

# A BRAND LOYALTY MODEL INVOLVING COGNITIVE, AFFECTIVE, AND CONATIVE BRAND LOYALTY AND CUSTOMER SATISFACTION

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*Despite the amount of research focusing on brand loyalty, empirical tests of the relationship between customer satisfaction and brand loyalty have not been conducted. The primary purpose of this study was to investigate the mediating effects of attitudinal brand loyalty on the relationship between customer satisfaction and behavioral brand loyalty. Moreover, we developed a robust brand loyalty measurement in the lodging industry by using attitudinal and behavioral brand loyalty constructs. The majority of respondents were business travelers who stayed at an upper-middle-class business hotel. The results of this investigation suggested that customer satisfaction had a significant indirect effect on behavioral brand loyalty when mediated by attitudinal brand loyalty, including cognitive-affective-conative brand loyalty stages. Thus, practitioners should consider customers' perceptions of their brand and not rely solely on purchasing frequencies when measuring brand loyalty levels.*

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**KEYWORDS:** *customer satisfaction; attitudinal brand loyalty; behavioral brand loyalty; lodging industry; structural equation modeling (SEM)*

In recent years, retaining customers in the lodging industry has become increasingly more important because the industry is very competitive and is in the maturity stage of its life cycle (Lewis & Chambers, 2000). Numerous practitioners and academics in various industries have studied the benefits of creating and maintaining brand loyalty with existing customers. In particular, it has been found that brand loyal customers reduce marketing costs associated with attracting new customers (Kotler, Bowen, & Makens, 1998). In addition, these customers say positive things about a company to others (Boulding, Kalra, Staelin, & Zeithaml, 1993; Tepeci, 1999;) and frequently pay premium prices (Bowen & Shoemaker, 1998). Although much of the research documented in hospitality journals has addressed issues of brand loyalty, little attention has yet been given to the methodological issues of brand loyalty, in terms of measurements and antecedents.

This article reviews the underlying structure of brand loyalty by considering behavioral and attitudinal approaches. Moreover, it investigates the antecedents of brand loyalty by developing a structural equation model of brand loyalty, based on Oliver's (1997) brand loyalty stages and Heskett, Sasser, and Schlesinger's (1997) curvilinear relationship between customer satisfaction and repeat purchasing behaviors. Finally, this study presents a robust brand loyalty measurement and suggests implications for future research as well as marketing strategies for the lodging industry.

### RESEARCH QUESTIONS

This research was designed to answer the following questions:

- Is the direct effect of customer satisfaction on brand loyalty significant?
- How can a robust model improve the measurement of brand in the lodging industry?

### LITERATURE REVIEW

#### Key Constructs and Measurements

Customer satisfaction (CS) is as fundamental to the marketing concept as the notion of satisfying the needs and desires of consumers (Spreng, MacKenzie, & Olshavsky, 1996). The generally held description of customer satisfaction among researchers focuses on the consumer's overall judgment, including service features, the service product, sales personnel, or other situational variables. Customer satisfaction results when customers either confirm their prepurchase expectations for a purchased service or positively disconfirm (exceed) their expectations regarding purchased services, resulting in some level of postpurchase affect toward the experience (Cardozo, 1965).

Behavioral brand loyalty can be defined as a customer's overt behavior toward a specific brand in terms of repeat purchasing patterns. Specifically, a repeat purchasing pattern can be determined as actual purchase frequency, the proportion of occasions in which a specific brand is purchased as compared to the total number of purchased brands and/or the actual amount of purchase. Numerous brand loyalty researchers have used this behavioral approach by simply measuring those behavioral variables to predict the customer's purchasing behavior in the future (Ehrenberg, 1991; Guadagni & Little, 1983). However, many researchers suggested that measuring behavioral brand loyalty alone may cause several problems. Dick and Basu (1994) argued that this behavior approach neglects the importance of the customer's decision-making process, which does not differentiate brand loyalty from simple repeat purchasing behavior. Hence, none of the operational definitions in behavioral brand loyalty studies described thus far exhibit an understanding of the factors underlying and leading up to brand loyal purchasing (Pritchard, Howard, & Havitz, 1992). Other problems include "(1) providing arbitrary cutoff criteria; (2) failing to assess the complexity and richness of brand loyalty; (3) focusing on the outcome of behavior and not developing

definitions that reach at the underlying causative factors” (Jacoby & Chestnut, 1978, p. 47).

Numerous researchers have examined the attitudinal aspect of brand loyalty (Bowen & Shoemaker, 1998; Iwasaki & Havitz, 1998; Jacoby & Olson, 1970; Jarvis, 1973; McCleary & Weaver, 1992). Attitudinal brand loyalty focuses not only on transactional strategies, such as frequent-user programs and gifts for repeat customers but also on attitudinal variables, such as commitment and trust. Attitudinal studies have described brand loyalty not only as the outcome of repeat purchase behavior but also the consequence of multidimensional attitudes toward a specific brand.

As Muncy (1983) stated, most attitudinal measurement has been developed based on operational definitions rather than a theoretical conceptualization of brand loyalty; therefore, the attitudinal measurement lacks construct validity. It is evident that many attitudinal factors are derived from brand loyal consumers’ dispositions, such as commitment, involvement, motivation, and other cognitive and affective variables. However, the process of selecting those variables was operationally, not theoretically, based. Hence, the risk of low construct validity is due to the researcher’s inability to assess all these person-specific features.

Several researchers (Bowen & Chen, 2001; Jacoby & Chestnut, 1978; Stern, 1997) discussed the need to combine behavioral and attitudinal aspects of brand loyalty and develop measures of brand loyalty accordingly. Such studies have described brand loyalty as not only an outcome of repeat purchase behavior but also as a consequence of multidimensional cognitive attitudes toward a specific brand. As Jacoby and Kyner (1973) stated, loyalty is a biased behavior expressed over time by an individual with respect to one or more alternatives and is a function of psychological processes. Therefore, neither behavioral measures nor attitudinal/cognitive measures alone are sufficient to assess brand loyalty.

Like other types of measurements, several risks are involved with the measurement, such as improper multiplication of attitudinal and behavioral attributes, selecting inadequate items, neglecting the impacts of significant intervening variables, and lack of underlying theoretical supports (Bowen & Shoemaker, 1998; Pritchard et al. 1992). Therefore, one of the major responsibilities of researchers is to better understand the relationship between attitudinal and behavioral brand loyalty. An improved understanding enables them to develop effective brand loyalty measurements by establishing a strong conceptual and theoretical foundation and constructing effective research methodology to refine measurement.

### **Relationship Between Customer Satisfaction and Brand Loyalty**

Numerous researchers have investigated the relationship between CS and brand loyalty (BL). Traditionally, many researchers have provided empirical evidence of a positive relationship between CS and BL. Bitner (1990) claimed that CS has an indirect effect on BL, mediated by perceived quality. In addition, BL is directly influenced by CS. Furthermore, Rust and Zahorik (1993) found a link between CS and BL using data from the retail bank market and from a national hotel chain. According to Oliver (1999), CS had a positive effect on attitudes.

These positive attitudes were found to revise attitudes toward the product or brand, such as increased level of positive belief (i.e., belief confidence) (Albarracin & Wyer, 2000), reinforce the level of positive affect (Oliver, 1993), and enhance repurchase intentions (Yi, 1990).

Many consumer researchers have postulated a significant causal relationship between CS and behavioral intention, which is consistent with Fishbein's model (Fishbein & Ajzen, 1975). Fornell, Johnson, Anderson, Cha, and Bryant (1996) stated that increased CS also increases brand loyalty in terms of repurchase likelihood and price tolerance given repurchase. Recently, Oliver (1999) argued that CS is "the beginning of a transitioning sequence that culminates in a loyalty state" (p. 35). All these studies focused the effects of CS on attitudinal brand loyalty. They found that CS influences cognitive, affective, and then conative components of attitudinal brand loyalty, such as purchase intentions and postpurchase attitudes.

However, the ways in which predictive repurchase behaviors are actually derived from customer satisfaction are not well understood. Shoemaker and Lewis (1999) found a weak link between customer satisfaction and brand loyalty in the casino industry. According to Heskett et al. (1997) only 100% of satisfied customers become truly brand loyal and have relatively high repurchase rates. In addition, Bowen and Chen (2001) stated that customers must be extremely satisfied to show brand loyalty. Therefore, the extent to which the level of satisfaction carries over to influence postpurchase attitudes and behaviors is questionable.

### **Relationship Between Attitudinal and Behavioral Brand Loyalty**

To investigate the relationship between attitudinal and behavioral brand loyalty, the theory of reasoned action should be considered. Ajzen and Fishbein (1980) developed this theory to relate customers' beliefs and attitudes to their behavioral intentions. This theory assumes that customers carefully process decision making by considering the consequences of the alternative behaviors and choosing the one that leads to the most desirable consequences. The result of this reasoned choice process reveals a behavioral intention to engage in the selected behavior. Bentler and Speckart (1981) stated that attitudes have causal priority over behaviors. In addition, Peter and Olson (1993) postulated that a negative change in attitudes caused many customers to switch to other brands, indicating that change in attitude is a good predictor of brand loyalty and brand switching.

Accordingly, Oliver (1997) suggested that brand loyalty stages exhibit a learning process that highlights the relationship between attitude and behavior. First, he claimed that attitudinal brand loyalty should be viewed as developing in three phases—cognitive, affect, and conative components of attitudinal brand loyalty. These three phases are consistent with general definitions of attitude. Social scientists often have assumed that responses that express evaluation and therefore reveal people's attitudes should be divided into three classes—cognition, affect, and conation (or behavioral intention) (Bagozzi, 1978; Breckler, 1984). Cognition refers to people's thoughts about the attitude object. It encompasses the con-

tent of one's thoughts regarding beliefs in the statement of fact. Affect refers to feelings, moods, or emotional responses that can be measured by collecting verbal reports or by physiological responses. These affective responses can range from extremely positive to extremely negative and can be located on an evaluative dimension of meaning (Eagly & Chaiken, 1993). Generally speaking, people who evaluate an attitude object favorably are likely to experience positive affective reactions in conjunction with it and are unlikely to experience negative affective reactions. In addition, the affective component of attitude contains some involvement, liking, and caring as proposed by Oliver (1997). Conation includes behavioral intentions or willingness to act. Bagozzi (1978) stated that, "The conation dimension is said to depict the action tendencies one has to approach or avoid an object or perform some response" (p. 10).

In using these general components of attitude, attitudinal brand loyalty should be considered as a sequential process in which customers become "loyal first in a cognitive sense, then later in an affective sense, and still later in a conative manner" (Oliver, 1997, p. 392). For instance, a customer initially becomes cognitively loyal based on beliefs about the brand attribute only. Then he or she may become affectively loyal, with pleasurable fulfillment based on brand performance. Then he or she may become conatively loyal, exhibiting a brand-specific commitment. Moreover, according to Oliver (1997) these three stages of attitudinal brand loyalty link to overt behavior or action loyalty based on Ajzen and Fishbein's (1980) theory. In completing these four phases, customers become truly brand loyal (Oliver, 1997).

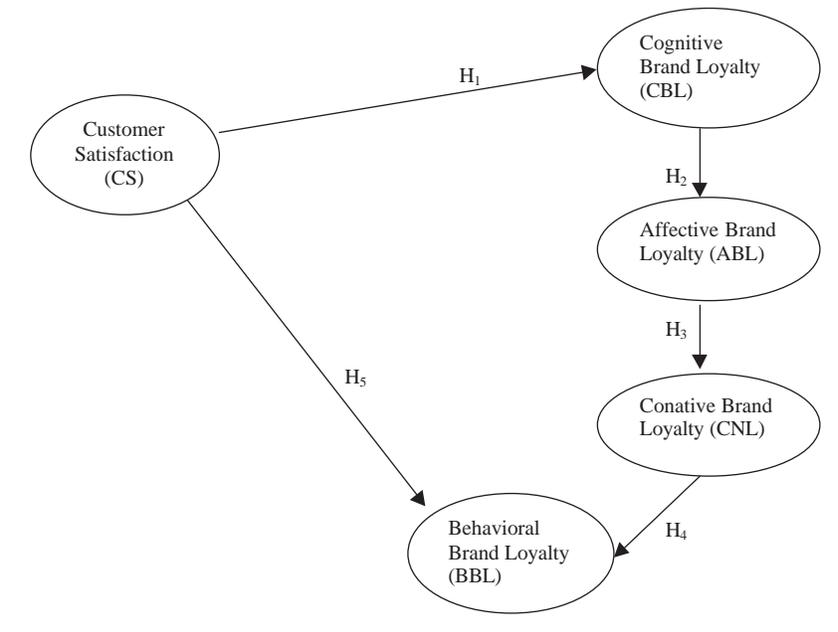
Although Oliver's (1997) theory of brand loyalty stage and consequential relationship with attitudinal and behavioral brand loyalty are evident, no empirical study has been undertaken in the lodging industry. Therefore, this study tested the relationships among customer satisfaction, attitudinal brand loyalty, and behavioral brand loyalty, as listed next:

- H*<sub>1</sub>: Customer satisfaction has a positive effect on cognitive brand loyalty.
- H*<sub>2</sub>: Cognitive brand loyalty has a positive effect on affective brand loyalty.
- H*<sub>3</sub>: Affective brand loyalty has a positive effect on conative brand loyalty.
- H*<sub>4</sub>: Conative brand loyalty has a positive effect on behavioral brand loyalty.
- H*<sub>5</sub>: Customer satisfaction has a positive effect on behavioral brand loyalty.

### CONCEPTUAL MODEL

Figure 1 displays the conceptual model used in this study. It shows the relationships between customer satisfaction and attitudinal and behavioral brand loyalty as well as the relationship among cognitive, affective, conative, and behavioral brand loyalty, as based on Oliver's (1997) brand loyalty stage theory. Customer satisfaction is treated as an exogenous variable, whereas attitudinal (cognitive, affective, and conative) brand loyalty and behavioral brand loyalty are considered as endogenous variables.

**Figure 1**  
**A Conceptual Model Showing Relationships Among Study Variables—Model 1**



## METHODOLOGY

A questionnaire was developed based on a thorough review of the literature and on a pilot study. Manipulation checks were conducted to ensure the reliability and validity of scales. The 3-item scale, 7-point Likert-type scale, for customer satisfaction (e.g., “Overall, I am satisfied with the decision to stay at the \_\_ hotel.”) was adapted from Oliver (1980). Attitudinal brand loyalty was measured using scales developed by Loken and John (1993), Oliver (1997), and Beatty, Kahle, and Homer (1988)—nine items, 7-point Likert-type (e.g., “The \_\_ hotel provides me superior service quality as compare to any other hotel brands”; “I intend to continue staying at the \_\_ hotel”). Finally, behavioral brand loyalty was measured by the proportion of actual days consumers stayed at a specific-brand hotel as compared with the number of days they stayed at all other brands in the past 12 months. Those two numbers are calculated to obtain the actual proportion of purchasing frequency in a specific hotel over hotels in which respondents stayed in the past year.

The sample population in this study was composed of individuals who stayed at a national mid- to upper-scale hotel in North Carolina between June 18 and July 11, 2001. The questionnaire was distributed to 646 individuals when they checked into the hotel. Of the 646 distributed questionnaires, 199 questionnaires were returned. Four responses were eliminated before data coding because they were returned blank or only partially completed. After eliminating the unusable

responses, 194 responses were coded for data analysis, resulting in a response rate of 30%. A majority of the respondents (126 respondents = 65%) indicated that the purpose of their stays at the hotel was for a solely business-related trip. Another 19% of respondents (37 respondents) indicated that their trips were somewhat business-related trips. Among those business travelers, 60% of respondents indicated that they made the decision to stay at the hotel by themselves. This implies that the sample selection was appropriate to continue for data analysis.

## RESULTS

A reliability test was used to assess the internal homogeneity among items in this study. As Sekaran (1992) suggested, the coefficient alpha is the most popular measure of reliability for a multi-item scale. Behavioral brand loyalty was not included because it was measured as a single item. The coefficient alpha estimates for the multi-item scales used in this study are presented in Table 1. All alpha coefficients for the data exceed the minimum standard for reliability of 0.7 recommended by Nunnally (1978) for basic research. Thus, the results indicated that these multiple measures are highly reliable for the measurement of each construct.

### Construct Validity Test

Construct validity assesses the degree to which a measurement represents and logically connects, via the underlying theory, the observed phenomenon to the construct (Fornell & Larcker, 1981). Following Anderson and Gerbing's (1988) two-step approach, a measurement model was estimated before the structural model. The results for the measurements of customer satisfaction and three types of attitudinal brand loyalty were very good ( $\chi^2 = 91.01$ ,  $df = 48$ , RMSEA = 0.07, CFI = 0.97, NNFI = 0.96). All indicator loadings for constructs were significant ( $p < .01$ ).

Discriminant validity is present when the proportion of variance extracted in each construct (average variance extracted [AVE];  $\rho_{vc(\eta)}$ ) exceeds the square of the coefficient representing its correlation with other constructs (Fornell & Larcker, 1981), as shown in Table 2. Specifically, the variance extracted for the cognitive brand loyalty construct (0.75) exceeds the square of intercorrelations (the shared variance) between customer satisfaction and cognitive brand loyalty (0.48). Another criterion for discriminant validity, a two-standard error interval estimate of each coefficient, was calculated to examine whether the value 1 is within the interval. As shown in Table 2, confidence interval estimates for coefficients did not include 1, showing evidence of discriminant validity.

### Confirmatory Factor Analysis

Using LISREL 8.5, a maximum likelihood confirmatory factor analysis was undertaken to assess the overall fit of the 4-factor model. The 4-factor model is composed of customer satisfaction, cognitive brand loyalty, affective brand loyalty, and conative brand loyalty. In assessing the goodness-of-fit, chi-square analysis, Browne and Cudeck's (1993) root mean square of approximation error

**Table 1**  
**Reliability Analysis—Customer Satisfaction and Attitudinal Brand Loyalty**

Variable	Coefficient Alpha
Customer satisfaction	.94
Cognitive brand loyalty	.85
Affective brand loyalty	.87
Conative brand loyalty	.86

**Table 2**  
**Measure Correlations, the Squared Correlations, and AVE**

Measure	Correlations Among Latent Constructs (Squared) <sup>a</sup>				
	CS	CBL	ABL	CNL	AVE <sup>b</sup>
Customer satisfaction (CS)	1.00				0.85
Cognitive brand loyalty (CBL)	0.69 (0.48)	1.00			0.75
Affective brand loyalty (ABL)	0.74 (0.55)	0.85 (0.72)	1.00		0.75
Conative brand loyalty (CNL)	0.50 (0.25)	0.69 (0.48)	0.67(0.45)	1.00	0.74
Model measurement fit: $\chi^2 = 91.01$ $df = 48$ RMSEA = 0.07 CFI = 0.97 NNFI = 0.96					

Note: AVE: average variance extracted. RMSEA: root mean square error of approximation  
CFI: comparative fit index. NNFI: nonnormal fit index.

a. Correlation coefficients are estimates from LISREL.  $p < .01$ , all were significant at .01 level.

b. All AVE exceed 0.50, showing the construct validity.

(RMSEA), Bentler's (1990) comparative fit index (CFI), and Bentler and Bonett's (1980) nonnormed fit index (NNFI) were performed. The results showed a better fit for the 4-factor model,  $\chi^2(48) = 110.36$ ,  $\chi^2/df = 2.30$ , RMSEA = 0.08, CFI = 0.97, NNFI = 0.95 than the 2-factor model,  $\chi^2(53) = 175.65$ ,  $\chi^2/df = 3.31$ , RMSEA = 0.11, CFI = 0.91, NNFI = 0.89 with a significant  $\Delta\chi^2(5) = 65.29$ ,  $p < .01$ ; and the 3-factor model,  $\chi^2(51) = 297.82$ ,  $\chi^2/df = 5.84$ , RMSEA = 0.16, CFI = 0.84, NNFI = 0.80 with a significant  $\Delta\chi^2(3) = 187.46$ ,  $p < .01$ . Though better than the 3- or 2-factor model, the 4-factor model seems only adequate. The  $\chi^2/df$  value of 2.30 falls within a range of acceptable values (2 to 5 as suggested by Marsh and Hocevar, 1988) but does not reach the less-than-two level proposed by Byrne (1998). Nevertheless, the goodness-of fit indexes as shown are excellent. Table 3 presents the standardized factor loadings for each construct.

### Structural Model Results

Figure 1 shows the conceptual model, Model 1; the model produced the following statistics:  $\chi^2(61) = 140.36$ ,  $p = .00$ , RMSEA = 0.07, CFI = 0.96, NNFI = 0.95, as shown in Table 4. Two competing models were tested in this study. Model

**Table 3**  
**Standardized Factor Loadings (Lambda Y)**

Constructs	Items	Standardized Factor Loadings (Lambda Y)	<i>t</i> value
Customer satisfaction	I am happy about my decision to stay at the ___ hotel.	.90 <sup>a</sup>	
	I believe I did the right thing when I stayed at the ___ hotel.	.92	7.57
	Overall, I am satisfied with the decision to stay at the ___ hotel.	.89	7.34
Cognitive brand loyalty	The ___ hotel provides me superior service quality as compared to any other hotel brands.	.80	6.93
	No other hotel brand performs better services than the ____.	.81 <sup>a</sup>	
Affective brand loyalty	I believe ___ hotel provides more benefits than other hotels in its category.	.81	6.95
	I love staying at the ___ hotel.	.84	7.12
	I feel better when I stay at the ___ hotel.	.87	7.53
Conative brand loyalty	I like _____ hotel more so than other hotel brands	.76 <sup>a</sup>	
	Even if another hotel brand is offering lower room rate, I still stay at the ____ hotel.	.73 <sup>a</sup>	
	I intend to continue staying at the ___ hotel.	.84	8.34
	I consider the ____ hotel to be my first lodging choice.	.93	9.91

a. Parameter fixed at 1.0 during maximum-likelihood estimation. Thus no *t* value is obtained.

**Table 4**  
**Standardized Maximum-Likelihood Parameter Estimates for Model 1 (N = 194)**

Path	Hypothesis	Coefficient	t value
CS → CBL ( $\gamma_{11}$ )	H <sub>1</sub>	0.69*	9.40
CBL → ABL ( $\beta_{21}$ )	H <sub>2</sub>	0.93*	10.66
ABL → CNL ( $\beta_{32}$ )	H <sub>3</sub>	0.71*	7.99
CNL → BBL ( $\beta_{43}$ )	H <sub>4</sub>	0.74*	9.23
CS → BBL ( $\gamma_{41}$ )	H <sub>5</sub>	-0.04	0.71
R <sup>2</sup> (CBL) .48			
R <sup>2</sup> (ABL) .87			
R <sup>2</sup> (CNL) .50			
R <sup>2</sup> (BBL) .52			
Goodness-of-fit statistics:			
$\chi^2(61) = 140.36, p = .000$			
RMSEA = 0.07			
CFI = 0.96			
NNFI = 0.95			

Note: CS: customer satisfaction; CBL: cognitive brand loyalty; ABL: affective brand loyalty; CNL: conative brand loyalty; BBL: behavioral brand loyalty; RMSEA = root mean square error of approximation; CFI = comparative fit index; NNFI = nonnormal fit index.

\* $p < .001$

2a specified direct paths from customer satisfaction to cognitive, affective, conative, and behavioral brand loyalty. It also specified all regression coefficients among cognitive, affective, conative, and behavioral brand loyalty. For Model 2a, goodness-of-fit and practical indices were as follows:  $\chi^2(56) = 130.19, p = .00$ , RMSEA = 0.07, CFI = 0.96, NNFI = 0.95. The difference in fit between this model and the previous model was not significant ( $\Delta\chi^2 = 10.17, \Delta df = 5, p > .01$ ), which indicates that the model in Model 1 was more parsimonious than Model 2a.

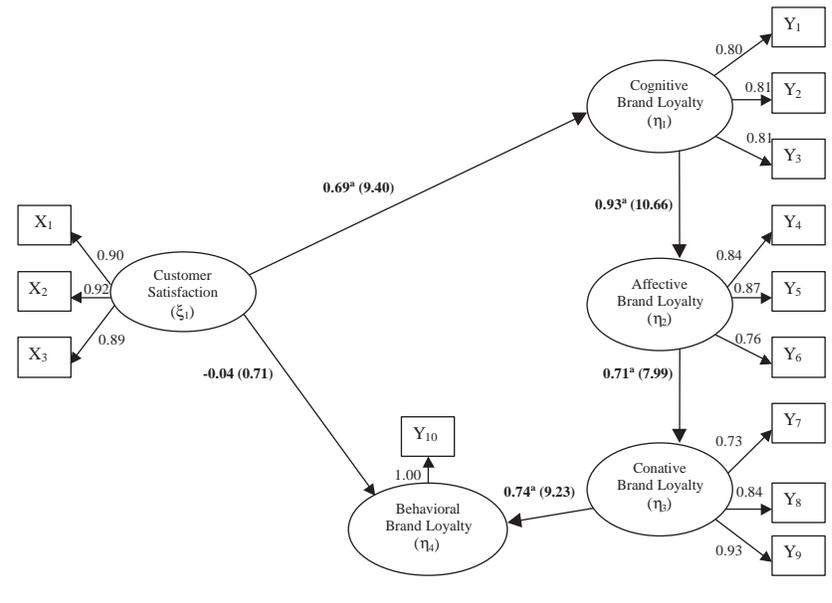
Model 2b specified only direct paths from customer satisfaction to cognitive, affective, conative, and behavioral brand loyalty. For Model 2b, goodness-of-fit and practical indices were as follows:  $\chi^2(59) = 138.98, p = .00$ , RMSEA = .07, CFI = 0.96, NNFI = 0.95. Like the previous model, the difference in fit between this model and Model 1 was not significant ( $\Delta\chi^2 = 1.38, \Delta df = 2, p > .01$ ), which indicates that Model 1 was more parsimonious than Models 2a and 2b. The fit of the model indicates that the conceptual model is parsimonious and fits well, thereby providing a good basis for hypothesis testing.

Table 4 presents the structural model results for the model, as depicted in Figure 2. Customer satisfaction explained almost one half (48%) of the variance of cognitive brand loyalty, whereas customer satisfaction and cognitive brand loyalty explained 87% of affective brand loyalty. In addition, the predecessors for each construct explained one half of the variance in conative brand loyalty and behavioral brand loyalty.

### Hypotheses Testing

H<sub>1</sub>: Customer satisfaction has a positive effect on cognitive brand loyalty.

**Figure 2**  
**Results of Structural Equation Model of**  
**Brand Loyalty—Standardized Path Estimates**



a.  $p < .001$ .

First, Hypothesis 1 was tested. The relationship between customer satisfaction and cognitive brand loyalty was found to be significant ( $\xi_{11} = 0.69$ ,  $t = 9.40$ ,  $p < .001$ ). Based on this result, customer satisfaction positively influenced cognitive brand loyalty, whereas the brand information held by customers was superior to what is known of competitive offerings. As Janis and King (1954) argued, individuals evaluate a specific behavior based on a biased search of memory for previously acquired knowledge that confirms the legitimacy of the behavior when the evaluation was positive. This process confirms the beliefs and enhances the level of belief confidence about the attitude object. Thus, Hypothesis 1 was supported.

$H_2$ : Cognitive brand loyalty has a positive effect on affective brand loyalty.

Second, Hypothesis 2 was tested to investigate the effect of cognitive brand loyalty on affective brand loyalty. The regression path from cognitive brand loyalty to affective brand loyalty was significant ( $\beta_{21} = 0.93$ ,  $t = 10.66$ ,  $p < .001$ ). This result was consistent with Oliver's (1997) suggestion that customers' affective brand loyalty was not directly affected by their satisfaction level. Rather, it was evident that the mediating effect of cognitive brand loyalty took a place in the relationship between customer satisfaction and affective brand loyalty so that customers became affective brand loyal after they were cognitive brand loyal. The

standardized indirect effect of customer satisfaction on affective brand loyalty was 0.65,  $p < .001$ . Hypothesis 2 was supported.

*H<sub>3</sub>*: Affective brand loyalty has a positive effect on conative brand loyalty.

Hypothesis 3 was tested to assess the effect of affective brand loyalty on conative brand loyalty. As Table 4 indicates, the regression path from affective to conative brand loyalty was significant ( $\beta_{32} = 0.71$ ,  $t = 7.99$ ,  $p < .001$ ). Thus, Hypothesis 3 was supported at the .01 level.

*H<sub>4</sub>*: Conative brand loyalty has a positive effect on behavioral brand loyalty.

Fourth, Hypothesis 4 was tested. Conative brand loyalty had a significant positive relationship with behavioral brand loyalty, which supported Hypothesis 4. Strong positive effects of conative brand loyalty on behavioral brand loyalty were evident when observing the regression coefficient ( $\beta_{43} = 0.74$ ;  $t = 9.23$ ,  $p < .001$ ). This finding was consistent with previous findings showing that a specific behavior was determined by the intention to perform that behavior (Fishbein & Ajzen, 1975), and behavioral intention was considered to be the immediate determinant of overt volitional behavior (Fredricks & Dossett, 1983).

*H<sub>5</sub>*: Customer satisfaction has a positive effect on behavioral brand loyalty.

Finally, the direct effect of customer satisfaction on behavioral brand loyalty was not significant. Hypothesis 5 was not supported at the 0.01 level ( $\xi_{41} = -0.04$ ;  $t = 0.71$ ). However, the mediating effect of attitudinal brand loyalty in the relationship between customer satisfaction and behavioral brand loyalty was found to be significant (CS→CBL→ABL→CNL→BBL:  $\xi_{11} = 0.69$ ,  $\beta_{21} = 0.93$ ,  $\beta_{32} = 0.71$ ,  $\beta_{43} = 0.74$ ; all  $ps < .001$ ). This result was consistent with Oliver's (1997) and Fishbein and Ajzen's (1975) finding of a significant mediating effect of attitude in the relationship between the customers' product or service evaluations and their overt behaviors in terms of actual purchases. In addition, it was suggested that level of customer satisfaction was not a sole determinant for retention rate as proposed by Heskett et al. (1997).

In sum, as Oliver (1997) mentioned, customers become truly brand loyal when they follow these stages: (a) cognitive brand loyal stage; (b) affective brand loyal stage; (c) conative brand loyal stage; and (d) behavioral brand loyalty. As shown in this study's results, the customer's positive information about a brand did not directly increase the repurchase decision. The customer also exerts a positive effect on and commitment to the brand when truly brand loyal. In addition, the results indicated a positive relationship between customer satisfaction and attitudinal brand loyalty as well as attitudinal brand loyalty and behavioral brand loyalty. Thus, the findings indicate that the association between customer satisfaction and behavioral brand loyalty was positively significant only when mediated by attitudinal brand loyalty.

## DISCUSSION

### Theoretical and Practical Implications

This study provided empirical evidence for the development of customers' repurchasing behaviors involving customer satisfaction, and attitudinal and behavioral brand loyalty. The mediating effects of three types of attitudinal brand loyalty in the relationship between customer satisfaction and behavioral brand loyalty were significant. The findings from this study confirm the theory of reasoned action by Ajzen and Fishbein (1980), relating to customers' beliefs about and attitudes toward their behavioral intentions, and to actual behaviors and the study of brand loyalty stages by Oliver (1997) involving development of a brand loyalty process. Results supported the finding that customer's strong beliefs about brand quality have increased the degree of "liking." In turn, results indicate a positive intention or commitment to repurchase a particular item. This results in actual behaviors in terms of a high proportion of purchasing frequency over other brands. Therefore, this study emphasizes the importance of measuring attitudinal and behavioral brand loyalty to identify brand loyal customers and better understand their repurchasing behaviors in the lodging industry.

In addition, this study answers the question about the relationship between satisfaction and actual repeat purchasing behaviors as raised by Bowen and Shoemaker (1998). Satisfied customers did not actually repurchase unless they were attitudinally brand loyal. However, many brand loyal researchers or practical operators had a misconception about the direct relationship between customer satisfaction and actual repurchase frequencies. The results of this study showed a significant indirect effect of customer satisfaction on behavioral brand loyalty (0.64,  $t = 4.42$ ,  $p < .01$ ). Thus, satisfied customers will tolerate lower price elasticities, will be more insulated from competitive situations through battles about lower prices, and will generate more profit when they have a strong commitment level (conative brand loyalty), strong favoritism (affective brand loyalty), and strong beliefs about the superiority (cognitive brand loyalty) of a brand.

The findings also identify several marketing and general management implications. They suggest that attitudinal and behavioral brand loyalty can be used to measure true brand loyalty among hotel customers. Because previous brand loyalty studies focused significantly on either attitudinal or behavioral traits, use of a combined measure has increased validity and reliability. Although some combined brand loyalty measures were available, specific measures were not available for the lodging industry. Because reliability and validity were very strong in this study, they should be applied to different market segments. Moreover, hotel marketers should be able to assess the attitudes of their existing customers toward the brand and to identify any needs that should be fulfilled. As a result, this brand loyalty measurement should be used as a tool in evaluating service as perceived by existing customers.

In addition, the loyalty measure can be used with frequent-stayer programs. Although many hotel companies have developed reward programs for their existing customers, there is limited information about purchasing frequency in such

programs. A customer commonly holds many frequent-stayer program memberships. Thus, a membership program could be very superficial or artificial in representing true brand loyalty. By applying the combined brand loyalty measure along with information drawn from a frequent-stayer program, marketers should be able to pull out valuable information about their customers and reduce some marketing costs.

### LIMITATIONS AND SUGGESTIONS FOR FUTURE STUDY

Several limitations are associated with this study. First, the results may not be generalized to other segments of the lodging industry. Data from this study were collected from customers at a single upper-middle-scale business hotel. The other types of hotel segments may have different strength of effect of customer satisfaction on attitudinal brand loyalty. For instance, pleasure customers tend to rely heavily on heuristic cues when they perceive service performances, so that there may be a significant direct effect of satisfaction on affective brand loyalty. In addition, due to the poor economic situation in the overall market, business travelers who participated in the study may not be representative of the overall business traveler market. There is general agreement that business travelers are downscaling their reservations in lower priced lodging facilities, and shortening the length of business trips, which may cause subject bias. In addition, the sample selection for this study was not purely random. As noted, pure random sampling is almost impossible in the lodging industry, so including many different types of hotel brands and segments would increase external validity. Thus, future studies should develop a systematic design that better represents the population.

In addition, asking respondents to rate purchasing frequency to measure proportion of actual purchasing behavior for a specific brand—so-called behavioral brand loyalty—may not be as accurate as obtaining actual data from a database. The respondents may respond inaccurately or just guess the frequency of their visits to the hotel. Future studies should include assurance of researcher access to the industry and to information on actual purchasing frequencies for the hotel. Some database companies provide this type of service, but it is costly. With joint efforts by the industry, the results should be more parsimonious and increase the validity of the study.

Moreover, future studies can include additional variables in the model to further develop brand loyalty strategies. For instance, by considering the effect of customers' perceptions of brand image on their satisfaction and brand loyalty, marketers should be able to develop selective target market strategies and enhance the effectiveness of their advertising strategies.

In sum, this study suggests that customer satisfaction does not guarantee true brand loyalty. In other words, customer satisfaction will not increase the repeat purchasing rate unless customers first build positive attitudes toward the brand. True brand loyalty should be exhibited in customers' experiences of superiority, positive feeling, and strong commitment toward the brand, and then greater purchasing frequencies over other brands. By using the brand loyalty measurement,

which contains both attitudinal and behavioral information, lodging operators should be able to identify the true brand loyalists and their wants and needs.

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