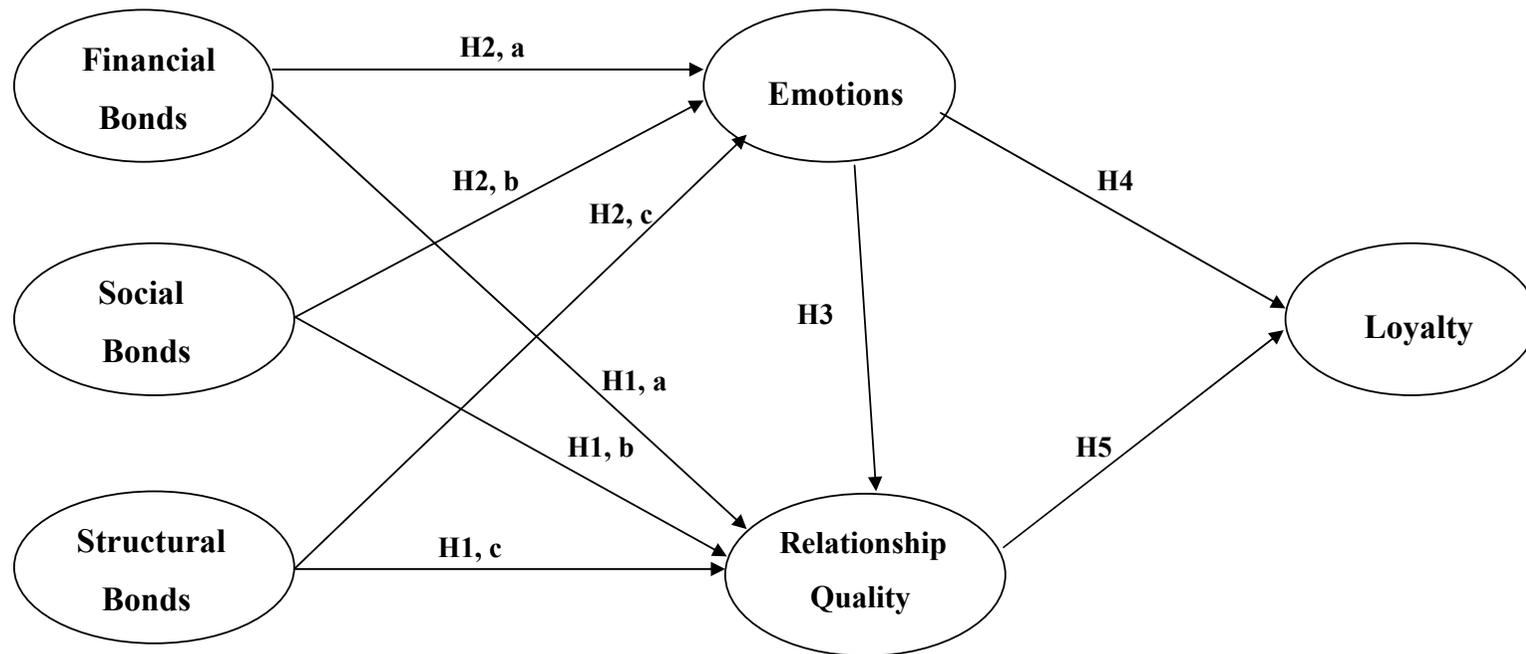
3.3 Consequences of Relational Bonds

Researchers have investigated several strategies that service providers can employ to strengthen relationships with their customers. As discussed in section 2.3, developing relational bonds is the main strategy used in successful buyer-seller relationships (Wilson, 1995). Such bonds can help strengthen and maintain a relationship, and therefore positively influence other relational outcomes (De Wulf et al., 2001; Arantola, 2002, Lin et al., 2003; Ling and Wang, 2005). In other words, the development of different types of relational bonds is used to secure customer loyalty. Therefore, to achieve customer loyalty for the purpose of this thesis, the proposed theoretical model includes relational bonds - financial, social and structural - and assumes, based on the literature, they have impact on relationship quality and emotions (see Figure 3.1). This model presents these relational bonds as foundational constructs and treats them as exogenous constructs. The affect of relational bonds – financial, social and structural – on relationship quality and emotions (explaining hypotheses H1a, H1b, H1c, H2a, H2b, and H2c, respectively) are discussed below.

3.3.1 Relational Bonds and Relationship Quality

Smith (1998) maintains that relational bonds are developed through a series of successive interactions, which can be either successful or unsuccessful. These bonds become "threads in the woven fabric" (p.79) of a relationship and provide a context or history that draws and keeps parties together to shape their interactions. Because relational bonds are widely considered as the cornerstones for keeping customers loyal to the firm (see Section 2.3), relationship marketing authors empirically link these bonds with other relational outcomes in their conceptual frameworks. One important outcome frequently studied is relationship quality (Smith, 1998; Palmatier et al., 2006;Wang et al., 2006).

The reason for the importance of the linkage between relational bonds and relationship quality can be seen in Smith (1998, p.79), who stated that such "bonds reduce the risk inherent in voluntary exchange relations, and provide a foundation for the trust needed to risk greater commitment, and feel satisfied with the overall relationship." Furthermore, Wang et al. (2006) maintained that attractive financial

premiums (i.e., financial bonds), and social and structural bonding tactics are important factors for promoting a higher level of relationship quality.

Empirically, previous research provides evidence for supporting a positive relationship between relational bonds − financial, social and structural − and relationship quality as an overall construct comprising trust, satisfaction, and commitment. In his study of members of the Purchasing Management Association of Canada, Smith (1998) examined the impact of each type of bond - functional, social and structural - on relationship quality, adopting the idea that these bonds provide the basis from which relational outcomes including trust, satisfaction, and commitment, can be evaluated. His results suggest a strong relationship between functional (i.e., financial) and social bonds and relationship quality, but not between structural bonds and relationship quality. More recently, Wang et al. (2006), in the context of information services in Taiwan, found additional empirical evidence for the impact of each bonding tactic - financial, social and structural - on relationship quality as measured by trust, satisfaction and commitment. In contrast to Smith (1998), they found that all these bonding tactics have positive effects on relationship quality. Their results also indicate that structural bonding tactics are the most important factor influencing relationship quality. The current thesis attempts to provide further evidence between specific relational bonds and relationship quality.

Although this thesis considers relationship quality to be a composite measure comprising trust, satisfaction and commitment, it is nonetheless important to consider previous studies that have explored the links between any of the three bonds and trust, satisfaction, and commitment individually. For instance, Garbarino and Johnson (1998) and Gruen et al. (2000) point out that relationship marketing tactics (i.e., relational bonds) can effectively increase customers' trust and commitment. Lin et al. (2003) developed a model for business-to-customer exchanges in which economic, social and structural bonds were positively related to trust and commitment. Hsieh et al. (2005) also investigate the relationship between the three types of relational bonds - financial, social and structural - and commitment across search-experience-credence goods/services on the Internet. Their empirical results suggest that these relational bonds have a positive impact on customer commitment. Their results also suggest that

financial bonds are more powerful in strengthening customer commitment in the case of search good/services than for experience-credence goods/services.

In summary, the above discussion indicates that a generally positive relationship exists between relational bonds - financial, social and structural – and relationship quality comprising trust, commitment and satisfaction. Accordingly, this thesis assumes that the greater the level of each type of these bonds, the more that service providers will be rewarded by customers' trust, commitment and satisfaction (high relationship quality). Therefore, the proposed theoretical model focuses on the impact of the three bond types on relationship quality. This theorizing is summarized in the following hypothesis:

> *H1a: Financial bonds will positively affect relationship quality.*
> *H1b: Social bonds will positively affect relationship quality.*
> *H1c: Structural bonds will positively affect relationship quality.*

3.3.2 Relational Bonds and Emotions

One of the aims of this thesis is to determine whether relational bonds – financial, social and structural – affect customer emotions. As described in section 2.3.1, relational bonds include marketing activities that service providers use to develop and maintain relationships with their customers. Considering emotions as an important component in customer relationships, the objective of this thesis, therefore, is to determine whether or not there is a linkage between such bonds and customer emotions. Although this linkage is discussed in the literature, the concept that bonds seek to capture and give consideration to an emotional link between customers and a firm has not been fully investigated (Doney and Canon, 1997; Fien and Anderson, 1997; Gruen et al., 2000; Walls, 2003). In particular, there is no empirical examination of the impact of these relational bonds - financial, social and structural - on customer emotions. This suggests that a gap exists within the literature, calling for further empirical investigation.

Previous research primarily addresses the importance of emotions as an outcome of previous relationships customers have with their service providers. Within this

context, Anderson and Kumar (2006) argue that buyer-seller relationships have the potential for generating both negative and positive emotional reactions among individuals. One of the most important aspects influencing the intensity of emotional response between buyer-seller partnerships is the nature of their previous relationships. This is similar to Guerrero et al. (1998), who suggest that individuals experience multiple emotions that may systematically correspond to relationship outcomes. For example, comparatively higher levels of positive emotions may correspond to feelings that the relationship is being strengthened rather than merely affirmed as positive. Not only is this association seen within the relationship between customers and service providers, but also within the service context where positively perceived performances are seen to encourage positive emotions, and negative experience encourage negative emotions (Liljander and Strandvik, 1997; Daube and Menon, 2000). Consideration of these arguments lead to the suggestion that the more service providers build relationships with their customers through practicing relational bonding activities, the more they encourage customers' positive emotions and vice versa. Thus, in order to evaluate how customers experience emotions within this thesis, positive and negative emotions were combined to form a composite measure of emotions.

Turning to the link between relational bonds and emotions, Walls (2003), more specifically, maintains that within the marketplace, bonds provide added feelings of comfort, security and familiarity, and they also reduce anxiety, sadness and separation distress. He further points out that "it is possible that the emotional link between the consumer and the firm could conceivably be evident in the bonding process and may exist at an abstract or very deep personal level" (p.92). Bagozzi (2006) also maintains that people emotionally appraise situations they perform in and the events they experience. Thus, the evidence seems to suggest that in relationships, emotions are influenced by the actions and activities of the seller. These emotions in turn can influence the course and outcomes of business-to-customer relationships – the context of this thesis.

Although previous studies have not provided empirical support for linking relational bonds with emotions, a body of literature conceptually supports the association between financial and social bonds with emotions. First, focusing on financial bonds,

the earlier work of Kelley (1984) suggested that receiving rewards from interaction with another person can make individuals feel happy. Similarly, Delta Airlines offers a cumulative points reward such as a "corporate privilege" program that links the Fort and Le Meridien Hotels and Resorts through a SkyMiles partnership. Delta Airlines describes the offer of this program as "what a good relationship is made of" (Stern, 1997, p.9). This kind of offer, according to Stern, makes Delta capable of establishing a relationship that can transform harried, stressed, groups of passengers into relaxed, comfortable, loved individuals. Second, regarding the linkage between social bonds and emotions, Han (1991) stresses that social bonds link and hold buyer and seller together in personal relationships that result in a positive emotional attachment. Conversely, termination of personal relationships in a business context is a significant source of emotional stress (Dwyer et al., 1987). There has been no literature previously discussing the linkage between structural bonds and emotions. It can be proposed, however, that structural bonds lead to positive emotional responses. In order to fill this gap and build on the above conceptual arguments, it is important to provide empirical evidence for these associations. Therefore, this thesis empirically explores the affect of each of three relational bonds – financial, social and structural − on emotions.

In summary, conceptually, but as yet not tested empirically, there appears to be linkage between financial and social relational bonds and emotions. The relationship between structural bonds is yet unknown. This thesis therefore fills a gap by empirically testing the linkages between financial, social and structural bonds, and emotions. Therefore, this thesis formulates the following hypothesis to test this gap:

H2a: Financial bonds will positively affect emotions.
H2b: Social bonds will positively affect emotions.
H2c: Structural bonds will positively affect emotions.

3.4 Consequences of Emotions

Considering emotions as an important aspect of buyer-seller relationship development, Anderson and Kumar (2006) acknowledge that researchers should seek to articulate the consequences of emotional processes. Here, when one allows the possibility of different consequences, it is natural to raise the question of which consequences emotions are more or less likely to predict. Models that include intentions to engage in future relationships as a function of relationship quality have not previously incorporated emotional variables (i.e., De Wulf et al., 2001; Wang et al., 2006). Furthermore, a number of models have included emotions without considering the intervention of relationship quality (i.e., Barns, 1997; Pullman and Gross, 2004). So, it is assumed that an investigation of the link between emotions, relationship quality, and loyalty will provide a deeper understanding of how relationships between customers and service providers are developed in the long-term. This suggests an opportunity to provide a more complete model for this thesis, by including both relationship quality and loyalty as consequences of emotions within a single framework (see Figure 3.1). Therefore, for the purposes of this thesis, the association between the two constructs of relationship quality and loyalty with emotions (representing hypotheses H3 and H4) are discussed next.

3.4.1 Emotions and Relationship Quality

Although only a limited number of authors (i.e., Wong, 2004) have investigated the linkage between emotions and relationship quality, theoretical and empirical grounds for this linkage have been established. That is, some authors, as discussed below, have linked emotions (combining positive and negative) with relationship quality as an overall construct comprising trust, satisfaction, and commitment, while others have linked emotions positive and/or negative with each one of their relationship quality dimensions. The linkage between emotions and relationship quality as an overall construct is first discussed. This is then followed by a discussion of the linkage between emotions and each of relationship quality dimensions.

In regard to the first linkage, Wong (2004) provides a justification for this relationship, arguing that, "during the consumption experience, various types of emotions can be elicited, and these customer emotions convey important information about how the customer will ultimately assess the service encounter and subsequently,

the overall relationship quality" (p.368). This means that if the customer is displaying positive emotions during the service encounter, it is expected that he or she will also form positive perceptions of overall relationship quality. This is supported by Wong's empirical finding that customer emotions (including pleased, displeased, happy, unhappy, disgusted, contented, enjoyable, and frustrating) positively influence relationship quality in the context of service encounters. While Wong has been the only researcher to empirically study the relationship between emotions and relationship quality, he did not use any one of the global components that are usually used to measure relationship quality. Rather, he limited his description to relationship quality as the overall impression that a customer has concerning the whole relationship, including different interactions. This suggests that the use of trust, satisfaction, and commitment as measures of relationship quality will possibly provide a fuller picture of the relationship between emotions (combining positive and negative) and relationship quality, as relationship quality is best captured by these three measures or dimensions (see Section 2.4). The linkage between emotions and relationship quality − where relationship quality is comprised of trust, satisfaction, and commitment − is a further contribution of this thesis.

The second linkage between emotions and the dimensions of relationship quality is now discussed, first focusing on trust, then satisfaction, and finally commitment. Dunn and Schweitzer (2005) found a strong relationship between emotions as composite construct of positive and negative emotions (i.e., happiness, anger and sadness) and trust. More specifically, they found that when a person has been asked to give trust in an unfamiliar situation, then incidental gratitude and happiness increases trust, whereas incidental anger decreases trust. Similarly, Anderson and Kumar (2006) found that positive emotions reinforce trust, while negative emotions undermine trust. As for satisfaction, it has been found that the more customers report positive emotions towards their providers, the more satisfied they are with service providers and vice versa (Oliver, 1993). There is now an extensive literature examining customer emotions and satisfaction. For instance, studies including Westbrook (1987), Oliver (1993), Price et al. (1995), and Daube and Menon (2000) have found that positive and negative emotions are related to measures of overall satisfaction. The relationship between emotions and satisfaction has also been found in buyer-seller relationships, where positive emotions have been found to significantly influence relationship

satisfaction (Dolen et al., 2004). Finally, emotions have also been found to have an impact on commitment. Steenhaut and Van Kenhove (2005) found that guilt-related feelings play an important role in a high commitment relationship, where guilt was described as "an individual's unpleasant state associated with possible objections to one's own action, inaction, circumstances or intentions" (p.339).

In summary, although limited studies have been found linking emotions to relationship quality, theoretical justification supporting this linkage in the proposed model exists. However, this thesis contributes to the existing literature by investigating the link between emotions (combining positive and negative) and relationship quality as an overall construct measured by trust, satisfaction, and commitment. Therefore, the following hypothesis is proposed:

H3: Customer emotions will influence relationship quality.

3.4.2 Emotions and Loyalty

Customer loyalty is theorized as the target of relationship marketing between customers and their service providers, it is therefore necessary to see whether emotional responses of customers, in the proposed model, impact on their loyalty. Examining this linkage builds on previous literature that has examined the relationship between emotions and customer loyalty. Dick and Basu (1994) argue that emotions lead to either positive or negative feelings that are capable of disrupting ongoing behaviour. Similarly, Wong (2004) also emphasises that emotions influence behaviour, for instance repurchase intentions, as customers tend to respond to events in ways that maintain positive emotions and avoid negative ones. Thus, positive emotions may result in positive WOM, whereas negative emotions may lead to complaining behaviours (Liljander and Strandvik, 1997; Bagozzi et al., 1999). Fox (2001) also found that emotions usually influence customers' future behavioural intentions, including repurchase and WOM.

In the retail setting, Sherman et al. (1997) demonstrated that customers' emotional states positively influence the amount of money spent in a store, how much they like the store, and the number of items they purchase in the store. In the hospitality setting,

Pullman and Gross (2004) found a significant relationship between fifteen different types of positive emotions and behavioural loyalty for customers attending a hospitality event. Moreover, Bloemer and de Ruyter (1999) demonstrated a significant relationship between positive emotions (interested, excited, strong, enthusiastic, proud, alert, inspired and active) and loyalty. Within a hotel context, it has been shown that positive emotions significantly strengthen customers' motivation to revisit a hotel and customers' willingness to recommend a hotel brand to others (Barsky and Nash, 2002). Specifically, in their study positive emotions (pampered, relaxed and sophisticated) play a strong role in the decision-making process regarding loyalty in hotel settings.

The evidence would therefore suggest that emotions need to be included as a determinant of loyalty, and as such the proposed model in this thesis includes emotions as an endogenous variable that links to loyalty. Therefore, the following hypothesis is proposed:

H4: customer emotions will influence customer loyalty.

3.5 Consequences of Relationship Quality

Palmatier et al. (2006) maintain that increased customer loyalty is one of the most common outcomes anticipated from adopting relationship marketing activities. This is because the main objective of relationship marketing is to establish long-term relationships that translate into customer loyalty (as discussed in Chapter Two). In order to achieve this goal, it has been widely suggested that relationship quality should be treated as a predictor construct of customer loyalty (see Crosby et al., 1990; Hennig-Thurau and Klee, 1997; Shamdasani and Balakrishnan, 2000; De Wulf et al., 2001; De Wulf et al., 2003; Kim and Cha, 2002; Lian and Wang, 2005; Palmatier et al., 2006; Wang et al., 2006). This is because, according to Crosby et al. (1990), the quality of the relationship is the best predictor of a customer's likelihood of seeking future contact with a service provider. Because relationship quality influences customer loyalty as its only consequence in the proposed theoretical model (see

Figure 3.1), this section explains H5, exploring the relationship between these two constructs.

3.5.1 Relationship Quality and Loyalty

Previous research provides strong evidence of the linkage between relationship quality as a higher-order construct comprising trust, satisfaction and commitment, and loyalty; and also between each of these dimensions and loyalty individually. Such evidence provides a strong support for the hypothesized relationship in the proposed model. This section discusses these linkages.

In regard to the linkage between relationship quality as a higher order construct and behavioural and attitudinal loyalty, Shamdasani and Balakrishnan (2000) found that relationship quality measured by trust and satisfaction is a strong determinant of loyalty measured as repeat patronage (behavioural loyalty), switching behaviour and WOM (attitudinal loyalty), for both high-end and low-end service providers. These results are consistent with a growing body of evidence supporting this linkage between relationship quality and behavioural and attitudinal loyalty within the hospitality context. For example, Kim et al. (2001) found that relationship quality, including trust and satisfaction, are positively linked with repeat purchase and WOM. Similarly, based on data collected from twelve five-star hotels in Seoul, Kim and Cha (2002) found that hoteliers need to foster trust and satisfaction in order to increase customers' share of purchase and achieve relationship continuity and positive WOM. In another recent investigation of the association between relationship quality and loyalty in banks, instead of using trust and satisfaction, Ling and Wang (2005) used trust and commitment to measure relationship quality. They found that relationship quality, as measured by trust and commitment, resulted in greater behavioural and attitudinal loyalty to those banks. In similar fashion, Wang et al. (2006) demonstrated that relationship quality has significant effects on customer loyalty, although the difference between the high and low involvement customers was not significant. In addition, Palmatier et al. (2006) found a significant relationship between relationship quality (measured by trust, satisfaction, and commitment) and loyalty (defined as a composite or multidimensional construct combining different groupings of intentions, attitudes, and seller performance indicators).

Although the previous studies consider loyalty to be comprised of both behavioural and attitudinal loyalty, other studies have linked relationship quality with only behavioural loyalty. For example, in their study of relationship marketing bonding tactics, De Wulf et al. (2001) and De Wulf et al. (2003) evaluated the impact of these tactics in terms of the behavioural changes they create. They found a significant relationship between relationship quality − measured by trust, satisfaction and commitmen − and behavioural loyalty − using consumer's purchasing frequency and amount spent at one retailer as measures of loyalty. The above studies have considered relationship quality as a higher order construct. However, other research has explored the effect of the components of relationship quality - trust, satisfaction and commitment - separately. This provides additional support for the linkage between relationship quality and loyalty as hypothesized in this thesis.

First, examining trust, Reichheld and Schefter (2000, p.107) argue that, "to gain the loyalty of customers, you must first gain their trust." That is, customers who trust a relationship might be more likely to act, owing to their need to maintain their trust (Lin and Ding, 2005). Lau and Lee (1999) examine the link between consumers' trust in a brand and their brand loyalty and find a significant positive association. Furthermore, Chaudhuri and Holbrook (2001) also found a significant association between brand trust and both purchase intention (i.e., behavioural loyalty) and attitudinal loyalty.

Second, examining satisfaction, Bitner (1990) maintained that satisfaction is considered to act as an antecedent to loyalty. Similarly, Oliva et al. (1992) suggested that the relationship between service satisfaction and loyalty is non-linear. These claims are consistent with the findings of Choi and Chu (2001), who found that satisfied travellers show a high possibility of relationship continuity with the same provider in a subsequent trip. Within the hotel context, a strong relationship between satisfaction and loyalty was also reported by Pritchard and Howard (1997). Furthermore, Cronin and Taylor (1992) found that the outcome of guest satisfaction can reinforce customers' decision to use a particular brand of service on a given occasion.

Finally, commitment has also been found to have a positive impact on customer loyalty. Reichheld and Sasser (1990) argue that committed customers are less likely to switch to a competitor simply due to a minor price increase, and thus tend to spend more than comparable non-committed customers. Gruen (1995) sees commitment as the motivator to act, rather than the act itself, and Too et al. (2001) found that customer loyalty was related positively to customer commitment to the relationship with their store. They hypothesized that commitment to the relationship between the company and the customer affects the level of customer loyalty. Furthermore, researchers including Garbrino and Johnson (1999) Pritchard et al. (1999) Gruen et al. (2000), Fullerton (2003), Fullerton (2005a), and Fullerton (2005b) found that commitment positively affects customer retention.

In this thesis, relationship quality is treated as a higher order-construct (comprising trust, satisfaction and commitment) and loyalty is measured as composite construct (comprising behavioural and attitudinal loyalty). Therefore, the following hypothesis is suggested:

H5: Relationship quality positively affects customer loyalty

3.6 Summary

As discussed earlier, the objective of this thesis is to examine the proposed model of relationship marketing from a loyal Arab customers' perspective, and provide a deeper understanding of the development of this relationship within the hospitality domain. To achieve this goal, the proposed model examines the association between the constructs of relational bonds - financial, social and structural − relationship quality, emotions, and loyalty (as conceptualised in Chapter Two), in a single framework. Nine hypotheses (H1a, H1b, H1c, H2a, H2b, H2c, H3, H4 and H5) have been formulated to reflect the causal relationships between these underlying constructs, in which relational bonds including financial, social, and structural, have been considered as exogenous constructs, while the remaining constructs are endogenous.

Consistent with the relevant literature, a customer emotions construct is incorporated into the proposed theoretical model, as this construct is increasingly being recognized as playing an important role in buyer-seller relationships (Barnes, 1997; Ruth et al., 2003; Anderson and Kumar, 2006; Bagozzi, 2006). This addition allows the present model to fill the gap existing within the literature, by incorporating a link between each type of relational bond - financial, social and structural - and emotions (H2a, H2b, H2c, respectively), and then between emotions and relationship quality (H3).

The methodology adopted in order to test the underlying nine hypotheses is discussed in the following chapter. This includes an overview of the methodology used, measurement development, data collection tool, sampling design, data collection procedures, analytical techniques, and finally issues related to reliability and validity.

CHAPTER FOUR
METHODOLOGY

4.1 Introduction

This chapter details the methodology used to empirically examine the theoretical model established in Chapter Three and to address the research questions discussed in chapter one. It is divided into eleven major sections. Following the introduction, the second section (4.2) gives an overview of the methodology used in this thesis. Section 4.3 discusses the design of this research and justifies why a quantitative survey methodology has been used. Section 4.4 develops and discusses the scale items used to determine constructs forming the proposed model. Describing the instrument used to collect the data will be the subject of section 4.5. The sixth section (4.6) discusses the pre-test phase prior to the final survey. The final survey is presented in section 4.7, including the sampling frame and procedures used to collect the data. Section 4.8 explains the statistical techniques used in this thesis, including preliminary and structural equation modelling. Section 4.9 discusses issues regarding the reliability and validity of the instrument. Section 4.10 outlines ethical considerations related to this research. Lastly, section 4.11 summarizes the chapter.

4.2 Methodological Overview

This section provides an overview of the methods undertaken in this thesis to answer the research questions in Chapter One, and to test the hypotheses proposed in Chapter Three. These steps are also summarized in Figure 4.1, identifying the sections of this chapter relating to each step.

A quantitative survey methodology using self-administered questionnaires has been adopted to collect data about the underlying constructs proposed in the theoretical model. These constructs are relational bonds – financial, social and structural – relationship quality, emotions, and loyalty. These constructs were operationalzed by

multi-item measures using 7-point Likert scales, and the items used to measure them were adopted from previously tested scales.

The instrument used to collect the data of this thesis was divided into five parts, including questions measuring the intended constructs and demographic questions. Because this questionnaire was administered in a non-English-speaking area, a dual strategy of back translation was conducted as recommended by cross-cultural methodological researchers (See Brislin et al., 1973; Malhotra et al., 1996; Temple, 1997). To ensure that the wording of this questionnaire was clear and understandable and the equivalence of the instrument was achieved, a pre-test was conducted prior to conducting the final survey. A pre-test is necessary to discover any problems in the instrument, and to determine the face validity of the measures.

Following pre-testing procedures, the final survey was conducted. All the guests from the fifteen five-star hotels within international chains existing in Jordan were surveyed between July and October 2005. These guests were given a questionnaire when they checked in, and they were asked to return the survey to the front desk staff when they checked out. In total, 1500 questionnaires were distributed to guests (100 questionnaires at each hotel). From the 479 questionnaires that were returned, only 271 Arab loyal guests were included in the data analysis. The criteria for choosing loyal Arab guests was those 'who had stayed ten nights or more a year with a hotel chain'. Therefore, loyal Arab guests formed the sample examined in this thesis.

To analyse the data, two statistical techniques were adopted. The Statistical Package for the Social Sciences (SPSS) version 14 was used to analyse the preliminary data and provide descriptive analyses about thesis sample such as means, standard deviations, and frequencies. Structural Equation Modelling (SEM using AMOS 6.0) using Confirmatory Factor Analysis (CFA) was used to test the measurement model. SEM was conducted using the two-stage approach recommended by Anderson and Gerbing (1988). The first stage includes the assessment of the measurement model, while the second stage includes assessment of the structural model. The first stage (measurement model) aims to develop the underlying measures. By using CFA, the measurement model stage in this thesis was conducted in two steps. This involves the assessment of the unidimensionality, followed by the assessment of reliability and

validity of the underlying constructs. In investigating reliability, the internal consistency of measures was assessed using Cronbach's alpha and CFA. Validity criterion, construct (including convergent and discriminant) and external validity was also assessed. Once the scale had been developed in stage one, the hypotheses discussed in Chapter two were tested in stage two (the structural model).

Figure 4.1: Overview of Methodology

Specify domain of construct	Conceptualizations developed based on literature (see chapter 2)
Generate sample pool of items	Items based on previously tested scales from literature (see Section 4.4)
Questionnaire design	Questionnaire divided into five parts (see Section 4.5)
Pre-test	To achieve face validity (see Section 4.6) 200 questionnaires distributed
Final Survey	Data collection in the field (see Section 4.7) 1500 questionnaire distributed
Test measurement model	Stage one of SEM (see Section 4.8)
Assess unidiminsionality	Step one in measurement model stage (see Section 4.8.2.1)
Reliability and validity	Step two in measurement model stage (see Section 4.9)
Test Structural model	Stage two of SEM Test underlying hypotheses (see Section 4.8.2.1)

4.3. Quantitative Approach

This section provides a justification for the quantitative approach used in this thesis. It further justifies the use of a survey methodology using self-administered questionnaires as being appropriate for collecting data from the sample of guests at the five-star hotel chains.

Drawing on the existing literature of relationship marketing, this thesis developed a theoretical model to test the research questions identified in Chapter One, and the hypotheses in Chapter Three. Punch (1998) maintains that the methods used to conduct the research should be in line with the research questions. Therefore, a quantitative approach was carried out in this thesis to test the hypotheses and then to answer the research questions. Quantitative methods, according to Neuman (1997, p. 63), have been described as "an organized method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity". Amaratunga et al. (2002) maintain that applying quantitative research helps the researcher to establish statistical evidence on the strengths of relationships between both exogenous and endogenous constructs. They also emphasise that the statistical results provide directions of relationships when combined with theory and literature. Hence, this thesis aims to measure underlying variables, as "measurement of the variables in the theoretical framework is an integral part of research and an important aspect of quantitative research design" (Cavana et al., 2001, p.186). While quantitative methodology is unable to generate theory or provide the in-depth explanations of qualitative enquiry, Cavana (2001) and Amaratunga et al. (2002) point out that it can verify the hypotheses and provide strong reliability and validity. Added to this, this methodology has been successfully used in similar studies of buyer-seller relationships (see Hennig-Thurau et al., 2002; Hsieh and Hiang, 2004; Wong and Sohal, 2002; Lin et al., 2003), and particularly those in a hotel setting (see Bowen and Shoemaker, 1998; Kim and Cha, 2002), have also widely used this approach. Put it in other words, because the objective of this thesis is to empirically investigate casual relationships among the underlying constructs, this methodology was deemed to be appropriate (Churchill, 1995; Clarke, 1999; Punch, 1998).

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4.3.1 Survey-Based Research

As discussed in Chapter One, the proposed theoretical model was evaluated using a sample of loyal Arab guests at five-star hotel chains in Jordan. For this purpose a self-administered survey methodology was found to be the most appropriate tool to collect the data for the following five reasons. First, it is designed to deal more directly with the nature of respondents' thoughts, opinions and feelings (Shaughnessy and Zechmeister, 1997) and collect information on belief, attitudes and motives (Burns, 2000). Second, it is an effective tool, especially when the investigator does not require, or has little control over behavioural events (Yin, 1994). Third, it provides accurate means of assessing information about the sample and enables the researcher to draw conclusions about generalizing the findings from a sample of responses to a population (Chisnall, 1992; Creswell, 1994). Fourth, it is more concerned about causal research situations (Hair et al., 2003). Finally, it is considered useful because it is quick, inexpensive, efficient, and can be administered to a large sample (McCelland, 1994; Churchill, 1995; Sekaran, 2000; Zikmund, 2003). Hair et al. (2003) regards large samples (i.e., 200 or more respondents) as one of the main reasons for using a survey research method.

Although the survey method has its advantages, criticisms have arisen in regards to its reliance on self-report data (Spector, 1992). This becomes a problem when both the independent and dependent variables are assessed within the same instrument (Campbell, 1982), raising questions about the conclusions drawn from systematic response distortion, and the reliability and validity of the measures used in the instrument. Further, a lack of control that researchers have over timeliness, difficulty in determining whether the selected respondents are being truthful, and lack of detail and depth of information, are seen as other problems associated with survey methods (Hair et al., 2003). For these reasons, the guidelines recommended by Hair et al. (2003) were taken into account to ensure precision, and to avoid those problems associated with the survey methods. In order to address these issues, the following steps were taken. First, when possible previously tested reliable and valid scales to measure the underlying constructs were used. Systematic response distortion was addressed by ensuring that the questionnaire was designed in a way that was easy for the respondents to understand and was free of response bias (see Section 4.5). As for

the issue of research control, any research method has its own limitations. However, the abovementioned five reasons for choosing the survey method are strong factors for use in this thesis. The next section addresses the type of survey method used.

4.3.2 Self-Administered Questionnaire

Data collection can be gathered in a number of ways and from a range of sources such as personal interviews, telephone interview, and self-administered questionnaires. Self-administered questionnaires, the methodology used in this thesis, is described as "a data collection technique in which the respondent reads the survey questions and records his or her own responses without the presence of a trained interviewer" (Hair et al., 2003, p.265). Self-administered questionnaires present a challenge in which they rely on the clarity of the written word more than on the skill of interviewers (Zikmund, 2003). However, this method also has a number of advantages as follows: 1) the population in this thesis includes a large number of respondents, and thus a self-administered questionnaires can be used to survey quickly and economically compared with other methods such as personal interview or telephone interview; 2) the questionnaire can be completed whenever respondents have time; and 3) it reaches a geographically widespread sample with lower cost because the researcher is not required (Zikmund, 2003). Furthermore, studies relevant to this thesis (in the domain of relationship marketing) have utilized self-administered questionnaires (see Morgan and Hunt, 1994; Shamdasani and Balakrishnan, 2000; Liang and Wang, 2004; Wong, 2004; Wang et al., 2006).

The self-administered questionnaire form used within this thesis is called a drop-off survey. This method involves the researcher traveling to the respondents' location and a representative of the researcher (i.e., front-desk staff in this research) hand-delivering survey questionnaires to respondents. Following this, the completed surveys are picked up by the representative after the respondents have finished (Hair et al., 2003; Zikmund, 2003). The two advantages of using this method are outlined by Hair et al. (2003). They include: the availability of a person to answer questions (i.e., guests staying at each hotel approached); and the ability to generate interest in completion of questionnaires (i.e., staff can encourage guests to complete questionnaires through interaction with them). Furthermore, other means of survey

data collection such as mail, web-based survey, and telephone were not possible because it was inappropriate for hotels to provide such personal information, and the hotels were unwilling to collect the data in this way.

4.4 Scale Development

This section of the chapter explains the selection of scale items that are used to measure the constructs in this thesis. These are: three relational bonds – financial; social and structural; relationship quality (trust, satisfaction and commitment); emotions (comprising positive and negative emotions); and loyalty (comprising behavioural and attitudinal). To choose the correct items that measure these constructs, the following considerations have been made. First, it was important to include items that represent a business-to-customer market context rather than business-to-business. For this reason, the items chosen for this thesis have been selected from the literature to be the most representative of consumers' perceptions as end users of buyer-seller relationships. Second, the purpose of this thesis was to include items that measure the content of each construct in this research, and determine the extent to which they represent definitions and dimensions. This is consistent with Churchill's (1979, p.68) recommendation that "the researcher probably would want to include items with slightly different shades of meaning because the original list will be refined to produce the final measure". Third, all scales used have been adopted from studies with valid and reliable measures of corresponding constructs. In this thesis, as new scales were developed using items from various scales in these previous studies, validity and reliability were examined to ensure the new scales were acceptable.

The scales used in this thesis have been developed from a review of the relevant literature. In sum, a total of 70 scale items were used to measure the constructs in the model. Table 4.1 shows a summary of the number and source of the items used to test each construct. These items are further discussed later in this section.

Table 4.1: Total of Scale Items Used in this Thesis

Constructs	Number of Items	Sources
Relational Bonds	**19 items**	
Financial	5 items	Lin et al. (2003)
Social	6 items	
Structural	8 items	
Relationship Quality	**16 items**	
Trust	6 items	Roberts et al. (2003)
Commitment	6 items	Morman et al. (1992), Morgan and Hunt et al. (1994), and Roberts et al. (2003)
Satisfaction	4 items	De Wulf et al. (2003), and Hsieh and Hiang (2004)
Emotions	**23 items**	
Positive emotions	13 items	Barnes (1997), Rust and Oliver (2000), Barky and Nash (2002), Pullman and Gross (2004), and Ruth et al. (2004)
Negative emotions	10 items	Barnes (1997) and Ruth et al. (2004)
Loyalty	**12 items**	
Attitude loyalty	9 items	Too et al. (2001)
Behavioural loyalty	3 items	

Constructs have been operationalised using 7-point Likert scales, ranging from (1= strongly disagree) to (7 = strongly agree), with exception of the emotions construct, which was assessed on a scales ranging from (1 = never) to (7= very often). The Likert-scales were selected because they take less time, and are easy to answer (McCelland, 1994; Churchill, 1995; Frazer and Lawley, 2000). While the most serious drawback of the Likert scale is its lack of reproducibility (Oppenheim, 1992), it is highly desirable in numerically ordering respondents, particularly in defining attitudes (Davis and Cosenza, 1993). More specifically, the seven-point Likert scale is an attitude scale used widely in marketing research. This is more capable than others (such as 5-point Likert scales), as it allows greater discrimination and finer differences between people (De Vaus, 2002).

In accordance with Nunnally (1978), Churchill (1979), Peter (1979), and Han (1991), multi-items for each construct were selected to provide a comprehensive evaluation and help the researcher to overcome the shortcoming of a single item measure. Multi-item scales are considered necessary to achieve valid measurement of factorially complex constructs (Peter, 1979), while single-item scales have been criticized by Churchill (1979) as: 1) lacking sufficient correlation with the attribute being measured, 2) closely related to other attributes, 3) restricted variance of scale, and 4) unreliable responses.

Tables 4.2- 4.7 list the original and modified questionnaire items that make up each construct. Scale items have been modified for this thesis to better reflect customers' perspectives in a hotel context. These modified items have then been validated by conducting pre-test procedures discussed in section 4.6.2. In this section, all the underlying constructs in the proposed theoretical model are presented, and items used to measure them are discussed.

4.4.1 Relational Bonds

The first three constructs to be discussed are for the three relational bonds of financial, social and structural. As discussed in Chapter Two, the literature of relationship marketing proposes many types of relational bonds that bind parties together in relational exchange. The three main types - financial, social and structural - that have been empirically tested and used as the main focus in previous research (i.e., Lin et al., 2003; Berry, 1995; Hsieh et al., 2005; Liang and Wang, 2005) are incorporated in the proposed theoretical model of this thesis.

To measure relational bonds, the nineteen items from Lin et al.'s (2003) scale have been used (see Table 4.2) for the following four reasons. First, these items have been adapted by other authors such as Hsieh et al. (2005) as more representative of the business-to-customer domain. Second, Lin et al. developed their scale items based on a well-established range of previous studies, including Crosby et al. (1990), Berry and Parasuraman (1991), Berry (1995), Beatty et al. (1996), Bendapudi and Berry (1997), Gwinner et al. (1998), and Morris et al. (1998). Such studies have provided a foundation for subsequent research in understanding the role that relational bonds play

in relationship marketing. Third, Lin et al. (2003) reported high reliability scores for the three types of relational bonds: economic (.86), social (.90), and structural (.90), with an overall reliability of .94. Lin et al. (2003) measured these items using a 7-point Likert type scale from extremely agree to extremely disagree. Fourth, these scale items are consistent with the concept of relational bonds used within this thesis. For example, economic bonds focus on the items that the companies provide including discounts, presents, cumulative points programs, rebates, and prompt services for regular customers. The social bonds obtained from the items that the companies use to make contact with their customers include: expression of their concerns for customers' needs; solving personal problems; collecting customers opinions; mailing greeting cards; providing gifts on special days; and providing a community for regular customers to exchange opinions. Added to this, the structural bonds items provided by these companies include: personalized services; integrated service with partners; offers of new information and innovative products; prompt responses after receiving complaints; and provision of various ways to deal with and retrieve information about regular customers. Following Lin et al.'s scale, the nineteen measurement items were divided into economic or financial (five items), social (six items), and structural (eight items) (see Table 4.2).

Table 4.2: Relational Bonds Scale Items

Original Scale Items	Modified Items
Financial Bonds (5 items)	
Provide discount for regular customers	This hotel chain provides discounts (or up-grades) for regular guests
Offers presents to encourage future purchasing	This hotel chain has presented me with free gifts to encourage my future stays
Provides cumulative point programs	This hotel chain provides a cumulative point programs (reward program)
Offers rebates if I buy more than a certain amount	This hotel chain offers rebates if I buy more than a certain number of nights
Provides prompt services for regular customers	This hotel chain provides extra prompt services for regular guest
Social bonds (6 items)	
Keeps in touch with me	This hotel chain keeps in touch with me
Concerned with my needs	This hotel chain is concerned with my needs
Employees help me to solve my personal problems	Employees of this hotel chain help me to solve my personal requests
Collects my opinion about services	This hotel chain values my opinion about services
I can receive greeting cards or gifts in special days	I receive greeting cards or gifts on special days
Offers opportunities for members to exchange opinions	This hotel chain offers opportunities for me to give my opinions to the hotel
Structural Bonds (8 items)	
Provides personalized services according to my needs	This hotel chain provides personalized services according to my needs
Offers integrated services with its partners	This hotel chain offers integrated packages to me as a regular guest
Offers new information about its product/services	This hotel chain offers new information about its products/services
Offer innovative products/services	This hotel chain provides innovative products/services
Promises to provides after-sales service	This hotel chain provides after-sales service for my requirements
I can receive a prompt response after a complaint	I receive a prompt response after any complaint
Provides various ways to deal with transactions	This hotel chain provides various ways to deal with transactions (e.g., bills, check in, check out)
I can retrieve -'s information from various ways	I can retrieve (find) information about this hotel chain in various ways

Note: All of these items were adopted from Lin et al. (2003).

4.4.2 Relationship quality

As was discussed in section 2.4, the relationship quality construct has been conceptualized as comprising the three dimensions of trust, satisfaction, and commitment. The scales used to measure these dimensions are discussed below

4.4.2.1 Trust

Consistent with previous relationship marketing literature (i.e., Crosby et al., 1990; Morgan and Hunt, 1994; Doney and Cannon, 1997; Lin et al., 2003; Roberts et al., 2003), the construct of trust has been conceptualized in this thesis as having two dimensions, trust credibility (honesty) and trust benevolence. To measure trust, this thesis uses Roberts et al.'s (2003) scale, using three items for credibility and three for benevolence (see Table 4.3). This scale is deemed appropriate to be chosen because it reflects the definition of trust used in this thesis. In reviewing relevant literature, it has also been found that these items are the best to capture trust, as they are largely based on the global measures used in previous studies such as Crosby et al. (1990), Moorman et al. (1992), Morgan and Hunt (1994), and Kumar et al. (1995). Added to this, Roberts et al. (2003) also used these items to measure trust from a customer perspective as end user (similar to this thesis). It should also be noted that they measured trust as one of relationship quality dimensions, using a 7-point Likert scale with anchors of strongly disagree to strongly agree, reporting a Cronbach's alpha reliability of .95 and .91 for trust credibility and benevolence, respectively.

Table 4.3: Trust Scale Items

Original Scale Items	Modified Items
My service provider is honest about problems	This hotel chain is honest about any problems experienced
My service provider has high integrity	This hotel chain has high integrity
My service provider is trustworthy	This hotel chain is trustworthy
My service provider is concerned about my welfare	This hotel chain is concerned about my welfare
When I confide my problems to my service provider, I know they will respond with understanding	When I confide my problems to staffing this hotel chain, I know they will respond with understanding
I can count on my service provider considering how their actions affect me	I can count on my hotel chain to consider how their actions affect me

Note: All of these items were adopted from Roberts et al. (2003).

4.4.2.2 Satisfaction

One of the key aspects of satisfaction is measurement of the degree of overall appraisal of customers' relationship (interaction) with their service provider. A review of relevant literature (i.e., Crosby et al., 1990; Shamdasani and Balakrishnan, 2000; Hsieh and Hiang, 2004; De Wulf et al., 2003; Roberts et al., 2003) suggests that the scale of De Wulf et al. (2001) is the most appropriate to measure satisfaction in this thesis. Their items show a high validity in three different cultures, including United States, Netherlands, and Belgium and across-industries, including food and apparel. As such it may be assumed that De Wulf et al.'s scale could also provide high validity in the context of Arabic customers. This is particularly so, as satisfaction in this thesis is defined in a similar way (see Section 2.4.2), and treated as a dimension of relationship quality. These items are "As a regular customer, I have a high-quality relationship with this store"; "I am happy with the efforts this store is making towards regular customers like me"; and "I am satisfied with the relationship I have with this store" (see Table 4.4). Use of these items has been further validated in the study of De Wulf et al. (2003) who also measured satisfaction as one dimension of relationship quality, using a 7-point Likert scale with anchors of strongly disagree to strongly agree among three samples. De Wulf et al. (2001) reported a high reliability score in

all samples (70 to .93) for relationship quality as an overall construct, in which satisfaction is a dimension.

Table 4.4: Satisfaction Scale Items

Original Scale Items	Modified items	Sources
As a regular customer, I have a high-quality relationship with this store	As a regular customer, I have a high-quality relationship with this hotel chain	DeWulf et al. (2001)
I am happy with the efforts this chain is making towards regular customers like me	I am happy with the efforts this chain is making towards regular customers like me	DeWulf et al. (2001)
I am satisfied with the relationship I have with this store	I am satisfied with the relationship I have with this hotel chain	DeWulf et al. (2001)
Overall, I am satisfied at XYZ	Overall, I am satisfied at this hotel chain	Hsieh and Hiang (2004)

As shown in Table 4.4, the fourth item, "Overall, I am satisfied at XYZ", used to measure satisfaction, was drawn from Hsieh and Hiang (2004). It has been found that this item is more comprehensive than the above three, because it provides an overall evaluation about the extent to which customers are satisfied in their relationship with their service provider. Furthermore, it is one of the global measures of satisfaction that has been widely used in marketing research. Hsieh and Hiang also used a 7-point scale ranging from extremely disagree to extremely agree to measure satisfaction as one of the relationship quality dimensions.

4.4.2.3 Commitment

Commitment in this thesis has been regarded as affective commitment measured using six-items. These were drawn from different previously tested scales (see Table 4.5). The first two items were drawn from Morgan and Hunt (1994), who developed their scale based on measurements used in the context of organizational commitment (i.e., Meyer and Allen, 1984; Mowday et al., 1979). Morgan and Hunt modified the scale to reflect the buyer-seller relationship commitment. They measured their construct using a 7-point Likert scale with anchors of strongly disagree to strongly agree. They reported a Cronbach's alpha of .89. Although Morgan and Hunt measured relationship commitment in the context of the business-to-business market, it has been

subsequently widely used in the context of business-to-customer research, and is a well-established measure of commitment. For example, Too et al., (2001), Lin et al. (2003), and Liang and Wang (2005) used this scale to test "The relationship that I have with my major supplier deserves my maximum efforts to maintain", and "I plan to maintain a long-term relationship with my major supplier". Therefore, these two items were incorporated in this thesis and modified to better reflect the context of business-to-customer context (see Table 4.5).

Table 4.5: Commitment Scale Items

Original Scale Items	Modified items	Sources
The relationship that I have with my major supplier deserves my maximum effort to maintain	The relationship that I have with this hotel chain deserves my maximum effort to maintain	Morgan and Hunt (1994)
I plan to maintain a long-term relationship with my major supplier	I plan to maintain a long-term relationship with this hotel chain	Morgan and Hunt (1994)
I am committed to my relationship with my researcher	I am committed to my relationship with this hotel chain	Moorman et al. (1992)
I feel emotionally attached to my service provider	I feel emotionally attached with my hotel chain	Roberts et al. (2003)
I continue to deal with my service provider because I like being associated with them	I continue to deal with this hotel chain because I like being associated with them	Roberts et al. (2003)
I continue to deal with my service provider because I genuinely enjoy my relationship with them	I continue to deal with my hotel chain because I genuinely enjoy my relationship with them	Roberts et al. (2003)

The third item used to measure commitment was drawn from Moorman et al. (1992). The item "I am committed to my relationship with my researcher" is found appropriate to be used in this thesis. That is, this item seems more representative to the relationship commitment concept than the two above items adopted from Morgan and Hunt (1994), particularly in the context of business-to-customer relationships. It should be noted that Moorman et al. measured relationship commitment by using a 7-point Likert scale with anchors of strongly disagree to strongly agree.

While above adopted items were considered important to measure commitment, they do not reflect the actual feeling of customers when they become committed to their

service providers. This is especially important as commitment, within this thesis, has been defined as an affective commitment (see Section 2.4.3) Therefore, another three items were adopted from Roberts et al. (2003) in order to provide a stronger measure of the concept of commitment in this thesis. Further to this, Robert et al.'s items were based on well-published scales such as Meyer et al. (1984) and Kumar et al. (1995). The items were "I feel emotionally attached to my service provider", "I continue to deal with my service provider because I like being associated with them, and "I continue to deal with my service provider because I genuinely enjoy my relationship with them". Roberts et al.'s scale items were measured using a 7-point Likert scale with anchors of strongly disagree to strongly agree, having a Cronbach's alpha reliability of .79. It should also be noted that effective commitment in their study was treated as a dimension of relationship quality and directed toward the customers as end users.

Although commitment in the studies of Moorman et al. (1992), Morgan and Hunt (1994), and Roberts et al. (2003) were all considered as effective commitment (see Section 2.4.3), they differ in their wording (see Table 4.5). Thus, combining all of these scales should provide strong measures for commitment as used within this thesis.

4.4.3 Emotions

Emotions construct (comprising positive and negative) has been incorporated in this thesis because recent research reveals the significance of this construct in the development of buyer-seller relationships. As discussed in section 2.5.2, using an approach that comprises positive and negative emotions in measuring the emotions construct as a whole is more effective than using positive or negative emotions only. That is, this approach provides a better understanding of the relationship development, particularly in the hospitality setting. However, Richins (1997) demonstrates the difficulty of determining appropriate measures for emotions, and outlines that measures employed in previous research did not represent the diversity of emotions. Therefore, to evaluate customer's emotional experience in this thesis, the presentation of items was through a series or a multiple range of positive and negative words derived from previous research. This took into account that emotions include basic

and other emotions relevant to the context of buyer-seller relationships and hospitality (the interest of this thesis). Bearing this in mind, a total of 23 emotion words were included, with positive emotion comprising thirteen items and negative emotion comprising ten items (see Table 4.6).

Table 4.6: Emotion Scale Items

Items	Barsky and Nash (2002)	Pullman and Gross (2004)	Barnes (1997)	Ruth et al. (2004)	Rust and Oliver (2000)
Positive emotions					
Pampered	√	√			
Relaxed	√	√			
Sophisticated	√	√			
Satisfied		√			
Welcome	√		√		
Pleased			√		
Pleasantly surprised			√		
Comfortable	√	√	√		
Love				√	
Happiness				√	
Gratitude				√	
Pride				√	
Delighted					√
Negative emotions					
Angry			√		
Frustrated			√		
Disappointed			√		
Let down			√		
Ignored			√		
Fear				√	
Sadness				√	
Guilt				√	
Uneasiness				√	
Embarrassment				√	

Previous studies in the hospitality setting have discussed the use of emotions. For example, Barsky and Nash (2002) measured positive emotions in terms of customer perceptions at luxury hotels. They used the Delphi technique to define emotions suited to the hotel context. From the list of emotions, they selected sixteen to be used in their model. They posed a question to indicate the extent to which guests experienced each of the sixteen emotions during their most recent hotel stay. Their results showed that from the sixteen emotions, there were only three emotions (pampered, relaxed and

sophisticated) affecting guest loyalty for luxury hotels. These emotions have also been validated in the subsequent study of Pullman and Gross (2004), who used them within the hospitality context. These emotions were therefore drawn from Barsky and Nash (2002), due to the similar settings employed within this thesis.

To measure positive emotions, Pullman and Gross (2004) used other emotions descriptors in addition to the ones adopted from Barsky and Nash (2002). Satisfied therefore was one of 15 items used to measure positive emotions response in their study to evaluate physical and relational elements in the context of a VIP hospitality tent for an internationally renowned touring circus. In their study, respondents were asked to respond to a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree).

While Barsky and Nashs's (2002) and Pullman and Gross's (2004) scales were deemed to be relevant in the hospitality setting, the above four positive emotions (pampered, relaxed, sophisticated, and satisfied) were not sufficient to evaluate guests' emotional experiences in this thesis. This is because the list of Barsky and Nash and Pullman and Gross did not include negative emotions. Neither were the positive emotions comprehensive enough in buyer-seller relationships as described in this thesis. Within this context, Ruth et al. (2003) maintain that it is necessary to include a broad range of positive and negative emotions that customers could experience. Hence, with the exception of relaxed (as this items was already chosen from Barsky and Nash), another nine items were drawn from Barnes (1997), including the positive emotions of welcome, pleased, pleasantly surprised, and comfortable, and negative emotions including angry, frustrated, disappointed, let down, and ignored.

Because the purpose of Barnes was to use these descriptors to see how customers felt about their interaction or relationships with a firm or its staff, they are deemed to be most applicable to be used within this thesis. This is especially so because the focus of his study is on the interpersonal interaction between service provider and customers. Barnes's (1997) respondents used a 5-point Likert scale ranging from '1= never' to '5 = very often' to indicate the extent that these emotions had been present in their relationship with their principal financial institution.

Ruth et al.'s (2004) study also employed emotions as combining positive and negative words to gain perceptions of relationships. They employed ten words of different emotions (including positive and negative) to assess gift-giving in these relationships, using 7-point semantic differential scales (i.e., not at all happy = 1 / very happy = 7). In their study, positive emotions adopted for the gift-giving context were love, happiness, gratitude, and pride, while negative ones were fear, anger, sadness, guilt, uneasiness, and embarrassment. Thus, with the exception of anger, these descriptors are different to the ones used by Barnes (1997). Ruth et al.'s (2004) results suggest that their emotional measure might be useful to be employed in the context of understanding how emotions elicited in service interactions might affect customers' decisions in maintaining their relationships or not. Since these items represent the broad range of emotions that loyal guests may experience during their interaction with hotels, they were adopted for use in this thesis.

In addition, previous work included the word delight in measuring emotions. Especially, Rust and Oliver (2000) concluded that delighted is one of a set of extreme positive emotions that could include exhilaration and excitement. Within the service context, Oliver et al. (1997) found that delighted is an important result of a high level of surprisingly positive disconfirmation and has an influence on the consumer's willingness to reengage the consumable. This provides insight into adopting this descriptor as a positive emotions measure, which could be an effective measure of the relationship between customers and their service provider. Therefore, this item has been incorporated drawing on the study of Rust and Oliver (2000).

The above studies have employed different scale types to measure emotions, including ordinal scale (Barsky and Nash, 2002), 5-point Likert scale (Barnes, 1997), and 7-point semantic differential scale (Ruth et al., 2004). However, in the questionnaire of this thesis, a 7-point Likert scale has been adopted to measure all the emotion words to allow consistency among them as well as consistency with other items (used to measure other constructs). This is in addition to the advantages mentioned earlier in this section of using 7-point Likert scale. Accordingly, the two scales measuring positive and negative emotions in this thesis have been anchored as 1= never to 7 = very often to indicate the extent of how often respondents felt these emotions through their interaction with the hotel chain during their stay last year.

4.4.4 Loyalty

This thesis uses a definition of loyalty that has two dimensions, behavioral and attitudinal. Including both of these dimensions is deemed to effectively capture the construct of loyalty, as previous research suggests that there are limitations of using one approach alone (see Section 2.6.1.3). Hence, in order to measure the loyalty construct in this thesis, eleven items were adopted from Too et al. (2001). In particular, three of these reflect behavioral customer loyalty, while the other eight items reflect attitudinal customer loyalty (see Table 4.7).

Table 4.7: Loyalty Scale Items

Original Scale Items	Modified Items
I really care about the future of this store	I really care about the future of this hotel chain
I am willing to put in extra effort to stay with this store	I am willing to put in extra effort to stay with this hotel chain
I am proud to tell others that I stay at this store	I am proud to tell others that I stay at this hotel chain
For me this store is the best alternative	For me this hotel chain is the best alternative
I expect to stay with this store for a long period of time	I expect to stay with this hotel chain regularly in the future
I feel very little loyalty to this store	I feel very little loyalty to this hotel chain
As a consumer to this store, I feel that I am prepared to pay more for their high quality products/ services	As a guest of this hotel chain, I feel that I am prepared to pay more for their high quality products/ services
I would recommend this store's brand to others	I would recommend this hotel chain to others
I buy this brand on a regular basis	I stay at this hotel chain on a regular basis
This store stimulates me to stay	This hotel chain stimulates me to stay
I have used this store for a number of years	I have used this hotel chain for a number of years
	I feel very strong loyalty to this hotel chain*

Note: All loyalty items were adopted from Too et al. (2001).

* Additional item was added at the pre-test stage.

The eleven items of Too et al. were found to capture the main aspects of customer loyalty as conceptualized in this thesis. To measure behavioural loyalty, they used

purchasing frequency, while to measure attitudinal loyalty, they used advocacy to others, word-of-mouth, and tendency to resist switching to alternate service providers. The above measures of loyalty (Too et al., 2001) were also based on previously well-established scales such as Selnes (1993), Pearson (1996), Schijns and Schröder (1996), and Sirohi et al. (1998). Customer loyalty in their study was measured using a 7-point Likert scale, ranging from strongly disagree to strongly agree, and showed high reliability score of .82. The only item that was negatively worded was "I feel very little loyalty to this store". In the face validity, phase of pre-test, in which experts were consulted, it was decided to include a positively worded measure of this item to be consistent with the other positively worded items. Thus, the item "I feel very strong loyalty to this hotel chain" was added to the scale of Too et al. (2001) to measure loyalty.

4.5 Questionnaire

Due to their effectiveness in gathering empirical data from large samples (McCelland, 1994), questionnaires are the most frequently used method of data collection (Clarke, 1999; Saunders et al., 2003). The questionnaire is "a reformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives" (Sekaran, 2000, p.233). It is an important instrument in a survey when the researcher is familiar with the variables that need to be measured (Bailey, 1994), and widely used in the context of relationship marketing (see Han, 1991; Bowen and Shoemaker, 1998; Bloemer and de Ruyter, 1999; Pritchard et al., 1999; Hennig-Thura et al., 2002; Kim and Cha, 2002; Wang et al., 2006). These considerations make using a questionnaire the most effective data collection tool for this thesis.

In this thesis, the questionnaire used was divided into five parts (see Appendix B). The first four parts covered the items comprising the constructs (discussed in section 4.4) in the proposed theoretical model - while the final part covers aspects of demographics. These are presented in the questionnaire as follows:

Part 1

The first part includes nineteen questions asking respondents to evaluate the relationship that their service providers built with them. These questions reflect three types of relational bonds - financial, social and structural.

Part 2

The second part includes sixteen questions asking respondents to evaluate the quality of their relationship with the service provider. These questions reflect three dimensions of relationship quality (comprising trust, satisfaction and commitment).

Part 3

The third part includes 23 items asking respondents to describe how they feel about the relationship they have with their service provider. These questions reflect emotions (comprising positive and negative).

Part 4

The fourth part contained twelve questions, asking respondents to evaluate their loyalty to the service provider based on the relationship they have with them. These questions reflect loyalty (comprising behavioural and attitudinal).

Part 5

The fifth part of the questionnaire contained eight questions asking respondents about their gender, age, nationality, number of nights spent, purpose of visit, educational qualification, job, and income.

The first four parts of the questionnaire reflected the underlying constructs. These constructs were presented in this instrument utilizing a 7-point Likert type scale ranging from (1= strongly disagree) to (7 = strongly agree), with the exception of the emotions construct which was presented on scales ranging from (1 = never) to (7= very often).

In order to obtain a higher response rate, it was necessary to have the respondents start with the most important questions and finish with demographic or sensitive questions (Janes, 1999; Robertson and Sundstrom, 1990). That is, if demographic questions

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appear early in the questionnaire, potential respondents may become too disaffected to continue, resulting in no response (Bourque and Fielder, 2003). For example, questions related to age or income can be embarrassing or threatening to respondents at the beginning of a survey (Malhotra, 1996).

There are different views in regards to the length of questionnaire. For instance, Frazer and Lawley (2000) outline that an instrument up to twelve pages in length is generally considered as appropriate. Zikmund (2003, p. 214) recommended that, "a general rule of thumb is that questionnaires should not exceed six pages". All the questions in this thesis including the covering letter were presented on six pages, within the recommended length. The questionnaire was printed on both sides of the paper to further reduce the impression of the survey being long. Questions were also neatly organized and conveniently spaced to minimize eyestrain. Further, because sequencing of questions can influence the nature of the respondents' answers and can lead to an error in analysis (Kinnear and Taylor, 1996), considerable care was taken. That is, the questionnaire was designed to represent the goal of the research, moving from one topic to another in a logical manner, with questions focusing on the completed topic before moving to the next (Tull and Hawkins, 1990).

The wording and language used in this questionnaire was kept as simple as possible to communicate with all guests, even those having little formal education. Questions are clear, answerable, unbiased, and suitable to the hotel context. As recommended by Janes (1999), Fowler (1992), and Frazer and Lawley (2000), the respondents should be able to read and understand the words used in the instrument, as this will encourage them to complete the questionnaires.

The draft of instrument was presented to a number of experts in the field to identify any potential problems (see next section of pre-test). As a result, any ambiguity or unclear words should have been eliminated from the questionnaire. This procedure also serves to establish validity and reliability (Churchill, 1995; Frazer and Lawley, 2000). In addition to this, great care has been taken by the researcher to design the instrument attractively with easy to follow instructions, which has been found to increase response rate (Janes, 2001; Sanchez, 1992; Babbie, 1990), and minimize measurement errors (Sanchez, 1992). Furthermore, the questionnaires were available

in two languages, Arabic and English, and the guests were given the choice of filling out whichever version they wished (see Appendix B).

Guests were invited to participate in this survey through a cover letter enclosed on the first page of the instrument (see Appendix A.1). The covering letter is important because it encourages respondents to complete and return the questionnaire (Lukas et al., 2004; Churchill, 1995). This letter introduced the study and its aims and assured confidentiality and anonymity of the respondents as well as providing the researcher's contact details.

4.5.1 Questionnaire Translation and Back Translation

Given that the final sample of this thesis consists of non-English speakers (Arab guests), translation and back-translation of the instrument was undertaken. Methodological authors such as Brislin et al. (1973), Malhotra et al. (1996), Temple (1997), Frazer and Lawley (2000), Mallinckrodt and Wang (2004), and Salciuviene et al. (2005) maintain that this procedure is important because cultural differences could result in non-equivalence, which may confound results. Bloemer and de Ruyeter (1998) and De Wulf et al. (2001) also used this approach in the context of relationship marketing with non-English speaking respondents. Two steps were conducted in translating the current instrument. First, after the original questionnaire (English version) was developed, it was translated into Arabic by an accredited translator who is a native Jordanian and fluent in both languages. Second, another accredited bilingual translator whose native language is Arabic, back-translated the Arabic version to ensure equivalence of the questionnaire translations, and adjust inconsistencies. According to Malhotra et al. (1996, p.24), "if the translator is not fluent in both languages and familiar with two cultures, direct translation of certain words and phrases may be erroneous". Translation equivalence of the instrument was evaluated through pre-testing prior to conducting the final survey (Sin et al., 1999; Mallinckrodt and Wang, 2004; Salciuviene et al., 2005).

4.6 Pre-Test

Reynolds and Diamantopoulos (1998) maintain that there is wide agreement among marketing scholars that pre-testing is an integral part of the questionnaire development process. As Hunt et al. (1982, p.270) pointed out, the researcher needs to ask: "Will the instrument provide data of sufficient quality and quantity to satisfy the objectives of the research?"(p.270). The benefits of a pre-test prior to conducting the main survey have been supported by numerous researchers (see Hunt et al., 1982; Blair and Presser, 1992; Churchill, 1995; Reynolds and Diamantopoulos, 1998; Zikmund, 2003). Pre-test is defined as "a trial run with a group of respondents used to screen out problems in the instructions or design of a questionnaire" (Zikmund, 2003, p.229). This section starts with a discussion of pre-test methods and justifying the ones employed within this thesis. This is then followed by a discussion of the pre-test sampling frame and procedures.

Blair and Presser (1992) found real differences between pre-test methods. This was confirmed by Reynolds and Diamantopoulos (1998), who noted several disagreements among scholars about the best method for pre-test administration. Overall, the methodological literature has been found to distinguish between three types of pre-test methods (Hunt et al., 1982; Blair and Presser, 1992; Churchill, 1995; Reynolds and Diamantopoulos, 1998; Zikmund, 2003), including planned field survey, personal interviews (face-to-face), and expert panel. The first of these, planned field survey, employs a small sample referred to as 'pre-testing' (Zikmund, 2003). The second, personal interview is where the interviewer is required to identify any obstacles, difficulties, or incomprehensible questions blocking respondents' ability to provide accurate answers. The third is when an expert panel is asked to judge the instrument and determine any problems it presents.

The above three methods are critically analysed by Reynolds and Diamantopoulos (1998), who found that a planned survey is useful because it covers all aspects of the field survey, and is less likely to be affected by interaction between the respondents and interviewer. However, a problem with this method is that respondents who are not the targeted sample might complete the questionnaire. Therefore, they suggest that personal interview is the most effective means of conducting a pre-test, due to the

accuracy and completeness of the information generated. Although this method is subject to errors resulting from interaction between the interviewer and participants (i.e., bias introduced by interviewers), expert panels (the last method) could be used to determine if there are problematic questionnaire items. In order to minimize any error or bias, all of these methods have been used (see pre-test procedures).

4.6.1 Pre-Test Sampling Frame

Hunt et al. (1982, p.269) posed two main questions in discussing the sampling frame for a pre-test. These questions were "who should be the subjects in the pre-test?" and "how large a sample is needed for the pre-test?" For the first question, it was necessary to include subjects who were similar to those approached in the actual survey (Churchill, 1995; Tull and Hawkins, 1990). Hence, a small number of respondents with certain characteristics were deemed to be more efficient in exploring errors in the survey instrument than respondents chosen randomly from the population of interest (Reynolds and Diamantopoulos, 1998**).**

The sampling frame for a pre-test consists of loyal guests of five-star hotel chains that correspond with the population to be studied. These subjects have formed the population of interest in the purposive sample generated from four selected hotel chains in Jordan (Dead Sea Movinpick, Petra Movinpick, Aqaba Movinpick, and Le Meridien hotels).

In the case of pre-test sampling size (the second question), there is little agreement in the literature (Hunt et al., 1982). For example**,** Zatalman and Burger (1975) did not specify size, simply recommending a 'small' sample. Others such as Boyed et al. (1977) indicated that a sample of 20 is adequate. Luckas et al. (2004) point out a size of 50 respondents allows the running of proper statistical testing procedures. Accordingly, 200 questionnaires were distributed to loyal guests at these hotels, aiming for a completion of at least 50 respondents.

4.6.2 Pre-Test Procedures

Because there are limitations to each of the pre-test methods, many researchers have recommended using different combinations of approaches (i.e., Blair and Presser, 1992; Malhotra, 1993; Churchill, 1995). As a result, expert panel, interviews, and planned field survey methods have all been used to pre-test the questionnaire of this thesis in order to overcome the shortcoming of using one method (see Table 4.8).

The first procedure involved distributing the draft to a panel of four experts. Two of them were professors in the area of marketing at Victoria University in Australia, and two others were professors in hospitality setting. One of them is at Victoria University in Australia whilst the other one is at Strathclyde University in Scotland. These four experts were asked to evaluate the questionnaire to: 1) assess the relevance of its conceptualization of marketing research operation; 2) appraise the suitability of the terminology to the hotel context; and 3) make further suggestions, criticism and comments on the questionnaire and its facets.

The second procedure was to ensure that this instrument could be used within the Arabic culture. The Arabic translated version was then presented to three Arabic experts. One of these was a professor in hospitality marketing area (Applied Science University in Jordan) and who speaks both languages fluently, while the other two were managers at five star hotels in Jordan (Marriott and Hyatt). All these experts were asked to evaluate the questionnaire. They identified two items (or questions) related to financial bonds and three related to structural bonds that needed to be reworded to better reflect the hotel context. In addition, a positively worded item was added to the loyalty scale as discussed in section 4.4.4. Further changes were also required for several demographic questions relating to the number of nights that guests had spent in each hotel, purpose of visit, and the guest's nationality. The necessary revisions were made to the instrument to ensure its relevance to the domain of this thesis and to achieve face validity.

The third procedure followed Bowen and Shoemakers' (1998) suggestion in which five personal interviews were conducted. Five hotel guests were interviewed after gaining approval from the hotels. The purpose of these interviews was to ask the

respondents to identify any problems in regard to the questionnaire format, wording or design, and to address any comments or suggestions they had. As a result of this procedure, it was suggested that providing more space between each group of questions within the same part would make the questionnaire easier to read. It was also identified that two out of five respondents did not understand the question related to their opinion on how they felt about the relationship they had with their service provider. The questionnaire was modified and refined before conducting the pre-test survey.

Table 4.8: Procedures Used in Pre-test

Procedures	Target	Reasons this Procedure Used
1. Panel of experts	Two professors in the area of marketing + two professors in hospitality area	To: 1) Assess the relevance of its conceptualization of marketing research operation; 2) Appraise the suitability of the terminology to the hotel context; 3) Make further suggestions, criticism and comments on the questionnaire and its facets; and 4) Validate the questionnaire
2. Panel of experts after translation process	One professor in hospitality marketing (Applied Science University in Jordan)+ two hotel mangers (Marriott and Hyatt)	Same as procedure one
3. Personal interviews	Five personal interviews with hotel guests	To: 1) Ask guests give their comments and identify any problems in regard to the questionnaire; and 2) Interviews results used in pre-testing
4. Planned survey (data collection)	200 questionnaires distributed to loyal guests	To: 1) Modify and refine the questionnaire prior to the final survey; and 2) Perform proper analysis

In the fourth and final procedure, letters of formal invitation were mailed to the hotel managers in order to invite them to distribute the amended questionnaires to their

guests (see Appendix A.2). Two sets of discussions were undertaken to determine the best way to approach the guests to fill out the questionnaires. Discussion with both academics (procedure one) and hotel managers (procedure two) identified that the most appropriate way was to distribute the questionnaires when guests checked in, and collect them when guests checked out. This would give guests the chance to take the survey with them and fill it out during their stay. In total, 200 questionnaires were distributed to guests by front desk staff at each of the above-mentioned hotels. This procedure was conducted during June and July 2005. Twenty-five usable questionnaires were received (13 % response rate). To assess the reliability of the measures, Cronbach's coefficient alpha was examined, showing that all scale items had high alpha scores exceeding .70. Following the reliability assessment, the purpose was to assess convergent and discriminant validity of items by using confirmatory factor analysis. However, it was not possible to conduct this due to the small sample size (N=26). Hence, validity assessment was conducted after the final data collection, and discussed as part of SEM in the next chapter.

Further to the above empirical results, respondents' answers identified that there was a need for additional modifications. For instance, a question related to the job title was deleted as most respondents did not answer it and the income categories were changed to be more suited to the Arabic context. In addition, the pre-test confirmed that giving questionnaires through front desk staff at targeted hotels is the most appropriate way to approach potential respondents.

In total of all above four pre-test procedures, minor changes to statement wording and layout were made to the instrument to ensure that the questions were readily understood by all respondents (Zikmund, 2003). As no major modifications were made to the instrument, a further pre-test was considered unnecessary. A copy of the final survey instrument used for this thesis is provided in Appendix B.

4.7 Final Survey

Following the pre-test, the final survey with the 70 items was administered in the field. Therefore, this section of the chapter begins with a discussion of the sampling

frame related to the final survey. This is followed by detailed descriptions to the procedures undertaken to administrate the collection of data.

4.7.1 Final Survey Sampling Frame

As was discussed in Chapter One, the aim of this thesis was to evaluate the proposed theoretical model determining loyal Arab guests' perspectives of staying at five-star hotel chains. The focus on this type of customer was because the hotel industry has recently become interested in practicing relationship marketing with loyal customers (i.e., practicing different types of loyalty schemes), as they are more profitable than others (see Section 2.6). Not only can this interest be seen in the industry, but also in the literature. For example, Bowen and Shoemaker (1998) tested their model of relationship marketing from loyal customers' perspectives at luxury hotels in the USA, and Kim and Cha (2002) tested their model by using a sample of loyal guests at five-star hotels in Seoul. Thus, the focus of both practitioners and academics suggest that loyal customers are more able to evaluate their perceived relationships with hoteliers than others. With that in mind, it is assumed that this thesis will provide a new insight into how loyal Arab guests at five-star hotels view their relationships with hoteliers, which has not been investigated before.

To approach loyal Arab guests, international five-star hotel chains have been chosen because previous research indicates that five-star hotels use relationship marketing practices more frequently than midrange or budget hotels (Kim and Cha, 2002). Loyal Arab customers formed the final sample of this thesis due to the similarities Arabs have in many aspects. These include Arabic language, religion and other cultural components (i.e., shared social heritage, visions of social reality, value orientations, beliefs, customs, norms and traditions), artistic achievements, knowledge or thought, and the sciences (Barakat, 1993). In addition, Nydell (1987) points out that most Arabs share the same basic beliefs and values across national and social class boundaries. She also maintains that "although there many differences among Arab countries, the Arabs are a clearly-defined cultural group, members of the Arab nation" (p.18). According to the Jordanian tourism ministry (2005), 88.3 % of tourist arrivals in Jordan are from Arabian countries during 2005 (see Table 4.9). Consequently, Arab tourists who travel to Jordan are unlikely to be culturally different from Arabic

travelers to other countries. Therefore, in agreement with Kent (2001), the sample frame in this thesis that can be most readily accessed (guests in five-star hotel chains in Jordan) is considered as the target population.

Table 4.9: All Arrivals by Point of Entry and Region from Jan. - Dec. 2005

Region	By Sea	By Land	By Air	Total
Africa	448	4,487	7,618	12,553
Americans	6,109	52,065	136,708	194,882
Asia & Pacific	4,936	90,439	83,752	179,127
Europe	19,707	446,261	184,660	650,628
U.N	3	788	134	925
Arabs (non Jordanian)	**329,966**	**4,542,776**	**471,331**	**5,344,073**
Sub Total	361,169	5,136,816	884,203	6,382,188
Jordanians	**37,813**	**1,920,352**	**540,125**	**2,498,290**
Grand Total	398,982	7,057,168	1,424,328	8,880,478

Source: Jordanian Ministry of Tourism and Antiquities.
Bold face indicates numbers of Arab tourists including Jordanians.
(Total Arabs non-Jordanian + total Jordanians)/grand total = 88.3%

Jordan has been chosen as a place to approach the sample of this thesis because: 1) Jordan is centrally located between Arabic countries and a good destination for Arab tourists; 2) Jordan has a sufficient number of five star hotel chains to provide a large sample size; 3) Jordan is a member of the United Arabic Nation Union; and 4) the researcher has access to five-star hotels in Jordan, as he is a tourism lecturer in Jordan and with extensive contacts throughout the local industry. Thus, he was in position to control expenses and address problems that may arise in data collection.

According to the Jordanian tourism ministry, there are 21 five-star hotels in Jordan. All but three of these hotels were invited to participate in this survey to obtain a representative sample and maximize the response rate. These three hotels were excluded because they were not members of international hotel chains. As a result, fifteen hotels agreed to participate in this research (see Table 4.10). These hotels were located in different parts of Jordan, and this widespread sample helps reduce any

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potential geographical bias (Wong, 2004). In regard to the sample size, it is not possible to determine *a priori* the overall number of loyal guests staying at each hotel, as this is commercially sensitive information.

To identify loyal guests, this thesis applied the definition that 'loyal guests' are individuals who have stayed ten nights or more a year with a particular hotel chain. This criterion has been chosen for two main reasons. First, there is disagreement in the literature, particularly in regard to hospitality, on the definition of 'loyal customer'. For example, Kim and Cha (2002) collected data from twelve five-star hotels in Seoul, based on the criteria that a loyal guest stayed 20 nights or more a year, while Bowen and Shoemaker (1998) considered a loyal guest as someone who stays at a particular hotel at least three times. Second, within the industry, each hotel has different classifications for defining loyal guest, and thus different loyalty programs are designed. In the Holiday Inn hotel chain, for example, a program called "priority club" is adopted, allowing guests to receive advantages from a card he/she holds recording the number of nights stayed. If the guest stays fifteen qualifying nights, he/she receives a gold card, but to get a platinum one, they need to stay at least 50 qualifying nights (see Holiday Inn, 2005) In contrast, the Hyatt hotel chain starts its loyalty program from the first stay (see Hyatt, 2005). Taking the literature and industry perspectives into account, a discussion with four of the hoteliers established ten nights or more as the most appropriate criterion for use in this thesis.

The type of sample used in this thesis was a 'purposive sample', in which the full range of hotel guests was surveyed. Those who met the criteria of being 1) Arab and 2) loyal (i.e., spent 10 night and more in one hotel chain) were included in the data to be analysed, while others were omitted. Malhotra (1996, p.366) defines purposive sample as "a form of convenience sampling in which the population elements are purposely selected based on judgment of the researcher". Similarly, Dillon et al. (1993, p.229) view purposive sampling as involving "selecting certain respondents for participation in the study presumably because they are representative of the population of interest and/or meet the specific needs of the research study". This type of sample was chosen for use in this thesis, as it is based on those units or elements contribute to answering the particular research question at hand (i.e., Churchill, 1995; Kinnear and Taylor, 199

Table 4.10: Locations and Number of Hotels, Rooms and Beds (2005)

Location	Name of the Hotel	No. of hotels	Rooms	Beds
Amman		12	3.636	6455
	Amman Marriott		293	400
	Crown Plazza Amman		302	444
	Four Seasons**		366	357
	Grand Hayyat Amman		366	940
	Holiday Inn		218	310
	Jordan Inter-Continental		440	650
	Le Meridien Amman		432	864
	Le Royal		282	564
	Radisson SAS Amman		260	440
	Regency Palace		300	550
	Sheraton Amman**		267	536
	Kempinski		283	400
Dead Sea		2	556	1056
	Dead Sea Marriott		216	376
	Dead Sea Movenpick		340	680
Petra		5	613	1098
	Grand View*		133	266
	Nabatean Castle*		92	176
	Petra Marriott		100	161
	Petra Movenpick		183	306
	Taybet Zaman*		105	189
Aqaba		2	490	804
	Movenpick /Aqaba		255	380
	Sheraton/Aqaba**		235	424
Total		21	5298	9413

Source: Jordanian Ministry of Tourism and Antiquities.
** Hotels that have not agreed to participate in the study.
* Hotels that have not been included in the survey, because they are not international hotels chains.

4.7.2 Final Survey Procedures

Once the researcher finalized the instrument and confirmed its appropriateness after conducting the pre-test, a number of procedures were adopted to conduct the final survey and collect research data. As followed in the pre-test, letters of formal invitation enclosed with the instrument were mailed to all of the eighteen hotels, asking them to participate in this research (see Appendix A.3). The information given to the hotels briefly included the aims of the study, its significance to them, intended

use of data, time, and issues related to confidentiality and their voluntary participation. To encourage the hotels to participate in this thesis, the researcher ensured them of his intent to support them with a feedback report after getting the results.

Consequently, the hotels were very keen to participate in the survey. Based on their consent, the fieldwork took place in Jordan during the period of July and October 2005, a period of high visitation and hence room occupancy, especially by Arabic customers (see Table 4.11). This table indicates that a suitable number of respondents can be sampled as compared to other months. Unfortunately, this period was not long enough to generate sufficient responses (302 responses in total, with only 187 being loyal). Therefore, the researcher extended the survey time for an additional month.

In order to choose the suitable method to approach loyal Arabic guests, wide discussions with the hoteliers (from Hyatt and Mariott hotels) and academic people (from Victoria University in Australia, and Applied Scince University in Jordan), were made. This procedure was also done in conjuction with the literature. As a result, the questionnaires were self-administered, but distributed in several ways. Before the distribution process started, the researcher conducted meetings with the front desk managers at each hotel in order to ensure that the instructions and the questions of the instrument were clear, and to answer if they had any queries. This was important because the staff on the front desk needed to answer any potential question asked by the guests.

Table 4.11: Tourist Overnight and Same Day Visitors by Month, 2002-2005

Month	2002	2003	2004	2005
January	284,033	284,508	407,297	443,287
February	366,974	324,965	348,521	320,506
March	312,644	205,037	309,436	338,468
April	248,812	164,155	328,951	365,678
May	286,584	238,340	313,443	382,236
June	371,470	345,622	454,840	518,229
July	**552,537**	**552,882**	**679,993**	**770,585**
August	**646,368**	**723,768**	**827,605**	**871,755**
September	**460,423**	**516,227**	**610,290**	**621,795**
October	**379,007**	**451,651**	**506,289**	**457,252**
November	405,421	465,100	467,835	386,078
December	362,745	327,454	332,155	341,500

Source: Jordanian Ministry of Tourism and Antiquities.
Bold face indicates the highest number of tourists visiting Jordan during the period July – October.

The questionnaires were given to the guests through the front desk at each participating hotel chain. Using this method, all the guests were given a questionnaire when they checked in, and returned them again when they checked out. In this case, the guests had the chance to fill out the questionnaire at any time during their stay. According to Zikmund (2003), this method is called drop-off, because the researcher traveled to the respondents' locations to drop-off the questionnaires, and picked them up after they had finished (see section 4.3.2 for further discussion about this method). The questionnaires were provided in Arabic and English, and guests had the choice to fill out any version they liked. In order to check whether the number of responses was as desired, the researcher had frequent and direct connections with the front desk managers or staff at each hotel.

After two weeks from the commencement of the distribution process, it became apparent that the method of giving the questionnaires to the guests through the front desk staff only was not sufficient responses. Hence, follow-up procedures as recommended by methodological authors Churchill (1995), Cavana et al. (2001), and

Zikmund (2003) were implemented. The researcher started to discuss with hoteliers the possibility of using different ways to approach the guests in order to improve the response rate. As a result of this, the questionnaires were also distributed by the staff in additional locations: business relationships centers, restaurants and rooms. The researcher also started to include a small reminder in the questionnaires to encourage the guests to complete them. The use of this procedure is widely recommended by scholars because it has been found to increase the number of responses (Harvey, 1987; Bernnan et al., 1993; Frazer and Lawley, 2000; Zikmund, 2003). Furthermore, the researcher conducted meetings with senior managers such as general, sales, public relationships and front desk in order to follow up the distribution process and ask the staff to exert more efforts in this process. For instance, some hotels (e.g., Petra Movinpick, Aqapa Movenpick and Dead Sea Movenpick) were very helpful to the extent that they provided free soft drinks for guests, encouraging them to complete the questionnaires. Consequently, it was found that adopting the above follow-up procedures increased the number of responses.

In total, the researcher distributed 100 questionnaires to each of the 15 hotels, 1500 questionnaires overall. The objective was to obtain a minimum sample size of approximately 200 respondents, which is appropriate for running structural equation modeling (Hair et al., 1995). The distribution procedures utilized resulted in 479 being returned, of which 271 were loyal Arab guests.

4.8 Data Analysis Methods

As pointed out by Coorley (1978, P. 13), "the purpose of the statistical procedures is to assist in establishing the plausibility of the theoretical model and to estimate the degree to which the various explanatory variables seem to be influencing the dependent variable". This thesis therefore uses Statistical Package for Social Sciences (SPSS) version 14 to analyse the preliminary data, and Structural Equation Modelling (SEM) using confirmatory factor analysis to test the hypothesized model discussed in Chapter Three. This section describes and justifies the use of these statistical techniques.

4.8.1 Preliminary Data Analysis

In order to analyse quantitative data gathered from the questionnaires, Statistical Package for Social Sciences (SPSS) version 14 was used. This software has largely been used and accepted by researchers as a data analysis technique (Zikmund, 2003). Therefore, this technique has been used to screen the data of this thesis in terms of coding, missing data (i.e., using *t*-test), outliers (i.e., using Box and Whisker, normal probability plot), and normality (i.e., using skewness and kurtosis). Each one of these methods has been further defined and described in section 5.3. SPSS was also employed to conduct preliminary data analysis including frequencies, mean, and standard deviation. These analyses were conducted for each of the variables to gain preliminary information about the sample. This information gives the reader a 'snapshot' of the data collected and used in the research.

4.8.2 Structure Equation Modeling (SEM)

Structural Equation Modeling (SEM) is "a collection of statistical techniques that allow a set of relationships between one or more independent variables, either continuous or discrete, and one or more dependent variables, either continuous or discrete, to be examined" (Tabachnick and Fidell, 2001, p. 653). SEM has become an important tool for analysis that is widely used in academic research (Heise, 1975; Bentler, 1980; Anderson and Gerbing, 1982; Anderson and Gerbing, 1988; Bollen, 1989; Breckler, 1990; Byrne, 2001; Hair et al., 1995; Jöreskog and Sörbom, 1996; Schumacker and Lomax, 1996; Kline, 2005; Homles-Smith et al., 2006).

The primary purpose of SEM is to explain the pattern of a series of inter-related dependence relationships simultaneously between a set of latent or unobserved constructs, each measured by one or more observed variables (Hair et al., 1995; Schumacker and Lomax, 1996). SEM is based on the assumption of causal relationships where a change in one variable (x1) is supposed to result in a change in another variable (y1), in which y1 affects x1. Not only does SEM aim to analyze latent constructs, in particularly the analysis of causal links between latent constructs, but also it is efficient for other types of analyses including estimating variance and covariance, test hypotheses, conventional linear regression, and confirmatory factor

analysis (Jöreskog and Sörbom, 1996). According to Anderson and Gerbing (1988, p.411), SEM is a confirmatory method providing "a comprehensive means for assessing and modifying theoretical models". Therefore, researchers in relationship marketing have found SEM to be an appropriate technique to examine their hypothesized models (see Crocby et al., 1990; Smith, 1998; De Wulf et al., 2001; Lin et al., 2003; Roberts et al., 2003; Liang and Wang; 2005; Palmatier et al., 2006; Wang et al., 2006).

SEM also has the ability to assess the unidimensionality, and reliability and validity of each individual construct (Anderson and Gerbing, 1988; Bollen, 1989; Hair et al., 1995; Kline, 1998, Kline, 2005). Further, it provides an overall test of model fit and individual parameter estimate tests simultaneously, thus, providing the best model fits to the data adequatly. In this thesis, SEM using confirmatory factor analysis, therefore, has been conducted.

Arbuckle's (2005) structural equation modelling software AMOS 6.0 (Analysis of Moment Structures) was used to explore statistical relationships among the items of each factor and between the factors of independent (i.e., financial, social and structural) and dependent variables (i.e., relationahip quality, emotions and loyalty). Further, the researcher can specify, estimate, assess, and present the model in a causal path diagram to show hypothesized relationships among variables. The empirical model can be tested agaiesnt the hypothesized model for goodness of fit. Any causal paths that do not fit with the orginal model can be modified or removed.

4.8.2.1 Two-Stage Structural Equation Modeling

In order to perform SEM, there are two approaches, *one-stage* and *two-stage*. The first of these, the one-stage approach, aims to process the analysis with simultaneous estimations of both structural and measurement models (called single-stage approach). The second, two-stage approach, aims to process the measurement model first and then fix this measurement model in the second stage when the structural model is estimated (called two-stage approach). In this thesis, the two–stage approach recommended by Anderson and Gerbing (1982) was adopted to conduct the analysis for two reasons. First, it is widely accepted and used in marketing research (Hair et

al., 1995), particularly in similar studies of relationship marketing (i.e., De Wulf et al., 2001, Roberts et al., 2003; Pullman and Gross, 2004; Hsieh et al., 2005; Liang and Wang, 2005; Bove and Johnson, 2006). Second, the accurate representation of the reliability of the items of each construct is best conducted in two stages to avoid any interaction between the measurement and structural models (Hair et al., 1995). That is, analyzing the causal relationships in the structural model requires performing the measurement model first (these stages been further explained next), due to the latter representing a condition that must be satisfied as a matter of logical necessity (Bagozzi, 1981; Anderson and Gerbing, 1982).

As shown in Figure 4.2, the first (measurement model) stage of the analysis was conducted by specifying the causal relationships between the observed variables (items) and the underlying theoretical constructs (composite and latent variables). The purpose of this stage was to verify the unidimensionality of the composite and latent constructs in the first step. Unidimentionality has been defined as "an assumption underlying the calculation of reliability and is demonstrated when the indicators of a construct have acceptable fit on a single-factor (one dimensional) model" (Hair et al., 1995, p. 641). Anderson and Gerbing (1988) argued that unidimensional measurement models are more generally useful because they offer more precise tests of the convergent and discriminant validity of factor measurement. Therefore, the purpose of the first step is to ensure that a set of items empirically measures a single dimension. In accordance with Anderson and Gerbing (1982), Dunn et al. (1994), and Hair et al. (1995), unidimensionality assessment was conducted prior to testing the reliability and validity of each construct.

In assessing unidimensionality, exploratory factor analysis (EFA) has widely been suggested as the appropriate tool when a theory is absent or new scales are being developed (Anderson and Gerbing, 1988; Byrne, 1989; Hair et al., 1995). In addition, Anderson and Gerbing (1988) have argued that exploratory factor analysis cannot assess unidimensionality directly, but aims to assess the factor structure of a scale. Therefore, confirmatory factor analysis (CFA) is a better method for use in research where hypotheses about the grounded theoretical models exist (Bollen, 1989), as is the case in this thesis. Thus, CFA is considered a more powerful (Anderson and Gerbing, 1988, Hair et al., 1955), and more flexible (Dunn et al., 1994) technique than

exploratory factor analysis for such assessment. Further, Kline (2005) maintains there is evidence that the factor structure identified in EFA may turn out to have poor fit to the same data when evaluated with CFA.

Figure 4.2: Two-Stage Structural Model Used in this Thesis

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┌─────────────────────────────────────────────┐
│                                               │
│     Stage 1: Measurement Model                │
│                                               │
└─────────────────────────────────────────────┘
                      │
                      ▼
        ┌─────────────────────────────────────┐
        │  Step 1: Assessing unidimensionality │
        └─────────────────────────────────────┘
                      │
                      ▼
        ┌─────────────────────────────────────┐
        │  Step 2:Assessing reliability and    │
        │          validity                    │
        └─────────────────────────────────────┘
                      │
                      ▼
┌─────────────────────────────────────────────┐
│                                               │
│          Stage 2: Structural Model            │
│             (Testing hypotheses)              │
│                                               │
└─────────────────────────────────────────────┘
```
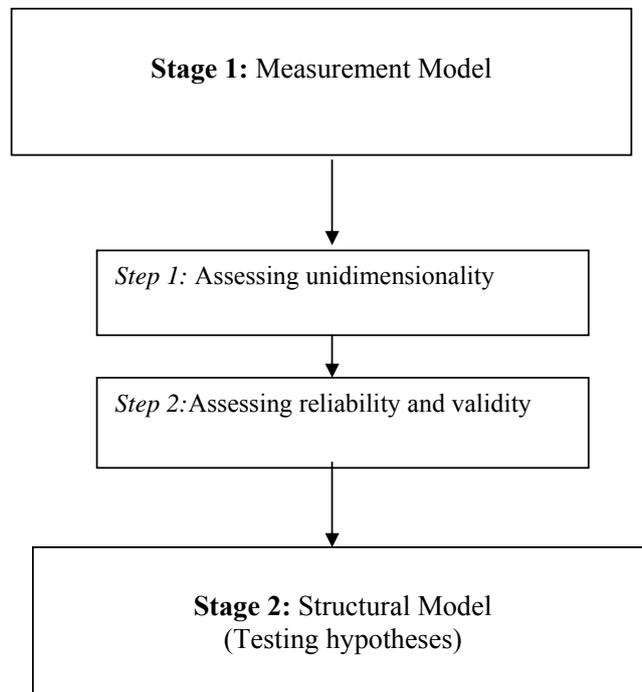
All the above reasons justify the use of confirmatory factor analysis in this thesis. This is especially so as scales' items have been adopted based on previous literature which were well grounded in theory (see Section 4.4). In addition, the underlying constructs of relational bonds – financial, social and structural, relationship quality, emotions, and loyalty have already been demonstrated empirically to be valid in the literature. Therefore, CFA was used to determine whether the number of factors and the loadings of measured indicators (items) had conformed to what was expected, based on re-established research and theory. Items that loaded weakly on the hypothesized factors were removed from the scale, thus resulting in a unidimensional scale (Dunn et al., 1994). In using CFA, a factor loading of .50 and above on a specified factor has been considered acceptable (Hair et al., 1995), and thus this level is used as the cut off value within this thesis.

Once the first step of undimensionality of constructs is achieved, reliability and validity (see Figure 4.2) of these constructs is demonstrated in the second step (see Section 4.9 for further discussion on reliability and validity). For this purpose, confirmatory factor analysis using maximum likelihood estimate was performed (Anderson and Gerbing, 1988; Kline, 2005). Following this, the paths or causal relationships between the underlying theoretical latent constructs were specified in the structural model (second stage). Further details about these two stages are discussed in the next chapter.

4.8.2.2 SEM Assumptions

Like any statistical method, a number of assumptions need to be met before conducting SEM. For example, SEM requires the sample size to be adequate, as covariance and correlations are less stable when estimated from small sample sizes (Tabachnick and Fidell, 2001). While some authors believe that SEM could be used for sample sizes as small as 50 (i.e., Anderson and Gerbing, 1984), it has been generally accepted that 100 is the minimum sample size to ensure the appropriate use of maximum likelihood estimation (MLE) (Hair et al., 1995). However, Boomsma (1983) suggests that the estimation of SEM by using maximum liklehood methods can be used only when the sample size is at least 200. Bentler (1995) suggested that instead of thinking about number of participants per measured variable, it is worthwhile to thinking about how many subjects there are per estimated parameter. Accordingly, Tabachnick and Fidell (2001) suggest that fewer than ten subjects per estimated parameter may be adequate if the estimated size of effect is large and the measured variables normally distributed. A sample of 400 and over is also considered as undesirable (Carmines and McIver, 1981; Tanaka, 1987; Hair et al., 1995), because the methods become too sensitive and goodness-of-fit measures will indicate a poor fit. While there is no agreement among the scholars about sample size, Hair et al. (1995) considered a number of 200 to be ideal. The sample size of this thesis is 271, which is considered appropriate for using SEM.

In addition to sample size, important assumptions for using SEM include the normal distribution of the data as well as the effect of missing data and outliers. These issues have been discussed in the next chapter under Data Screening (see Section 5.3).

4.8.2.3 Path Diagram

In SEM, the hypothesized or causal relationships can be presented in the form of a path diagram. As shown in Figure 4.3, the SEM diagram in this thesis consists of the constructs as unobserved variables, measured variables (composite variables), measurement errors, and arrows representing relationships between the variables. For example, constructs such as relational bonds - financial, social, and structural, relationship quality, emotions, and loyalty are presented as ovals (unobserved variables). Measured or composite variables such as trust, satisfaction, commitment, positive emotions, negative emotions, behaviour loyalty and attitudinal loyalty are presented as rectangles.

The single-headed arrows in the diagram represent linear dependencies indicating the extent to which one variable (construct) is dependent on another (causal paths or relationships). For instance, the arrow connecting emotions with relationship quality represents a direct relationship that is hypothesized between these two variables. The absence of arrows linking variables implies that no direct relationship has been hypothesized. In the diagram, correlations or covariance between the variables are represented as double-headed arrows, as seen in the relationship between relational bonds including financial, social, and structural. This is where a relationship between the variables is assumed, but no causal path is hypothesized. Also included in the model is measurement error associated with the composite variables and residual error associated with the latent variables. Measurement error have been represented as (e) and enclosed in small circles, whereas residual errors have been represented as (z) in small circles.

Figure 4.3: The Path Diagram of This Thesis
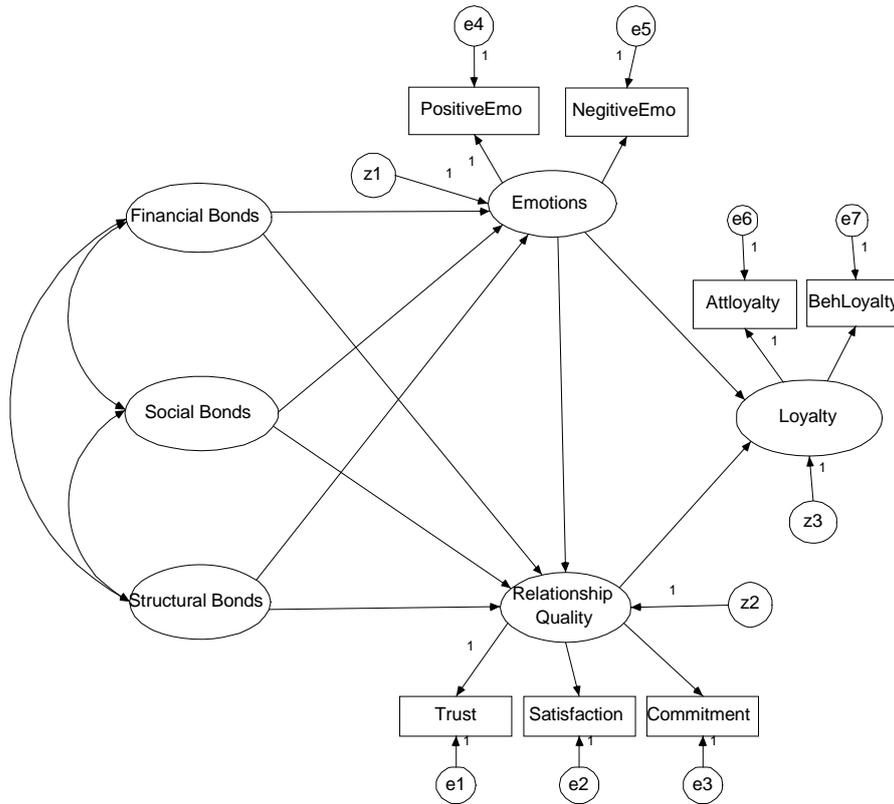
4.8.2.4 Evaluating the Fit of the Model

In SEM, there are a series of goodness-of-fit indices, which identify whether the model fits the data or not. There are many indices provided by SEM, although there is no agreement among scholars as to which fit indices should be reported. For example, Anderson and Gerbing (1988) suggest that researcher might assess how well the specified model accounts for data with one or more overall goodness-of-fit indices. Kline (1998) recommends at least four such as GFI, NFI, or CFI, NNFI and SRMR. In order to reflect diverse criteria and provide the best overall picture of the model fit, Jaccard and Wan (1996), Bollen and Long (1993), Hair et al. (1995), and Holmes-Smith (2006) recommend the use of at least three fit indices by including one in each of the categories of model fit: absolute; incremental; and parsimonious (these are discussed below). This thesis adopts those measures most commonly used in

marketing research to evaluate models in which the three categories are reflected. As outlined in Table 4.12, the first category of absolute values includes chi-square (x^2), GFI, and RMSEA; the second category (incremental) includes AGFI, NFI, CFI, TLI; and the third category (parsimonious) includes x^2/df. These are described in more detail below.

Table 4.12: Summary of Goodness-of-Fit Indices

Name of the Index	Level of acceptance	Comments
Absolute fit indices		
Chi-square (x^2)	P > 0.05	This measure is sensitive to large sample sizes
Goodness-of-Fit (GFI)	.90 or greater	Value close to 0 indicates a poor fit, while value close to 1 indicates a perfect fit
Root Mean Square Error of Approximation (RMSEA)	Between .050 and .080	Value up to 1.0 and less than .05 is considered acceptable
Incremental fit indices		
Adjusted Goodness-of-Fit (AGFI)		Value close to 0 indicates a poor fit, while value close to 1 indicates a perfect fit
Tuker-Lewis Index (TLI)		
Normed Fit Index (NFI)	90 or greater	
Comparative Fit Index (CFI)		
Parsimonious fit indices		
Normed Chi-square (x^2/df)	$1.0 \leq x^2/df \leq 5$	Lower limit is 1.0, upper limit is 3.0 or as high as 5

Absolute fit indices

The chi-square (x^2) is considered the most fundamental measure of overall fit (Bollen, 1989). This is a test of whether the matrix of implied variance and covariance (Σ) is significantly different to the matrix of empirical sample variance and covariance (S). It is calculated to determine the discrepancy between Σ and S. If the probability (P) is greater than .05, this indicates that the discrepancy between Σ and S is very

small, meaning that the actual and predicted input matrices are not statistically different. Although this type of statistical index is the most important one to evaluate fit of the model, it has been criticized for being too sensitive to sample size (Fornell and Larcker, 1981; Marsh et al., 1988; Jöreskog and Sörbom, 1996), especially in cases where sample size is over 200 (Bagozzi and Yi, 1988; Hair et al., 1995). Thus, marketing researchers do not solely use the value of chi-square to reject or accept their models (Bagozzi, 1981; Han, 1991, Bove and Johnson, 2006), but use it in conjunction with other indices to evaluate overall fit.

The second measure of absolute fit index used within this thesis is the Goodness-of-Fit Index (GFI) proposed by Jöreskog and Sörbom (1981). The GFI measure indicates the relative amount of variance and covariance together explained by the model (Byrne, 1989). The GFI value is calculated by comparing the discrepancy value for the model under test to the discrepancy value for a saturated version of the model which is counted as representing a 100% fit (or 1.0). However, this measure is not adjusted for degrees of freedom (Hair et al., 1995; Holmes-Smith, 1996), ranging from 0 (indicating a poor fit) to 1 (indicating a perfect fit), where a recommended level of acceptance is .90 (Hair et al., 1995). The third measure of absolute fit index used is Root Mean Square Error of Approximation (RMSEA). This measure assists in correcting the tendency of chi-square to reject specified models. It takes into account errors of approximation in the population, and relaxes the stringent requirement that the model holds exactly in the population. While Holmes-Smith et al. (2006) recommend that RMSEA should be less than 0.05, MacCallum and Browne (1993) suggest a value of up to 1.0 as reasonable. However, it has been found that a value ranging from .05 to .08 is commonly acceptable (Hair et al., 1995).

Incremental Fit Indices
The second category of indices includes incremental fit measures. These measures provide a comparison between the proposed model and the null model.[1] Adjusted Goodness-of-Fit Index (AGFI), for instance, is one of the incremental indices, which has been found important, and is adopted in this thesis. This is because it takes into account adjustment for degrees of freedom, which GFI from the absolute fit indices

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[1] Hair et al. (1995, p.620) defines null model as "baseline or comparison standard used in incremental fit indices".

category cannot do (Marsh et al., 1988; Hair et al., 1995; Holmes-Smith, 2006). The quantity 1-GFI is multiplied by the ratio of the model's df divided by df for the base line model, the AGFI is 1 minus this result. Similar to GFI, this measure range from 0 (indicating a poor fit) to 1 (indicating a perfect fit), where a recommended level of acceptance is .90 (Hair et al., 1995).

In addition to AGFI, Normed Fit Index (NFI) is one of the most popular incremental measures (Bentler, 1980, Hair et al., 1995; Byrne, 2001). NFI reflects the proportion to which the researchers' model fit compared to the null model. For example, NFI = .50 means the researcher's model improve fit by 50%. However, this index does not control for degrees of freedom (Bollen, 1989). In order to overcome this shortcoming, Bentler (1990) has used it with the Comparative Fit Index (CFI). CFI compares the covariance matrix predicted by the model to the observed covariance matrix. Therefore, both of NFI and CFI are reported in this thesis. They range from 0 (poor fit) to 1 (perfect fit) having a commonly recommended level of .90 or greater (Hair et al., 1995). Another important incremental measure also used in this thesis is the Tucker-Lewis Index (TLI) (Tucker and Lewis, 1973). TLI is known as a nonnormed fit index (NNFI)(Marsh et al., 1988; Hair et al., 1995). TLI combines a measure of parsimonious into a comparative index between the proposed or hypothesized and null models, resulting in values ranging from 0 (not fit at all) to 1 (perfect fit). Similar to NFI and CFI, the commonly recommended level is .90 or greater (Hair et al., 1995). It has been adopted in this thesis due to its ability to provide a nonbiased indication of model fit at all sample sizes (Finch and West, 1997).

Parsimonious Fit Indices
The third category of parsimonious fit indices tests the parsimony[2] of the proposed model by evaluating the fit of the model to the number of estimated coefficient required to achieve the level of fit (Hair et al., 1995). In this category, the normed chi-square (x^2/df) is the most popular parsimonious fit index used to evaluate the appropriateness of the model (Hair et al., 1995). In this measure, a range of acceptable values for the x^2/df ratio have been suggested, ranging from less than 2.0 (Bollen,

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[2] The degree to which a model achieves model fit for each estimated coefficient. The purpose is not to minimize the number of coefficients or maximize the fit. It is, however, to maximize the amount of fit per estimated coefficient (Hair et al., 1995).

1989; Hair et al., 1995; Tabachnick and Fidell, 2001), through less than 3.0 (Carmines and McIver, 1981), to more liberal limits of less than 5.0 (Wheaton et al., 1977). Since x^2 is the main component of this measure, x^2/df is also sensitive to the sample size. Therefore, this thesis has used this measure as an indicator of overall fit (in conjunction with other measures), not as a basis for rejecting or accepting the model.

4.9 Reliability and Validity

As was discussed in the former section, once unidimensionality has been established, the underlying constructs of this thesis can be assessed for reliability and validity (Peter, 1979; Anderson and Gerbing, 1982; Anderson and Gerbing, 1988; Dunn et al., 1994; Hair et al., 1995). Reliability and validity are separate but closely related concepts (Bollen, 1989). Here, a measure may be consistent (reliable) but not accurate (valid), and alternatively, a measure may be accurate but not consistent (Holmes-Smith et al., 2006). That is, an instrument is valid if it measures what it supposed to measure, and reliable if it is consistent and stable (Sekaran, 2000). Therefore, in order to ensure the quality of the findings and conclusions of this thesis, both validity and reliability are assessed. Cronbach's (1951) coefficient alpha, Construct reliability (CR), and Average Variance Extracted (AVE) are computed to assess reliability, while content, construct, criterion and external validity are examined for validity. Both reliability and validity assessments are discussed below.

4.9.1 Reliability

Zikmund (2003, p. 330) defines reliability as "the degree to which measures are free from random error and therefore yield consistent results". That means reliability refers to the extent to which a scale produces consistent results if repeated measurements are made on the variables of concern (Malhotra, 2003). Reliability and error are related, and thus the larger the reliability, the smaller the error (Punch, 1998). Therefore, the main objective of reliability is to minimize the errors and biases in a research (Yin, 1994).

Reliability can be assessed through two main dimensions: 1) *repeatability* and 2) *internal consistency* (Zikmund, 2003). The first dimension, *repeatability,* can be explored using two methods, including test-retest, and alternatives. Test-retest method entails the administration of the same instrument on two different occasions to the same sample of respondents, taking into account the equivalent conditions. In this case, a correlation coefficient is computed to confirm the degree of similarity between the two tests. However, two main problems proposed by Kinner and Taylor (1996), Malhotra (1996), and Zikmund (2003) are associated with this method, making it not suitable for use in this thesis. First, the initial test influences respondents' responses in the following tests. That is, respondents may have learned from the first test to change their attitude when the other is conducted. Second, respondents may change their attitude due to the time factor. For example, if the time between the two tests is long, respondents may change their attitude, and thus the longer the time interval between the tests, the lower the reliability.

The alternative-form method "is used when two alternative instruments are designed to be as equivalent as possible" (Zikmund, 2003, p.331). In this case, these two measurement scales are administered to the same group of respondents. When the correlation between the two forms is high, that means the scale is reliable (Zikmund, 2003). However, it is difficult in all cases to construct two equivalent forms of the same instrument.

Because the abovementioned methods have shortcomings, they were not appropriate for use in this thesis. Therefore, it was decided to look at the internal consistency – the second dimension of reliability, which is "used to assess the reliability of summated scale where several items are summed to form of total score" (Malhotra, 1996, p. 305). If they are reliable, the items will show consistency in their indication of concept being measured. The most basic method measure of internal consistency is split-half reliability. This method involves dividing a multi-items measurement into two halves, and thus checking the results obtained from the first half of the scales items against the results from the other half. While this method has been widely used in the literature, it has limitations in that results rely on how the items are divided. To avoid this problem, Cronbach's (1951) coefficient alpha, one of the most common methods in gauging reliability (Nunnally, 1978; Peter, 1979; Sekaran, 2000), is

considered appropriate. This technique estimates the degree to which the items in the scale are representative of the domain of the construct being measured. It is a measure of the internal consistency of a set of items, and is considered 'absolutely the first measure' one should use to assess the reliability of a measurement scale (Nunnally, 1978; Churchill, 1979). Added to this, Cronbach's coefficient is important in measuring multi-point scale items (i.e., 7-point Likert scale used in this thesis) (Sekaran, 2000). Accordingly, this method of internal consistency has been adopted to assess the reliability of the measures in this thesis.

Given that multi-items scales were employed in this thesis, Cronbach's alpha estimate has been used as a verification of the reliability of the composite items comprising each scale for each construct. Thus, the constructs of relational bonds - financial, social and structural, relationship quality, emotions, and loyalty were subject to such assessment (see Section 5.7.2). In assessing reliability through Cronbach's alpha, authors suggest different levels of acceptance. For instance, Nunnally (1967) recommend that an acceptable alpha is between .50 and .60. However, in the second edition of his book *Psychometric Theory,* Nunnally (1978) increased the level of acceptance and considered that alpha should exceed the minimum of .70 for internal consistency. Similarly, Nunnally and Bernstein (1994) suggest a rule of thumb level of higher than .70, with level as low as .60 being acceptable for new scales. Other authors such as Carmines and Zeller (1979) indicate that at least .80 is required to establish internal consistency. While different views have been recommended about levels of acceptance, it is generally agreed that an alpha of .70 and over is acceptable. Therefore, this cut-off point (.70) has been used as the minimum for determining internal consistency of scales for this thesis.

Traditionally, marketing research has adopted the procedure recommended by Churchill (1979) and Peter (1979) to develop their scales. The key issue of this procedure concerns item purification using Cronbach's coefficient alpha and exploratory factor analysis. However, Anderson and Gerbing (1988) expanded the scale development procedure by including Confirmatory Factor Analysis (CFA). This needs to be done, as coefficient alpha is not a sufficient condition to assess unidimensionality. For this reason, other authors such as Steenkamp and Van Trijp (1991) maintain that CFA provides a better estimate of reliability than coefficient

alpha. Hinkin (1995) also suggested that the CFA approach is able to examine the stability of the factor structure in scale construction. Furthermore, assessing reliability by using CFA is also necessary to ensure that all measures used in this thesis are reliable, thus providing the researcher with greater confidence that the individual items are consistent in their measurements (Hair et al., 1995).

Accordingly, because researchers generally report at least one of three model-based estimates of reliability (Bollen, 1989), internal consistency in this thesis has also been assessed using confirmatory factor analysis (CFA). To assess reliability using CFA, the approach suggested by Fornell and Larcker (1981) was adopted. This approach is common and widely used in marketing research, particularly in relationship marketing (see De Wulf et al., 2001; Hsieh and Hiang, 2004; Hsieh et al., 2005; Bove and Johnson, 2006). Fornell and Larcker stressed the importance of examining Construct Reliability (CR) and Average Variance Extracted (AVE). CR measures the internal consistency of a set of measures rather than the reliability of a single variable to capture the degree to which a set of measures indicates the common latent construct (Holmes-Smith et al., 2006). Here, a main advantage is that CR is based on estimates of model parameters and has wide applicability. On the other hand, the AVE estimate is a more conservative indicator of the shared variance in a set of measures than construct reliability. Hence, the variance-extracted estimate reflects the overall amount of variance in the items accounted for by the latent construct. In this thesis, CR and AVE have been calculated separately for each multiple item construct because AMOS does not compute these two measures directly (Hair et al., 1995). Bagozzi and Yi (1988) recommended that CR should be equal to or greater than .60, and AVE should be equal to or greater than .50. As this threshold is widely accepted, it has been used in this thesis.

This thesis determind Cronbach's alpha, CR, and AVE to ensure that the specified items are sufficient in their representation of the underlying constructs, including relational bonds – financial, social and structural, relationship quality, emotions, and loyalty. The results related to these assessments are reported in section 5.7.2.

4.9.2 Validity

Reliability alone is not sufficient to consider that an instrument is adequate (Churchill, 1979; Anderson and Gerbing, 1988; Dunn et al., 1994; Hair et al., 1995). Therefore, validity is required to validate the constructs of this thesis. According to Zikmund (2003, p.331), validity means "the ability of a scale to measure what intended to be measured". Neuman (2003) points out that the better the fit between the conceptual and operational definitions, the greater the measurement validity. Added to this, validity represents the relationship between the construct and its indicators (Punch, 1998).

Nunnally and Bernstein (1994) suggest there are three important aspects of a valid construct. First, the construct should be seen to be a good representation of the domain of observable related to the construct. Second, the construct should well represent the alternative measures. Finally, the construct should be well related to other constructs of interest. Taking into account these considerations, three types of validity, including, content, construct (convergent and discriminant validity) and criterion have been examined in this thesis. These are related to the internal validity of the scales and their respective items. As for the purpose of the generalisability of the research findings, external validity has also been investigated.

4.9.2.1 Content Validity

Content or face validity is the first type used within this thesis. Content validity is a subjective but systematic assessment of the extent content of a scale measures a construct (Malhotra, 1996). When it appears evident to experts that the measure shows adequate coverage of the concept, the measure has face validity (Zikmund, 2003). In order to obtain content validity, this thesis follows the recommended procedures of Cooper and Schindler (1998) through identifying the existing scales from the literature and conducting interviews with panel of experts (including academics and practitioners from the industry), asking them to give their comments on the instrument. The interviews were conducted as part of the pre-test methods discussed earlier in this chapter. Given that content validity has a subjective nature, it is not sufficient to provide a more rigorous empirical test (Zikmund, 2003). Therefore,

it was assured *a priori* to conducting the final survey as a precursor to other measures of validity.

4.9.2.2 Construct Validity

Construct validity is the second type used within this thesis. It is directly concerned with what the instrument is actually measuring (Churchill, 1995). In other words, it refers to how well the results are achieved from employing the measure fitting the theories around which the test is designed (Sekaran, 2000). In this context, Malhotra (1996) also found it necessary to consider the theoretical questions about why the scales work and what deductions can be made based on the theory. In summary, this measure of validity refers to developing correct and adequate operational measures for the concept being tested (Yin, 1994; Malhotra, 1996). Although measuring reliability and content validity develops 'internally consistent' sets of measurement items, it is not sufficient for construct validity (Nunnally, 1967).

Construct validity was therefore examined in this thesis by analysing both convergent validity and discriminant validity. Convergent validity examines whether the measures of the same construct are correlated highly, and discriminant validity determines that the measures of a construct have not correlated too highly with other constructs (Sekaran, 2000).

A number of methods have been suggested for assessing convergent and discriminant validity: factor analysis, correlation, and even more advanced procedures including CFA existing in SEM. For the purpose of this thesis, convergent and discriminant validity have been assessed by performing CFA. To demonstrate convergent validity, magnitude of the direct structural relationship between the item and latent construct (or factor) should be statistically different from zero (Holmes-Smith et al., 2006). In other words, the final items (not including deleted items) should be loaded highly on one factor (Anderson and Gerbing, 1988), with a factor loading of .50 or greater (Hair et al., 1995). Furthermore, AVE was used as an indicator for supporting convergent validity (Fornell and Larcker, 1981). As for discriminant validity, two methods have been employed in this thesis. The first method checks the estimated correlations between the factors, which should not be greater than .85 (Kline, 2005).

This is consistent with the above discriminant validity definition of Sekaran (2000). That is, if the two factors are highly correlated (greater than .85), redundant items that show a lack of discriminant validity are deleted (Kline, 2005). The second method of assessing discriminant validity examines pattern structure coefficient to determine whether factors in measurement models are empirically distinguishable (Thompson, 1997). Pattern coefficient is the standardized factor loading derived from AMOS analysis. In addition to these restrictive assessments of convergent and discriminant validity, construct validity in this thesis was enhanced by assuring that the model (through goodness-of-fit results obtained from CFA) fits to the data adequately (Hsieh and Hiang, 2004). Results related to construct validity have been reported in section 5.7.2.

4.9.2.3 Criterion Validity

Criterion validity is the third measure of validity demonstrated within this thesis. It refers to the ability of measures to correlate with other standard measures of the same construct (Zikmund, 2003). It can be classified as *concurrent* validity or *predictive* validity (Sekaran, 2000), depending on the time sequence in which the new measurement scale and the criterion measure are correlated (Zikmund, 2003). The former, for example, is established when a new measure is taken at the same time as criterion and is shown to be valid, while the latter is established when a new measure predicts a future event. According to Peter (1981), criterion validity was commonly used in earlier research. However, its popularity has vanished with the increased use of construct validity. This is because criterion validity is synonymous with convergent validity, and thus assessment of the latter would mean that the former was satisfied (Zikmund, 1994). Since convergent validity has been used as a measure within this thesis, it is therefore assumed that criterion validity is also accounted for.

4.9.2.4 External Validity

The final measure used to validate the measures of this thesis is external validity. While above discussed validity relates to the internal validity of the scales and their respective items, external validity is concerned with establishing the extent to which the study findings can be generalized to other subjects or groups (i.e., other hotels classification or other service industries) (Zikmund, 2003). In more specific terms,

external validity is related to the generalisability of the cause-effect relationships of the research findings (Yin, 1994). Hence, evidence on external validity for this thesis has been obtained by employing a representative sample (i.e., 15 five-star hotel chains in Jordan), and using a real-world setting (Leedy and Ormrod, 2001; Zikmund, 2003).

In summary, the validity of the constructs was established prior to testing the underlying hypotheses. This is important because having valid constructs provides conclusions that help generalize the results of this thesis. For this purpose, four types of validity, including content, construct, criterion and external, were adopted.

4.10 Ethics Considerations

According to Polonsky and Waller (2005), the researcher should understand the basics of ethical research and how this might affect the research project. In accordance with this, as part of Victoria University requirements, all projects involving human subjects must have approval from the University Human Research Ethics Committee before conducting the fieldwork. In response, a number of considerations have been adopted to ensure that no one was negatively affected by conducting this research. First, in the ethics application, the aims, procedures involved and the nature of the project ensured that there were no potential risks associated with this project. Second, accredited persons translated the questionnaire into the Arabic language. Third, letters of formal invitation enclosed with the instrument were mailed to all participating hotels in order to obtain permission to conduct the pre-test and final survey. Information given to the hoteliers included the aims of the study, and its significance to them. It also included the time frame of data collection, the intended use of data, and issues related to their voluntary participation, ensuring confidentiality. In conformity with the ethics requirements of Victoria University, formal consents for conducting this research were obtained. Fourth, those who wanted more information before participating in the research were given the option to contact a Victoria University representative who was able to provide more information about the project. Finally, to ensure the confidentiality of the data, the researcher undertook a number of procedures including:

- The names of hotels were kept confidential and they were not described in a way that allows them to be identified.
- Individuals' personal information have not been identified in any finding.
- Raw data collected has not been used for any purpose other than the research as specified.
- Raw data collected has been privy to a number of users; namely the researcher, principal investigator and associate investigator.
- Data is to be kept in the principal investigator office in a locked cabinet for 5 years.

As a result of the above actions, the Ethics Committee at Victoria University granted approval to conduct this research.

4.11 Summary

This chapter justifies the need for quantitative analysis to answer the research questions, and testing the hypotheses. The intended measurement scales for each of the constructs in the proposed model have been developed based on previously tested scales; the instrument and the methods used to collect the data in the pre-test and final survey have been described; the population, sampling and procedures used have been identified; the statistical techniques used to empirically test the research hypotheses of the proposed model in the following chapter have been discussed; the issues related to the reliability and validity have been addressed. Further to this, other issues related to the ethical considerations to this research have been presented.

In the following Chapter Five, data screening and preliminary data analysis, including descriptive statistics and sample characteristics are discussed. The hypothesized model of relationship marketing is then tested through examining the association between the underlying constructs of relational bonds - financial, social and structural, relationship quality, emotions and loyalty. This includes two stages: 1) testing the measurement model and 2) testing the structural model.

CHAPTER FIVE
DATA ANALYSIS AND RESULTS

5.1 Introduction

The previous chapter detailed the research methodology adopted to test the proposed theoretical model, and to answer the research questions of the study. The purpose of this chapter is to present the results of the data analysis and to tests the hypotheses. Following the introduction, the second section (5.2) presents preparation of the data, including editing and coding prior to conducting analysis. This is followed by a section (5.3) discussing the procedures used for screening the data. The fourth section (5.4) discusses the response rate, and the fifth section (5.5) describes sample characteristics. Following this, section six (5.6) reports the results of Structural Equation Modelling (SEM) used to test the hypotheses arising from the model. This is followed by two sections (5.7 and 5.8) that discuss the two-stage structural model used in analysing the data. The first stage of the measurement model is presented in section seven (5.7), whilst section 5.8 presents the structural model. Section nine (5.9) presents the final results related to the testing of the hypotheses, and a conclusion is presented in section 5.10.

5.2 Data Editing and Coding

Following the collecting of data from the hotel guests (see Section 4.7.2 for the description), editing of the data was undertaken in order to ensure the omission, completeness, and consistency of the data. Editing is considered as a part of the data processing and analysis stage (Zikmund, 2003). Following the recommendation of Sekaran (2000), this thesis includes all respondents in the analysis who completed at least 75% of questionnaire answers, whilst those with more than 25% unanswered questions are excluded (i.e. 25 surveys were excluded). Any missing data has been

considered as missing values (Kinner and Taylor, 1996; Sekaran, 2000), and discussed below.

Coding was used to assign numbers to each answer (Malhotra, 1996) and allows the transference of data from the questionnaire to SPSS. Such procedures can be undertaken either before the questionnaire is answered (pre-coding), or after (post-coding) (DeVaus, 1995). In this thesis, the coding procedure was performed by establishing a data file in SPSS, and all question items were all pre-coded with numerical values (see questionnaire in Appendix B). Data editing procedures were undertaken after data were entered into the data file in order to detect any errors in data entry. Out-of-range values in the data file were corrected by referring to the original questionnaire.

5.3 Data Screening

As the first stage in the data analysis, screening for missing data, outliers, and normality was conducted. Data screening is useful in making sure that data have been correctly entered and that the distribution of variables, that are to be used in the analysis, are normal (Coakes, 2006). These preliminary analyses are discussed next.

5.3.1 Treatment of Missing Data

It is uncommon to obtain data sets without some missing data (Hair et al., 1995; Coakes, 2006). Missing data usually occurs when a respondent fails to answer one or more survey questions. Two ways have been recommended by Tabachnick and Fidell (2001) to evaluate the degree to which there are missing data. The first is to evaluate the amount of missing data, and the second is to evaluate what data are missing (the pattern). However, Tabachnick and Fidell argue that assessing the pattern of missing data may be more important than the amount of missing data, even though the latter is still necessary. This is because checking the pattern of missing data has an advantage in determining whether or not missing data occur randomly or relate to specific items. That means the pattern of missing data should be randomly distributed among the

questionnaires. If it is not, then the missing data will lead to biased estimates of results (Tabachnick and Fidell, 2001).

The screening of the data in SPSS indicated that there was no variable that had more than 5% of missing data (see Appendix C, Table 1). Since less than 5% of missing data is considered acceptable (Churchill, 1995), there was no requirement to assess the pattern of missing data. Nonetheless, to ensure that there was no systematic error (the missing data were randomly distributed) in the responses, the randomness of missing data was assessed (Hair et al., 1995). An analysis of the pattern of missing data using SPSS missing data analysis indicated only random occurrences (see Appendix C, Table 2). According to Tabachnick and Fidell (2001) that means there is no problem with the data and thus it can be analyse further.

As there was minimal missing data and the missing data were distributed randomly, it was decided to replace missing responses with the variable mean responses for each variable. This method was deemed to be most appropriate for the following two reasons. First, it is one of the more widely used methods, because it is based on valid responses that make the mean the best single replacement of missing data (Hair et al., 1995). Second, because variables in this thesis are going to be grouped in factors, listwise deletion of variables with missing data would result in substantial loss of the overall sample size (Tabachnick and Fidell, 2001).

It was important to ensure that replacing missing values with the variable mean did not significantly alter the means and distribution of variables (pre and post replacement). A paired sample t-test was conducted to examine if there were any mean differences between original and adjusted variables (see Appendix C, Table 3). A Wilcoxon signed-rank[1] was also used to test all pairs of variables to show whether

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[1] Wilcoxon signed-rank is a nonparametric procedure used with two related variables to test the hypothesis that the two variables have the same distribution. It makes no assumptions about the shapes of the distributions of the two variables. This test takes into account information about the magnitude of differences within pairs and gives more weight to pairs that show large differences than to pairs that show small differences. The test statistic is based on the ranks of the absolute values of the differences between the two variables (Pallant, 2005).

significant differences in distribution pre and post replacement existed (see Appendix C, Table 4). Therefore it can be confidently assumed that mean replacement did not alter the overall mean and distribution of variables.

5.3.2 Assessment of the Normality

Following the replacement of missing data with variable means (Coakes, 2006), the scale data was assessed to determine normality of distribution. Because of the assumption that factor analysis and structural equation modelling both require variables to be normality distributed, it was necessary to check the distribution of variables to be used in the analysis (Hair et al., 1995; Tabachnick and Fidell, 2001, Kline, 2005).

As the first step in diagnosing the distribution of the variables, Box and Whisker and-steam and leaf plots were used in order to check for outliers. Outliers refer to "observations with a unique combination of characteristics identifiable as distinctly different from the other observations" (Hair et al., 1995, p.57). These outliers might be very high or very low scores (extreme values), and could result in non-normality data and distorted statistics (Hair et al., 1995; Tabachnick and Fidell, 2001). Given that extreme values represented less than 5% of the data, the method of scores changing was used as recommended by Tabachnick and Fidell (2001). Extreme values, in this case, were recoded (changed) to their closest values (up or down).

In order to check any actual deviation from normality, a number of methods can be used. One method is to use skewness and kurtosis. By using this method, values for skewness and kurtosis should not be significant if the observed distribution is exactly normal. For large sample sizes, 200 and over (Hair et al., 1995), even small deviations from normality can be significant but not substantive. Tabachnick and Fidell (2001, p.74) maintain that, "in a large sample, a variable with statistically significant skewness and kurtosis often does not deviate enough from normality to make a substantiative difference in the analysis". Although this method is more applicable to small sample sizes, it was necessary to check the absolute values of skewness and kurtosis. That is a variable with an absolute value of kurtosis index greater than 10.0 may suggest a problem and values greater than 20.0 may indicate a more serious one

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(Kline, 2005). Therefore, it was recommended that absolute value of skewness and kurtosis should not be greater than three and ten. Using SPSS, an inspection of both skewness and kurtosis indicated that the absolute values were within the recommended levels (see Table 5.1), suggesting univariate normality. Table 5.1 also presents the final descriptive statistics for the items used in this thesis.

While the inspection of skewness and kurtosis values was important, it is recommended that visually assessing normal probability plots[2] is more appropriate for larger sample sizes (Hair et al., 1995). Looking for values clustered around the straight line, the assessment of these probability plots indicated that there was no severe deviation from normality. Since these variables did not deviate from normality, it was not necessary to make any adjustments such as transformation of the data (Tabachnick and Fidell, 2001).

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[2] Normal probability plot (or so called Q-Q plot) is a statistical technique that makes assessing the normality easier than others (Norušis, 1995). It shows the observed value and the values are expected if the data are a sample from a normal distribution. The points should cluster around a straight line if the data are normally distributed.

Table 5.1: Measures of the Constructs and Descriptive Statistics

Items	Mean	SD	Skewness	Kurtosis
Financial Bonds				
This hotel chain provides discounts (or up-grades) for regular guests	4.94	1.74	.811	.341
This hotel chain has presented me with free gifts to encourage my future stays	4.67	1.68	-.526	-.524
This hotel chain provides a cumulative points program (reward program)	5.00	1.70	-.766	-.334
This hotel chain offers rebates if I stay more than a certain numbers of nights	4.97	1.62	. -.800	-.129
This hotel provides extra prompt service for regular guests	5.07	1.61	-.764	-.162
Social bonds				
This hotel chain keeps in touch with me	4.82	1.62	-.641	-.330
This hotel chain is concerned with my needs	5.26	1.35	-.685	.018
Employees of this hotel chain help me to solve my personal requests	5.19	1.53	-.871	-.022
This hotel chain values my opinion about services	5.05	1.57	-.673	-.258
I receive greeting cards or gifts on special days	4.93	1.64	-.543	-.572
This hotel chain offers opportunities for me to give my opinions to the hotel	5.04	1.64	-.760	-.209
Structure bonds				
This hotel provides personalized services according to my needs	5.20	1.46	-.789	.388
This hotel chain offers integrated packages to me as a regular guest	5.11	1.63	-.828	-.043
This hotel chain offers new information about its products / services	4.97	1.55	.-560	-.440
This hotel chain often provides innovative products / services	5.01	1.54	-.604	-.366
This hotel chain provides after-sales service for my requirements	4.84	1.53	-.484	-.577
I receive a prompt response after any complaint	5.08	1.51	-.765	.233
This hotel chain provides various ways to deal with transactions (e.g., bills, check in, check out)	5.22	1.70	-.906	-.169
I can retrieve (find) information about this	5.60	1.50	-1.126	.558
Relationship quality				
Trust				
I can count on my hotel chain to consider how their actions affect me	4.94	1.50	-.788	-.184
This hotel chain is honest about any problems experienced	5.25	1.46	-.715	-.051
This hotel chain is concerned about my welfare	5.50	1.23	-.628	-.109
This hotel chain has high integrity	5.53	1.39	-.796	.391
This hotel chain is trustworthy	5.30	1.40	-.729	.068
When I confide my problems to staff in this hotel chain, I know they will respond with understanding	5.30	1.41	-.691	-.167

Table 5.1 (*Continued*)

Satisfaction				
I am satisfied with the relationship I have with this hotel chain	5.25	1.36	-.770	.021
As a guest, I have a high quality relationship with this hotel chain	5.44	1.50	-.921	.765
I am happy with the efforts this hotel chain is making towards regular guests like me	5.38	1.50	-1.000	.364
Overall, I am satisfied at this hotel chain	5.72	1.46	-1.029	.531
Commitment				
I continue to deal with this hotel chain because I like being associated with them	5.38	1.42	-.854	-.048
I am committed to my relationship with this hotel chain	5.25	1.51	-1.064	.673
The relationship that I have with this hotel chain deserves my maximum efforts to maintain	5.00	1.42	-.931	.532
I feel emotionally attached to this hotel chain	5.02	1.46	-750	.059
I continue to deal with this hotel chain because I like being associated with them	5.38	1.42	-.879	.207
I am committed to my relationship with this hotel chain	5.25	1.51	-1.366	1.411
Emotions				
Positive Emotions				
Love	5.45	1.32	1.589	2.505
Welcome	5.56	1.53	-1.068	.881
Pleased	5.57	1.37	-1.305	1.273
Satisfied	5.62	1.47	-1.167	1.141
Relaxed	5.43	1.57	-1.195	.996
Comfortable	5.36	1.38	-1.061	.372
Pleasantly Surprised	4.60	1.53	1.066	.571
Happiness	5.40	1.35	-1.077	.871
Pride	4.99	1.46	-.291	-.458
Gratitude	4.95	1.53	1.115	.509
Pampered	5.21	1.61	1.560	1.772
Sophisticated	4.88	1.46	-1.118	1.049
Delighted	5.45	1.60	-.642	-.044
Negative Emotions				
Angry	2.10	1.36	1.327	1.216
Ignored	2.51	1.48	1.557	1.726
Uneasiness	2.36	1.45	1.681	2.646
Sadness	2.06	1.49	1.304	.872
Disappointed	2.34	1.52	1.517	1.688
Fear	2.03	1.48	1.461	1.841
Let down	1.90	1.17	-.739	.032
Embarrassment	2.17	1.45	-.735	-.365
Guilt	2.03	1.40	-.658	.047
Frustrated	2.09	1.35	-1.131	.543

Table 5.1 (Continued)

Loyalty				
Attitudinal Loyalty				
I really care about the future of this hotel chain	4.93	1.52	-.632	-.163
I am willing to put in extra effort to stay with this hotel chain	4.80	1.57	-.613	-.238
I am proud to tell others that I stay at	5.33	1.50	-.928	.418
For me this hotel chain is the best alternative	5.29	1.55	-.977	.272
I expect to stay with this hotel chain regularly in the future	5.21	1.63	-.899	.101
I feel very little loyalty to this hotel chain	3.51	2.05	.280	-1.302
As a guest of this hotel chain, I feel that I am prepared to pay more for their high quality products/ services	4.89	1.54	-.804	.117
I would recommend this hotel chain to others	5.28	1.43	-.966	.359
I feel strong loyalty about this hotel chain	5.41	1.53	-.825	.459
Behavioral Loyalty				
I stay at this hotel chain on a regular basis	5.36	1.32	-.859	.181
This hotel chain stimulates me to stay	5.35	1.39	-.785	-.144
I have used this hotel chain for a number of years	5.27	1.53	-.986	.310

Note: N = 271 for all items. All items were measured using 7-point Likert scale. SD = standard deviation.

5.4 Response Rate

As was discussed in the Methodology Chapter (section 4.7.2), the data used in this thesis was gathered from guests at five-star hotel chains in Jordan. Data collection started in July 2005 and finished in November 2005. A total of fifteen five-star hotel chains participated in this survey. Having respondents from a cross-section of hotel chains was important to ensure that the sample was representative of the population of Arabic five-star hotels' guests. The survey conducted was distributed to one thousand and five hundred (1500) guests in participant hotels (100 questionnaires in each hotel). Of the 1500, 504 surveys were returned. Twenty-five surveys had more than 25% of the items unanswered, resulting in an effective sample of 479 usable completed questionnaires. This represented an effective response rate of 31.93%. Of the 479 questionnaires, a final sample of 271 was identified as representing loyal Arab guests (the focus of this thesis) comprising 56.57% of the usable completed questionnaires (or 18.06% of the overall surveys distributed). As this thesis is only interested in loyal Arab guests, the remaining 208 surveys (43.43%) were not used for the purposes of the analysis.

The response rate of this thesis is considered appropriate for two reasons. First, it is similar to the study of Kim and Cha (2002), which has reported a response rate of 42.8% (462 questionnaires distributed to the loyal guests in 12 five-star hotels in Seoul with 198 returned). The response rate is, however, higher than the one reported by Bowen and Shoemaker (1998), who collected data from loyal guests at luxury hotels using a mail survey and reported a response rate of 18%. Secondly, the sample is large enough to conduct SEM analysis, which is used in this thesis.

5.5 Sample Characteristics

A number of variables have been used in order to describe the sample characteristics. The results shown in Table 5.2 indicate differences in the demographics of the respondents including gender, age, income, educational qualification, and number of nights. As can be seen, the analysis of the final sample profile showed a higher number of male (189) respondents than female (82), representing a ratio of 69.7% and 30.3%, respectively. The mean age of the respondents was 44.7 years, and the modal monthly income was US$3,000-3,999, representing 22.8% of the sample.

In regard to the guests' employment, Table 5.1 indicates that the highest percentages were for the guests employed in business, commerce and finance, and self-employed (24.5% and 20.8%, respectively). The lowest percentages were for respondents working in sports, leisure and recreation, and in community services industries (2.6% and 3.0%, respectively). With respect to education, Table 5.2 shows that respondents were mostly tertiary educated, as 48.7% had completed an undergraduate degree, and another 27.1% postgraduate education (i.e., 75.8% had a university degree).

In terms of the length of stay, Table 5.2 shows that the guests who stayed in the range between 10-14 nights were 38.7%, those who stayed 15-19 nights was 26.6%, and the percentage of guests who stayed 20 nights or more was 34.7%. In the case of purpose of visit, Table 5.2 demonstrates that the percentage of guests seeking leisure was 44.2%, conducting business was 42.3%, and attending conferences was 13.5% (respondents could indicate more than one purpose of a visit).

It is impossible to compare the demographic characteristics of the sample in this thesis to broader demographic characteristics of Arab hotel guests, as there is no publicly available data on this group in Jordan. It is believed that the sample is representative of the wider population of Arabic hotel guests. First, it is usual to find hotel visitor samples comprise more males. For example, Bowen and Shoemaker (1998), Kim and Cha (2002), and Abu-Roman (2005) surveyed loyal guests at five-star hotels in each of USA, Seoul and Jordan; respectively, and found that their samples were predominately comprised of males (71.5%, 85.4% and 57.6 %, respectively). Second the mean age of respondents in this thesis was 44.7 years, which is similar to that of Bowen and Shoemaker (1998) who found that the mean age of loyal guests at luxury hotels in USA was 47 years. Kim and Cha (2002) also found that 72% of their respondents were between age 30 and 49 years. Third, given that the study targeted guest of five star hotels in Jordan, it is not surprising that their mean income was reasonably high, as these hotels generally target wealthier consumers. Lastly, Abu-Roman (2005) surveyed loyal guests at five-star hotels in Jordan and found that 69.2 % of his respondents had obtained a university degree, which is similar to the 75.8% within this thesis. As such, it is suggested that the sample is representative, on a number of key criteria, of the wider population of loyal Arab hotel guests.

Table 5.2: Profile of Respondents

Demographic Profile	Number of Respondents (N= 271)	Valid Percentage (%)
Gender		
Male	189	69.7
Female	82	30.3
Age		
Up to 25	12	4.4
25-34	53	19.6
35-44	78	28.9
45-54	84	31.3
55-64	33	12.3
65+	9	3.4
Number of nights		
10-14	105	38.7
15-19	72	26.6
20 and above	94	34.7
Educational qualification		
High school	24	8.9
Diploma	41	15.2
Undergraduate degree	131	48.7
Postgraduate	73	27.1
Industry		
Business, Commerce, Finance	66	24.5
Legal	18	6.7
Self employed	56	20.8
Education	23	8.6
Sciences and medicine	28	10.4
Engineering and technology	18	6.7
Sports, leisure, and recreation	7	2.6
Community services	8	3.0
Retail, hospitality, tourism	21	7.8
Government	24	8.9
Monthly Income		
Less than US 1000	26	9.7
$1000-$1999	29	10.8
$2000-$2999	52	19.4
$3000-$3999	61	22.8
$4000-$4999	48	17.9
Over $5000	52	19.4
Purpose of visit		
Leisure	120	44.2
Business	115	42.3
Conferences	36	13.5

5.6 Analysis and Results of Structural Equation Modeling

As discussed in section 4.8, structural equation modeling (SEM) is used to test the hypotheses arising from the theoretical model. In order to perform the SEM analysis, the two-stage approach recommended by Anderson and Gerbing (1988) was adopted. The rational for using this approach was discussed in section 4.8.2.1.

In the first stage (measurement model), the analysis was conducted by specifying the causal relationships between the observed variables (items) and the underlying theoretical constructs. For this purpose, confirmatory factor analysis using AMOS 6.0 was performed. Following this, the paths or causal relationships between the underlying exogenous and endogenous constructs were specified in the structural model (second stage). Exogenous constructs included relational bonds − financial, social and structural − whereas endogenous constructs included relationship quality, emotions and loyalty. Analysis and results related to these two stages are further discussed next.

5.7 Stage One: Measurement Model

The measurement model is "the portion of the model that specifies how the observed variables depend on the unobserved, composite, or latent variables" (Arbuckle, 2005, p.89). In this sense, the measurement model aims to specify which items correspond to each latent variable. Accordingly, the measurement model in this thesis specifies the pattern by which each measure is loaded onto a particular variable (composite or latent variables) (Byrne, 1989). Each one of the constructs under consideration including relational bonds − financial, social and structural − relationship quality, emotions, and loyalty, was separately analysed in a separate measurement model. If the results are not consistent with an a priori specified measurement model, then the measurement model should be respecified, and reanalyzed (Anderson and Gerbing, 1988; Bollen, 1989; Hair et al., 1995; Tabachnick and Fidell, 2001; Kline, 2005; Holmes-Smith, 2006). Thus, the measurement model in this stage has been evaluated in two steps. The first step assesses the unidimensionality for each factor, and the

second step aims to assess the reliability and validity of each construct. These two steps are discussed below.

5.7.1 Assessing the Unidimensionality (Step 1)

First, this section covers the specification of the measurement model for each underlying construct with a discussion of the path diagram. Then, it describes the use of multi-item scales to measure each factor in the measurement model. This is followed with a description of the procedures that were conducted to modify the measurement model.

The constructs in the proposed model — relational bonds (financial, social, and structural), relationship quality, emotions, and loyalty — were each assessed for unidimensionality. Each one of these constructs was examined in a separate measurement model. As shown in Figures 5.1 to 5.6, previously developed items are observed variables and appear as rectangles. There are single-headed arrows linking the factors (also called latent variables) to their items (indicators), and single-headed arrows linking the error terms to their respective indicators. There are no single-headed arrows linking the factors because there are no theoretical relationships that one of these factors causes the other. Instead, double-headed arrows show correlations between these factors. These figures also provide the standardized parameter estimates (also called factor loadings) on the arrows connecting factors with their items. The values appearing next to the edge of the items are squared multiple correlations, and values next to the curved double-headed arrows show correlations between the latent variables (factors).

In each measurement model, multiple items have been used to measure each factor (Anderson and Gerbing, 1982; Hair et al., 1995; Kline, 2005) to allow the most unambiguous assignment of meaning to the estimated constructs (Anderson and Gerbing, 1988). In this context, Kline (2005, p.172) maintains that, "if a standard CFA model with a single factor has at least three indicators, the model is identified. If a standard model with two or more factors has at least two indicators per factor, the model is identified." Consistent with this, Crosby et al. (1990) note that in measuring long-term relationships, it is unlikely that one item perfectly measures a construct.

Other researchers such as Bentler and Chou (1987) also suggest the necessary number of items per construct. They suggest that a measurement model should contain at most 20 variables measuring no more than five to six constructs (three to four indicators measure each construct). This is because the interpretation of results and their statistical significance become difficult when the number of concepts becomes too large (Reisinger and Turner, 1999). As the starting point in the measurement model, each factor of the underlying constructs have the appropriate number of items or indicators (see Table 4.1). In confirming each measurement model, it may be the case that some items in the scales become redundant, and as such the measurement model needs to be respecified by removing these redundant items (Jöreskog and Sörbom, 1982; Hair, 1995; Jöreskog and Sörbom, 1996; Schumacher and Lomax, 1996; Arbuckle, 2005; Kline, 2005; Holmes-Smith et al., 2006). In this way, parsimonious unidimensional constructs are obtained (Anderson and Gerbing, 1988).

The rationale for the above process includes two main considerations as recommended by Kline (2005). First, indicators specified to measure a proposed underlying factor should have relatively high-standardized loadings on that factor. As discussed in section 4.8.2.1, this is typically .50 or greater (Hair et al., 1995). Second, the estimated correlations between the factors should not be greater than .85 (Kline, 2005). That is, if the estimated correlation between financial bonds and social bonds, for example, in the measurement model of Figure 5.1 is .95, then the items may not be measuring two different factors. In other words, there is overlap between these two factors and thus they are empirically not distinguishable. These two considerations are made in conjunction with the overall goodness-of-fit indices to suggest acceptance of unidimensionality for each model.

A more detailed evaluation of model fit can also be obtained by an inspection of the normalized residual and modification indices (Jöreskog and Sörbom, 1982; Hair et al., 1995; Schumacher and Lomax, 1996; Holmes-Smith et al., 2006). Here, the normal residual (also called standardized residual) refers to the difference between observed correlation/covariance and the estimated correlation/covariance matrix, and modification indices refer to the calculation of each non-estimated relationship in the specified model. Residuals more than ∓ 2.58 are indicative of a specification error in the model, whereas a modification index value greater than 3.84 shows that the chi-

square would be significantly reduced when the corresponding parameter is estimated (Hair et al., 1995; Holmes-Smith et al., 2006). In this thesis, the evaluation of the measurement model is not only based on statistical principals, but also on a theoretical justification (Anderson and Gerbing, 1988; Hair et al., 1995; Kline, 2005). That is, the ultimate goal of this thesis is to find a model that is both substantively meaningful and statistically well fitting the data and theory (Jöreskog, 1993). This is consistent also with Holmes-Smith et al. (2006, p.15), who maintain that, "the researcher should guard against making changes solely based on data-driven grounds in an attempt to get a model that fits the data better."

A final consideration in confirming each measurement model is the choice of parameter estimates to be used. These include Maximum Liklelhood Estimators (MLE), Instrumental Variables (IV), Unweighted Least Squares (ULS), and Generalized Least Squares (GLS). With the sample in this thesis of 271 respondents, MLE was used as the parameter estimation method for the following reasons. First, according to Jöreskog and Sörbom (1982), MLE[3] under the assumption of a multivariate normal distribution has been considered as most appropriate, especially with larger samples. Second, Anderson and Gerbing (1988, p. 413) emphasize that MLE has "the desirable asymptotic, or large-sample, properties of being unbiased, consistent, and efficient". Finally, because MLE is suited to theory testing and development, and desirable properties for statistical testing, it has been adopted by a number of relationship marketing authors such as Crosby et al. (1990).

The development of each measurement model is now discussed. The results of testing the unidimensionality of each construct: relational bonds − financial, social and structural − relationship quality, emotions, and loyalty, in AMOS 6.0 are presented.

5.7.1.1 Relational Bonds

Relational bonds were measured using three seprate factors: financial, social and structural. Each of these factors has been measured by a number of questionnaire items (i.e., indictors). In total, 19-items were used to measure the relational bonds

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[3] Kline (2005, p.112) defines MLE as describing "the statistical principle that underlies the derivation of parameter estimates: the estimates are the ones that maximize the likelihood (the continuous generalization) that the data (the observed covariance) were drawn from this population. That is, ML estimators are those that maximize the likelihood of a sample that is actually observed".

construct. For example, Financial bonds were measured by five questionnaire items labeled Fin1, Fin2, Fin3, Fin, 4 and Fin5; social bonds were measured by six items labeled Soc6, Soc7, Soc8, Soc9, Soc10 and Soc11; and structural bonds by eight labeled as Str12, Str13, Str14, Str15, Str16, Str17, Str18, and Str19 (see Table 5.3 for items labels). Given that these constructs were considered as exogenous variables, the statistical SEM model specifies that they are intercorrelated.

Table 5.3: Relational Bonds Items and their Description

Orginal Item	Item Label	Item Deleted
This hotel chain provides discounts (or up-grades) for regular guests	Fin1	
This hotel chain has presented me with free gifts to encourage my future stays.	Fin2	
This hotel chain provides a cumulative points program (reward program)	Fin3	
This hotel chain offers rebates if I stay more than a certain numbers of nights	Fin4	
This hotel provides extra prompt service for regular guests	Fin5	Deleted
This hotel chain keeps in touch with me	Soc6	Deleted
This hotel chain is concerned with my needs	Soc7	
Employees of this hotel chain help me to solve my personal requests	Soc8	
This hotel chain values my opinion about services	Soc9	
I receive greeting cards or gifts on special days	Soc10	Deleted
This hotel chain offers opportunities for me to give my opinions to the hotel	Soc11	
This hotel chain provides personalized services according to my needs	Str12	Deleted
This hotel chain offers integrated packages to me as a regular guests	Str13	
This hotel chain offers new information about its products/services	Str14	Deleted
This hotel chain provides innovative products/services	Str15	Deleted
This hotel chain provides after-sales service for my requirements	Str16	Deleted
I receive a prompt response after any complaint	Str17	Deleted
This hotel chain provides various ways to deal with transactions (e.g., bills, check in, check out)	Str18	
I can retrieve (find) information about this hotel chain in various ways	Str19	

Although standardized parameter estimates were all significant (P<0.001), results of the CFA indicated that the initial measurement model needed to be respecified. The chi-square was significant (x^2= 338.36, df =149, P = .000, N= 271). The GFI was .888, AGFI = .857, RMSEA = .069, NFI = .918, CFI = .918, TLI = .906, and x^2/df =2.3. Furthermore, CFA results also indicate that the intercorrelations among

financial, social, and structural bonds factors were higher than .85, demonstrating a lack of discriminant validity. Discriminant validity is further discussed in section 4.9.2.2.

Given the fact that the relational bond factors were highly intercorrelated and some of above indices (i.e., x^2, GFI, AGFI) were not within the acceptable level, further detailed assessment (respecification) was conducted. Discriminant validity was improved as follows (Kline, 2005).

Examination of standardized residuals indicated that all residual values were within the threshold recommended by Hair et al. (1995) (less than ∓ 2.58). However, modification indices indicated that the indicators Fin5 (financial bonds), Soc6 and Soc10 (social bonds), Stc14, and Stc17 (structural bonds) had unacceptably high values (12.57, 11.10, 34.9, 16.54, and 12.35, respectively).

After iteratively removing these redundant items, three additional items measuring structural bonds (Stc12, Stc15, and Stc16) were found to be lacking in discriminant validity and were further removed. The purpose of repeating the filtering process was to remove as few items as possible, taking into account the need for deriving a more parsimonious model. In total, eight relational bond items were removed priori to further analysis (i.e., one from financial bonds, two from social bonds, and five from structural bonds).

Although the number of deleted items was relatively high compared with the total, their removal did not significantly change the content of the construct as it was conceptualized. This is because the remaining items for social and structural bonds had the highest initial loadings, and thus the meaning of the factors had been preserved by these items. For financial bonds, four of the five items had the highest initial loadings. Fin5 had a high initial loading, however, as this item had a higher modification index, it was deleted. As seen in Table (5.3), its meaning is more about service than the financial focus of the remaining four items (Fin1, Fin2, Fin3, and Fin4). Therefore, the remaining four items capture a more consistent meaning of the financial bonds factor.

Following the process described above, CFA was performed again with the eight redundant items removed. As goodness of fit indices were improved, the modified model showed a better fit to the data (x^2 = 73.81, df = 41, P = .001, N = 271). The GFI was .954, AGFI = .925, NFI = .973, CFI = .942, TLI = .964, RMSEA = .054, and x^2/df = 1.8. Even though the chi-square is still significant, these values suggest that this model fits adequately to the data. As discussed before, it is commonly accepted that the chi-square estimate would potentially reject valid models in large sample size (Bagozzi and Yi, 1988). Given that the model fits the data adequately and the correlations between the underlying factors are less than .85 (see the values on the double-headed arrows in Figure 5.1), no further adjustments were required.

As shown in Figure 5.1, the modified model was tested with four indicators measuring financial bonds (Fin1, Fin2, Fin3, and Fin4), four indicators measuring social bonds (Soc7, Soc8, Soc9, and Soc11), and three indicators measuring structural bonds (Str13, Str18, and Str19). The standardized factor loadings for these measures were all higher than the recommended level of .50 (see Table 5.9). This indicates that standardized parameter estimates for these measures were deemed to be statistically significant (P<0.001), providing unidimensional scales for each of the three factors.

Figure 5.1: A CFA Measurement Model of Relational Bonds
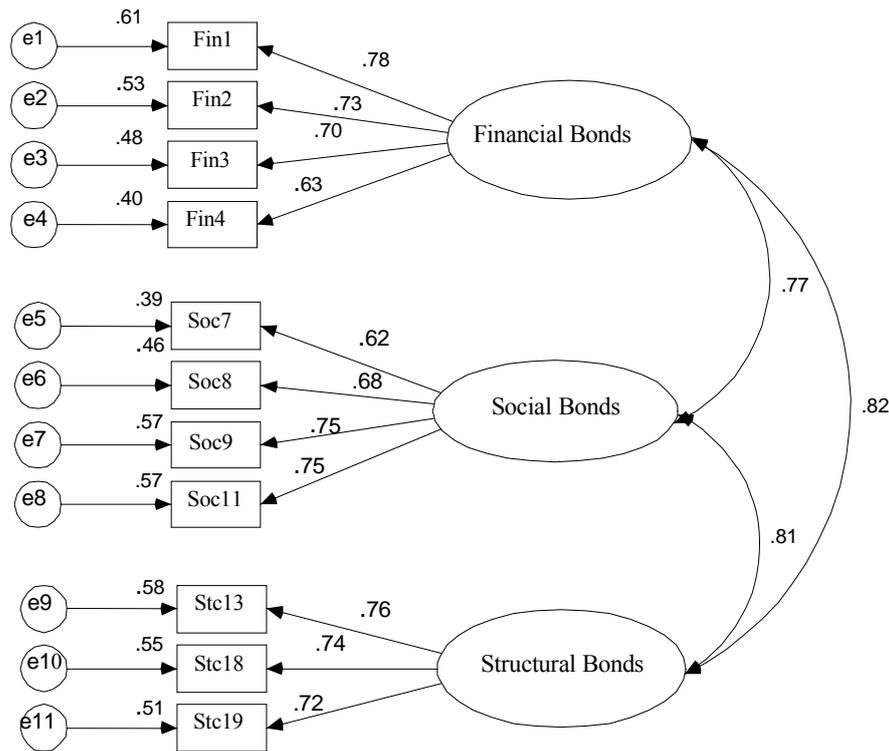
Chi-square = 73.81, GFI = .954, AGFI = .925, NFI = .973,

CFI = .942, TLI = .964, and RSMEA = .054 and chi-square/ df = 1.8

5.7.1.2 Relationship Quality

The measurement model of relationship quality was analyzed using three proposed factors (trust, satisfaction, and commitment). In total, 16-items represented the three factors of relationship quality subject to CFA analysis. Relationship quality is considered as a formative construct, because it is comprised of a total weighted score across the three composite variables. Each composite variable represents the independent dimensions of trust, satisfaction and commitment (Kline, 2005). The analysis was conducted with relationship quality being measured as a second-order construct. Trust was measured using six items (Tst1 to Tst6), satisfaction was measured using four items (Sat7 to Sat10), and commitment was measured using six items (Com11 to Com16). However, the CFA analysis showed that the covariance matrix for the composite variables among the items of the three factors trust,

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satisfaction, and commitment, was not positive definite[4] due to multicollinearity. This means that the intercorrelations among some indicator variables are very high (i.e., >.85), and result in a singular covariance matrix that makes performing certain calculations (i.e., matrix inversion) impossible because division by zero will occur (Kline, 2005). Therefore, the AMOS program, in this case, issued an error message, 'the following covariance matrix is not positive definite'. Because of the high intercorrelation among the items of the three factors trust, satisfaction, and commitment, resulted in a non-positive definite matrix, it was decided to conduct sequential analysis confirming each composite variable individually (Wothke, 1993). Each of the three relationship quality factors is assessed individually as follows.

Trust

As presented in Table (5.4), six items (Tst1-Tst6) were used to measure the one-factor model of trust. The results of CFA provided evidence for accepting this model. According to Figure 5.2, the standardized parameters estimate shows that all indicators were statistically significant (P<0.001) and loaded on the trust factor (see Table 5.9). CFA results also showed that the chi-square was significant (x^2 = 26.19, df = 9, P = 0.002, N = 271). The GFI was .969, AGFI = .927, NFI = .960, CFI = .973, TLI = .955, RSMEA = .84, and x^2/df = 2.9. These values suggest an adequate fit to the model, even though the chi-square was significant. As was discussed previously, the measurement model could be judged as providing an acceptable fit even though the chi-square value is statistically significant, especially with a large sample (Anderson and Gerbing, 1988, Bagozzi and Yi, 1988).

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[4] If an out-of-bounds correlation is part of covariance matrix, then the matrix is a nonpositive definite or singular, which means that certain mathematical operations with the matrix such as division (e.g., inverting the matrix) will fail because of problems such as dominators that equal zero (Kline, 2005, p.54).

Table 5.4: Trust Items and their Description

Original Item	Item Label
This hotel chain is honest about any problems experienced	Tst1
My hotel chain has high integrity	Tst2
This hotel chain is trustworthy	Tst3
This hotel chain is concerned about my welfare	Tst4
When I confined my problems to staffing this hotel chain, I know they will respond with understanding	Tst5
I can account on my hotel chain to consider how their actions affect me	Tst6

Note: No item has been deleted.

Figure 5.2: A CFA Measurement Model of Trust
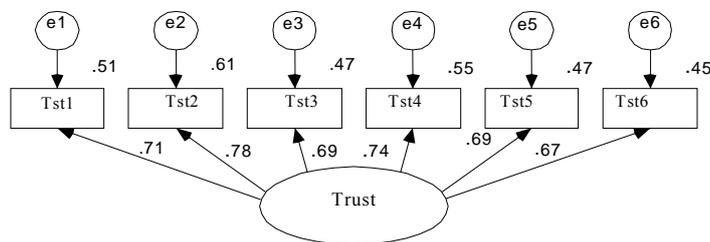
Chi-square = 26.19, GFI = .969, AGFI = .927, NFI = .960, CFI = .973, TLI =. 955, RSMEA = .084, and Chi-square/ df = 2.9

Satisfaction

As shown in Table 5.5, four indicators were used to measure the one-factor model of satisfaction (Sat1-Sat 4). The results of CFA shown in Figure 5.3 indicate that the standardized parameter estimates for all indicators were statistically significant (P <0.001) and loaded on this factor (see Table 5.9). Results also indicate that this model fits to the data adequately. As was desired, the chi-square goodness-of-fit was statistically insignificant (x^2= .802, df = 2, P = .670, N = 271). The GFI was .999, AGFI = .993 NFI = .998, CFI = 1.000, TLI = 1.000, and RSMEA = .000, and x^2/df = .401.

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Table 5.5: Satisfaction Items and their Description

Original Item	Item Label
As a regular customer, I have a high-quality relationship with this hotel chain	Sat1
I am happy with the efforts this chain is making towards regular customer like me	Sat2
I am satisfied with the relationship I have with this hotel chain	Sat3
Overall, I am satisfied at this hotel chain	Sat4

Note: No item has been deleted.

Figure 5.3: A CFA Measurement Model of Satisfaction
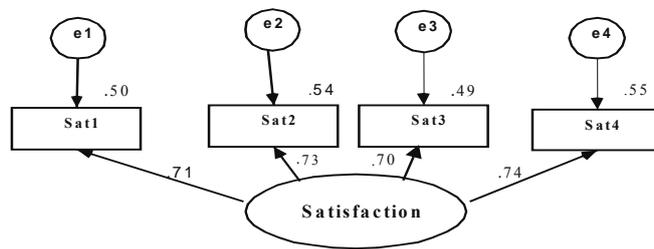
Chi-square =. 802, GFI =. 999, AGFI =. 993,NFI=. 998

CFI = 1, TLI =1, RSMEA =. 000, and x^2/df = .401

Commitment

The commitment factor model was measured using six indicators. As shown in Table 5.6, these items include Com1to Com6. Parameter standardized estimates in Figure 5.4 indicate that all items were statistically significant (P<0.001) and highly loaded on this factor (see Table 5.9). The specified measurement model of commitment was found to fit the data adequately. As in the case of satisfaction, the chi-square goodness-of-fit was statistically not significant. The chi-square was (x^2= 15.47,df = 9, P =. 079, *N* = 271). The other indices were: GFI = .982, AGFI = .958, .993 NFI = .976, CFI = .990, TLI = .983, RSMEA = .052, and x^2/df = 1.7. Therefore, these indices were sufficient and within the recommended level.

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Table 5.6: Commitment Items and their Description

Original Item	Item Label
The relationship that I have with this hotel chain deserves my maximum efforts to maintain	Com1
I plan to maintain a long-term relationship with this hotel chain	Com2
I am committed to my relationship with this hotel chain	Com3
I feel emotionally attached with my hotel chain	Com4
I continue to deal with this hotel chain because I like being associated with them	Com5
I continue to deal with my hotel chain because I genuinely enjoy my relationship with them	Com6

Note: No item has been deleted.

Figure 5.4: A CFA Measurement Model of Commitment
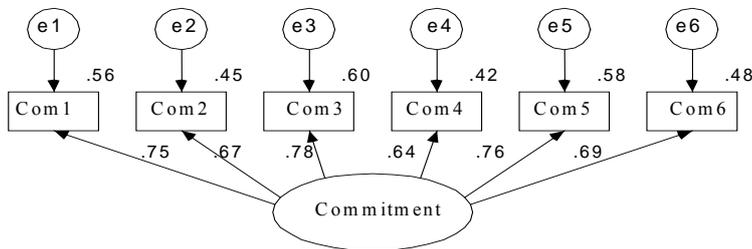
Chi-square = 15.47, GFI = .982, AGFI = .958, .993, NFI = .976, CFI = .990, TLI = .983, RSMEA = .052, and x^2/df = 1.7

5.7.1.3 Emotions

The two-factor measurement model of emotions was comprised of positive and negative emotions. As indicated in Table 5.7, thirteen items were used to measure positive emotions (Pos1-Pos13), whilst ten were used to measure negative emotions (Neg14-Neg23). In the measurement model the intercorrelation between the composite variables of positive and negative emotions is a measure of the higher order emotions latent construct (Kline, 2005).

The initial standardized estimations for the hypothesized model showed that all the parameters were highly significant (P<0.001) except two indicators Neg14 and Pos12. These had loadings less than the recommended level of .50 (.45 and .41, respectively).

The fit of model indices indicated that this measurement model did not fit to the data. The chi-square was (x^2 = 640.54, df = 229, P = .000, N = 271). The GFI was .817, AGFI = .779, CFI= .879, TLI= .867, NFI=. 825, RMSEA = 082, x^2/df = 2.5.

Given that most of these indices were not within the acceptable level, a more detailed assessment was performed in an attempt to modify the model and make it more parsimonious. The examination of standardized residuals indicated that three items (Pos7, Pos11, and Po12) from positive emotions, and one item (Neg15) from negative emotions had residual values (2.71, 2.96, 2.67 and 2.88, respectively) greater than the threshold of ∓2.58 (Hair et al., 1995).

Modification indices also showed that Po7, Pos11, Pos12 and Neg14, had large values (14.26, 23.14, 23.97 and 11.81, respectively). Therefore, it was decided to remove these five items (Po7, Pos11, Pos12, Neg14 and Neg15). These deletions do not significantly change the content of the construct as it was conceptualized. This is because there is no agreement among scholars on the sets of words that capture the construct of positive and negative emotions (see Section 2.5). The dimensional positive or negative emotions have been measured using various items depending on the context. Some authors have used 15 items to measure emotions as a composite construct of positive and negative affect (Dolen and Lemmink, 2004), while others have used only ten (Barnes, 1997, Ruth et al., 2004). This is consistent with Richins (1997), who pointed out that many authors use different scales comprising different items in different contexts. Accordingly, the remaining items are appropriate for measuring emotions as comprised of positive and negative in the context stage of structural model.

Table 5.7: Emotions Items and their Description

Original Item	Item Label	Item Deleted	Original Item	Item Label	Item Deleted
	Pos1		Delighted	Pos13	
Love					
Welcome	Pos2		Angry	Neg14	Deleted
Pleased	Pos3		Ignored	Neg15	Deleted
Satisfied	Pos4		Uneasiness	Ne16	
Relaxed	Pos5		Sadness	Neg17	
Comfortable	Pos6		Disappointed	Neg18	
Pleasantly surprised	Pos7	Deleted	Fear	Neg19	
Happiness	Pos8		Let Down	Neg20	
Pride	Pos9		Embarrassment	Neg21	
Gratitude	Pos10		Guilt	Neg22	
Pampered	Pos11	Deleted	Frustrated	Neg23	
Sophisticated	Pos12	Deleted			

The final model with the five items deleted improved the fit of the model, even though the chi-square remained significant. The chi-square was (x^2 = 364.28, df = 151, P = .000, N = 271). All of GFI = .880, AGFI = .847, NFI = .887, CFI = .926, TLI =. 919, RMSEA = .074, and x^2/df = 2.4 are improved. As discussed, the measurement model could be judged as providing an acceptable fit even though the chi-square value is statistically significant (Anderson and Gerbing, 1988), especially with a large sample (Bagozzi and Yi, 1988). Given that the model fits the data adequately and the correlations between the underlying factors are less than .85 (see the values on the double-headed arrows in Figure 5.5), no further adjustments were required.

As shown in Figure 5.5, the final modified model was represented with ten positive emotions and eight negative emotions. The standardized factor loadings for these measures were all high (above .50). This indicates that standardized parameter estimates for these measures were deemed to be statistically significant (P<0.001), providing unidimensional scales for each of the two factors (see Table 5.9).

Figure 5.5: A CFA Measurement Model of Emotions
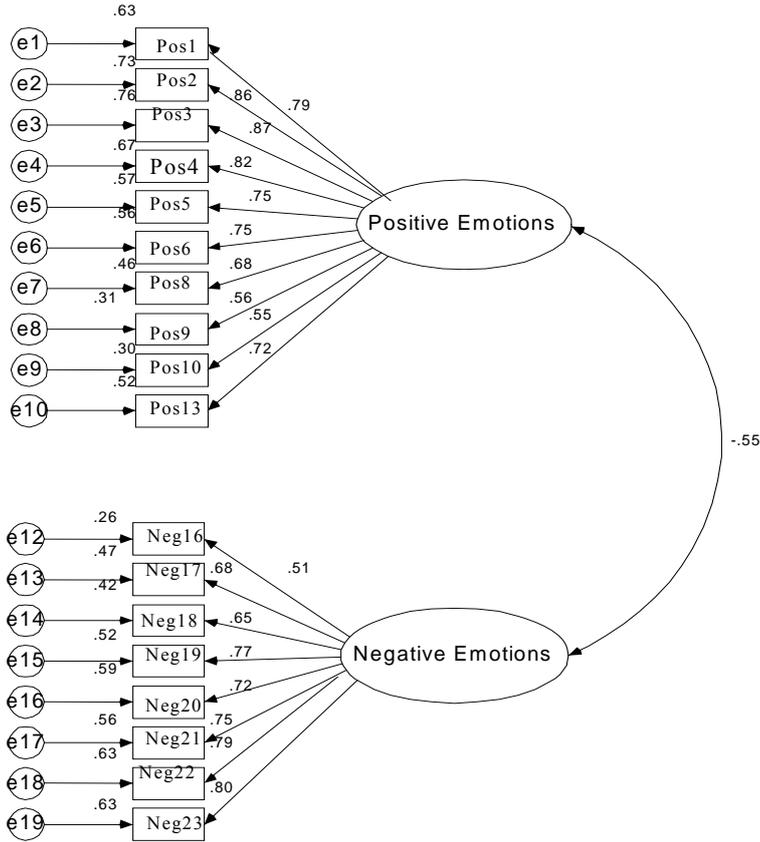
Chi-square = 364.28, GFI = .880, AGFI = .847, NFI = .887,
CFI = .926, TLI = 919, RMSEA = .074 and Chi-square / df = 2.4

5.7.1.4 Loyalty

The measurement model of loyalty was represented using two factors, attitudinal and behavioural loyalty. As outlined in Table 5.8, the attitudinal factor was measured by using nine indicators (Att1-Att9), while behavioural loyalty was measured using three indicators (Beh10-Beh12). In the measurement model the intercorrelation between the composite variables of attitudinal and behavioural loyalty is a measure of the higher order loyalty latent construct (Kline, 2005).

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Table 5.8: Loyalty Items and their Description

Original Item	Item Label	Deleted Item
I really care about the future of this hotel chain	Att1	
I am willing to put in extra effort to stay with this hotel chain	Att2	
I am proud to tell others that I stay at this hotel chain	Att3	Deleted
For me this hotel chain is the best alternative	Att4	
I expect to stay with this hotel chain regularly in the future	Att5	Deleted
I feel very little loyalty to this hotel chain	Att6	Deleted
As a guest of this hotel chain, I feel that I am prepared to pay more for their high quality products/ services	Att7	Deleted
I would recommend this hotel chain to others	Att8	Deleted
I feel strong loyalty about this hotel chain	Att9	
I stay at this hotel chain on a regular basis	Beh10	
This hotel chain stimulates me to stay	Beh11	Deleted
I have used this hotel chain for a number of years	Beh12	

With the exception of item Att6, the initial standardized estimations for the hypothesized model showed that all the parameters were highly significant (P<0.001). The model indices indicated that this measurement model did not adequately fit the data. The chi-square was (x^2 = 170.84, df = 53, P = .000, N = 271). The GFI was .891, AGFI = .840, CFI = .874, TLI = .879, NFI =. 903, RMSEA= .102, and x^2/df = 3.8. As was the case of relational bonds measurement model, CFA results also indicate that the intercorrelations between the two factors of loyalty were higher than .85, demonstrating that the proposed items, did indeed measure one factor not two.

Because most of the goodness-of-fit indices were not within the recommended level (i.e., x^2, GFI, AGFI, CFI, TLI, and x^2/df), and the two-factors of loyalty did not provide discriminant validity, further detailed assessment was performed to develop a better fit and more parsimonious model. This assessment involved inspection of normalized residual and modification indices. By doing this, it has been found that all the values were within the acceptable level. Therefore, it was decided to delete the highly correlated items iteratively until the most representative model that fits the data was achieved. This procedure resulted in removing six items from further analysis. These items were Att3, Att5, Att6, Att7, and Att8 from attitudinal loyalty and Beh11 from behavior loyalty (see Table 5.8).

Although the number of deleted items was high, their deletion did not significantly change the content of loyalty. That is, the remaining three items of the attitudinal factor still capture this dimension because they include important measures, such as repeat purchase intention and tendency to resist switching. This is consistent with those who view customer preference for the brand (i.e., Dick and Basu, 1994; Oliver, 1999), and repeat purchase intention (Cronin and Taylor, 1992) as a central part of customer loyalty. However, although this thesis posited that WOM is an important measure of attitudinal loyalty (Att8), it is considered as part of the limitation of this thesis (see Section 6.7). As for the behavioral dimension, it can be seen that the remaining two items maintain the meaning of purchasing frequency, which is regarded as the only measure of this dimension (see Section 2.6.1.1). While some authors prefer to use at least three items to measure one factor (i.e., Kline, 2005), Bollen (1989) found that two items are sufficient. This is especially true when this number of items is used in large sample size, as is the case in this thesis.

Accordingly, the modified measurement model was found to fit the data adequately, although the chi-square was still significant. As discussed, the measurement model could be judged as providing an acceptable fit even though the chi-square value is statistically significant (Anderson and Gerbing, 1988), especially with a large sample (Bagozzi and Yi, 1988). The chi-square was ($x^2 = 35$, df = 8, P = .000, $N = 271$). The GFI was .958, AGFI = .889, CFI= .942, TLI= .954, NFI=. 914, RMSEA= .112, and x^2/df = 2.5. While RMSEA was slightly over the threshold of .08, other indices were within the recommended threshold levels, indicating an acceptable fit. Given that the model fits the data adequately and the correlations between the underlying factors are less than .85 (see the values on the double-headed arrows in Figure 5.6), no further adjustments were required.

As presented in Figure 5.5, the modified model was represented with four indicators of attitudinal loyalty and two indicators of behavior loyalty. The standardized factor loadings for these measures were all high (above .50). This indicates that standardized parameter estimates for these measures were deemed to be statistically significant (P<0.001), providing unidimensional scales for each of the two factors (see Table 5.9).

Figure 5.6: A CFA Measurement Model of Loyalty
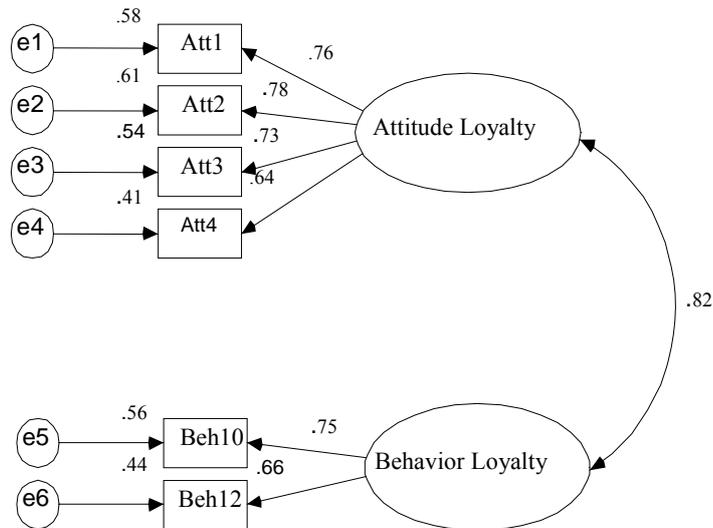
Chi-square = 35, GFI = .958, AGFI = .889, NFI = .942,
CFI = .954, TLI = .914, RMSEA = .112, Chi-square/df = 2.5

5.7.2 Reliability and Validity of the Constructs (Step 2)

Following the establishment of the unidimensionality step (discussed in Section 5.7.1) and before testing the hypotheses in the structural model (stage two), the reliability and validity of the underlying constructs were assessed (De Wulf et al., 2001). For this purpose, the constructs discussed in step one were assessed for reliability using cronbach's alpha, construct reliability (CR), and average variance extracted (AVE), and for validity using construct, convergent and discriminant (see Section 4.9 for further discussion about these issues).

Reliability of the measures in this thesis was first assessed using Cronbach's (1951) coefficient alpha and then using confirmatory factor analysis (CFA) (see Section 4.9.1). As for Cronbach's coefficient alpha, Table 5.9 shows that all the constructs exceed the suggested level of .70 (Nunnally, 1978). In using confirmatory factor

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analysis, CR and AVE were calculated from model estimates using the CR formula [5] and AVE formula[6] given by Fornell and Larcker (1981). Bagozzi and Yi (1988) recommended that CR should be equal to or greater than .60, and AVE should be equal to or greater than .50. Based on these assessments, measures used within this thesis were within the acceptable levels supporting the reliability of the constructs (see Table 5.9).

In the case of validity, confirmatory factor analysis has also been used to assess construct, convergent and discriminant validity (see Section 4.9.2). Empirically, construct validity exists when the measure is a good representation of the variable the researcher intends to measure. As Bagozzi (1980) argued, construct validity is a necessary perquisite for theory testing. In this thesis, results obtained from goodness-of-fit indices confirmed construct validity (Hsieh and Hiang, 2004).

As for convergent validity, evidence has been found in which all factor loadings for items measuring the same construct are statistically significant (Anderson and Gerbing, 1988; Lin and Ding, 2005; Holmes-Smith et al., 2006). As indicated in Table 5.9, all factors included high loadings (greater than .50) and were statistically significant (P<0.001). The results of AVE presented in Table 5.9 provide an additional support for convergent validity. Finally, discriminant validity was assessed using two methods. First, taking Kline (2005) suggestions that the estimated correlations between factors should not be higher than .85, each measurement model was subject to this assessment. That is, redundant items that caused high correlations

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[5] $\rho_\eta = \dfrac{\left(\sum \lambda_i\right)^2}{\left(\sum \lambda_i\right)^2 + \sum \varepsilon_i}$

Where λ_i is the standardised loading for each observed variable, ε_i is the error variance associated with each observed variable, and ρ_η is the measure of construct reliability.

[6] $\rho_{vc(\eta)} = \dfrac{\sum \lambda_i^2}{\sum \lambda_i^2 + \sum \varepsilon_i}$

Where λ_i is the standardised loading for each observed variable, ε_i is the error variance associated with each observed variable.

among factors were deleted, revealing evidence of discriminant validity (see measurement models tested in previous sections).

Second, discriminant validity was assessed by examining the pattern structure coefficient to determine whether factors in measurement model are empirically distinguishable (Thompson, 1997). The pattern coefficient matrix comprises the standardized factor loadings derived from AMOS analysis (Kline, 2005). Results obtained from examining the structural coefficients show that both positive and negative emotions factors are distinct from each other (see Appendix C, Table 6). In this table, distinctions between values of items (reflecting each emotions factor) show that boxed items of minimum values have higher values than the others (unboxed). On the basis of this restrictive test, strong evidence was found for discriminant validity between each possible pair of factors.

The only notable exception was in the case of the relationship quality construct. It was not possible to provide discriminant validity between the factors that comprise this construct due to the nonpositive definite problem of the matrix. However, as this thesis is interested in relationship quality as an overall construct, there has been no need to rely on the test for discriminant validity among the composite factors of trust, commitment, and satisfaction in the final structural model. Therefore, individual testing of the three separate factors was undertaken. That is, separate measurement models were tested trust, satisfaction and commitment.

Table 5.9: Measurement Model Evaluation

Construct	Items	Standardized Loading	Cronbach's alpha (α)	CR	AVE
Financial bonds			.80	.83	.55
	Fin1	.63			
	Fin2	.70			
	Fin3	.73			
	Fin4	.78			
Social bonds			.79	.80	.50
	Soc7	.62			
	Soc8	.68			
	Soc9	.75			
	Soc11	.75			
Structural bonds			.78	.76	.51
	Stc13	.76			
	Stc18	.74			
	Stc19	.72			
Relationship quality			.90	.86	.51
	Tst1	.71			
	Tst2	.78			
	Tst3	.69			
	Tst4	.74			
	Tst5	.69			
	Tst6	.67			
	Sat1	.71			
	Sat2	.73			
	Sta3	.70			
	Sat4	.74			
	Com1	.75			
	Com2	.67			
	Com3	.78			
	Com4	.64			
	Com5	.76			
	Com6	.69			

Table 5.9 (Continued)

			.70	.95	.53
Emotions					
	Pos1	.79			
	Pos2	.86			
	Pos3	.87			
	Pos4	.82			
	Pos5	.75			
	Pos6	.75			
	Pos8	.68			
	Pos9	.56			
	Pos10	.55			
	Pos13	.72			
	Neg16	.51			
	Neg17	.68			
	Neg18	.65			
	Neg19	.72			
	Neg20	.77			
	Neg21	.75			
	Neg22	.79			
	Neg23	.80			
Loyalty			.84	.83	.51
	Att1	.64			
	Att2	.73			
	Att3	.78			
	Att4	.76			
	Beh10	.66			
	Beh12	.75			

Note: CR = composite reliability; AVE = Average Variance Extraction.

5.7.3 Review of Measurement Model (Stage One)

As shown earlier, each construct or latent variable in the first stage has its own measurement model, in which the observed variables (items or indicators) define each construct. Each measurement model examined in this thesis was assessed in two steps. Assessing the unidimensionality was first, and reliability and validity was second. These assessments were conducted using CFA. In the first step, each measurement model was assessed as fully specified by determining the relationships between the

factors and their items. Results indicated that the fully specified measurement model needed to be respecified in order to provide a more parsimonious model. The respecification of the model was based on the factor being highly correlated (i.e., >.85) showing a lack of discriminant validity, items not highly loaded on their respective hypothesized factor (through investigating significance of standardized parameter estimates), model not adequate to fit the data (through goodness-of-fit indices), and large number residuals and modification indices. This respecification was conducted in conjunction with the theory. The resulting modified model was then assessed for an acceptable fit to proceed with further analysis.

Further analyses were conducted to evaluate the second step of reliability and validity of each construct in the modified model. Internal consistency was assessed using Cronbach's alpha, CR and AVE. As indicated in Table 5.9, these measures identified values above the recommended levels needed for this thesis (i.e., .70 for Cronbach's alpha, .60 for CR, and .50 for AVE), indicating acceptable levels for the reliability of constructs. In the case of validity, convergent validity was supported by all items being statistically significant (P<0.001) and loading on their specified factors. Convergent validity was also supported by being AVE .50 and over. Furthermore, the fit of the model using goodness-of-fit indices has confirmed construct validity. Discriminant validity was achieved by deleting the redundant items − a reason for the high correlation − and through the results of pattern structure; coefficients showing that each factor in each measurement model was empirically distinguishable. Having analysed the measurement models for unidimensionality, reliability, construct validity, convergent validity and discriminant validity, the next stage is to perform the analysis of the structural model.

5.8 Stage Two: Structural Model (Testing of the Hypotheses)

Once all constructs in the measurement model (stage one) were validated and satisfactory fit achieved (Anderson and Gerbing, 1988; Hair et al., 1995; Kline, 2005; Homles-Smith et al., 2006), a structural model can then be tested and presented as a second and main stage of the analysis. The structural model has been defined as "the portion of the model that specifies how the latent variables are related to each other"

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(Arbuckle, 2005, p.90). The structural model aims to specify which latent constructs directly or indirectly influence the values of other latent constructs in the model (Byrne, 1989).

Hence, the purpose of the structural model in this thesis is to test the underlying hypotheses in order to answer the research questions outlined in Chapter One. As presented in Table 5.10, these hypotheses were represented in nine causal paths (H1a, H1b, H1c, H2a, H2b, H2c, H3, H4, and H5) to determine the relationships between the constructs under consideration. In the proposed theoretical model discussed in Chapter Three, the underlying constructs were classified into two classes, including exogenous constructs (financial, social and structural) and endogenous constructs (relationship quality, emotions, and loyalty).

Table 5.10: Underlying Hypotheses

Hypotheses No.	Hypotheses
H1a: Financial bonds→ RQ	Financial bonds will positively affect relationship quality
H1b: Social bonds→ RQ	Social bonds will positively affect relationship quality
H1c: Structural bonds→ RQ	Structural bonds will positively affect relationship quality
H2a: Financial bonds→ Emotions	Financial bonds will positively affect emotions
H2b: Social bonds→ Emotions	Social bonds will positively affect emotions
H2c: Structural bonds→ Emotions	Structural bonds will positively affect emotions
H3: Emotions→ RQ	Customer emotions will influence relationship quality
H4: Emotions→ Loyalty	Customer emotions will influence customer loyalty
H5: RQ→ Loyalty	Relationship quality positively affects customer loyalty

To evaluate the structural model, goodness-of-fit indices are examined to assess if the hypothesized structural model fits the data. If it did not fit, the requirement was to respecify the model until one was achieved that exhibited both acceptable statistical fit and indicated a theoretically meaningful representation of the observed data (Anderson and Gerbing, 1988; Hair et al., 1995, Tabachnick and Fidell, 2001; Kline, 2005).

Because the assumptions underlying structural equation modelling were met (see Section 4.8.2.2), the coefficient parameter estimates were examined along with the overall model fit indices to test hypotheses H1 to H5. Parameter estimates are fundamental to SEM analysis because they are used to generate the estimated population covariance matrix for the model (Tabachnick and Fidell, 2001). Coefficients' values are obtained by dividing the variance estimate by its Standard Error (S.E). That is, when the Critical Ratio (C.R.) (called z-value in Tables 5.11, 5.12 and 5.13) is greater than 1.96 for a regression weight (or standarized estimates), the parameter is statistically significant at the .05 levels. For example, the first hypothesized path between financial bonds and relationship quality (see Table 5.11) indicates a CR of -.182, which does not exceed the value of 1.96 required for statistical significance. That means the regression weight of financial bonds in the prediction of relationship quality at the $P<0.05$ level is not significantly different from zero ($P = .885$).

In the path diagram shown in Figures 5.7, 5.8, and 5.9, the values for the paths connecting constructs with a single-headed arrow represent standardized regression beta weights. As in the measurement model, the values appearing on the edge of the boxes are variance estimates in which the amount of variance in the observed variables is explained by latent variables or factors, and values next to the double-headed arrows show correlations. The evaluation of the structural model of this thesis is discussed below.

5.8.1 Structural Model One (The Hypothesized Model)

The analyses of the hypothesized structural model were conducted by testing the hypothesised model, which specified the nine casual relationships in Table 5.10. In the path diagram presented in Figure 5.7, exogenous constructs − financial, social and structural bonds − have no-single headed arrow pointing toward them. A necessary assumption of SEM is that the exogenous constructs are assumed to be correlated. This is because correlations between each pair of exogenous constructs must be estimated, even though no correlations are hypothesized (Hair et al., 1995, Kline, 2005).

Endogenous constructs (relationships quality, emotions and loyalty) have at least one-single-headed arrow leading to them. Straight arrows (or single-headed arrow) indicate causal relationships or paths, whilst the absence of arrows linking constructs implies that no causal relationship has been hypothesized. Relationship quality, which is measured using three factors (trust, satisfaction, and commitment) and emotions measured by two factors (positive and negative), are posited to be consequences of relational bonds – financial, social and structural – predictors of loyalty as measured by behavioural and attitudinal factors. The error terms (e) represent random error due to measurement of the constructs they indicate. The parameter (z) represents the residual errors in the structural model resulting from random error and/or systematic influences, which have not been explicitly modelled.

Table 5.11: Testing Hypotheses Using
Standardized Estimates (Hypothesized Model)

Hypothesized path	Standardised estimate	z-value	Supported
H1a: Financial bonds→ RQ	-.02	-.182	No
H1b: Social bonds→ RQ	.19	2.00*	Yes
H1c: Structural bonds→ RQ	.57	3.79**	Yes
H2a: Financial bonds→ Emotions	.01	.058	No
H2b: Social bonds→ Emotions	.28	2.08*	Yes
H2c: Structural bonds→ emotions	.61	3.73**	Yes
H3: Emotions→ RQ	.26	2.192*	Yes
H4: Emotions→ Loyalty	.21	1.98*	Yes
H5: RQ→ Loyalty	.78	7.55**	Yes

Notes: * p<0.05, ** p< 0.01 (two-tailed test).

In testing the hypothesised model, results presented in Table 5.11 indicate that the hypotheses H1b, H1c, H2b, H2c, H3, H4 and H5 were statistically significant and in the hypothesized direction. The standardized estimate for these hypotheses were all significant (ß =.19, .57, .28, .61, .26, .21 and .78, respectively).Thus, these hypotheses were supported. The hypotheses H1a and H2a were rejected because they were not statistically significant (ß = -.02, .01, respectively). The indices for goodness-of-fit demonstrate that this model fits the data adequately, even though chi-square was significant (x^2= 199.52, df = 123, P = .000, N = 271). The GFI was .924, AGFI = .895, NFI = .941, CFI = .977, TLI = .971, RSMEA = .047, x^2/df = 1.6. The model,

however, also demonstrates that two of nine paths were not statistically significant (P<0.05). Figure 5.7 summarizes the results obtained for each hypothesized path.

Figure 5.7: The Hpothesized Structural Model
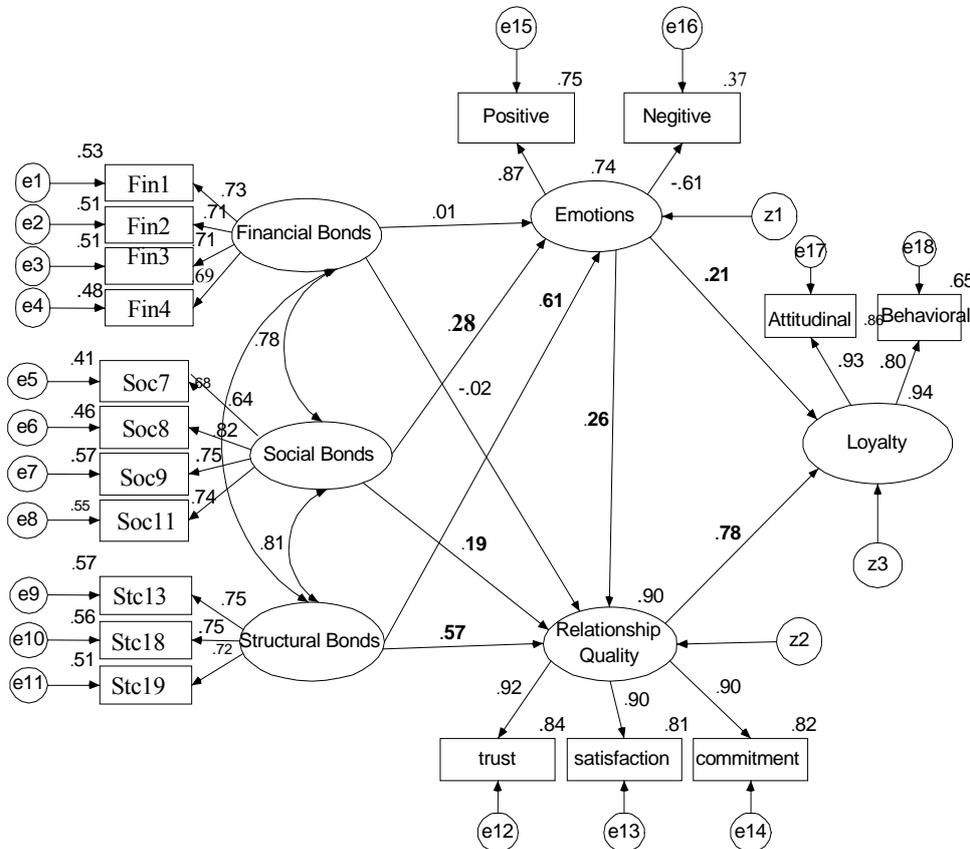
Chi-square = 199.52, df = 123, GFI = .924, AGFI = .895,
NFI = .941, CFI = .977, TLI = .971, RMSEA =. 047, and Chi-square / df = 1.6
Bold face standardized parameters indicate significant path between constructs

Accordingly, respecification of the model, removing nonsignificant paths would possibly provide a better fit to the data. It is important to assess the fit of a modified model by deleting the non-significant paths, therefore, allowing the most parsimonious underlying model to be eventually defined.

5.8.2 Structural Model Two

Taking into account the theoretical basis of the model, the results obtained from testing the original structural model indicated that two paths needed to be deleted. However, the deleting procedure was performed by removing one non-significant hypothetical path at a time as suggested by Holmes-Smith et al. (2006), because dropping one path at a time could change the modification indices and structural coefficients and their significance. Therefore, the non-significant path between financial bonds and relationship quality (H1a) was first deleted, as it is the lowest standardized estimate value (-.02). Following this, the model was reanalysed.

Table 5.12: Testing Hypotheses Using Standardized Estimates (Model Two)

Hypothesized path	Standardised estimate	z-value	Supported
H1b: Social bonds→ RQ	.18	2.05*	Yes
H1c: Structural bonds→ RQ	.56	4.48**	Yes
H2a: Financial bonds→ Emotions	.01	.083	No
H2b: Social bonds→ Emotions	.28	2.08*	Yes
H2c: Structural bonds→ emotions	.61	3.78**	Yes
H3: Emotions→ RQ	.26	2.27*	Yes
H4: Emotions→ Loyalty	.21	1.98*	Yes
H5: RQ→ Loyalty	.78	7.57**	Yes

Notes: * p<0.05, ** p< 0.01 (two-tailed test).

The analysis was conducted with the path connecting financial bonds with relationship quality (H1a) removed (see Figure 5.8). The results presented in Table 5.12 indicate that the hypotheses H1b, H1c, H2b, H2c, H3, H4, and H5 were accepted, because they were statistically significant (ß = .18, .56, .28, .61, .26, .21, and .78, respectively), and the hypothesis H2a was rejected because it was not significant (ß = .01). These results also show that the path connecting financial bonds with emotions (H2a) was the second path to be deleted (see Table 5.12).

Figure 5.8: Structural Model Two
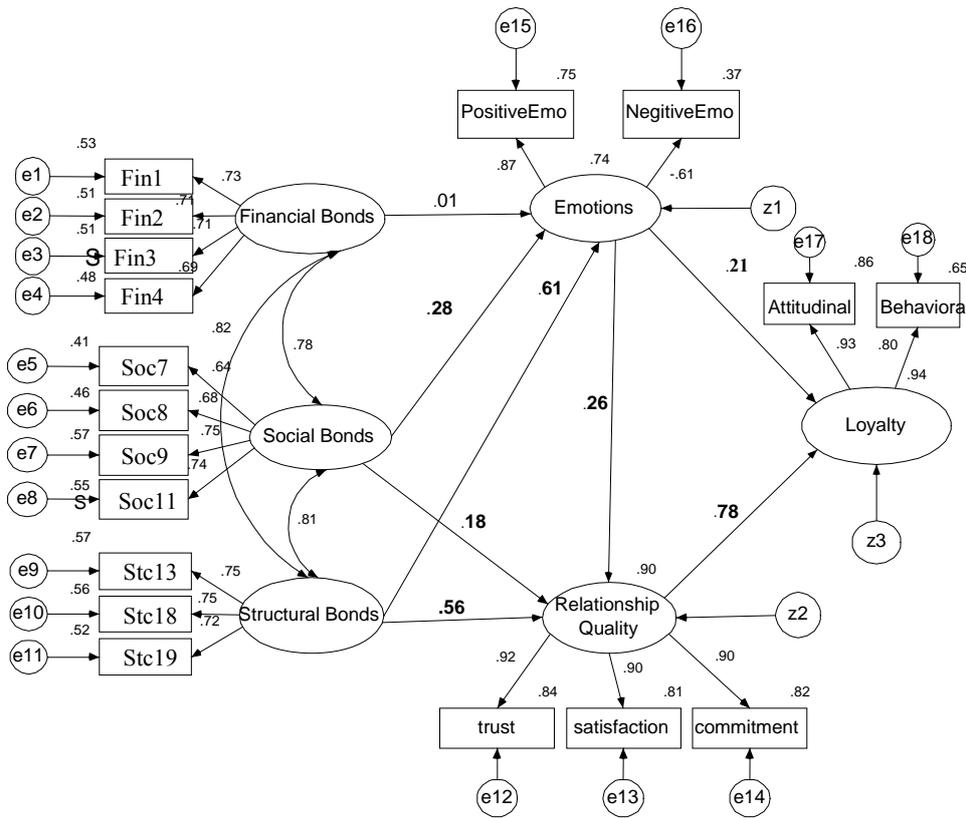
The goodness-of-fit indices show that this modified model fits the data adequately, even though the chi-square was significant. The chi-square was (x^2 = 199.52, df = 125, P = .000, N = 271). The GFI was .924, AGFI = .896, NFI = .941, CFI = .977, TLI = .972, RSMEA = .047, x^2/df = 1.6. These results show that structural model two is a better fit of the data than the original structural model.

5.8.3 Structural Model Three

Based on the results obtained from structural model two, the analysis for this model was conducted with the path connecting financial bonds with emotions (H2a) deleted (see Figure 5.9). As shown in Table 5.13, this model fits with the hypotheses H1b, H1c, H2b, H2c, H3, H4 and H5, which were derived from testing structural model one and two. The standarized esimates for these hypotheses were ß =.18, .56, .28, .62, .26, .21, and .78, respectivly. This Table also shows that all paths were significant.

With the two non-significant paths in the hypothesized structural model deleted, the results obtained from goodness-of-fit indices show that model three fits the data adequately, despite the chi-square being significant. This chi-square estimate rejecting valid models in large sample size is commonly accepted (Bagozzi and Yi, 1988). The chi-square was significant (x^2 = 199.56, df = 126, P = .000, N = 271). The GFI was .924, AGFI = .897, NFI = .941, CFI = .977, TLI = .972, and RSMEA = .047, x^2/df = 1.5. These results also demonstrate that structural model three is the best fit of the data.

Table 5.13: Testing Hypotheses Using Standardized Estimates (Model Three)

Hypothesized path	Standardised estimate	z-value	Accepted
H1b: Social bonds→ RQ	.18	2.05*	Yes
H1c: Structural bonds→ RQ	.56	4.55**	Yes
H2b: Social bonds→ Emotions	.28	2.18*	Yes
H2c: Structural bonds→ emotions	.62	3.78**	Yes
H3: Emotions→ RQ	.26	2.30*	Yes
H4: Emotions→ Loyalty	.21	1.98*	Yes
H5: RQ→ Loyalty	.78	7.57**	Yes

Notes: * p<0.05, ** p< 0.01 (two-tailed test)

Figure 5.9: Final Structural Model
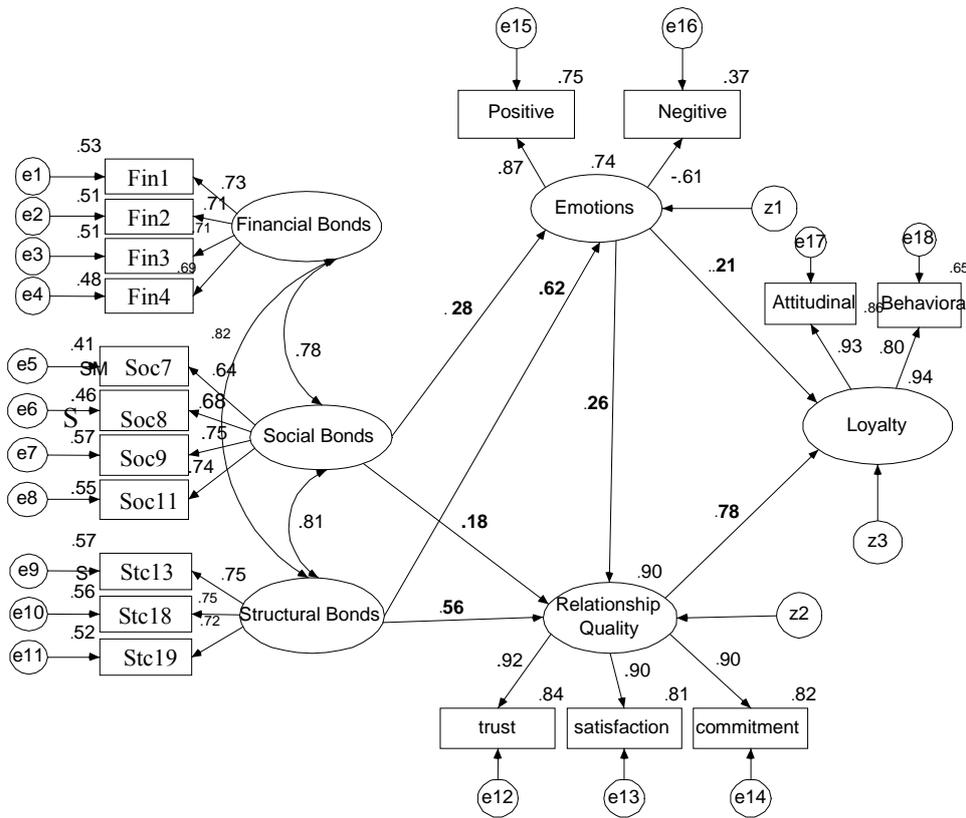
Chi-square = 199.56, df = 126, GFI = .924, AGFI = .897,
NFI = .941CFI = .977, TLI = .972, RMSEA =. 047, and Chi-square / df = 1.5
Bold face standardized parameters indicate significant path between constructs

In summary, it has been empirically and theoretically found that the best parsimonious model was achieved after the two paths representing H1a and H2a had been deleted (see Figure 5.9). Structural model three was therefore accepted as the final model. On a theoretical basis, the final model is consistent with previous studies in relationship marketing, which have only examined the impact of social and structural bonds on other relational outcomes without including financial bonds (see Section 2.3.3).

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5.8.4 Review of Structural Model (Stage Two)

This section reviews the development of the final model. The second stage of the structural model testing in this thesis was conducted after the measurement model was validated and a satisfactory fit achieved. The structural model was used to test the relationships between the constructs based on the hypothesized model. Thus, the original structural model has been specified to test the nine paths, which are represented in the hypotheses (H1a, H1b, H1c, H2a, H2b, H2c, H3, H4, and H5). Based on the significant parameter estimates results, two of the nine paths representing H1a and H2a were not statistically significant. This indicated that further respecification for the model was required. Therefore, the original model was modified by removing one non-significant path at a time. The first path to be removed was between financial bonds and relationship quality (H1a), and the second path was between financial bonds and emotions (H2a). This resulted in a final parsimonious model based on empirical and theoretical considerations.

The overall fit indices indicate that the final model is the best fit to the data with hypotheses H1b, H1c, H2b, H2c, H3, H4, and H5 accepted, and hypotheses H1a and H2a rejected. Further details about the hypotheses of this thesis are discussed in the following section.

5.9 Results of Testing the Hypotheses of this Thesis

In total, nine hypothesised relationship are examined (see Table 5.10). The implications of these results are further discussed in Chapter Six.

5.9.1 Relational bonds (Financial, Social and Structural) and Relationship Quality

As shown earlier, the three hypotheses H1a, H1b, and H1c explain the relationships between the exogenous variables (relational bonds) and endogenous variable

relationship quality. As outlined in Table 5.13, two of these three hypothesized relationships (H1b and H1c) were found to be significant (ß = .18, z-value = 2.05, ß = .56, *t*-value = 4.55, respectively). Thus, these were supported. However, the hypothesis representing the relationship between financial bonds and relationship quality (H1a) was not supported, as the parameter estimates were non-significant (ß = -.02, *z*-value = -.182)(see Table 5.11).

5.9.2 Relational bonds (Financial, Social and Structural) and Emotions

The three hypotheses (H2a, H2b and H2c) explain the relationship between relational bonds as exogenous variables and emotions as an endogenous variable. Results in Table 5.13 indicate that two of the three hypotheses are statistically significant. The paths from social (H2b) and structural bonds (H2c) to emotions were significant (ß = .28, z-value = 2.18, ß = .62, z-value = 3.78, respectively). Thus, these two hypotheses were supported. According to Table 5.12, the hypothesis explaining the relationship between financial bonds and emotions (H2a) was rejected because it was not found to be significant in the hypothesized direction (ß = .01, *z*-value = .083).

5.9.3 Emotions and Relationship quality

Hypothesis three (H3) is the relationship between emotions and relationship quality. Both of these variables were treated as endogenous. As hypothesized, emotions were found to be positively related to relationship quality. Results showed a significant path (ß =. 26, z-value, 2.30), and thereby H3 was supported (see Table 5.13).

5.9.4 Emotions and Loyalty

Hypothesis H4 represents the relationship between the two endogenous variables, emotions and relationship quality. According to the results presented in Table 5.13, it has been found that this hypothesis was statistically significant (ß = .21, *z*-value = 1.98), and thus accepted.

5.9.5 Relationship quality and Loyalty

The hypothesis represents the relationship between relationship quality and loyalty (H5). This hypothesized relationship was found to be significant (ß = .78, z-value = 7.57), supporting this hypothesis.

5.10 Summary

The first part of data analysis in this thesis has been the editing of data from collected questionnaires and the coding of question items. Data screening was then performed prior to conducting SEM, as the latter is very sensitive to missing data, normality, and sample size. Following this, the number of respondents was analysed. Respondents who met the criterion of loyal Arab guest to five-star hotel chains were 271, representing the final sample of 56.57%. Demographic characteristics of this sample have been described.

The second part of data analysis is the use of SEM, which was conducted in two stages, the measurement model and the structural model. In the first stage, the fit of each measurement model was assessed by using a CFA of the constructs of interest to make sure that each one was unidimensional. At this stage the assessment of the measurement model was made with reference to the following pattern of results: (1) indicators specified to measure a proposed underlying factor all have relatively high standardized loadings (i.e., >.50) on that factor; (2) estimated correlations between the factors were not higher than .85; and (3) the overall goodness-of-fit indices suggest acceptance of the model. These assessments have also been undertaken in addition to examining normalized residual and modification indices.

Accordingly, initial results indicated that the measurement model of this thesis needed to be respecified and tested again in an attempt to provide a more parsimonious model which will be used in the next step of the structural model. It was decided to delete seven items from relational bonds, five from emotions, and six from loyalty, as they were redundant. This was done to improve discriminant validity. The modified measurement model provided adequate fit to the data, and all indicators were highly

loaded on their specified factors. Each factor construct was then tested for reliability and validity. In regards to reliability, Cronbach alpha and CR were examined jointly with AVE. Results obtained indicated that all constructs were reliable. In addition, in order to confirm the validity for each construct, convergent, construct, and discriminant validity were also assessed. Strong evidence was found for considering the constructs in this thesis as valid and adequate for use in the next stage (structural model) to test the hypotheses.

The hypothesised structural model to be tested was specified by including the constructs after validation in the measurement model. The hypothesized model (original structural model) was tested in the second stage, including nine paths representing the hypotheses (H1a, H1b. H1c, H1a, H2b, H2c, H3, H4 and H5). Two of the nine hypotheses were found to not be statistically significant. These hypotheses were H1a and H2a. Therefore, respecification for the original model was needed to provide the most parsimonious model. These procedures were conducted based not only on statistical results, but also on theoretical justifications. The original structural model was respecified with only one path representing the hypothesis H1a deleted. Dropping one path at a time was necessary, because modification indices and structural coefficient and their significance could be changed. The second path-representing hypothesis H2a also then deleted. The analysis was then performed without these paths, resulting in the final structural model (three). The overall fit indices indicate that the final model (three) is the best fit of the data when the hypotheses H1b, H1c, H2b, H2c, H3, H4 and H5 are accepted, and the hypotheses H1a and H2a are rejected.

The next chapter discusses the above results in detail in order to answer the three research questions outlined in Chapter One. Further, it draws the implications for both practice and theory; discusses the limitations of this thesis; describes the directions for further research; and identifies the final conclusions.

CHAPTER SIX
DISCUSSION AND CONCLUSIONS

6.1 Introduction

Chapter Five presented the results that examined the hypotheses identified in Chapter Three. This final chapter aims to interpret the results reported in Chapter Five and fulfil the aims of the thesis (see Section 1.3) through answering the three research questions formulated in Chapter One. These are: What is the significant influence of relational bonds on customer emotions and relationship quality for Arabic customers of five-star hotels?; Do customer emotions of Arabic customers influence relationship quality and customer loyalty? and Is relationship quality important in determining the loyalty that Arab customers have with their service provider at five-star hotels?.

This chapter is divided into nine sections. Following this section, the results obtained from testing the hypotheses are summarised in section 6.2. The next three sections discuss the related results to answer each of the above research questions as follows: section 6.3 discusses the influence of relational bonds – financial, social and structural − on relationship quality and emotions, section 6.4 discusses the influence of emotions on relationship quality and loyalty, and section 6.5 discussed the influence of relationship quality on loyalty. Implications, including theoretical and managerial are drawn in section 6.6. Limitations of this thesis are detailed in section 6.7, and directions for further research are described in section 6.8. Section 6.9 identifies the final conclusions drawn based on discussion of the research findings.

6.2 Summary of the Results

This thesis developed and empirically tested a model that leads to a better understanding of the relationships between service providers and Arab customers at five-star hotel chains. In order to answer the research questions, this model extends relational bonds research by investigating the affect of financial, social and structural

bonds on the constructs of relationship quality and emotions. Further, it examines the influence of emotions on relationship quality, and finally, the influence of emotions and relationship quality on customer loyalty. As discussed in Chapter Two, the underlying constructs used to examine the proposed theoretical model were conceptualised following a literature review. Reliable and valid measures were used to measure these constructs, and were developed based on this literature (see Section 4.4).

The results of this thesis largely support the hypothesised relationships proposed in the theoretical model. In particular, the results suggest that relationship quality and emotions are positively influenced by social and structural bonds, but not financial bonds. In addition, it has been found that the construct of emotions is an important determinant of relationship quality. These results demonstrate that in eliciting customer loyalty, it is not only necessary for service providers to develop the quality of relationships that customers have with them, but also to consider customer emotions. The results are discussed in more details in the following sections.

6.3 The Consequences of Relational Bonds

This section explains the results of testing the hypotheses related to the relationships between relational bonds – financial, social and structural − and relationship quality, and between these relational bonds and emotions. These two linkages have aimed to answer the first research question.

Q1: What is the significant influence of relational bonds on customer emotions and relationship quality for Arabic customers of five-star hotels?

6.3.1 Relational Bonds and Relationship Quality

In the proposed model, this thesis hypothesized that the development of relational bonds influences relationship quality. Therefore, three hypotheses (H1a, H1b and H1c) were proposed, representing the influence of relational bonds – financial, social and structural - on relationship quality, respectively.

This thesis found mixed results for the relationship between the three types of relational bonds and relationship quality. While social and structural bonds were found to have a strong positive relationship with relationship quality, financial bonds did not, providing support for only two of the hypotheses (H1b and H1c). These findings suggest that Arab guests possibly rely more on interpersonal aspects (i.e., social bonds) and higher order structural bonds, than on financial bonds (i.e., price discounts). This suggests that these loyal customers of premium services (i.e., five-star hotels) are less affected by financial incentives, meaning that social and structural bonds used by five-star hotels are crucial in enhancing the quality of their relationships. Indeed, it might be also mean that the effect of each type of these relational bonds depends on the type of customer. That is, customers who stay less frequently (i.e., less than 10 nights) might be more affected by these kinds of financial incentives when the price becomes an issue. These results contradict Smith (1998), who found a significant relationship between functional (i.e., financial), social bonds and relationship quality, but not structural.

The lack of influence of financial bonds on relationship quality in this thesis, however, is not necessarily surprising, as it is in substantial agreement with previous research in the business-to-customer context. Wang et al. (2006) suggest that only interactive social bonding tactics and structural bonding tactics have significant effects on relationship quality in the case of customers with high-involvement. They found that this influence was of greater significance for high involvement customers than low-involvement customers. Garbarino and Johnson (1999) also conclude that economics benefits such as price discounts are not as strong as psychological ones in developing the future of relationships. De Wulf et al. (2003) further demonstrated that while there is some appeal in focusing on economic benefits (i.e., financial bonds), any real benefit might decrease as competitors copy these bonds. This has also been theorised by earlier works of Berry and Parsuraman, (1991) and Berry (1995), who referred to financial bonds as level one, the weakest in relationship marketing building.

Furthermore, while it is not the aim of this thesis, the results provide additional support for those who found significant relationships between the social and structural

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bonds, and separate dimensions of relationship quality such as trust (i.e., Lin et al., 2003), and commitment (i.e., Lin et al., 2003; Hsieh et al., 2005).

6.3.2 Relational Bonds and Emotions

One of the objectives of this thesis is to determine whether relational bonds will positively affect customer emotions. In this context, this thesis identifies that there is a previous lack of knowledge about this linkage in the literature, and proposes that this investigation will fill the gap existing in the literature. Therefore, three hypotheses (H2a, H2b, and H2c) were posited, representing the relationship between relational bonds – financial, social and structural – and emotions, respectively.

As in the first hypothesized relationships between the three types of relational bonds and relationship quality discussed above, the results of this thesis demonstrate that customer emotions are influenced by the implementation of only social and structural bonds, but not financial bonds. Hence, these results provide evidence to support H2b and H2c. A potential explanation for this might be that loyal Arab guests already expect that financial incentives (i.e., discounts or cumulative points) are in place, and thus these economic offers do not affect their emotions. Another explanation could be that these customers only experience-consumer related emotions when they are in personal contact (proposed under social bonds) with the hoteliers, and when value-added services and information (proposed under structural bonds) are more heavily used by these hoteliers. In other words, social bonds are important for loyal Arab guests because such bonds include aspects that make these guests personally attached to the organisation and feel they are in a special relationship with their hoteliers. This significant linkage reflects the view proposed by Han (1991), who defined social bonds in an emotional sense (see Section 2.3.3.2). That is, the degree to which certain ties link and hold a buyer and seller together emotionally. Thus, a significant relationship between structural bonds and emotions is implied when innovative products or different ways of interaction are provided by hoteliers to their loyal guests. Therefore, social and structural bonds advantages affect loyal Arab guests' emotional responses to their hoteliers, and thus strengthen their relationships. This might reflect why other competitors cannot easily imitate these types of bonds.

The results of this thesis are in agreement with previous research such as Pullman and Gross (2004), who found support for the link between relational elements and basic emotions. As was stated in section 2.5.3, relational elements in their study refers to the interaction between the guest and service provider. It should be noted that the findings of this thesis are the first to provide an empirical insight into the role of emotions (combining positive and negative) as being an important consequence of relational bonds – financial, social and structural.

In answering the above research question to fulfil the first thesis aim proposed in section 1.3, this thesis extends the research on relational bonds by showing that both relationship quality and emotions should be understood as consequences of social and structural bonds. Specifically, this thesis makes a contribution to relationship marketing theory by demonstrating a positive linkage between social and structural bonds and emotions. That is, no studies could be found in the relevant literature that had tested explicitly whether these relational bonds were associated with customer emotions.

6.4 The Consequences of Emotions

This section explains the results of testing the hypotheses related to the linkage between emotions and relationship quality, and between emotions and customer loyalty. These two linkages aimed to answer the second research question.

Q2: Do customer emotions of Arabic customers influence relationship quality and customer loyalty?

6.4.1 Emotions and Relationship Quality

This thesis has aimed to examine the positive influence of customer emotions and relationship quality. In reviewing the relevant literature, it has been found that there is a lack of knowledge about this relationship. It was assumed in this thesis that when the emotions construct (as combined by positive and negative emotions) and relationship quality (as measured by trust, satisfaction, and commitment) is

represented in one single model, this would provide us with a deeper understanding of the relationship development between customers and service providers (see Section 3.4.1) than previously has been suggested. For this purpose, hypothesis H3 was proposed.

Consistent with expectations, the results of this thesis demonstrated that the emotions construct is an important variable in predicting relationship quality, showing evidence to support H3. More specifically, these results demonstrate that once positive emotions of loyal Arab guests are enhanced, these guests have a higher level of relationship quality as measured by trust, satisfaction, and commitment. Wong (2004) argued that if the customer feels positively towards a service provider during the service encounter, the customer will also form positive perceptions of overall relationship quality. While Wong was the only notable author who found that feelings of happiness served as a predictor of relationship quality, he did not use the global dimensions of trust, satisfaction, and commitment to measure relationship quality. The results of this thesis confirm that the use of these three dimensions to measure relationship quality are important because they summarize a consumer's knowledge and experience with their service provider and lead to subsequent consumer actions, i.e., increased loyalty (see Section 2.4). Given this significance, it is assumed that the results of this thesis are the first to provide a more comprehensive understanding of the relationship between emotions and relationship quality, which has been identified by empirically investigating both relationship quality and emotions as consequences of relational bonds and antecedents of customer loyalty in one single model.

Furthermore, while it is not its purpose, new support has been provided by this thesis for those who have only found a significant link between emotions and one dimension of relationship quality: trust (i.e., Dunn and Schweitzer, 2003; Anderson and Kumar, 2006), satisfaction (i.e., Daube´ and Menon 2000) or commitment (i.e., Steenhaut and Van Kenhove, 2005).

6.4.2 Emotions and Loyalty

Furthering the aim of investigating emotions as a consequence of relational bonds and antecedent of relationship quality, it was hypothesized that emotions will ultimately influence customer loyalty. Therefore, hypothesis H4 was formulated to examine this relationship.

As hypothesized, the results discussed in section 5.9 support emotions influencing customer loyalty (H4). That is, Arab customers are more likely to become loyal, based on how they feel towards relationships with hoteliers. This suggests that Arab guests are more likely to stay more at a hotel chain when they feel positively attached to that hotel chain. This supports the previous research in which emotions were found to be crucial in predicting behavioural loyalty. For example, Sherman et al. (1997) found that shoppers at a store buy more items if their positive emotions are enhanced. Furthermore, the results of this thesis confirm that loyalty is better conceptualised as comprising both behavioural and attitudinal components. That is, emotions of Arab guests will not only lead them to stay more (behavioural loyalty) and most likely also resist switching (attitudinal loyalty) to another hotel chain. This provides additional evidence to those who found a significant relationship between emotions and customer loyalty as measured by both behaviours and attitudes. These include Fox (2001), who demonstrated that emotions not only affect future customer purchases, but also leads to WOM, whereas negative emotions may lead to complaining behaviours (Dick and Basu, 1994; Liljander and Strandvik, 1997; Bagozzi et al., 1999).

Furthermore, the results of this thesis confirm previous research in the hospitality literature such as Barsky and Nash (2002), who suggest that emotions are crucial in decision-making related to loyalty in luxury hotel settings. Similarly, Pullman and Gross (2004) also found a significant relationship between positive emotions and behavioural loyalty for customers attending a hospitality tent. As such, based on the literature and findings in this thesis, it appears that emotions are an important antecedent of customer loyalty.

In answering the above research question to fulfil the second aim of the thesis, proposed in section 1.3, this thesis makes a further contribution to relationship marketing theory by providing evidence of the linkage between emotions (combining positive and negative) and relationship quality (measured by trust, satisfaction and commitment). Importantly, the use of emotions as a predictor of relationship quality in one single model has been found to provide a more complete understanding to the development of relationships between customers and their service providers. Consequently, this thesis has confirmed that an emotions construct is a necessary antecedent of customer loyalty.

6.5 The Consequence of Relationship quality

This thesis hypothesized that relationship quality is an important determinant of the future of relationships, and aims to examine whether relationship quality evokes customer loyalty. The relationship was tested using hypothesis H5, to answer the following research question.

Q3: Is relationship quality important in determining the loyalty that *Arab customers have with their service providers at five-star hotels?*

6.5.1 Relationship Quality and Loyalty

As was expected, relationship quality was found to be a strong determinant of loyalty as measured by behavioural and attitudinal measures. The results indicate that the more Arab guests have a higher level of relationship quality with their hoteliers, the more they are likely to be loyal to them. These findings are in agreement with the argument made by Crosby et al. (1990) that relationship quality is the best predictor of a customer who is looking for future contact with a service provider. In this case, this thesis confirms that in addition to emotions, relationship quality is also an important variable in predicting the future of the relationship between customers and service providers. Accordingly, this thesis provides additional support for a number of previous studies such as Wang et al. (2006), who demonstrated that relationship quality has significant effects on customer loyalty. Shamdasani and Balakrishnan's

(2000) findings also suggest that if service providers can enhance the level of relationship quality experienced, then they can ensure their customers loyalty. Within the particular context of hotels, Kim and Cha (2002) found that relationship quality is critical for hoteliers attempting to increase share of purchases through hotel usage, frequency, cross selling, and to achieve positive impact of relationship continuity and WOM. This thesis confirms that this linkage is better captured when relationship quality is linked to customer loyalty as a composite variable including both behaviours and attitudes. Furthermore, this thesis provide additional support to those who found a positive relationship between each dimension of relationship quality separately and customer loyalty, including trust (i.e., Lau and Lee (1999), satisfaction (i.e., Choi and Chu, 2001), and commitment (Too et al., 2001).

Finally, this thesis found support for the above research question that fulfils the third aim proposed in section 1.3, by providing significant evidence on the significance of the relationship quality construct being a prerequisite of customer loyalty.

6.6 Implications

This thesis focused on relationship marketing in the services sector, focusing on a hospitality setting, and representing a business-to-customer relationship context. Therefore, the findings of this thesis offer important implications for theory and management to improve the effectiveness of relationship marketing in these contexts.

6.6.1 Theoretical Implications

Theoretically, in relationship marketing, attracting new customers costs organizations more than keeping existing ones. In the setting of hospitality, the focus of this thesis, researchers have found that a small increase in loyal customers results in substantial increases in profitability (Bowen and Shoemaker, 1998; Tepeci, 1999; Kim and Cha, 2002). However, developing and sustaining loyalty is becoming increasingly difficult to achieve (Liang and Wang, 2005). Hence, this thesis has attempted to provide a relationship marketing model that can be used effectively in securing customer loyalty in five-star hotels. More specifically, this thesis has extended the research on

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relational bonds - financial, social and structural - by investigating their influence on relationship quality and emotions. This linkage reflects the necessity for understanding whether these three relational bonds enhance relationship quality within this context. It has been argued that the three measures of trust, satisfaction, and commitment reflect the overall evaluation of customers' relationships with hoteliers, and thus determine the future of these relationships. The results of this thesis therefore demonstrate that relationship quality between customers and service providers can be achieved by employing social and structural bonds. However, the findings also demonstrate that this is not the case with financial bonds, and therefore these are not important determinants of relationship quality in this research setting. Although the relationship between relational bonds and relationship quality has been investigated in previous research, evidence on this linkage within the context of the hospitality industry is new.

Through examining the influence of relational bonds on customer emotions, this thesis also helps us to understand how relationships between service providers and customers are developed. In examining how customers emotionally perceive relationships with their service providers, social and structural bonds rather than financial bonds have been found to be crucial in eliciting customer emotions. This suggests that the inclusion of emotions as consequences of relational bonds − financial, social and structural – in the proposed model has made a significant contribution to the relationship marketing theory. This is especially so because although the importance of emotions as a critical variable in relational exchanges has been widely acknowledged, empirical evidence about the cause-effect of this construct has remained under-researched.

In furthering understanding about how customers become loyal to firms, this thesis contributes to the theory of relationship marketing by demonstrating that the construct of emotions is important in determining relationship quality measured by three global components: trust, satisfaction and commitment. In addition, the results identify that relationship quality and customer emotions work well together in evoking customer loyalty − the purpose of relationship marketing. Although this linkage is not unusual, this thesis furthers the literature by investigating the two constructs in one single model.

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Furthermore, this thesis offers a more accurate methodological process, attempting to clearly define each of the underlying constructs. For example, different global items were combined together to measure each of the constructs. Assessments of the reliabilities and validities of each construct using CFA confirm the correspondence rules between both empirical and theoretical concepts (Bagozzi, 1984, Han, 1991). Therefore, combining these methodologies with the purified measurement items of this thesis provides a useful direction for future empirical research into relationship marketing.

6.6.2 Managerial Implications

From a managerial perspective, this thesis highlights the importance of managers of services developing and maintaining relationship activities that achieve customer loyalty, particularly at five-star hotel chains. Specifically, managers should be aware that employing both social and structural bonds is necessary to enhance the quality of relationship that customers have with them. They also should keep in mind the need to increase the benefits obtained from social and structural interactions, as customers may be aware of the benefits that other competitors offer. If they neglect to do this, then it will not be easy for them to build relationship quality with their customers. This is of prime importance because the results of this thesis confirm that when customers feel they have high quality relationships with their service provider, they are more likely to be loyal. In this context, Crosby et al. (1990) suggested that relationship quality is the best predictor of a customer's likelihood of seeking future contact with a service provider. Another point relevant to the use of relational bonds involves the finding that financial bonds (i.e., economic incentives) may not be of great importance for customers at five-star hotels. This may confirm the idea mentioned above that managers should try to adopt social and structural offers that make them competitive in the market. By doing this, they will not lose the effectiveness of such offers, as is the case when financial incentives are offered. Even so, it may be that services managers may need to offer   financial bonds as a necessary but not sufficent condition of loyalty building.

Furthermore, it has been confirmed by the results of this thesis that once customers become emotionally attached to their relationship with a service provider, it becomes harder for them to change their service provider. Dick and Basu (1994) argued that emotions lead to either positive or negative feelings capable of disrupting ongoing behaviour. Wong (2004) also emphasises that emotions influence behaviour, and customers tend to respond to events in ways that maintain positive emotions and avoid negative ones. Results of this thesis therefore confirm that managers may want to pay more attention to customer emotions if they really wish to maintain their competitive edge. That is, knowing how customers feel about their relationships will help managers to develop appropriate strategies that focus on social and structural bonds. Then, when managers know which strategies they need to adopt and update, they will be able to enhance the positive emotions that lead to customer loyalty.

6.7 Thesis Limitations

Part of the strength of any research project is to recognise its limitations (Dolen and Lemmink, 2004). While this thesis makes a contribution to the body of relationship marketing literature, it has several limitations that need to be identified. These are discussed below in terms of the context of this thesis, the sample chosen, the constructs' measures, and the analytical technique used to perform the analysis (structural equation modelling).

First, Sheth and Partivayar (1995) and Arnold and Bianchi (2001) have both suggested that different cultural contexts may affect how consumers view relationships. Therefore, caution about generalising the results of this thesis might be taken, as they reflect the loyal Arab customers' perspective in the context of five-star hotel chains.

Second, one of the most important limitations of this thesis is related to the criteria used in selecting loyal guests (the sample of this thesis). Guests who had stayed ten nights or more a year with a hotel chain were identified as loyal. This criterion was used because there is no consensus among academics and the industry on definite

standards to identify loyal customers. For example, Kim and Cha (2002) used twenty nights to identify loyal customers at five-star hotels, while Bowen and Shoemaker (1998) considered those visiting the hotel at least three times as loyal. In the industry, some hotels consider guests who stay 50 qualifying nights as loyal (i.e., Holiday Inn hotel), while others are defined as loyal after staying one night (i.e., Hyatt hotel). Given that there is no agreement in the academic literature nor industry reporting on what constitutes loyal guests at five-star hotels, some may caution as to whether the criteria used in this thesis is definitive.

Third, another potential limitation is related to the measures of attitudinal loyalty used in this thesis. The meaning of attitudinal loyalty may not be fully captured due to the item related to WOM (which is one of attitudinal loyalty measures in this thesis) being deleted. That is, the item measuring WOM adopted from Too et al. (2001) was "I am proud to tell others that I stay at this hotel chain." Although the pre-test did not show any face validity problem with the item, nonetheless the statement may have been interpreted as being boastful or conceited in an Arabic customer context (Abu-Roman, 2005). Other studies have used constructs that did not incorporate all possible measurement items (De Wulf et al., 2001).

Fourth, a limitation needing to be addressed in regard to the analytical technique used in this thesis (i.e., structural equation modelling) is the inability to assess the discriminant validity of relationship quality. That is, relationship quality should be measured within one single measurement model in order to distinguish between the three factors that build up this construct (trust, satisfaction, and commitment). However, because the covariance matrix was non-positive definite (see Section 5.7.1.2), AMOS does not allow analysis of the measurement model of relationship quality as conceptualised. Thus, it was not possible to prove the discriminant validity among these three factors, even though Wothke (1993) recommended conducting analysis of each factor - trust, satisfaction, and commitment - separately in one measurement model to remedy the non-positive definite problem.

6.8 Directions for Further Research

Although this thesis has developed a model that provides an effective relationship marketing program, several profitable areas for future research remain. For example, given that the results of this thesis are limited to loyal Arab perspectives, findings could be different when other cultural groups are considered. This suggests a need for more cross-cultural research to identify whether premium consumers behave in the same way, or there is something unique about Arabic consumers. The work of Sheth and Partivayar (1995), and Arnold and Bianchi (2001) suggest that culture is an important issue in consumer-business relationships. This latter point is also important, especially for global services targeting a diverse range of customers. Furthermore, it would also be informative to study the differences between five-star hotel chains and small hotel chains. De Wulf et al. (2001) argued that the degree of social exchange and the possibilities for interpersonal communications in retail settings are generally greater in smaller stores than bigger ones. By adapting this argument to the hotel context, other research could see whether customers in small hotel chains (i.e., 3-star) perceive more interpersonal relationships than they do in five-star hotel chains.

Future researchers are encouraged to explore whether the proposed model of this thesis holds in business-to-business contexts. As was discussed in section 6.3.1, Smith (1998) investigated the linkage between financial, social and structural bonds and relationship quality in a business-to-business environment and found different results to this thesis. Therefore, the implications might show big differences in contexts where relationships are founded on formal agreements and contracts (Hutt and Speh, 1995), for instance, in professional services.

Additional research is needed to extend our understanding of the constructs used in this thesis, by using different ways to investigate them. For instance, future research could explore the role of relational bonds in other service settings to see if indeed the results are generalisable across other premium services. Comparisons could be undertaken to explore differences between premium and other services, as financial bonds may be more important when price is integral to the purchase context. Differences in the perceived importance of relational bond types also could be of interest. This could include investigating the extent to which each type of bonds

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impacts on emotions or other relational outcomes. Another direction for future investigation might be to examine the relative differences of influence among these bonds on various types of customers, including high-loyalty and low-loyalty. For example, in their investigation of the positive affect of each type of relational bonds - financial, social and structural – on commitment, Hsieh et al. (2005) found that financial bonds are more powerful in strengthening customer commitment in search good/services than they are in experience-credence goods/services.

In addition, it will be interesting to see which emotions finally comprise positive and negative affects for different samples, such as non-loyal Arab customers, in the context of consumer emotions. This is important, particularly as the relationships between customers and service providers are not a universal concept and differs in its qualities among segments of the market (Barnes, 1997). Given that Barsky and Nash (2002) provide us with certain words for positive emotions that loyal guests feel during their stay at five-star hotels, it would be worthwhile exploring the negative emotions that   these customers may experience. This would provide a further understanding of the number, type and strength of negative emotions within relational exchanges. Such research could answer questions about more fine-grained emotions typologies. For instance, emotions could be further described by arousal, more specifically in terms of high and low-arousal and positive and negative valence. Thus, four emotions groups could be explored within an expanded model where higher-arousal positive emotions might include excitement and delight lower-arousal positive emotions may include contentment and relaxation high-arousal negative emotions might include rage and anger and low- arousal negative emotions might include sadness and disappointment. Each of these four groups may have different antecedents and consequences in a relationship marketing model beyond simply positive and negative affect.

6.9 Conclusion

Because relationship marketing theory and practice is built on the real benefits that both customers and service providers perceive through their relationships, the aim is to build and maintain customer loyalty. However, making these relationships

successful in achieving this aim is difficult. In this context, this thesis makes a significant contribution to the relationship marketing literature by proposing a model that empirically investigates loyal Arab customers' perspectives of their relationships with hoteliers at five-star hotel chains. This model provides a deeper understanding for the relationship between service providers and their customers by examining the association between relational bonds, relationship quality, emotions, and loyalty in one single model. Although there could be constructs other than those incorporated in this model, this research includes constructs that have provided a successful relationship marketing program. In particular, this thesis has extended the research of relational bonds – financial, social and structural – by investigating their impact on relationship quality (as measured by trust, satisfaction, and commitment) and emotions (positive and negative). Results have revealed that social bonds (i.e., friendship, interpersonal interaction) and structural bonds (i.e., value-adding services), but not financial bonds, are important in building positive relationship quality and customer emotions.

Although previous research has found a strong relationship between relational bonds and relationship quality, this thesis fills the gap existing in the relationship marketing literature in which a significant relationship between social and structural bonds and emotions is demonstrated. This indicates that service managers should put more effort into implementing social and structural bonds in order to develop a high level of relationship quality, and elicit positive emotions rather than negative. Financial bonds do not seem necessary for use in the hospitality setting.

Adopting Anderson and Kumar's (2006) observation that marketing practitioners are keen to understand the significant role of emotions in the course of relationship marketing, it can be concluded that this thesis is the first to make a contribution to the literature in finding a significant relationship between emotions (combining positive and negative) and relationship quality (measured by trust, satisfaction and commitment). This supports previous findings (i.e., Barnes, 1997; Liljander and Strandvik, 1997; Anderson and Kumar, 2006) that customer emotions (positive and negative) are crucial in shaping the relationships between Arab guests and their hoteliers. Thus, the investigation of emotions in this thesis has provided us with a

further understanding of relationship development, which will be useful for both academics and practitioners in services.

The relationship quality and emotions proposed in this thesis have not only been found to be important consequences of social and structural bonds, but they have also served as important determinants of customer loyalty as measured by behavioural and attitudinal. In this context, it has been found that when Arab customers present high relationship quality based on the history they have had with their hoteliers - and experience positive emotions - they are more likely to revisit the hotel and not switch to other competitors.

Finally, this research has reinforced the understanding of relationship marketing within the context of loyal Arab customers at five-star hotels. The research has extended this understanding to include the association between relational bonds, relationship quality, emotions and customer loyalty as key variables in relationship marketing.

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APPENDICES

Appendix A

1. COVER LETTER TO GUESTS PARTICIPATING IN SURVEY

I am undertaking a research project as a part of my PhD requirement at Victoria University / School of Hospitality, Tourism and Marketing. This project is under the supervision of Professor Michael Polonsky and Mr. Michael Edwardson. The project aims to develop an integrated model of relationship marketing in the context of guests' perceptions of five star hotels. It is a significant project in that it will extend both relationship marketing and hospitality theory and practice.

On the following pages you will be presented with a series of questions about your relationship with this hotel chain (not just in Jordan). Please note that the questions are on both sides of the paper. Your answers will of course remain completely confidential. Please answer each question as honestly as you can, and note that there are no right or wrong answers. A quick response is generally the most useful. The questionnaire should not take you more than about 20 minutes to complete. The survey data will be used for analysis only, and the final overall results will be used for academic research purposes.

Once you have completed the questionnaire, please give it back to the front desk inside the envelope provided.

Your participation in this project would be greatly appreciated. Any queries about your participation in this project may be directly communicated to me (Ahmad.Shammout@research.vu.edu.au) or ph. 962-79-5331800), to my principal investigator (Michael.Polonsky@vu.edu.au) or to my associated investigator Mr. Michael Edwardson (Michael.Edwardson@vu.edu.au).

Thank you in anticipation for you assistance in this project.

Sincerely yours,

Researcher: Mr. Ahmad Shammout
Enc: Questionnaire

2. Invitation to Five-Star Hotels Requesting Participation in Pre-Test

Principal Investigator:	Professor Michael J. Polonsky
Associate Investigator:	Mr. Michael Edwardson
Student Researcher:	Mr. Ahmad Shammout
Department and Campus:	Faculty of Business and Law, Victoria University, PO Box 14428, Melbourne City, MC 8001, Australia

Date/Month/Year

Dear Potential Hotel,

Mr. Ahmad Shammout is undertaking a research project entitled "Evaluating an Extended Relationship Marketing Model for Arab Guests of Five-star Hotels" as a part of his PhD at Victoria University. This project is under my supervision in coordination with Mr. Michael Edwardson. The project aims to develop an integrated model of relationship marketing in the context of loyal Arabic guests' perceptions of five star hotels in Jordan. It is a significant project in that it will extend both relationship marketing and hospitality theory and practice. There are many benefits of this project to your organization. For instance, the researcher will provide managerially relevant information and recommendations on relationship marketing in the Jordanian hospitality industry. In addition, he will supply you with a summary report after finishing data analysis.

As a part of the research, your hotel customers have been selected for inclusion in a sample of loyal Arabic customers in order to pre-test a relationship marketing model. With your permission, the student researcher will need you to distribute a questionnaires to your customers when they check in and give it back to hotel staff when they check out (these questionnaires will be supplied by the researcher). This survey will be distributed in the period between June and July of this year, 2005. Your help is completely voluntary. Personal identification will not be included. All information provided will remain confidential and there are no foreseen risks to either you or your customers.

Your participation in this project would be greatly appreciated. Please contact me: Prof. Michael Jay Polonsky (Michael.Polonsky@vu.edu.au or at the above address or the student researcher) to indicate your agreement to participate. Any queries about your participation in this project may be directly communicated to me, to Mr. Michael Edwardson (Michael.Edwardson@vu.edu.au), or to the student researcher Mr. Ahmad Shammout (Ahmad.Shammout@research.vu.edu.au or ph. 61-4-31228353). If you later have any queries or complaints about the conduct of this project, you may contact the Secretary of the Victoria University Human Research Ethics Committee Mr. John McDougal (John.McDougle@vu.edu.au or 61-3-9688 4710).

Comment [SU1]: This sounds too negative

Thank you in anticipation for you assistance in this project.

Sincerely yours,

Professors Michael Jay Polonsky
Enc: Questionnaire

3. Invitation to Five-Star Hotels Requesting Participation in Final Survey

Principal Investigator: Professor Michael J. Polonsky
Associate Investigator: Mr. Michael Edwardson
Student Researcher: Mr. Ahmad Shammout
Department and Campus: Faculty of Business and Law, Victoria University,
                                    PO Box 14428, Melbourne City, MC 8001, Australia

Date/Month/Year

Dear Potential Hotel,

Mr. Ahmad Shammout is undertaking a research project entitled "Evaluating an Extended Relationship Marketing Model for Arab Guests of Five-star Hotels" as a part of his PhD at Victoria University. This project is under my supervision in coordination with Mr. Michael Edwardson. The project aims to develop an integrated model of relationship marketing in the context of loyal Arabic guests' perceptions of five star hotels in Jordan. It is a significant project in that it will extend both relationship marketing and hospitality theory and practice. There are many benefits of this project to your organization. For instance, the researcher will provide managerially relevant information and recommendations on relationship marketing in the Jordanian hospitality industry. In addition, the researcher is a Jordanian national and a tourism lecturer at Al-Balqa Applied University (BAU) in Jordan, and he will supply you with a summary report after finishing data analysis.

As a part of the research, your hotel customers have been selected for inclusion in a sample of the total customers at five star hotels in Jordan. With your permission, the student researcher will need you to distribute 100 questionnaires to your customers when they check in and give it back to hotel staff when they check out (these questionnaires will be supplied by the researcher). It will not take the customer more than 20 minute to complete. This survey will be distributed in the period between July and October of this year, 2005. Your help is completely voluntary. Personal identification will not be included. All information provided will remain confidential and there are no foreseen risks to either you or your customers.

Your participation in this project would be greatly appreciated. Please contact me: Prof. Michael Jay Polonsky (Michael.Polonsky@vu.edu.au or at the above address or the student researcher to indicate your agreement to participate. Any queries about your participation in this project may be directly communicated to me, to Mr. Michael Edwardson (Michael.Edwardson@vu.edu.au), or to the student researcher Mr. Ahmad Shammout (Ahmad.Shammout@research.vu.edu.au or ph. 61-4-31228353). If you later have any queries or complaints about the conduct of this project, you may contact the Secretary of the Victoria University Human Research Ethics Committee Mr. John McDougal (John.McDougle@vu.edu.au or 61-3-9688 4710).

Comment [SU2]: This sounds too negative

Thank you in anticipation for you assistance in this project.

Sincerely yours,
Professors Michael Jay Polonsky
Enc: Questionnaire

Appendix B

1. Questionnaire (English Version)

Q1 **First, here are some questions about your perceptions of this hotel chain and the interactions you have with it. Please rate how much you agree or disagree with each statement by circling one number on each line.**

Statement	Strongly disagree ←————→ Strongly agree						
1. This hotel chain provides discounts (or up-grades) for regular guests	1	2	3	4	5	6	7
2. This hotel chain has presented me with free gifts to encourage my future stays.	1	2	3	4	5	6	7
3. This hotel chain provides a cumulative points program (reward program)	1	2	3	4	5	6	7
4. This hotel chain offers rebates if I stay more than a certain numbers of nights	1	2	3	4	5	6	7
5. This hotel provides extra prompt service for regular guests	1	2	3	4	5	6	7
6. This hotel chain keeps in touch with me	1	2	3	4	5	6	7
7. This hotel chain is concerned with my needs	1	2	3	4	5	6	7
8. Employees of this hotel chain help me to solve my personal requests	1	2	3	4	5	6	7
9. This hotel chain values my opinion about services	1	2	3	4	5	6	7
10. I receive greeting cards or gifts on special days	1	2	3	4	5	6	7
11. This hotel chain offers opportunities for me to give my opinions to the hotel	1	2	3	4	5	6	7
12. This hotel provides personalized services according to my needs	1	2	3	4	5	6	7
13. This hotel chain offers integrated packages to me as a regular guest	1	2	3	4	5	6	7
14. This hotel chain offers new information about its products / services	1	2	3	4	5	6	7
15. This hotel chain often provides innovative products / services	1	2	3	4	5	6	7
16. This hotel chain provides after-sales service for my requirements	1	2	3	4	5	6	7
17. I receive a prompt response after any complaint	1	2	3	4	5	6	7
18. This hotel chain provides various ways to deal with transactions (e.g., bills, check in, check out)	1	2	3	4	5	6	7
19. I can retrieve (find) information about this hotel chain in various ways	1	2	3	4	5	6	7

Q2 **Now these questions ask you about your opinions about the hotel chain. Please rate how much you agree or disagree with each statement by circling one number on each line.**

Statement	Strongly disagree						Strongly agree
1. I continue to deal with my hotel chain because I genuinely enjoy my relationship with them	1	2	3	4	5	6	7
2. I am satisfied with the relationship I have with this hotel chain	1	2	3	4	5	6	7
3. The relationship that I have with this hotel chain deserves my maximum efforts to maintain	1	2	3	4	5	6	7
4. I plan to maintain a long-term relationship with this hotel chain	1	2	3	4	5	6	7
5. I feel emotionally attached to this hotel chain	1	2	3	4	5	6	7
6. I can count on my hotel chain to consider how their actions affect me	1	2	3	4	5	6	7
7. This hotel chain is honest about any problems experienced	1	2	3	4	5	6	7
8. This hotel chain is concerned about my welfare	1	2	3	4	5	6	7
9. As a guest, I have a high quality relationship with this hotel chain	1	2	3	4	5	6	7
10. This hotel chain has high integrity	1	2	3	4	5	6	7
11. I am happy with the efforts this hotel chain is making towards regular guests like me	1	2	3	4	5	6	7
12. I continue to deal with this hotel chain because I like being associated with them	1	2	3	4	5	6	7
13. This hotel chain is trustworthy	1	2	3	4	5	6	7
14. When I confide my problems to staff in this hotel chain, I know they will respond with understanding	1	2	3	4	5	6	7
15. I am committed to my relationship with this hotel chain	1	2	3	4	5	6	7
16. Overall, I am satisfied at this hotel chain	1	2	3	4	5	6	7

Q3 **Here are a few more questions about your opinions of this hotel chain. Please rate how much you agree or disagree with each statement by circling a number on each line.**

Statement	Strongly disagree → Strongly agree						
1. I really care about the future of this hotel chain	1	2	3	4	5	6	7
2 I am willing to put in extra effort to stay with this hotel chain	1	2	3	4	5	6	7
3. I am proud to tell others that I stay at this hotel chain	1	2	3	4	5	6	7
4. For me this hotel chain is the best alternative	1	2	3	4	5	6	7
5. I expect to stay with this hotel chain regularly in the future	1	2	3	4	5	6	7
6. I feel very little loyalty to this hotel chain	1	2	3	4	5	6	7
7. As a guest of this hotel chain, I feel that I am prepared to pay more for their high quality products/ services	1	2	3	4	5	6	7
8. I would recommend this hotel chain to others	1	2	3	4	5	6	7
9. I stay at this hotel chain on a regular basis	1	2	3	4	5	6	7
10. This hotel chain stimulates me to stay	1	2	3	4	5	6	7
11. I have used this hotel chain for a number of years	1	2	3	4	5	6	7
12. I feel strong loyalty about this hotel chain	1	2	3	4	5	6	7

Q4 **Here are some specific emotions that you may or may not feel about your relationship with this hotel chain. Please circle how often you feel these emotions when staying with this hotel chain.**

Statement	Never → Very often						
1. Angry	1	2	3	4	5	6	7
2. Love	1	2	3	4	5	6	7
3. Welcome	1	2	3	4	5	6	7
4. Pleased	1	2	3	4	5	6	7
5. Satisfied	1	2	3	4	5	6	7

6. Relaxed	1	2	3	4	5	6	7
7. Ignored	1	2	3	4	5	6	7
8. Comfortable	1	2	3	4	5	6	7
9. Pleasantly surprised	1	2	3	4	5	6	7
10. Uneasiness	1	2	3	4	5	6	7
11. Sadness	1	2	3	4	5	6	7
12. Happiness	1	2	3	4	5	6	7
13. Pride	1	2	3	4	5	6	7
14. Disappointed	1	2	3	4	5	6	7
15. Fear	1	2	3	4	5	6	7
16. Let down	1	2	3	4	5	6	7
17. Embarrassment	1	2	3	4	5	6	7
18. Guilt	1	2	3	4	5	6	7
19. Frustrated	1	2	3	4	5	6	7
20. Gratitude	1	2	3	4	5	6	7
21. Pampered	1	2	3	4	5	6	7
22. Sophisticated	1	2	3	4	5	6	7
23.Delighted	1	2	3	4	5	6	7

Finally, on the last two pages there are some questions for classification purposes only. Please respond to these questions by ticking (√) in the boxes provided for each statement.

Q5   Are you?   ❑ Male
❑ Female

Q6   To which of the following age groups   ❑ Up to 25
do you belong?   ❑ 5- 34
❑ 35-44
❑ 45-54
❑ 55-64
❑ 65+

Q7 What nationality are you?
    ❑ Arabic nationality

    ❑ Non-Arabic nationality

Please   specify   your   nationality…………..

…………………………………….

Q8 Over **the past 12 months**, how many **nights** have you stayed at this hotel chain?

    ❑ 1-4

    ❑ 5-9

    ❑ 10-14

    ❑ 15-19

    ❑ 20 and above

Q9 Now thinking about all your stays with this hotel chain in the **past 12 months**, what percentage would you have stayed for the following purposes?

(Please write in)

Leisure ……………… %

Business……………... %

Conferences…………. %

Total   100%

Q10 What is your highest educational qualification?

    ❑ High school

    ❑ Diploma

    ❑ Undergraduate degree

    ❑ Postgraduate degree

Q11 Which of these industries would you say you are mainly employed in?

(Please tick one)

❑ Business, commerce, finance
❑ Legal
❑ Self employed
❑ Education
❑ Sciences and medicine
❑ Engineering and technology
❑ Sports , leisure , and recreation
❑ Community services
❑ Retail, hospitality, tourism
❑ Government

If **other industry**, please specify

…………………………………..

…………………………………..

Q12 **Finally,** which of the following categories represents your monthly salary?

❑ Less than US 1000
❑ $1000-$1999
❑ $2000-$2999
❑ $3000-$3999
❑ $4000-$4999
❑ over $5000

2. Questionnaire (Arabic Version)

السؤال الأول

بداية، فيما يلي بعض العبارات التي تتعلق برأيك حول تعامل سلسلة الفنادق هذه معك. الرجاء وضع دائرة حول الرقم الذي يحدد مدى موافقتك أو عدمها مع كل عبارة.(إجابة واحدة لكل صف)

أوافق بشدة						لا أوافق بشدة	العبارة
7	6	5	4	3	2	1	**1.** تقدم سلسلة الفنادق هذه خصومات للضيوف المنتظمين
7	6	5	4	3	2	1	**2.** تقدمت سلسلة الفنادق بهدايا مجانية لي لتشجيعي على الإقامة لديها في المستقبل
7	6	5	4	3	2	1	**3.** تقدم سلسلة الفنادق هذه برنامج تجميع النقاط أو ما يسمى برنامج المكافآت
7	6	5	4	3	2	1	**4.** تعرض سلسلة الفنادق هذه حسومات إذا أقمت لديها ما يزيد على عدد معين من الليالي
7	6	5	4	3	2	1	**5.** تقدم سلسلة الفنادق هذه خدمة إضافية للضيوف المنتظمين
7	6	5	4	3	2	1	**6.** تحافظ سلسلة الفنادق هذه على اتصال دائم بي
7	6	5	4	3	2	1	**7.** تهتم سلسلة الفنادق هذه باحتياجاتي
7	6	5	4	3	2	1	**8.** يساعد موظفو سلسلة الفنادق هذه في تلبية متطلباتي الشخصية
7	6	5	4	3	2	1	**9.** تثمن سلسلة الفنادق هذه آرائي حول الخدمات التي تقدمها
7	6	5	4	3	2	1	**10.** تقدم لي سلسلة الفنادق هذه بطاقات معايدة وهدايا في المناسبات الخاصة
7	6	5	4	3	2	1	**11.** تتيح سلسلة الفنادق هذه المجال لي لإبداء آرائي للفندق
7	6	5	4	3	2	1	**12.** تقدم سلسلة الفنادق هذه خدمات خاصة تتوافق واحتياجاتي
7	6	5	4	3	2	1	**13.** تقدم سلسلة الفنادق هذه عروض متكاملة لي باعتباري ضيف منتظم لديها
7	6	5	4	3	2	1	**14.** تزودني سلسلة الفنادق هذه بمعلومات جديدة حول خدماتها/منتجاتها
7	6	5	4	3	2	1	**15.** غالبا ما تقدم سلسلة الفنادق هذه خدمات ومنتجات ومبتكرة
7	6	5	4	3	2	1	**16.** تقدم سلسلة الفنادق هذه خدمات ما بعد المبيعات لتلبية متطلباتي
7	6	5	4	3	2	1	**17.** أتلقى ردا سريعا من سلسلة الفنادق هذه بعد تقدمي بشكوى ما
7	6	5	4	3	2	1	**18.** تقدم سلسلة الفنادق هذه طرق متنوعة لزبائنها لإتمام المعاملات مثل (الفواتير، إجراءات الدخول والخروج)
7	6	5	4	3	2	1	**19.** أستطيع الحصول على معلومات عن سلسلة الفنادق هذه بطرق متعدده

السؤال الثاني

تتعلق العبارات التالية برأيك حول سلسلة الفنادق هذه الرجاء وضع دائرة حول الرقم الذي يحدد مدى موافقتك أو عدمها مع كل عبارة. (إجابة واحدة لكل صف)

أوافق بشدة					لا أوافق بشدة		العبارة
7	6	5	4	3	2	1	1. سأستمر بالتعامل مع سلسة الفنادق هذه لأني أستمتع فعلا بعلاقاتي معها
7	6	5	4	3	2	1	2. أنا راضٍ عن طبيعة العلاقة التي بيني وبين سلسة الفنادق هذه
7	6	5	4	3	2	1	3. إن طبيعة العلاقة القائمة بيني وبين سلسلة الفنادق هذه تستحق بذل الجهود من قبلي للمحافظة عليها
7	6	5	4	3	2	1	4. أعتزم الإبقاء على علاقة طويلة الأمد مع سلسلة الفنادق هذه
7	6	5	4	3	2	1	5. أشعر بوجود ارتباط عاطفي بيني وبين سلسلة الفنادق هذه
7	6	5	4	3	2	1	6. أثق بأن سلسلة الفنادق هذه تدرك بأن الأعمال التي تقوم بها تؤثر علي شخصيا
7	6	5	4	3	2	1	7. أثق بمصداقية هذه الفنادق في حل أي مشكلة أتعرض إليها
7	6	5	4	3	2	1	8. تهتم سلسلة الفنادق هذه برفاهيتي
7	6	5	4	3	2	1	9. بصفتي ضيفا، أستطيع القول بأن علاقتي مع سلسلة الفنادق هذه علاقة رفيعة المستوى
7	6	5	4	3	2	1	10. تتصف سلسلة الفنادق هذه بأمانة
7	6	5	4	3	2	1	11. أنا مسرور بالجهود التي تبذلها سلسلة الفنادق هذه لصالح الضيوف المنتظمين مثلي
7	6	5	4	3	2	1	12. أستمر بالتعامل مع سلسلة الفنادق هذه لأني أحب ارتباطي بهم
7	6	5	4	3	2	1	13. تستحق سلسلة الفنادق هذه كل الثقة من قبلي
7	6	5	4	3	2	1	14. إن العاملين في سلسلة الفنادق هذه يتفهمون ويستجيبون إلى المشكلات التي أطرحها عليهم
7	6	5	4	3	2	1	15. انا ملتزم بعلاقتي مع سلسلة الفنادق هذه
7	6	5	4	3	2	1	16. بشكل عام، أنا راض عن سلسلة الفنادق هذه

السؤال الثالث

فيما يلي مزيد من العبارات التي تعبر عن رأيك حول سلسلة الفنادق. الرجاء وضع دائرة حول الرقم الذي يحدد مدى موافقتك أو عدمها مع كل عبارة. (إجابة واحدة لكل صف)

أوافق بشدة					لا أوافق بشدة		العبارة
7	6	5	4	3	2	1	1. انا مهتم فعلا بمستقبل سلسلة الفنادق هذة
7	6	5	4	3	2	1	2. أنا على استعداد لبذل مزيد من الجهود للبقاء مع سلسلة الفنادق هذه

3. أنا فخور بإبلاغ الآخرين بإقامتي في سلسلة الفنادق هذه   1   2   3   4   5   6   7

4. . بالنسبة لي، أعتبر سلسلة الفنادق هذه البديل الأفضل   1   2   3   4   5   6   7

5. أتوقع الإقامة في سلسلة الفنادق هذه بشكل منتظم في المستقبل.   1   2   3   4   5   6   7

6. أشعر بولاء ضعيف لسلسلة الفنادق هذه   1   2   3   4   5   6   7

7. بصفتي ضيف في سلسلة الفنادق هذه، أشعر بالرغبة لدفع مزيد من النقود مقابل الخدمات عالية الجودة التي يقدمونها   1   2   3   4   5   6   7

8. أوصي الآخرين بسلسلة الفنادق هذه   1   2   3   4   5   6   7

9. أقيم في سلسلة الفنادق هذه بشكل منتظم   1   2   3   4   5   6   7

10. تحفزني سلسلة الفنادق هذه على البقاء لديها   1   2   3   4   5   6   7

11. لقد أقمت في سلسلة الفنادق هذه لعدة سنوات   1   2   3   4   5   6   7

12. أشعر بولاء كبير لسلسلة الفنادق هذه   1   2   3   4   5   6   7

السؤال الرابع

فيما يلي بعض ما قد تشعر به تجاه علاقة سلسلة الفنادق هذه معك. الرجاء وضع دائرة حول الرقم الذي يعبر عن مدى شعورك بهذه العواطف أثناء إقامتك لدى سلسلة الفنادق هذه. (إجابة واحدة لكل صف)

العبارة	أبدا						غالبا
1. الغضب	1	2	3	4	5	6	7
2. الحب	1	2	3	4	5	6	7
3. الترحيب	1	2	3	4	5	6	7
4. السرور	1	2	3	4	5	6	7
5. الرضا	1	2	3	4	5	6	7
6. الاسترخاء	1	2	3	4	5	6	7
7. التجاهل	1	2	3	4	5	6	7
8. الارتياح	1	2	3	4	5	6	7
9. المفاجأة سارة	1	2	3	4	5	6	7
10. عدم الارتياح	1	2	3	4	5	6	7
11. الحزن	1	2	3	4	5	6	7
12. السعادة	1	2	3	4	5	6	7
13. الفخر والاعتزاز	1	2	3	4	5	6	7
14. خيبة الأمل	1	2	3	4	5	6	7
15. الخوف	1	2	3	4	5	6	7
16. الخذلان	1	2	3	4	5	6	7
17. الإحراج	1	2	3	4	5	6	7
18. الذنب	1	2	3	4	5	6	7

7	6	5	4	3	2	1	19. الإحباط
7	6	5	4	3	2	1	20. الامتنان
7	6	5	4	3	2	1	21. الدلال
7	6	5	4	3	2	1	22. التمرس
7	6	5	4	3	2	1	23. البهجة

أخيراً، في الصفحتين التاليتين ستجد بعض الأسئلة لغايات التصنيف ، فقط. الرجاء الإجابة على هذه الأسئلة بوضع إشارة ( ) في الصندوق أمام كل عبارة.

السؤال الخامس هل أنت؟

☐ ذكر
☐ أنثى

السؤال السادس إلى أي من الفئات العمرية التالية تنتمي؟

☐ اقل من 25
☐ 25- 34
☐ 35- 44
☐ 45- 54
☐ 55- 64

السؤال السابع ما هي جنسيتك؟

☐ الجنسية العربية
☐ الجنسية غير العربية

السؤال الثامن خلال **الشهور الـ 12 الماضية**، كم ليلة أقمت في سلسلة الفنادق هذه؟

☐ 1-4
☐ 5-9
☐ 10- 14
☐ 15- 19
☐ 20 فما فوق

السؤال التاسع خلال فترة إقامتك على مدى **الشهور الـ 12 الماضية**، الرجاء تحديد النسبة المئوية للأغراض التي أقمت لأجلها في هذه السلسلة من الفنادق

الترفيه..........................%
الأعمال..........................%
المؤتمرات ....%
_____
المجموع 100%

245

السؤال العاشر   ما هو مؤهلك العلمي؟

☐ الثانوية العامة
☐ دبلوم
☐ بكالوريوس

السؤال الحادي عشر   في أي من القطاعات التالية هو عملك الرئيسي

☐ الأعمال, التجارة, التمويل
☐ القانوني
☐ عمل حر
☐ التعليم
☐ العلوم والطب
☐ الهندسي والتكنولوجيا
☐ الرياضي, الترفيهي, الاستجمام
☐ خدمات المجتمع
☐ السياحي, الفندقي
☐ الحكومي

إذا كانت الإجابة **غير ذلك** الرجاء تحديد اسم القطاع ....

Appendix C

Table 1: Number of Missing Data

	N	Mean	Std. Deviation	Missing Count	Missing Percent
Q 1 _ 1	270	4.94	1.745	1	.4
Q 1 _ 2	270	4.67	1.685	1	.4
Q 1 _ 3	269	5.00	1.713	2	.7
Q 1 _ 4	269	4.98	1.630	2	.7
Q 1 _ 5	269	5.08	1.622	2	.7
Q 1 _ 6	270	4.82	1.626	1	.4
Q 1 _ 7	264	5.27	1.370	7	2.6
Q 1 _ 8	261	5.20	1.566	10	3.7
Q 1 _ 9	266	5.05	1.589	5	1.8
Q 1 _ 10	270	4.94	1.647	1	.4
Q 1 _ 11	270	5.04	1.644	1	.4
Q 1 _ 12	259	5.20	1.499	12	4.4
Q 1 _ 13	269	5.12	1.641	2	.7
Q 1 _ 14	270	4.98	1.557	1	.4
Q 1 _ 15	271	5.01	1.548	0	.0
Q 1 _ 16	271	4.85	1.532	0	.0
Q 1 _ 17	265	5.09	1.534	6	2.2
Q 1 _ 18	271	5.22	1.700	0	.0
Q 1 _ 19	271	5.60	1.507	0	.0
Q 2 _ 1	269	5.06	1.630	2	.7
Q 2 _ 2	271	5.25	1.368	0	.0
Q 2 _ 3	267	5.00	1.434	4	1.5
Q 2 _ 4	268	5.16	1.408	3	1.1
Q 2 _ 5	266	5.02	1.474	5	1.8
Q 2 _ 6	271	4.95	1.502	0	.0
Q 2 _ 7	271	5.26	1.463	0	.0
Q 2 _ 8	258	5.50	1.291	13	4.8
Q 2 _ 9	264	5.44	1.522	7	2.6
Q 2 _ 10	268	5.54	1.407	3	1.1
Q 2 _ 11	264	5.39	1.521	7	2.6
Q 2 _ 12	268	5.37	1.482	3	1.1
Q 2 _ 13	266	5.30	1.423	5	1.8
Q 2 _ 14	269	5.29	1.447	2	.7
Q 2 _ 15	271	5.26	1.513	0	.0
Q 2 _ 16	270	5.73	1.468	1	.4
Q 3 _ 1	271	4.94	1.525	0	.0
Q 3 _ 2	271	4.80	1.571	0	.0
Q 3 _ 3	269	5.33	1.516	2	.7
Q 3 _ 4	269	5.29	1.564	2	.7
Q 3 _ 5	268	5.22	1.642	3	1.1
Q 3 _ 6	268	3.51	2.062	3	1.1
Q 3 _ 7	261	4.90	1.577	10	3.7
Q 3 _ 8	269	5.27	1.492	2	.7
Q 3 _ 9	268	5.36	1.365	3	1.1
Q 3 _ 10	270	5.35	1.424	1	.4
Q 3 _ 11	269	5.27	1.542	2	.7
Q 3 _ 12	270	5.42	1.540	1	.4
Q 4 _ 1	271	2.10	1.369	0	.0
Q 4 _ 2	271	5.44	1.356	0	.0
Q 4 _ 3	270	5.57	1.533	1	.4
Q 4 _ 4	271	5.58	1.374	0	.0
Q 4 _ 5	271	5.63	1.472	0	.0
Q 4 _ 6	271	5.44	1.574	0	.0
Q 4 _ 7	270	2.52	1.485	1	.4
Q 4 _ 8	270	5.34	1.449	1	.4
Q 4 _ 9	270	4.60	1.541	1	.4
Q 4 _ 10	271	2.36	1.454	0	.0
Q 4 _ 11	271	2.07	1.499	0	.0
Q 4 _ 12	267	5.39	1.426	4	1.5
Q 4 _ 13	270	5.00	1.467	1	.4
Q 4 _ 14	270	2.35	1.532	1	.4
Q 4 _ 15	270	2.04	1.486	1	.4
Q 4 _ 16	271	1.95	1.299	0	.0
Q 4 _ 17	270	2.17	1.454	1	.4
Q 4 _ 18	269	2.03	1.411	2	.7
Q 4 _ 19	267	2.09	1.369	4	1.5
Q 4 _ 20	269	4.96	1.539	2	.7
Q 4 _ 21	269	5.22	1.619	2	.7
Q 4 _ 22	269	4.89	1.467	2	.7
Q 4 _ 23	271	5.46	1.605	0	.0

a. Number of cases outside the range (Q 1 - 1.5*IQ R , Q 3 +

Table 2: Pattern of Missing Data

	Number of							
	17 7	6	3	3	6	3	3	3
Missing Pattern a Q1_1								
Q1_1								
Q1_1								
Q1_1								
Q2_2								
Q2_6								
Q2_7								
Q2_1								
Q3_1								
Q3_2								
Q4_1								
Q4_2								
Q4_4								
Q4_5								
Q4_6								
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Q3_8								
Q2_1								
Q1_4								
Q3_6								
Q2_1								
Q2_1								
Q2_4								
Q4_2								
Q3_9								
Q4_1								
Q2_3								
Q4_1								X
Q2_1								
Q1_9								
Q2_5								
Q1_1								
Q2_9								
Q2_1						X		
Q1_7							X	
Q1_8			X					
Q3_7					X			
Q2_8				X				
Q1_1		X						
Complete if b	177	183	180	180	183	180	180	180

Patterns with less than 1% cases (3 or fewer) are not

a. Variables are sorted on missing

b. Number of complete cases if variables missing in that pattern are not

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Table 3: Paired Sample Statistics (T-test)

		Mean	Std. Deviation
Pair 1	This hotel chain provides discounts (or up-grades) for regular guests	4.94(a)	1.745
	SMEAN(Q1_1)	4.941(a)	1.7449
Pair 2	This hotel chain has presented me with free gifts to encourage my future stays	4.67(a)	1.685
	SMEAN(Q1_2)	4.674(a)	1.6845
Pair 3	This hotel chain provides a cumulative points program (reward program)	5.00(a)	1.713
	SMEAN(Q1_3)	5.000(a)	1.7126
Pair 4	This hotel chain offers rebates if I stay more than a certain numbers of nights	4.98(a)	1.630
	SMEAN(Q1_4)	4.978(a)	1.6298
Pair 5	. This hotel provides extra prompt service for regular guests	5.08(a)	1.622
	SMEAN(Q1_5)	5.078(a)	1.6223
Pair 6	This hotel chain keeps in touch with me	4.82(a)	1.626
	SMEAN(Q1_6)	4.822(a)	1.6263
Pair 7	This hotel chain is concerned with my needs	5.27(a)	1.370
	SMEAN(Q1_7)	5.265(a)	1.3697
Pair 8	Employees of this hotel chain help me to solve my personal requests	5.20(a)	1.566
	SMEAN(Q1_8)	5.199(a)	1.5660
Pair 9	This hotel chain values my opinion about services	5.05(a)	1.589
	SMEAN(Q1_9)	5.053(a)	1.5892
Pair 10	I receive greeting cards or gifts on special days	4.94(a)	1.647
	SMEAN(Q1_10)	4.937(a)	1.6473
Pair 11	This hotel chain offers opportunities for me to give my opinions to the hotel	5.04(a)	1.644
	SMEAN(Q1_11)	5.044(a)	1.6445
Pair 12	This hotel provides personalized services according to my needs	5.20(a)	1.499
	SMEAN(Q1_12)	5.201(a)	1.4988

Pair	Item	Mean	Std. Dev
Pair 13	This hotel chain offers integrated packages to me as a regular guest	5.12(a)	1.641
	SMEAN(Q1_13)	5.115(a)	1.6407
Pair 14	This hotel chain offers new information about its products / services	4.98(a)	1.557
	SMEAN(Q1_14)	4.978(a)	1.5567
Pair 15	This hotel chain often provides innovative products / services	5.01(a)	1.548
	SMEAN(Q1_15)	5.011(a)	1.5480
Pair 16	This hotel chain provides after-sales service for my requirements	4.85(a)	1.532
	SMEAN(Q1_16)	4.845(a)	1.5318
Pair 17	I receive a prompt response after any complaint	5.09(a)	1.534
	SMEAN(Q1_17)	5.087(a)	1.5337
Pair 18	This hotel chain provides various ways to deal with transactions (e.g., bills, check in , check out)	5.22(a)	1.700
	SMEAN(Q1_18)	5.221(a)	1.7005
Pair 19	I can retrieve (find) information about this	5.60(a)	1.507
	SMEAN(Q1_19)	5.601(a)	1.5067
Pair 20	I continue to deal with my hotel chain because I genuinely enjoy my relationship with them	5.06(a)	1.630
	SMEAN(Q2_1)	5.063(a)	1.6299
Pair 21	I am satisfied with the relationship I have with this hotel chain	5.25(a)	1.368
	SMEAN(Q2_2)	5.251(a)	1.3675
Pair 22	The relationship that I have with this hotel chain deserves my maximum efforts to maintain	5.00(a)	1.434
	SMEAN(Q2_3)	5.004(a)	1.4340
Pair 23	I plan to maintain a long-term relationship with this hotel chain	5.16(a)	1.408
	SMEAN(Q2_4)	5.157(a)	1.4081
Pair 24	I feel emotionally attached to this hotel chain	5.02(a)	1.474
	SMEAN(Q2_5)	5.023(a)	1.4741
Pair 25	I can count on my hotel chain to consider how their actions affect me	4.95(a)	1.502
	SMEAN(Q2_6)	4.948(a)	1.5022

Pair			
Pair 26	This hotel chain is honest about any problems experienced	5.26(a)	1.463
	SMEAN(Q2_7)	5.258(a)	1.4630
Pair 27	This hotel chain is concerned about my welfare	5.50	1.291
	SMEAN(Q2_8)	5.504	1.2669
Pair 28	As a guest, I have a high quality relationship with this hotel chain	5.44(a)	1.522
	SMEAN(Q2_9)	5.443(a)	1.5219
Pair 29	This hotel chain has high integrity	5.54(a)	1.407
	SMEAN(Q2_10)	5.537(a)	1.4071
Pair 30	I am happy with the efforts this hotel chain is making towards regular guests like me	5.39(a)	1.521
	SMEAN(Q2_11)	5.386(a)	1.5212
Pair 31	I continue to deal with this hotel chain because I like being associated with them	5.37	1.482
	SMEAN(Q2_12)	5.384	1.4319
Pair 32	This hotel chain is trustworthy	5.30(a)	1.423
	SMEAN(Q2_13)	5.305(a)	1.4226
Pair 33	When I confide my problems to staff in this hotel chain, I know they will respond with understanding	5.29	1.447
	SMEAN(Q2_14)	5.301	1.4177
Pair 34	I am committed to my relationship with this hotel chain	5.26(a)	1.513
	SMEAN(Q2_15)	5.258(a)	1.5128
Pair 35	Overall, I am satisfied at this hotel chain	5.73(a)	1.468
	SMEAN(Q2_16)	5.726(a)	1.4680
Pair 36	I really care about the future of this hotel chain	4.94(a)	1.525
	SMEAN(Q3_1)	4.937(a)	1.5250
Pair 37	I am willing to put in extra effort to stay with this hotel chain	4.80(a)	1.571
	SMEAN(Q3_2)	4.804(a)	1.5713
Pair 38	I am proud to tell others that I stay at	5.33(a)	1.516
	SMEAN(Q3_3)	5.331(a)	1.5155

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Pair 39	For me this hotel chain is the best alternative	5.29(a)	1.564
	SMEAN(Q3_4)	5.290(a)	1.5638
Pair 40	I expect to stay with this hotel chain regularly in the future	5.22(a)	1.642
	SMEAN(Q3_5)	5.216(a)	1.6415
Pair 41	I feel very little loyalty to this hotel chain	3.51(a)	2.062
	SMEAN(Q3_6)	3.511(a)	2.0617
Pair 42	As a guest of this hotel chain, I feel that I am prepared to pay more for their high quality products/ services	4.90(a)	1.577
	SMEAN(Q3_7)	4.897(a)	1.5765
Pair 43	I would recommend this hotel chain to others	5.27	1.492
	SMEAN(Q3_8)	5.286	1.4442
Pair 44	I stay at this hotel chain on a regular basis	5.36	1.365
	SMEAN(Q3_9)	5.369	1.3330
Pair 45	This hotel chain stimulates me to stay	5.35	1.424
	SMEAN(Q3_10)	5.359	1.3932
Pair 46	I have used this hotel chain for a number of years	5.27(a)	1.542
	SMEAN(Q3_11)	5.271(a)	1.5419
Pair 47	I feel strong loyalty about this hotel chain	5.42(a)	1.540
	SMEAN(Q3_12)	5.419(a)	1.5397
Pair 48	Angry	2.10(a)	1.369
	SMEAN(Q4_1)	2.100(a)	1.3694
Pair 49	Love	5.44	1.356
	SMEAN(Q4_2)	5.450	1.3237
Pair 50	Welcome	5.57(a)	1.533
	SMEAN(Q4_3)	5.567(a)	1.5332
Pair 51	Pleased	5.58(a)	1.374
	SMEAN(Q4_4)	5.579(a)	1.3744
Pair 52	Satisfied	5.63(a)	1.472
	SMEAN(Q4_5)	5.627(a)	1.4724
Pair 53	Relaxed	5.44(a)	1.574
	SMEAN(Q4_6)	5.435(a)	1.5736
Pair 54	Ignored	2.52(a)	1.485
	SMEAN(Q4_7)	2.519(a)	1.4853

Pair			
Pair 55	Comfortable	5.34	1.449
	SMEAN(Q4_8)	5.367	1.3886
Pair 56	Pleasently Surprised	4.60(a)	1.541
	SMEAN(Q4_9)	4.600(a)	1.5410
Pair 57	Uneasiness	2.36(a)	1.454
	SMEAN(Q4_10)	2.362(a)	1.4537
Pair 58	Sadness	2.07(a)	1.499
	SMEAN(Q4_11)	2.066(a)	1.4991
Pair 59	Happiness	5.39	1.426
	SMEAN(Q4_12)	5.408	1.3635
Pair 60	Pride	5.00(a)	1.467
	SMEAN(Q4_13)	4.996(a)	1.4671
Pair 61	Disappointed	2.35(a)	1.532
	SMEAN(Q4_14)	2.348(a)	1.5319
Pair 62	Fear	2.04(a)	1.486
	SMEAN(Q4_15)	2.037(a)	1.4855
Pair 63	Let down	1.95	1.299
	SMEAN(Q4_16)	1.908	1.1749
Pair 64	Embarrassment	2.17(a)	1.454
	SMEAN(Q4_17)	2.174(a)	1.4542
Pair 65	Guilt	2.03(a)	1.411
	SMEAN(Q4_18)	2.030(a)	1.4113
Pair 66	Frustrated	2.09(a)	1.369
	SMEAN(Q4_19)	2.094(a)	1.3692
Pair 67	Gratitude	4.96(a)	1.539
	SMEAN(Q4_20)	4.959(a)	1.5387
Pair 68	Pampered	5.22(a)	1.619
	SMEAN(Q4_21)	5.219(a)	1.6185
Pair 69	Sophisticated	4.89(a)	1.467
	SMEAN(Q4_22)	4.888(a)	1.4669
Pair 70	Delighted	5.46(a)	1.605
	SMEAN(Q4_23)	5.458(a)	1.6047

a The correlation and t cannot be computed because the standard error of the difference is 0.

Table 4: The Wilcoxon Test Statistics

	Z	Asymp. Sig. (2-tailed)
SMEAN(Q1_1) - This hotel chain provides discounts (or up-grades) for regular guests	.000 a	1.000
SMEAN(Q1_2) - This hotel chain has presented me with free gifts to encourage my future stays	.000 a	1.000
SMEAN(Q1_3) - This hotel chain provides a cumulative points program (reward program)	.000 a	1.000
SMEAN(Q1_4) - This hotel chain offers rebates if I stay more than a certain numbers of nights	.000 a	1.000
SMEAN(Q1_5) - . This hotel provides extra prompt service for regular guests	.000 a	1.000
SMEAN(Q1_6) - This hotel chain keeps in touch with me	.000 a	1.000
SMEAN(Q1_7) - This hotel chain is concerned with my needs	.000 a	1.000
SMEAN(Q1_8) - Employees of this hotel chain help me to solve my personal requests	.000 a	1.000
SMEAN(Q1_9) - This hotel chain values my opinion about services	.000 a	1.000
SMEAN(Q1_10) - I receive greeting cards or gifts on special days	.000 a	1.000
SMEAN(Q1_11) - This hotel chain offers opportunities for me to give my opinions to the hotel	.000 a	1.000
SMEAN(Q1_12) - This hotel provides personalized services according to my needs	.000 a	1.000
SMEAN(Q1_13) - This hotel chain offers integrated packages to me as a regular guest	.000 a	1.000
SMEAN(Q1_14) - This hotel chain offers new information about its products / services	.000 a	1.000
SMEAN(Q1_15) - This hotel chain often provides innovative products / services	.000 a	1.000
SMEAN(Q1_16) - This hotel chain provides after-sales service for my requirements	.000 a	1.000
SMEAN(Q1_17) - I receive a prompt response after any complaint	.000 a	1.000
SMEAN(Q1_18) - This hotel chain provides various ways to deal with transactions (e.g., bills, check in , check out)	.000 a	1.000
SMEAN(Q1_19) - I can retrieve (find) information about this	.000 a	1.000
SMEAN(Q2_1) - I continue to deal with my hotel chain because I genuinely enjoy my relationship with them	.000 a	1.000
SMEAN(Q2_2) - I am satisfied with the relationship I have with this hotel chain	.000 a	1.000
SMEAN(Q2_3) - The relationship that I have with this hotel chain deserves my maximum efforts to maintain	.000 a	1.000
SMEAN(Q2_4) - I plan to maintain a long-term relationship with this hotel chain	.000 a	1.000
SMEAN(Q2_5) - I feel emotionally attached to this hotel chain	.000 a	1.000
SMEAN(Q2_6) - I can count on my hotel chain to consider how their actions affect me	.000 a	1.000
SMEAN(Q2_7) - This hotel chain is honest about any problems experienced	.000 a	1.000
SMEAN(Q2_8) - This hotel chain is concerned about my welfare	-1.414 b	.157
SMEAN(Q2_9) - As a guest, I have a high quality relationship with this hotel chain	.000 a	1.000
SMEAN(Q2_10) - This hotel chain has high integrity	.000 a	1.000
SMEAN(Q2_11) - I am happy with the efforts this hotel chain is making towards regular guests like me	.000 a	1.000
SMEAN(Q2_12) - I continue to deal with this hotel chain because I like being associated with them	.000 a	1.000
SMEAN(Q2_13) - This hotel chain is trustworthy	.000 a	1.000
SMEAN(Q2_14) - When I confide my problems to staff in this hotel chain, I know they will respond with understanding	-1.732 b	.083
SMEAN(Q2_15) - I am committed to my relationship with this hotel chain	.000 a	1.000
SMEAN(Q2_16) - Overall, I am satisfied at this hotel chain	.000 a	1.000
SMEAN(Q3_1) - I really care about the future of this hotel chain	.000 a	1.000
SMEAN(Q3_2) - I am willing to put in extra effort to stay with this hotel chain	.000 a	1.000
SMEAN(Q3_3) - I am proud to tell others that I stay at	.000 a	1.000
SMEAN(Q3_4) - For me this hotel chain is the best alternative	.000 a	1.000
SMEAN(Q3_5) - I expect to stay with this hotel chain regularly in the future	.000 a	1.000
SMEAN(Q3_6) - I feel very little loyalty to this hotel chain	.000 a	1.000
SMEAN(Q3_7) - As a guest of this hotel chain, I feel that I am prepared to pay more for their high quality products/ services	.000 a	1.000
SMEAN(Q3_8) - I would recommend this hotel chain to others	.000 a	1.000
SMEAN(Q3_9) - I stay at this hotel chain on a regular basis	-1.732 b	.083
SMEAN(Q3_10) - This hotel chain stimulates me to stay	-1.732 b	.083
SMEAN(Q3_11) - I have used this hotel chain for a number of years	.000 a	1.000
SMEAN(Q3_12) - I feel strong loyalty about this hotel chain	.000 a	1.000
SMEAN(Q4_1) - Angry	.000 a	1.000
SMEAN(Q4_2) - Love	-1.732 b	.083
SMEAN(Q4_3) - Welcome	.000 a	1.000
SMEAN(Q4_4) - Pleased	.000 a	1.000
SMEAN(Q4_5) - Satisfied	.000 a	1.000
SMEAN(Q4_6) - Relaxed	.000 a	1.000
SMEAN(Q4_7) - Ignored	.000 a	1.000
SMEAN(Q4_8) - Comfortable	-1.000 b	.317
SMEAN(Q4_9) - Pleasantly Surprised	.000 a	1.000
SMEAN(Q4_10) - Uneasiness	.000 a	1.000
SMEAN(Q4_11) - Sadness	.000 a	1.000
SMEAN(Q4_12) - Happiness	.000 a	1.000
SMEAN(Q4_13) - Pride	.000 a	1.000
SMEAN(Q4_14) - Disappointed	.000 a	1.000
SMEAN(Q4_15) - Fear	.000 a	1.000
SMEAN(Q4_16) - Let down	-1.414 c	.157
SMEAN(Q4_17) - Embarrassment	.000 a	1.000
SMEAN(Q4_18) - Guilt	.000 a	1.000
SMEAN(Q4_19) - Frustrated	.000 a	1.000
SMEAN(Q4_20) - Gratitude	.000 a	1.000
SMEAN(Q4_21) - Pampered	.000 a	1.000
SMEAN(Q4_22) - Sophisticated	.000 a	1.000
SMEAN(Q4_23) - Delighted	.000 a	1.000

a. The sum of negative ranks equals the sum of positive ranks.

b. Based on negative ranks.

c. Based on positive ranks.

d. Wilcoxon Signed Ranks Test

Table. 5: Discriminant validity for Relational Bonds –
Financial, Social and Structural Constructs

Items	Factor 1	Factor 2	Factor 3
Structural Bonds			1.000
Social Bonds		1.000	.811
Financial Bonds	1.000	.775	.820
Stc_13	.622	.615	.759
Stc_18	.608	.601	.742
Stc_19	.587	.580	.716
Soc_7	.483	.624	.506
Soc_8	.527	.681	.552
Soc_9	.583	.752	.610
Soc_11	.583	.753	.610
Fin_1	.784	.607	.643
Fin_2	.726	.562	.595
Fin_3	.695	.539	.570
Fin_4	.692	.487	.516

Note: Fin (factor 1) refers to financial bonds; Soc (factor 2) refers to social bonds; and Stc (factor 3) refers to structural bonds.

Table. 6: Discriminant validity for Emotions Construct

Items	Factor 1	Factor 2
Negative Emotions		1.000
Positive Emotions	1.000	-.552
Neg_10	-.282	.511
Neg_11	-.377	.683
Neg_14	-.357	.646
Neg_15	-.400	.724
Neg_16	-.424	.767
Neg_17	-.415	.751
Neg_18	-.439	.795
Neg_19	-.440	.796
Pos_2	.791	-.437
Pos_3	.856	-.473
Pos_4	.872	-.481
Pos_5	.818	-.452
Pos_6	.752	-.415
Pos_8	.750	-.414
Pos_12	.677	-.374
Pos_13	.555	-.307
Pos_20	.547	-.302
Pos_23	.719	-.397

Note: Pos (factor 1) refers to positive emotions; and Neg (Fac2) refers to negative emotions.

Table.7: Discriminant validity for Loyalty Construct

Items	Factor 1	Factor 2
Behaviour Loyalty	1.000	
Attitude Loyalty	.819	1.000
Beh_9	.751	.615
Beh_11	.663	.543
Att_1	.621	.759
Att_2	.639	.782
Att_4	.601	.734
Att_12	.523	.640

Note: Beh (factor1) refers to behaviour loyalty; and Att (factor 2) refers to attitudinal loyalty.