Measuring brand loyalty in the hospitality industry in South Africa

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ABSTRACT

Brand loyalty development is an important part of a company's marketing strategy. Empirical data on the influences of brand loyalty in the South African hospitality industry is non-existent.

Moolla and Bisschoff developed an empirical tool for measuring twelve influences of brand loyalty in, originally, the fast moving consumer goods (FMCG) industry. The model has since been validated and the reliability of the data confirmed for various industries such as agri- business, banking and pharmaceutical industries. The twelve influences the model test are; customer satisfaction, culture, brand performance, brand relevance, relationship proneness, brand affect, repeat purchase, perceived value, commitment, involvement, switching cost and brand trust. An adapted Moolla and Bisschoff model is employed in the hospitality industry, and more specifically the hotel sector, which aims to determine the role each influence plays on brand loyalty. Questionnaires were distributed to guests at various branded hotels in South Africa of which 187 patrons responded positively. The Kaiser-Meyer-Olkin measure indicated sample adequacy and suitability for factor analysis, where after the questionnaire was validated and the data found to be reliable.

According to the respondents' perceptions, customer satisfaction is regarded as the single most *very important* brand loyalty influence in the hospitality industry. Brand trust, repeat purchase, involvement, perceived value, relationship proneness, brand affect, brand relevance and brand performance can also be seen as *important* factors. Switching cost, commitment and culture were not considered to be *very important* brand influences. Sub-factors were identified for the influences of perceived value and relationship proneness. A new conceptual framework for brand loyalty in the hospitality industry was therefore suggested. The results of this study concluded that the adapted Moolla and Bisschoff model is indeed a valuable tool for measuring brand loyalty influences in the hospitality industry. This study also contributed to the knowledge base regarding brand loyalty of the South African hospitality industry in South Africa.

Key words: Brand loyalty, hospitality industry, brand loyalty influences.

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CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1 Introduction

A brand can be defined as "A set of mental associations, held by the consumer, which add to the perceived value of a product or service" (Keller, 2008:5). A brand is therefore the perception which distinguishes a certain good or service from competitors. A well established brand can be seen as one of the most valuable assets of a company (Kotler & Armstrong, 2012:267). Branding is firstly used to attract new customers and secondly to retain loyalty or patrons thus providing a competitive edge to a good or service.

The rivalry amongst competitors is fierce and branding can distinguish one company from the next and create an assumption of a certain level of good or service provided (Brodie *et al.*, 2009:345). Firms can obtain a sustainable competitive advantage by implementing value-creating branding strategies. Such strategies must be unique, valuable, and not easily copied and/or implemented by competitors in order to truly build a sustainable competitive advantage for a company. Sustainable, competitive advantages should be, by definition, maintained over a long period of time and the competition must not be able to reproduce the strategy for a considerable amount of time. Developing a sustainable, competitive advantage includes, amongst other factors, customer loyalty and a reputation for good customer service.

Many companies spend a great amount of resources to assure that a consistently high quality service is delivered across all branches and/or franchises. Brands act as the key element of a company's relationship with the customer and also as a measurement of customer satisfaction. Creating loyalty to a certain brand amongst customers will ensure continuous support as retained customers tend to produce greater cash flow. Not only is creating loyalty to a brand important for sales, but according to Reichheld (1996), the cost to attract new customers by far exceeds the cost to create loyal customers.

Branding in the hospitality industry is no different from other industries. The hospitality industry is very competitive and to build a strong customer base is crucial for sustainable business, regardless of the hotel or the size of the hotel group. The point of branding in the hospitality industry is to enhance a customer's perception of consistent value and therefore reducing risk. Kyriakidis and Rach (2010:5) indicated that hotel guests build the foundation of their loyalty towards a brand based on a memorable experience. A shift in the hotel industry to move away from real estate business models to service and customer centred models has resulted in branding of hotels becoming common practice since the turn of the century (Freed, 2013). Kyriakidis and Rach (2010:7) rightfully stated that as in all industries, measurement is the way to characterize success. Information gathered about customer loyalty towards a company specific brand can produce valuable managerial information. This brand loyalty information can be used to strategically plan and implement a successful marketing strategy within a company. Surprisingly, Kyriakidis and Rach (2010:7) also reported that only a third of companies measure the performance of their brand.

1.2 Problem Statement

This study aims to investigate the loyalty customers have towards hotel brands in South Africa. Although literature research revealed few studies older than ten years focusing on customer brand loyalty in the hotel industry, a few exceptions are the studies by Hallowell (1996), Tepeci (1999) as well as Pritchard and Howard (1997). Also, not many studies investigating brand loyalty in the hotel industry have been performed in the past ten years. Studies performed by Suhartanto (2011), Kayaman and Arasli (2007), Back (2005), Wilkins *et al.* (2010), Nam *et al.* (2011), Lee and Back (2009), Han and Back (2008) and Kim *et al.* (2008) will be discussed as representative examples.
These studies investigate various influences that might play a role on brand loyalty of guests, but mostly focus on only three to four influences at a time. None of these studies, older or more recent, purely measure brand loyalty within the South African hotel industry against more than five factors at a time.

Moolla and Bisschoff (2012a) identified twelve major influences of brand loyalty with regards to fast moving consumer goods (FMCG). Using literature studies a model was developed to measure brand loyalty using these influences. The twelve influences identified are: customer satisfaction, culture, brand performance, brand relevance, relationship proneness, brand affect, repeat purchase, perceived value, commitment, involvement, switching cost and brand trust. The model was evaluated using questionnaires and turned out to be a promising model which could be applied widely over the FMCG industry (Moolla & Bisschoff, 2012c:71; du Plooy, 2012:iii). The model has been empirically validated and the data confirmed to be reliable, thus providing management with a trustworthy tool to measure brand loyalty of especially FMCGs within a specific company. Moolla and Bisschoff (2013:6) furthermore ranked the loyalty influences in order of importance giving management a tool to strategically direct their marketing efforts when branding a good.

The model has previously been extended and applied to the service industry and more specifically the banking and voluntary professional institute sectors. Müller (2012:6) used an adapted Moolla and Bisschoff model questionnaire to describe the connection between brand loyalty and relationship marketing in a voluntary professional institute. Salim (2011:ii) investigated brand loyalty in the banking industry also using an adapted questionnaire based on the Moolla and Bisschoff model.

Through the studies of Müller (2012) and Salim (2011) it is demonstrated that the Moolla and Bisschoff model can successfully be used to determine brand loyalty in the service industry. The question now is if this same adapted model can be implemented to measure brand loyalty the hospitality industry.

1.3 Objectives

1.3.1 Primary objective

The primary objective of this study is to measure brand loyalty in the South African hospitality industry.

1.3.2 Secondary objectives

The secondary objectives are to:

a) Adapt the questionnaire employed by Moolla and Bisschoff (2012a) to measure brand loyalty in the hospitality industry.
b) Statistically validate the questionnaire for use in the hospitality industry.
c) Ensure sample adequacy.
d) Determine the reliability of the data.
e) Measure brand loyalty in the hospitality industry.
f) Provide recommendations and suggest future research topics.

1.4 Research Design

1.4.1 Literature study

This study is supported by literature investigation demonstrating the research problem as well as the various aspects of brand loyalty. The literature study is a review of previous research in the hospitality industry, brand loyalty and the Moolla and Bisschoff model. Information used in the literature study is mainly sourced from books, research articles in journals as well as articles in magazines, internet sources and other popular media. The aim of the literature study is to provide an increased body of knowledge around a) brand loyalty in the hospitality and more specific hotel industry and b) the Moolla and Bisschoff model for measuring brand loyalty based on twelve loyalty influences.

1.4.2 Empirical study

The empirical study entails investigating brand loyalty within the service industry pertaining to hotel brands. The selected questionnaire collects data across twelve major loyalty influences by means of a 7-point Likert scale. An adequate sample size is confirmed statistically by employing the Kaiser, Meyer and Olkin test of sample adequacy. The reliability of the data, validity of the questionnaires as well as the correlations between the variables are determined. The model is statistically measured and compared against the outcomes already presented in literature in both the FMCG industry (Moolla & Bisschoff, 2012a; 2012b; 2012c; 2013), the pharmaceutical industry (du Plooy, 2012) and the service industries (Salim, 2011; Müller, 2012).

1.4.2.1 Population

The prospective respondents are guests at some of the major branded hotels in South Africa. The only exclusion criteria is in the case of minors (<18 years), due to legal competence. Furthermore guests with diverse demographics are targeted. Hair *et al.* (1998:124) recommends a sample size ratio of fourteen observations to each variable in order to perform factor analysis. The number of respondents thus depends on the number of variables considered. Since the questionnaire investigates data pertaining to twelve variables (addressed using a total of 50 statements), at least 168 respondents are needed to have a statistically adequate sample. Studies previously investigating brand loyalty based on the Moolla and Bisschoff model, produced statistically satisfactory results with samples sizes of 196 (Salim, 2011:27), 185 (Müller, 120:49) and 250 (du Plooy, 2012:45) respectively. The aim for this study is therefore to obtain a minimum sample size of 200 respondents.

1.4.2.2 Questionnaire

As the subject of the research in this study is different from the subject of the research done by Moolla and Bisschoff (2012a; 2012b; 2012c; 2013), service industry as opposed to the FMCG, the questionnaire is adapted to be more relevant to testing brand loyalty in the hospitality industry. Demographical questions are also adapted to produce relevant and exploitable information for the hotel industry. See addendum 1 for a copy of the questionnaire.

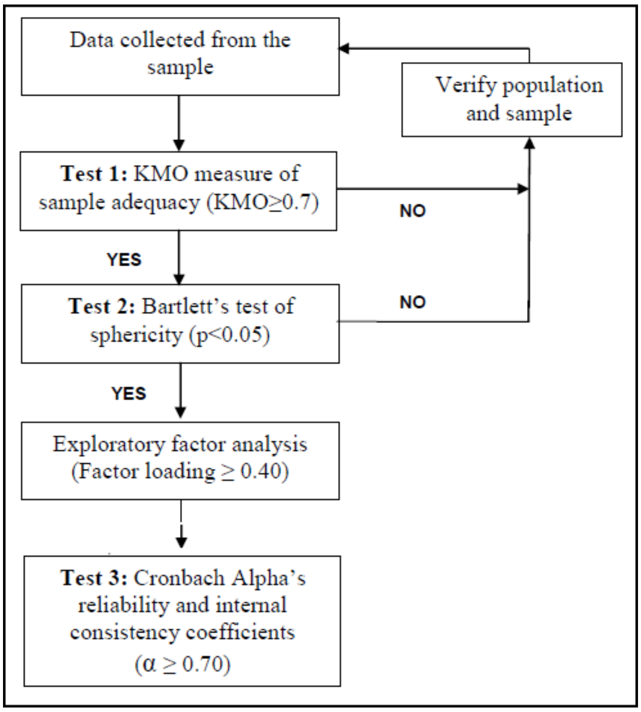
1.4.2.3 Data collection

The questionnaires are distributed using a personal method where respondents are approached in person and the questionnaire completed immediately. Similar studies performed previously by Salim (2011:27) and Müller (2012:185) used sample sizes of ±200 which yield statistically reliable data and a valid questionnaire. Based on the studies of Salim (2011:27) and Müller (2012:185), a similar sample size of ±200 respondents were therefore the aim for this study. Questionnaires were completed in several brand hotels thoughout South Africa.

1.4.3 Statistical techniques employed

A software package is used for the determination of the Cronbach's alpha (α), Kaiser-Meyer-Olkin (KMO) analysis, Bartlett's test of sphericity and a factor analysis. The software package, "Statistical Package for the Social Sciences" (SPSS version 12), a good of IBM and especially designed and widely used in social sciences, is used. These statistical results indicate the reliability of the data as well as the validity of the questionnaire. Figure 1.1 explains the sequence and flow of the data analysis.

Figure 1.1: Data analysis flow chart



Adapted from Naidoo (2011:19)

The questionnaire tests multiple variables and employs the following population multivariate statistics:

Firstly, a test to determine the adequacy of the sample size using KMO analysis. Secondly, a test to determine the strength of the relationship among variables using the Bartlett's test of sphericity. After both the KMO and Bartlett's tests deliver satisfactory results, data analysis continues to exploratory factor analysis using factor loading. Lastly, the reliability of the questionnaire is determined by Cronbach's alpha.

1.4.3.1 Kaiser-Meyer-Olkin measure of sampling adequacy

The Kaiser-Meyer-Olkin (KMO) test, measure of sampling adequacy, determines partial correlations among different variables of a questionnaire. The KMO test calculates the ratio of the squared correlation between variables to the partial correlation of variables and for this study, is calculated between multiple variables. The KMO ratio is expressed between a value of 0 and 1 and a larger KMO value indicates a more reliable factor analysis for a particular sample size. Because factor analysis is used in this study to analyse the data, it must be preceded by the Kaiser-Meyer-Olkin (KMO) test to ensure that the data are suitable for statistical analyses of multiple variables. For this study, the same exclusion criteria applied by Naidoo (2011:20), namely a KMO value of > 0.7 must be true before factor analysis continues.

1.4.3.2 Bartlett's test of sphericity

Bartlett's test of sphericity examines the significance of the study and is an indication of the validity and suitability of the responses collected. The Bartlett's test of sphericity is used as an indicator for both relationship strength among variables and suitability of the data. Variance-covariance matrix proportional to the identity matrix is determined (Business Analytics, 2014). In practice, the Bartlett's test investigates the hypothesis that the variables are uncorrelated in the population. This means that each variable correlates perfectly with itself (r = 1) but has no correlation with the other variables (r = 0). The study is deemed significant when the variables across conditions are equal and also the covariances between pairs of conditions are equal. A significance level of closer to 0 will reject the hypothesis and indicate a strong relationship among the variables. Ideally the significance level must be as close to 0 as possible.

This study uses the same Bartlett's test of sphericity minimum value Naidoo (2011:21) employed at 0.005. This means that values of <0.005 are regarded to be significant and that the strength of the relationship among variables is strong and that the data are suitable to be subjected to factor analysis.

1.4.3.3 Exploratory factor analysis

In multivariate statistics, exploratory factor analysis (EFA) investigates underlying structures of large numbers of variables and the internal reliability of a questionnaire (Grafarend, 2014). EFA is based on the common factor model where a function of common factors, unique factors, and errors of measurements express measured variables. Note that EFA assumes that any measured variable may be associated with any factor. The EFA uses the number of factors, extraction method and method of rotation as decision points.

The Normalised Varimax rotation extracts factors from the component matrix. This method of rotation attempts to maximise the dispersion of factor loadings within the factors (Field, 2007:749). Factor loading, which is a regression coefficient of a variable in the linear model, determines the relative importance or weight of a criterion in relation to a specific factor where it loads. A factor loading, in line with the study performed by Naidoo (2011:21), at a minimum of 0.40 was set for this study.

1.4.3.4 Cronbach's alpha reliability coefficient

Any measuring instrument, such as a questionnaire, has the potential to produce many different outcomes, equal to the exponential number of statements, every time it is used under the same conditions and therefore potentially has low reliability (Field, 2007:668-669). Cronbach's alpha (α) is a coefficient of internal consistency of the statements of a measurement instrument and commonly used as an estimate of the reliability of a questionnaire. Internal consistency describes the extent to which all the statements in a questionnaire measure the same concept or influence. It can be described as the reliability measured as the correlation of the test with itself. Squaring the correlation and subtracting from 1.00 produces an index of measurement error between 0 and 1 (Tavakol & Dennick, 2011:53)

For this study, Cronbach's alpha coefficient is employed to assess the reliability and internal stability of the data produced by the questionnaire. A minimum coefficient value of $\alpha > 0.70$ was allowed to indicate the data as reliable.

1.5 Layout of the study

The mini-dissertation will be divided into the following chapters:

1.5.1 Chapter 1: Nature and scope of the study

Chapter one identifies the primary and secondary objectives of this study and also addresses the need to measure brand loyalty in the hospitality industry of South Africa. Chapter one also elaborates on the structure of this study and describes the statistical methodology.

1.5.2 Chapter 2: Literature review

Chapter two reflects on the concept of branding and brand loyalty as well as the benefits of branding and brand loyalty. Chapter two includes a literature review of the South African hospitality and more specifically the hotel industry. The Moolla and Bisschoff model for brand loyalty will be discussed and the twelve influences of brand loyalty identified by Moolla and Bisschoff are presented in more detail.

1.5.3 Chapter 3: Research findings and discussion

Chapter three presents the analysis of the data and the empirical results of this study. The empirical results focus on the demographic profile of the respondents, the validity of the questionnaire, the reliability of the results as well the importance of the research variables.

1.5.4 Chapter 4: Conclusions and recommendations

Chapter four, which is the final chapter of this study, provides conclusions with regard to the results and suggests an adapted model for measuring brand loyalty in the hospitality industry as well as recommendations for future research.

CHAPTER 2

LITERATURE STUDY

2.1 Introduction

This chapter presents a literature review on the concept of branding and brand loyalty as well as the benefits of branding and brand loyalty. Chapter two also explores research studies on brand loyalty in the hospitality and more specifically the hotel industry. The Moolla and Bisschoff model will be presented as a possible model to measure brand loyalty in the hospitality industry. The twelve influences of brand loyalty identified by Moolla and Bisschoff will also be discussed in more detail.

2.2 Branding

Branding started as an age old tradition to burn, cut or stamp a manufacturer or owner's distinctive marks unto a good to validate the origin and quality. Silver and gold wares were branded by a jeweller's unique logo and cattle by the owners' initials. Merchants and shop owners as early as ancient Babylon, Egypt and China would decorate their stalls or shops with a particular brand to advertise the quality of goods they sell (Landa, 2005:xx).

Modern day branding was born in England in the 1600s and by the 1700s, trademarks and stamps became everyday practice. During the industrial revolution with the onset of mass production, companies started to use branding to distinguish their goods from others and stimulate interest (Landa, 2005;xxii). Manufacturers quickly learned to build a brand identity to attract a certain type of customer. The practice of branding evolved to the effective marketing strategy known today, encouraging consumers to purchase the brand instead of the good.

2.3 Brands

2.3.1 Defining a brand

A brand is defined by the American Marketing Association Dictionary (2014) as a "Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." A brand can therefore be described as a way a company differentiate their goods or services from the competitor. A well established brand is recognised by the public through a word, phrase, slogan, logo or even a sound or musical jingle. Rivalry amongst competitors is fierce and such a recognisable word, logo or sound acts as a reminder of the unique good or service offered and can be seen as one of the most valuable assets belonging to a company. Brands act as a key element in the relationship a company builds with the customer. A brand is established and maintained by an effective marketing campaign and seeks to create and fulfil the expectations of a target market segment. Branding marketing strategies firstly aim to attract new customers and secondly to retain customers by creating loyalty towards the brand.

2.3.2 Benefits of brands

Branding is not only a very powerful marketing technique, but a part of your product strategy and can also be seen as an asset to a company which must be developed wisely and managed carefully (Kotler & Armstrong, 2012:267). A powerful brand creates equity for a company. Kotler and Armstrong (2012:267) define brand equity as "the differential effect that knowing the brand name has on customer response to the product and its marketing". Positive brand equity is displayed when a customer favours a particular good above others, regardless of secondary influences such as price, value or even the good itself. A positive brand can be such an important equity that accountants recognise the intangible asset often as the most valuable asset on a company balance sheet.

Creating loyalty to a certain brand amongst customers will ensure continuous support. Loyal customers buy more frequently and in larger volumes (Huges, 2006:3) while faithful buyers tend to pay more money for the same goods (Moa, 2010:213) and together result in greater cash flow.

It is argued that creating loyal customers is more important to net profit than attracting mere sales, simply due to the fact that the cost to attract a new customer by far exceeds that of the cost to create and retain loyal customers (Poulton, 2012; Huges, 2006:3; Garrett, 2006:35). Over and above the effort to establish a brand, many companies focus a great amount of resources to assure the maintenance of the brand through consistent high quality service delivery across all branches and/or franchises.

Companies thereby cash in to the intangible value of word-of-mouth and free marketing a loyal customer brings to a company (Garrett, 2006:35).

Well managed branding can also result in higher sales, not only for the branded good, but also on other goods associated with that brand. Co-branding is often used to promote a wider appeal and attract a broader customer base and increased brand equity (Kotler & Armstrong, 2010:273). A well-managed brand can also create opportunities for brand extensions and licensing agreements

2.4 Brand loyalty

2.4.1 Defining brand loyalty

Moolla (2010:5) defined brand loyalty as “the extent of faithfulness of consumers to a particular brand. Brand loyalty is most commonly expressed through repeat purchases, irrespective of marketing pressure generated by competing brands”.

Mao (2010:213) defines brand loyalty as “keeping preferable to a specific product or service while they believe that their choice is better than others”.

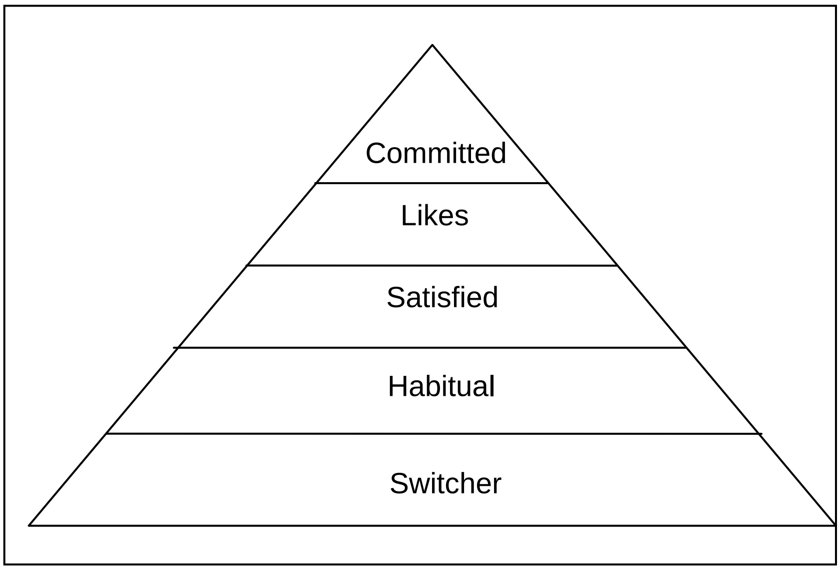
Loyalty towards a brand can be seen as the situation in which a customer will prefer to buy the same good or service from one supplier over buying from another supplier. A loyal customer will become committed to a particular good and repeat purchases over extensive periods of time.

2.4.2 Types of brand loyalty customers

Various authors endeavoured to classify consumers according to their level of loyalty. Aaker (1991:40) views consumers in five levels of brand loyalty and groups customers accordingly into a loyalty pyramid as illustrated in figure 2.1.

The *switcher* consumers create the base of the pyramid and include price sensitive, indifferent consumers with no brand loyalty. Consumers in the *habitual* group show loyalty due to habit and have no reason to change. Customers from the *satisfied* group expect switching brands to come at a cost, which they would like to avoid. Brand likers are true brand enthusiasts and have an emotional attachment to the brand. At the top tier of the pyramid are the *committed* customers whom will only switch when forced by strong outside influences.

Figure 2.1: Consumer loyalty pyramid



Aaker (1991:40)

Rowley (2005:576) propose four types of loyal customers namely; captive, convenience-seeker, contented and committed.

The *captive* customer is loyal because they do not have a choice. This is often due to uncontrollable external influences such as a good or service monopoly. Customers will often remain captive due to high switching costs. Most captive customers are neutral to the brand and will switch brands for only a few reasons. Reasons that might result in captive customers switching brands include; a large decision to be made, new and more attractive entrants to the market or changes in personal situation, such as change in finances (Rowley, 2005:577).

Convenience-seeker customers are identified by routine, low-involvement purchases. Convenience is the main driver and they will revisit a shop because it is the closest or repurchase out of habit. Convenience-seekers also have neutral feelings towards a brand, because to them, convenience outweighs emotions. Customers that are convenience-seekers are however, vulnerable to marketing campaigns of other brands and will change brands very easily if another brand become more convenient (Rowley, 2005:578).

The *contented* customer is happy with the goods they buy, but does not display further engagement with the brand through buying other goodss of the same brand. This can be explained by independent purchase decisions where the other goods are not relevant to their needs. *Contented* customers have a positive attitude towards the good they regularly buy, but will consider switching if they receive better value elsewere. A *contented* customer will also switch if their goods fails, or a more advanced product enters the market (Rowley, 2005:579).

A *committed* customer is one who has a positive attitude towards the good and will re-purchase regardless of circumstances. For companies the aim of branding strategies are to create committed customers as they will not easily consider other brands and patronage is almost guaranteed. The committed customer is a valuable asset to any brand as they often engage in active word-of-mouth marketing. The committed customer will only switch brands after an extremely negative experience or when a new good that clearly offers much more value and / or benefits enters the market (Rowley, 2005:579).

Kotler (1997:262) divides loyal customers into the following categories based on the buying frequency:

- Hard-core loyals with undivided loyalty, buying only one brand all the time.
- Split loyals have loyalty to two or three brands, switching between the purchases.
- Shifting loyals move from one brand to another determined by changing perceptions.
- Switchers with no loyalty to any particular brand possibly due to price sensitivity or constantly looking for new goods or services.

2.4.3 Developing brand loyalty

Garrett (2006:35) feels it is important to develop a brand customers can associate with, thereby resulting in brand loyalty. Customers create their sense of loyalty, positive or negative, through experiences associated with a good or service. An innovative brand loyalty marketing strategy should aim to create an emotional connection to the brand. Garrett (2006:35) therefore suggests a branding action of efficient customer service delivery which will result in the customer feeling valued and then develop the important positive emotion towards the brand. Garrett (2006:35) continues to emphasise the good as a very important aspect when it comes to emotional responses of customers. The good is the single tangible item the customer will spend the most time with, post purchase, and it is therefore of utmost importance to ensure the customer enjoys a positive experience with the good. Quality control procedures are therefore important tools in reducing the likelihood of a buyer experiencing good malfunction and disappointment.

2.4.4 Measuring brand loyalty

Brand loyalty was first measured during the 1940's. In a unidimentional level Guest (1944:16) studied how brand preference relates to attitudinal loyalty. Since then, researchers developed the measurement of brand loyalty into the multidimensional field, determined by various psychological processes recognised today. Brand loyalty can be a conscious or subconscious decision and is expressed through the intention to repurchase a brand continually. Loyalty towards a brand occurs through consumer perception that a brand offers the right good features, image, or level of quality and at the right price. Consumer behaviour can also be viewed as safe and familiar habits. Research conducted by Maritz (2009:1) indicated that there is no single measurement tool that fits across all industries, customers or goods and a measurement tool must be customised for every situation.

2.5 Brand loyalty in the hospitality industry

Branding in the hospitality industry is no different from other industries. The hospitality industry is very competitive and a strong customer base is crucial for sustainable business, regardless of the hotel or the size of the hotel group. The point of branding in the hospitality industry is to enhance a customer's perception of consistent value which will result in repeated patronage. O'Neill and Mattila (2010:28) as well as Kyriakidis and Rach (2010:7) indicated that hotel guests build the foundation of their brand loyalty based on memorable experiences. O'Neill and Mattila (2010:28) rightfully stated that a hotel brand represents a relationship with guests and is cultivated as customers become more familiar with the brand. A shift in the hotel industry to move away from real estate business models to service and customer centred models resulted in branding of hotels becoming an essential component of any hotel's marketing campaign (Freed, 2013; Dev *et al*., 2009:19).

A strong brand can significantly increase income, as guests are willing to pay on average more for a hotel brand they perceive to provide a service of high quality (Boundless marketing, 2014). Boundless marketing (2014) continues by stating that a

truly loyal customer is willing to pay any price regardless of quality, thus resulting in a less elastic to inelastic demand curve. Overnight stays at a particular hotel brand will should tend more to an elastic demand curve where the number of visits or amount of money a patron is willing to pay will directly relate to price. It is therefore a very important strategy in the hotel industry to create loyal customer and shift the demand curve more towards less elasticity. Many hotels therefore choose to extend their brands as part of their branding strategy in an attempt to create more loyal customer and less elastic curves. According to O'Neill and Mattila (2010:30), brand-extension is an effective strategy used by the hotel industry and is based on the preference guests exhibit to a hotel brand matching their type of travel (such as leisure or business). Collaboration amongst brands that focus on a specific type of traveller will automatically instil a collective feeling of trust as a result of a satisfactory experience with one of the brands. For this reason, the hospitality and travel industry excelled in marketing the package deal to customers. Typically such a package will include air travel, car rental, overnight stay and meals marketed collectively and often anchored by a strong brand.
Many hotels offer a franchising business model. The choice of brand plays a very important role in the decision process of a new prospective owner as to which franchise to procure. Commitment to the brand lies with both the franchisor and the franchisee. Franchising can be seen as a dual edged sword where a franchisee can choose to re-brand and move to another hotel group, or the franchisor can ask the franchisee to discontinue using their brand if the quality requirements are not met. Managing franchises and the image of a brand results in companies spending a great amount of resources to assure that a consistently high quality of service is delivered across all branches and/or franchises (Your Business, 2011).

Not many studies investigating aspects around brand loyalty in the hotel industry could be found for the past ten years. Some notable international studies performed by Suhartanto (2011), Kayaman and Arasli (2007), Back (2005), Wilkins *et al.* (2010), Nam *et al.* (2011), Lee and Back (2009), Han and Back (2008) and Kim *et al.* (2008) will be discussed.

Suhartanto (2011:1) measured the perceived service differences based on the origin of the hotel brand (domestic or international). The study aimed to investigate the difference in loyalty determined by the origin of the hotel brand and was based on four determinants; service quality, customer satisfaction, perceived value and brand image. Guests in a four star Indonesian hotel participated and interestingly the study found that international hotel guests perceived to have experienced better service than domestic guests. International guests were also found to be more loyal to a particular brand determined by the origin. On the other hand, the study showed that perceived value and brand image is not influenced by the origin of the brand.

Kayaman and Arasli (2007:92) explored the interrelations perceived quality has on brand awareness, brand loyalty and brand image in the hotel industry in order to conceptualise customer-based hotel brand equity. Perceived quality was deconstructed into five elements namely tangibility, reliability, responsiveness, assurance and empathy and the relationships with each compared to brand equity variables. International guests from 11 countries staying at hotels in North Cyprus participated, the highest conglomerates were from Turkey and the USA followed by Cypriot nationals. The results showed that the tangibility of a good has a significant impact on both brand loyalty and image. Reliability and empathy have an impact on brand image, while responsiveness has an impact on brand loyalty. Brand loyalty, in turn, also had a significant impact on the brand image. Kayaman and Arasli (2007:105) therefore concluded that the three service qualities of tangibility, reliability and empathy are important ingredients for brand image marketing strategies.

Back (2005:462) explored the effects guests' image congruence has on post purchase behaviour in the hotel industry. Image congruence is the similarity the brand image has to the self image of the customer. The degree of image congruence amongst hotel guests in the USA was empirically tested to determine the effects it has on customer satisfaction and hotel brand loyalty. The outcome shows that social and ideal social image congruence significantly affects customer satisfaction which extends to an indirect effect on brand loyalty.

Another study also by Back and a colleague, Han (2008:467) investigated the possible influence social image congruence, ideal social image congruence as well as positive and negative consumption emotions have on customer loyalty towards lodging brands in the USA. The results show that both social and ideal social image congruence as well as positive and negative consumption emotions significantly influence loyalty.

Wilkins *et al.* (2010:1) investigated in a qualitative study, the linkages between service quality, perceived value, customer satisfaction and behaviour loyalty and the possible link to the effect on brand trust and attitude. The outcome of the study, conducted in Australia, indicated that customer satisfaction supported by service quality holds the greatest direct impact on behavioural loyalty. The researchers also found that brand trust supported by brand attitude is a significant mediator of behavioural loyalty.

Kim *et al.* (2008:235), investigated the impact brand equity has on perceived value and revisit intention. Kim *et al.* (2008:235) divided brand equity into dimensions of brand loyalty, perceived quality, brand awareness and brand association. Respondent hotel patrons situated in the USA indicated that all dimensions of brand equity positively affect perceived value, with perceived quality identified a the main contributor. The dimensions of perceived quality, brand loyalty and awareness were found to increase guests' revisit intentions, showing the value a loyal customer will have on a hotel company's income.

Nam *et al.* (2011:1009) investigated the moderating effect customer satisfaction has on the relationship between brand equity and loyalty. Nam *et al.* (2011:1009) divided brand equity dimensions into physical quality, staff behaviour, ideal self congruence, brand identification and lifestyle-congruence. Effects were tested on consumer satisfaction amongst hotel guests and restaurant patrons in the UK. A notable difference between the Nam *et al.* (2011:1012) and Kim *et al.* (2008:235) studies is that Nam *et al.* (2011:1012) separated brand loyalty from brand. The results show that the equity dimensions of ideal self-congruence, brand identification and lifestyle-congruence have a positive effect on brand loyalty. The study also finds that consumer satisfaction partially moderates the effects of brand equity and loyalty.

Lee and Back (2009:30) investigated the mechanism of how brand satisfaction and an updated expectation of brand value can influence brand trust, which in turn, plays a role in attitudinal brand loyalty amongst convention delegates in the USA. The study concluded that brand satisfaction, mediated by an updated expectation of brand value has a positive influence on brand trust. Brand trust has a significant effect on attitudinal brand loyalty. The study further extended the model by dividing into high and low behavioural brand loyalty groups. The brand satisfaction to brand trust (mediated updated expectation of brand value) to attitudinal brand loyalty route were different for the two groups. The high behavioural group hold, not surprisingly, higher value to the indirect path of brand satisfaction to brand trust via updated expectation of brand value relationships. The surprise is, however, that the low behavioural brand loyalty group hold more significant value to the direct brand trust to brand value relationship.

In summary, studies have been done on influences playing a role toward brand loyalty in the hospitality industry in countries and states such as Indonesia, Australia, USA, UK, Canada, Turkey, and Cyprus. Most of the studies only test between three and five influences that play a role in brand loyalty. Table 2.1 gives a summary of the loyalty influences measured in the hospitality industry.

Table 2.1: Loyalty influences challenged in the hospitality industry

Loyalty influences measured	Researchers
service quality	Suhartanto (2011:1); Wilkins *et al.* (2010:1)
customer satisfaction	Suhartanto (2011:1); Back (2005:462); Wilkins *et al.* (2010:1); Nam *et al.* (2011:1009)
perceived value	Suhartanto (2011:1); Wilkins *et al.* (2010:1)
brand image	Suhartanto (2011:1); Kayaman and Arasli (2007:92)
consumption emotions	Han and Back (2008:467)
image congruence (incl. social and ideal)	Back (2005:462); Han and Back (2008:467)
brand trust	Wilkins *et al.* (2010:1); Lee and Back (2009:30)
brand attitude	Wilkins *et al.* (2010:1)
brand value	Lee and Back (2009:30)
brand awareness	Kayaman and Arasli (2007:92); Kim *et al.* (2008:235)
perceived quality	Kayaman and Arasli (2007:92); Kim *et al.* (2008:235)

2.6 The Moolla and Bisschoff model

Moolla and Bisschoff (2012a:71) developed a model to measure brand loyalty. After a through literature search the authors found 28 of the most commonly occuring influences in brand loyalty. Through a process of elimination Moolla and Bisschoff (2012a:75) identified the twelve major influences of loyalty as: customer satisfaction, culture, brand performance, brand relevance, relationship proneness, brand affect, repeat purchase, perceived value, commitment, involvement, switching cost and brand trust. Moolla and Bisschoff (2012a:81) continued to developed a questionnaire to determine brand loyalty using these twelve influences and derived a few questions/ statements testing each influence either from literature or by self generation.

2.6.1 Brand loyalty influences of the Moolla and Bisschoff model

The definition, short discussion and operationalisation approach of each influence in brand loyalty chosen by Moolla and Bisschoff (2012a:80) are discussed in the points to follow.

2.6.1.1 Customer satisfaction

Kotler and Armstrong (2012:37) define customer satisfaction as “The extent to which a good’s perceived performance matches a buyer’s expectations”. If the good does not meet the expectations of the buyer, the consumer becomes dissatisfied. If expectations are met, the result is a satisfied customer. Customer satisfaction is believed to be the result of both conscious and subconscious consumer learning from previous experience and information gained (Huang & Yu, 1999:523). A more satisfied customer will result in higher levels of brand loyalty which has a significant influence on repurchase intent. Dissatisfied customers on the other hand will result in a higher tendency towards post purchase complaints. Customer satisfaction is a multifaceted influence and measurement includes the evaluation of all customer relationship aspects (Moolla and Bisschoff, 2012a:80).

2.6.1.2 Switching costs

Switching costs can be defined as the costs incurred when switching brands (Moolla & Bisschoff, 2012a:80; Lee & Cunningham, 2001:127). The three most prevalent types of switching costs are transactional costs, learning costs and costs due to a contractual outcome. High switching costs have a positive effect on profits as it will discourage even dissatisfied customers to change brand and is therefore used as a strategy to discourage customers to change brands (Dick & Basu, 1995:104; O'Brien, 2010). Switching cost is one of the more easily measurable influences of brand loyalty which can be calculated by adding the cost of deserting the current brand to the cost of developing a new relationship with a different good (Moolla & Bisschoff, 2012a:80).

2.6.1.3 Brand trust

Various definitions for trust exist, but the focus of most definitions fall on the risk an individual takes regarding a situation and the vulnerability the individual then experiences due to the risk (Burke *et al*., 2007:606). Trust affects commitment and can therefore be seen as the foundation of loyalty as supported by Garbarino and Johnson (1999:70). Delgado-Ballester and Munuera-Alemán (2001:1254) describe brand trust as a feeling of surety that the brand will meet consumption expectations. Moolla and Bisschoff (2012a:80) extend by stating that brand trust is "based on perceptions that the brand is reliable and responsible for the interests and welfare of the consumer". Trust in a brand is an emotional attraction to a good and forms the basis of a long-term loyalty relationship. Brand trust is therefore measured by determining the perceived credibility and confidence of a customer towards a particular brand.

2.6.1.4 Relationship proneness

Customer relationship proneness is the degree to which a customer will engage in a relationship with a company selling a particular good. Relationship proneness depends highly on the customer's individual personality traits. Relationship proneness is a cognitive decision from the customer to engage in a relationship as opposed to engaging in a relationship because of inertia or convenience (Moolla & Bisschoff, 2012a:77). Brand relationship proneness can be defined as the outcome of how a customer perceives their relationship with a retailer over time (Parish & Holloway, 2010:61).

Relationship proneness can be measured as the benefits a customer experiences from all aspects of a relationship with a retailer. Parish and Holloway (2010:61) specifically determined that customer relationship proneness depends on the trust and commitment a client has towards a company.

2.6.1.5 Involvement

Involvement in the brand loyalty context can describe several types such as; ego involvement, purchase involvement or good involvement (Quester & Lim, 2003:24). Purchase involvement is connected to the buying activities of a customer. For the purpose of this study, the original definition of good involvement by Gordon *et al*. (1998:44) will be adopted, namely, that involvement with a good is the continuous commitment towards a good through thoughts, feelings and behaviour from the customer. Involvement can be seen as the arousal or interest which results in motivation towards a good. Higher involvement with a good leads to higher loyalty (Moolla & Bisschoff, 2012a:80).

2.6.1.6 Perceived value

Perceived value or value perception is the value or worth of a brand in the mind of the consumer and depends on the ability of the goods or service to satisfy expectations on all aspects (Investopedia, 2014). Customers do not have information on the true production cost of a good. The value of a good does not refer to the cost, but to the emotional worth and significance to a customer (Punniyamoorthy & Raj, 2007:233). Investopedia (2014) however, states that perceived value will affect the price a customer is willing to pay for a good. In other words, the value of a good to a customer is comprised of a functional value, emotional value and social value tied together by a price-worthiness influence. Functional value refers to the use or performance of a good, emotional value refers to the feelings a good generates, social value to the good's ability to enhance social self-concept and the price-worthiness influence refer to the concept of perceived value for money (Moolla, 2010:131).

2.6.1.7 Commitment

Anderson and Weitz (1992:19) described commitment as the "state of developing stable relationships with partners, accepting short-term sacrifices in order to maintain relationships and assuring the stability of the relationships". Geyskens *et al*. (1996:305) elaborated on that statement by saying that commitment is the confidence a customer holds that the benefits from maintaining the relationship outweighs benefits from ending the relationship. Commitment represents the feelings of the customer towards a long term relationship with the brand and the choice to continue as a frequent buyer. A committed customer will gladly attach him or herself to the brand and promise to buy the brand regardless of circumstances. Committed customers will also defend the good from any negative opinions or rumours and will moreover encourage their friends, family and colleagues to buy it (Amine, 1998:313). The commitment a customer has towards a brand can therefore be defined as the degree to which a customer is committed to re-purchase in the future (Raju *et al*., 2008:855). The relationship a customer has with the good or brand plays a central role in the level of commitment. Commitment can be used as an indication of the degree to which the brand is protected from competitors. Evidence shows that the lasting desire a customer has to maintain a relationship with a brand can be used as a measuring tool to determine commitment (Moolla & Bisschoff, 2012a:78).

2.6.1.8 Repeat purchase

Repeat purchase forms the base of brand loyalty and simply refers to the extent to which a customer will repeatedly buy a good over a given time period (Ehrenberg, 1988:450; Dick & Basu, 1994:100). Repeat purchase also refers to the habit of frequent encounters with the good and is a direct function of repetitive buying as part of consumer behaviour (Moolla & Bisschoff, 2012a:133). Chaudhuri and Holbrook (2002:43) argued that once behavioural brand loyalty is strongly manifested, it is difficult to change the behaviour and will lead to repeated purchasing while re-enforcing loyalty towards the brand at the same time.

2.6.1.9 Brand affect

Brand affect can be defined as the potential of the good or service to obtain a positive emotion from the average consumer (Chaudhuri & Holbrook, 2002:37; Chaudhuri & Holbrook, 2001:82). Customers will, as part of human nature, naturally seek positive and avoid negative experiences. Positive experiences will result in a tendency to re-procure a particular good and will, over time, if the positive experiences are repeated, produce a loyal customer (Moolla & Bisschoff, 2012a:78). Brand affect can therefore be described as the emotional reaction a customer has towards a brand and is the result of having positive encounters with the brand (Kabadayi & Koçak, 2012:81). In other words, as long as the brand provides positive experiences to a customer, loyalty will remain. To measure brand affect, perceived positive emotions towards a brand as a result of usage, must be determined (Moolla & Bisschoff, 2012a:80).

2.6.1.10 Brand relevance

Brand relevance is defined as "the alignment of a brand's strategy and identity to provide a clearly stated benefit that address a need, want or desire of a given consumer or consumer segment" (Ashworth, 2007:520). Aaker (2012:44) simply describes brand relevance as a "must have" brand. In a global market flushed with brands, consumers have the desire to build a relationship with a brand with which they can associate themselves. Consumers are increasingly looking for brands with relevance to their internal reference standards and brands that actually represent something or someone that can add value to their daily lives (Moolla & Bisschoff, 2012a:79). Branding efforts are therefore becoming more complex and marketing campaigns must convey vast amounts of information in order to empower the consumer to formulate an opinion around a brand's relevance (Aaker, 2011:18). The perceived relevance of a brand quantified against the internal reference standard of a customer must therefore be determined in order to measure brand relevance.

2.6.1.11 Brand performance

Perceived brand performance is the evaluation of the effectiveness of a good or service by a customer (Musa, 2005:47). Brand performance is a very tangible and easily measurable concept. The good or service is however not the only measurement of brand performance, but the direct seller performance i.e. the service and experience the sales person offers must also be taken into account. It is thus important to measure brand performance effectively, the performance of the good or service must be evaluated only after the entire experience (Moolla & Bisschoff, 2012a:79). Harris and de Chernatony (2001:445) feel that reputation plays an important role in brand performance.

2.6.1.12 Culture

Ana (2014) defines culture as "A historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which humans communicate, perpetuate, and develop their knowledge about and attitudes towards life." Culture can therefore also be defined as an integrated pattern of behaviour and belief that is a result of the human capacity to learn and transmit knowledge (Schroeder *et al*., 2006:191). When deciding upon whether to purchase a brand, customers measure the ethics of the brand against their own inherited morals and values and after they find a close match to their culture, are likely to join the culture of the brand. Consumer purchase behaviour is transmitted from one generation to the next as part of a culture system. Culture therefore plays a significant role in brand loyalty and plays an important role in buying behaviour. Family as an aspect of culture also plays an important role and adds a psychological aspect by indirectly inferring trust and safety through nostalgia and continuous use. The role family preference plays towards brand loyalty is confirmed by children remaining loyal to brands used by the family until other influences start to play a role (Moolla & Bisschoff, 2012a:79).

2.6.2 Ranking of the influences of brand loyalty

Moolla and Bisschoff (2013) ranked the loyalty influences of their model in order of importance, giving management a tool to strategically direct their marketing efforts when branding FMCGs. Moolla and Bisschoff (2013:6) generated standard regression weights in the following order:

1. Commitment (0.809)
2. Brand effect (0.793)
3. Brand relevance (0.770)
4. Perceived value (0.769)
5. Relationship proneness (0.701)
6. Repeat purchase (0.683)
7. Involvement (0.675)
8. Switching cost (0.597)
9. Culture (0.587)
10. Brand trust (0.461)
11. Brand performance (0.455)
12. Customer satisfaction (0.337)

The first five influences, commitment, brand effect, brand relevance, perceived value and relationship proneness have coefficients higher than 0.7 and will have a major effect on brand loyalty and can therefore be used as a strong marketing tool. Repeat purchase, involvement, switching cost and culture have smaller coefficients of between 0.7 and 0.5, having less influence as a marketing tool. Due to their relatively low coefficients, brand trust, brand performance and customer satisfaction are not highly recommended as marketing tools in the FMCG industry.

2.6.3 Validation of the Moolla and Bisschoff model

Moolla and Bisschoff (2012b:101) tested the proposed model and determined the validity and reliability of both the statements and the model using data from customers in the FMCG industry. FMCG are defined as goods replaced or fully consumed within a short (days, weeks) period of time mostly because either a short shelf life (e.g. perishables) or a fast turnover time due to demand. Moolla and Bisschoff (2012b:101) chose to assess their model using three FMCGs, being coffee, toothpaste and bread These products were chosen based on the high consumption rate within their FMCG categories while the products differ in consumption patterns (Moolla & Bisschoff, 2012c:346). The model was evaluated using a questionnaire developed by themselves during a separate study (Moolla & Bisschoff, 2012b:107) to which 541 post-graduate management students in full time employment thoughout South Africa respondent.

The Statistical Package for the Social Sciences Incorporated (SPSSInc) was used to analyse data. Moolla and Bisschoff (2012b:105) only accepted exploratory factor loadings of smaller than 0.400 to validate the influences of brand loyalty. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was used to determine if the sample size was large enough to give statistically meaningful results. KMO values of between 0.50 and 0.700 were regarded as mediocre while values above 0.700 were considered good enough to accept. Bartlett's test of spherity was used to determine if the variables are uncorrelated in the population. A correlation value of below r = 0.005 indicated that the data are suitable for exploratory factor analysis. Variance was used to determine the importance each influence has on brand loyalty. Cronbach's alpha was used to test the reliability of each of the brand loyalty influences within the model. Moolla and Bisschoff (2012b:106) accepted a Cronbach's alpha of 0.580.

The results of the study showed that all the questions / statements testing for customer satisfaction, brand trust, relationship proneness, involvement, perceived value, repeat purchase, commitment, brand affect, brand relevance, brand performance and culture are influences of brand loyalty with variances between 47% and 72% and reliability coefficients of between 0.702 and 0.822. One statement of switching cost however resulted in a low factor loading of 0.204 and was removed from the questionnaire. All the influences except perceived value and repeat purchase loaded single exploratory factors with acceptable variance and reliability ranging from mediocre upward. It was determined that perceived value has two sub-factors. The first deals with price and quality while the second deals with brand value issues. Repeat purchase likewise consisted of purchase pattern and purchase frequency. After repeat purchase and perceived value were analysed based on the sub factors; exploratory factor analysis confirmed that all the factors are true influences of brand loyalty (Moolla & Bisschoff, 2012b:109).

The favourable outcomes of the exploratory factor loadings, Bartlett's test of spherity, and Cronbach's alpha, from an adequate sample size prompted Moolla and Bisschoff (2012b:101) to conclude that the model as proposed is a valid and reliable model to measure brand loyalty in especially the FMCG industry (Moolla & Bisschoff, 2013:7).

2.6.4 Empirical evaluation of the Moolla and Bisschoff model in the FMCG industry

Moolla and Bisschoff (2012c:341) further extended the evaluation of the model to determine the validity of the model as a measurement tool of brand loyalty and to determine to what extend it can be used as a managerial tool. The similarities of the 12 influences between the three FMCGs were compared using Pearson's correlation coefficients. Relationships between brand loyalty of the three goods were considered similar at a value of 0.75 or higher (Moolla & Bisschoff, 2012c:346). The Correlation ranging between 0.92 and 0.99 between coffee, bread and toothpaste across all twelve influences indicate very strong similarities between the three goods. Together with the outcomes of the exploratory factor loadings, Bartlett's test of spherity, and Cronbach's alpha confirmed that the Moolla and Bisschoff model can be regarded as an appropriate model to measure brand loyalty of FMGC (Moolla & Bisschoff, 2012c:335; 2013:7).

Mazibuko (2010:4) used the Moolla and Bisschoff model and applied it to another FMCG category, namely, cereal. Respondents were mainly (88%) from the Gauteng province, South Africa. The study revealed that about 16% of respondents agreed that they are loyal to a cereal brand, 66% agreed somewhat, 8% are undecided whether they are loyal to a cereal brand and the remaining 8% disagree to loyalty. The study indicated that switching cost, brand relevance and culture are most influential while customer satisfaction and brand trust have the least impact (Mazibuko, 2010:36). This study however showed validity and reliability failure of almost all the statements regarding customer satisfaction and relationship proneness and suggests the removal of these influences from the Moolla and Bisschoff questionnaire. Further research is however needed to determine if this is only applicable when brand loyalty towards cereal is measured (Mazibuko, 2010:39).

Also using the Moolla and Bisschoff model, du Plooy (2012:4) measured loyalty towards two popular FMCG pharmaceutical brands, one original and one a generic, in the South African context. The researcher also compared the difference between the loyalty towards the original and generic brand. All the statements of the Moolla and Bisschoff model were proven valid and produced reliable data at an acceptable level (du Plooy, 2012:71). The total mean values of the original brand were at 61.13%, just above the acceptable 60% cut off, indicating that customers are loyal towards the brand while the generic mean values were at an unacceptable 28.94% (du Plooy, 2012:87). According to du Plooy (2012:88) all 12 influences play a practically significant role towards brand loyalty in the pharmaceutical industry and are listed below in order of importance:

1. customer satisfaction & 2. brand trust (equally important)
3. brand relevance,
4. repeat purchase,
5. perceived value,
6. involvement,
7. brand performance,
8. brand effect,
9. commitment,
10. switching cost,
11. relationship proneness and
12. culture.

Interestingly, the study indicated that involvement when measured in the pharmaceutical context, has two sub-influences (du Plooy, 2012:93). The two sub-influences identified are firstly the level of involvement a customer has on a personal level and secondly the influence others have on the involvement of a customer (du Plooy, 2012:59).

2.6.5 Extension of the model beyond the FMCG industry

2.6.5.1 Service industry

The model has also been extended and applied to the service industry and more specifically the banking and voluntary professional institute sectors.

Müller (2012:5) measured the brand loyalty of members of a professional institute in a South African context using the Moolla and Bisschoff model. Müller (2012:6) used an adapted Moolla and Bisschoff model questionnaire to describe the connection between brand loyalty and relationship marketing in a voluntary professional institute.

Müller (2012:61) determined the reliability of the questionnaire using Cronbach's alpha. Four statements resulted in low Cronbach's alpha scores and were removed from the results where after all twelve influences of the Moolla and Bisschoff model prove to be a reliable source of information with Cronbach's alpha scores of higher than 0.600. Müller (2012:64) further analysed the difference gender, education, ethnicity, age and income have on the response to the twelve influences. Females disagreed more strongly than males about the influence culture and involvement has on brand loyalty. Males and females showed no different feelings towards the other ten influences. The impact of education indicated a practically significant difference between the ways university graduates are satisfied with the service that they receive from the PIA than their colleagues without a university degree. University graduates also feel more so than non-university graduates that culture, relationship proneness and involvement play a role in brand loyalty (Müller, 2012:66). Black respondents disagreed more on the role culture, relationship proneness, involvement, and brand relevance plays on brand loyalty than the white respondents. The 30-39 age group agreed more strongly than the 40+ age group that customer satisfaction and brand relevance plays a role. The 30-39 age group also agreed practically significantly more than the 50+ group that relationship proneness, involvement, and brand relevance plays a role in brand loyalty (Müller, 2012:71). The lower income group (< R 300 000 p.a.) believes more that switching cost plays a role in brand loyalty than the high income group (> R 500 000 p.a.) while the opposite is true for culture, where both lower and middle income groups (R 300 000 - R 499 000 p.a.) disagreed to a practically significant degree more from the high income group (Müller, 2012:77). Müller (2012:98) concluded after analysis of the total respondent compliment that regardless of the above mentioned the only influences that are not important to brand loyalty in the professional institute and associations' arena are switching cost, brand relevance and culture.

Salim (2011:3) investigated brand loyalty in the South African banking industry also using an adapted questionnaire based on the Moolla and Bisschoff model. Salim's (2011:47) study revealed that brand relevance, relationship proneness and switching cost yield data of lower reliability and can be removed from the questionnaire when brand loyalty in the banking industry is assessed. With the exception of customer satisfaction and brand trust, all the other influences measured lower than the acceptable 60 % mean value. Commitment, relationship proneness and brand affect scored below 50% while culture yielded the lowest score at 36.30% (Salim, 2011: 57). The study nevertheless confirmed by statistical analysis that with some adaptations to specific statements, the Moolla and Bisschoff model can be used as a valid measurement tool delivering reliable results over all 12 influences applied to the banking industry.

2.6.5.2 Business-to-business environment

Van den Heever (2013:3) analysed the brand loyalty in a business to business environment in the South African paint industry. The respondents were all from the South African water based paint manufacturers and rated loyalty towards paint binder brands which is used as a raw material during paint manufacturing. Factor analysis of commitment, customer satisfaction and relationship proneness all revealed two sub-factors each. The second sub-factors of switching cost, commitment and relationship proneness were however removed from the analysis of the questionnaire due to factor loading below the acceptable 0.4 (van den Heever, 2013:47). Most of the influences resulted in high importance when choosing a paint binder brand with brand trust as the most important influence. The influences of relationship proneness and culture were indicated as lower importance (van den Heever, 2013:60). The study also revealed that the influences of switching cost and repeat purchase are the important influences to owner/directors while brand trust were of lowest importance (van den Heever, 2013:65). Switching cost, repeat purchase, and commitment are more important to the older age groups while younger respondents feel that brand trust are the most important (van den Heever, 2013:66). The larger businesses does not feel that perceived value, relationship proneness, brand affect, brand relevance, brand performance and brand trust are very important influences (van den Heever, 2013:67). The Moolla and

Bisschoff model proved to be for the most part a valid tool to use in the business to business environment to measure brand loyalty.

Wiese (2014:5) measured brand loyalty in the agribusiness environment amongst farmers in the North West Province, South Africa. The study revealed two less reliable influences, namely, perceived value and brand performance. Customer satisfaction is the most important brand loyalty influence in the agribusiness environment while culture is the least. Switching costs, commitment, relationship proneness and brand affect are however, also below the acceptable level of importance (Wiese, 2014:71) and it is suggested that the statements be refined for application in the agribusiness industry. The study indicated that perceived value and relationship proneness each have two sub factors influencing brand loyalty.

2.7 Conclusion

Loyalty in the hospitality industry has been measured by various studies outside South Africa's borders over various influencing factors. The Moolla and Bisschoff model is used to measure brand loyalty using twelve influences and is mostly employed with success in the FMCG, service and business-to-business industries in the South African context. The Moolla and Bisschoff model will therefore be used as a departure point to determine the extent of its twelve influences of customer satisfaction, culture, brand performance, brand relevance, relationship proneness, brand affect, repeat purchase, perceived value, commitment, involvement, switching cost and brand trust have an influence in the hospitality industry of South Africa.

The next chapter presents the results obtained from the adapted Moolla and Bisschoff model applied in the hotel industry in South Africa. The empirical results, demographics and statistical analysis will be discussed. The model will also be validated and tested for reliability.

CHAPTER 3

RESEARCH FINDINGS AND DISCUSSION

3.1 Introduction

This chapter presents the research methodology followed and the results obtained from the adapted Moolla and Bisschoff (2012a:81) questionnaire. The questionnaire adaptation, sampling procedure, data collection and demographics analysis are discussed. The questionnaire is tested against several statistical techniques to determine the sample adequacy, validity of the questionnaire and reliability of the data. In this chapter, data obtained from the respondents are analysed and statements about brand loyalty in the hospitality industry are made.

The objectives of this chapter are:

1. to determine if the Moolla and Bisschoff model is an applicable model;
2. to measure brand loyalty in the hospitality industry; and to
3. to determine if some of the twelve influences have sub-influences.

3.2 Research methodology

3.2.1 Questionnaire development

The original questionnaire as developed by Moolla and Bisschoff (2012a:81) for the FMCG industry was adapted to test brand loyalty in the hospitality industry pertaining to hotel brands. The major changes simply entailed replacing words or phrases referring to FMCG with words of phrases referring to hotel brands. The essence of the questionnaire remained the same as the original which was designed to collect data across twelve major loyalty influences by means of a 7-point Likert scale. As with the original questionnaire, each influence is tested using between 3 and 5 statements resulting in a total of 50 statements. See Addendum 1 for the adapted questionnaire. The demographic questions concerning age, gender, income group and ethnicity were unchanged as per Moolla's (2010:262) questionnaire. Questions concerning in which industry respondents are employed and province of residence were replaced with:

1. Reason for overnight stay;
2. How often does the respondent stay at a hotel;
3. Party that made the booking;

4. A yes/ no answer as to whether the respondents always try to book at the same hotel brand; and
5. A yes/no answer as to whether the respondent is a member of a hotel brand loyalty program.

The rationale to the addition of the new questions added to the demographic section lies in gathering useful information around the consumer segment.

The questionnaire was accompanied by an official North-West University cover letter, introducing the study and the aims. The letter also explained that participation is voluntarily and stipulated that the data will be used for research purposes only and treated with strict confidentiality. Contact details of the student and study leader were supplied should any questions or issues arise.

3.2.2 Data collection

The prospective respondents were conveniently sampled guests at some of the major branded hotels in South Africa. The only exclusion criterion was minors (<18 years) due to legal competence, while guests with diverse demographics were targeted. Hair *et al.* (1998:124) recommends the sample size should be a ratio of 14 observations to each variable in order to perform factor analysis. The sample size will thus depend on the variables. Since the questionnaire investigates twelve brand loyalty influences, at least 168 respondents are needed to have a statistically adequate sample. In total 200 questionnaires were distributed using a personal approach when large groups such as conference delegates are booked into a hotel. A total of 195 questionnaires were received back from which 187 could be used giving a favourable response rate of usable questionnaires at 93.5%.

3.3 Empirical Results

The empirical results of the questionnaire are divided into two sections. The demographic profile is discussed first, whereafter the quantitative analysis follows. The section on demographics presents an analysis of the age, gender, income per annum, ethnicity, reason and frequency for overnight stay and who made the booking.

3.3.1 Demographic profiles

The demographic profile of the respondents is illustrated in figures 3.1 to 3.7 below.

Figure 3.1: Age of respondents

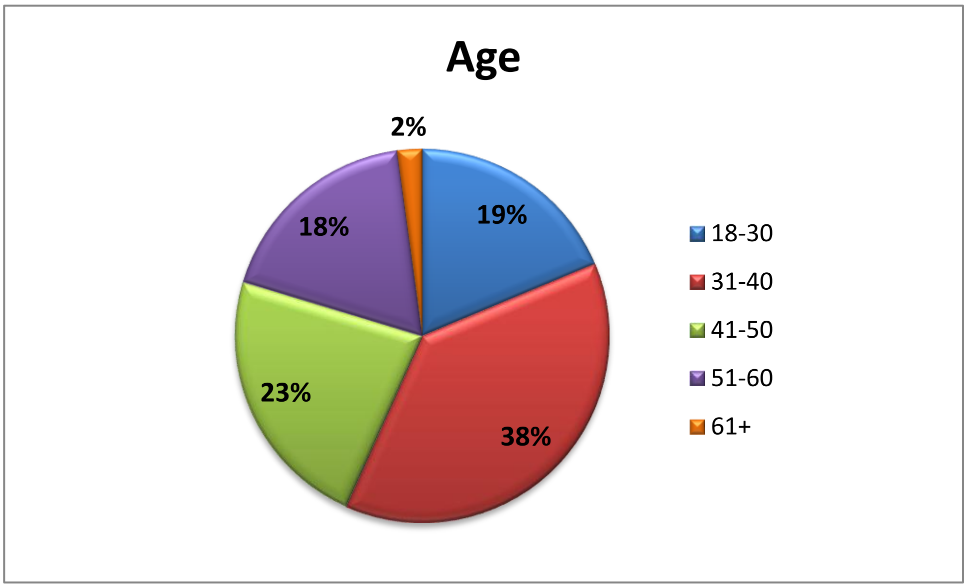


Figure 3.1 shows that the two largest groups were the group between 31 and 40 with little over a third of the respondents and the group between 41 and 50 at 23%. Together they comprised just over 60% of respondends flanked by an equal amount of repondends belonging to the younger 18 to 30 group and the older 51 to 60 group. Only 2% belong to the 61+ group.

Statistics South Africa (2013:8) reports population numbers per age slightly different than this study, but a comparison can nevertheless still be drawn. Table 3.1 compares the age distribution differences between respondents and the South African population.

Table 3.1: Comparison between respondent age distribution and the South African population

Age group	% respondents	Age group	SA population
18 - 30	19%	20 - 29	30.3%
31 - 40	38%	30 - 39	25.6%
41 - 50	23%	40 - 49	18.3%
51 - 60	18%	50 - 59	12.9%
60 +	2%	60 +	7.8%

Statistics SA (2013:8)

As can be seen in table 3.1, the respondent demographics are not representative of the South African population. The respondents' demographics might be a more closely representation of hotel guests in South Africa, but no information could be found on the statistics and can a conclusion not be made.

Figure 3.2: Gender

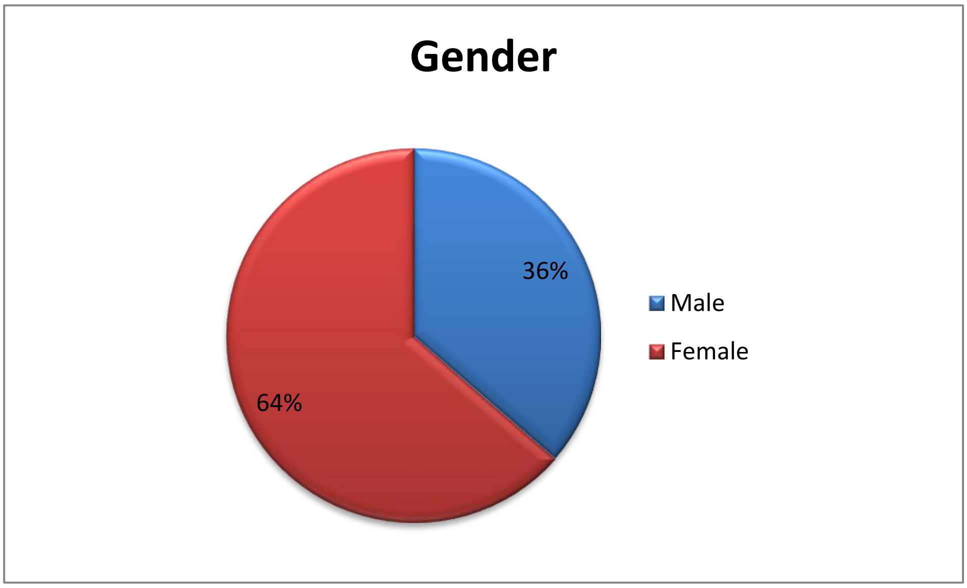


Figure 3.2 indicate that just under two thirds of the respondents are female.

Figure 3.3: Income per annum of respondents

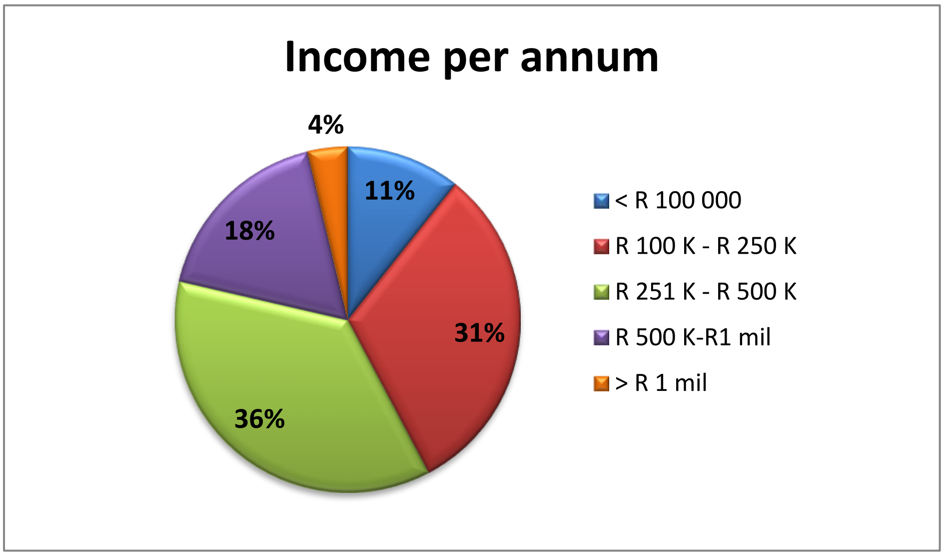


Figure 3.3 shows that 36% of repondents earn above average salaries of between R 251 000 and R 500 000 p.a. Together with the second largest group which earn between R 100 000 and R 250 000 p.a, more than two thirds of the repondents were financially secured. A total of 18% of the respondents earn between R 500 000 and R 1 million p.a.

Figure 3.4: Ethinicity of respondents

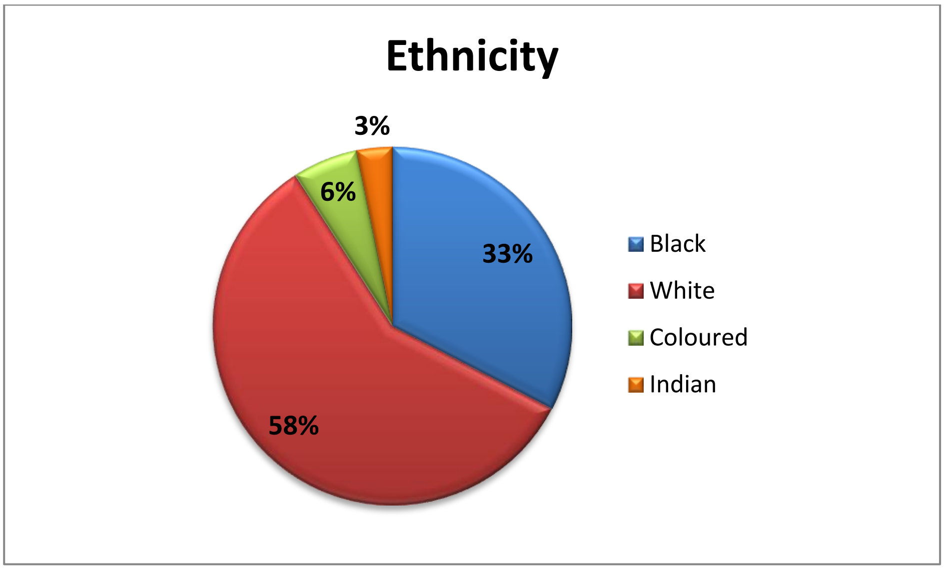


Figure 3.4 represents the ethnicity profile of repondents. The largest ethnic group were white at 58% followed by a 33% black. Coloured and Indian ethnicities collectively had a smaller than 10% representation.

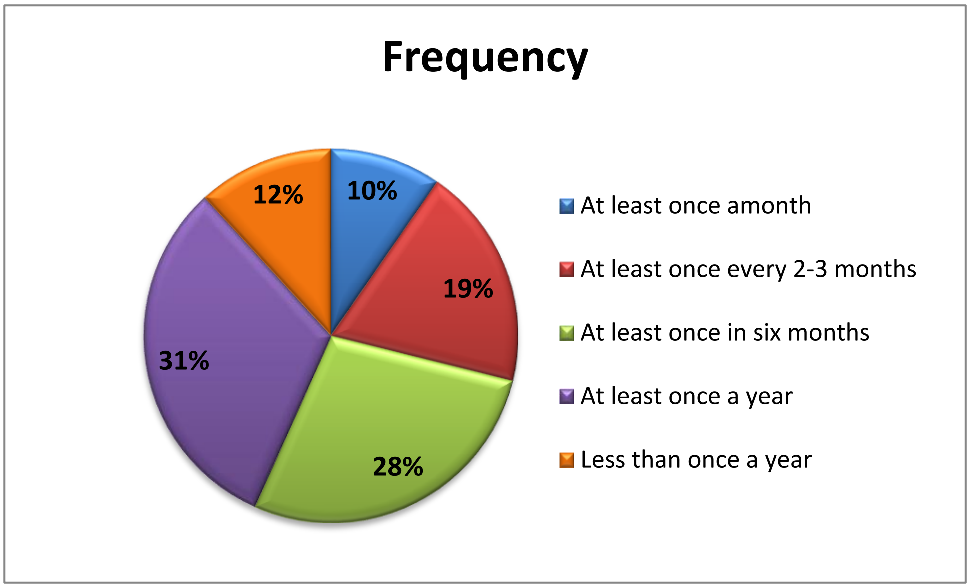
Table 3.2: Comparison between respondent ethnicity distribution and the South African population

Ethnicity	% respondents	SA population
Black	33%	79.8%
White	58%	8.7%
Asian	3%	2.5%
Coloured	6%	9.0%

Statistics SA (2013:3)

As table 3.2 shows are the demographics of the respondents not representative of the South African Population. Although the repondents' ethinicity profile are not representative of the South African population, the mix satisfactory is for the purpose of this study.

Figure 3.5: Frequency of hotel stays



As Figure 3.5 illustrates, almost a third of repondends overnight at least once a year in a hotel. Some 28% spend overnight in a hotel at least once a semester, and 10% at least once a month. Only 12% spend an overnight stay at a frequency of less than once a year. This distribution of frequency of hotel guests indicate that most repondents are frequenlty visiting a hotel and can therefore make decisions regarding their opinion around hotel brands from their own experiences.

Figure 3.6: Reason why respondents overnight in a hotel

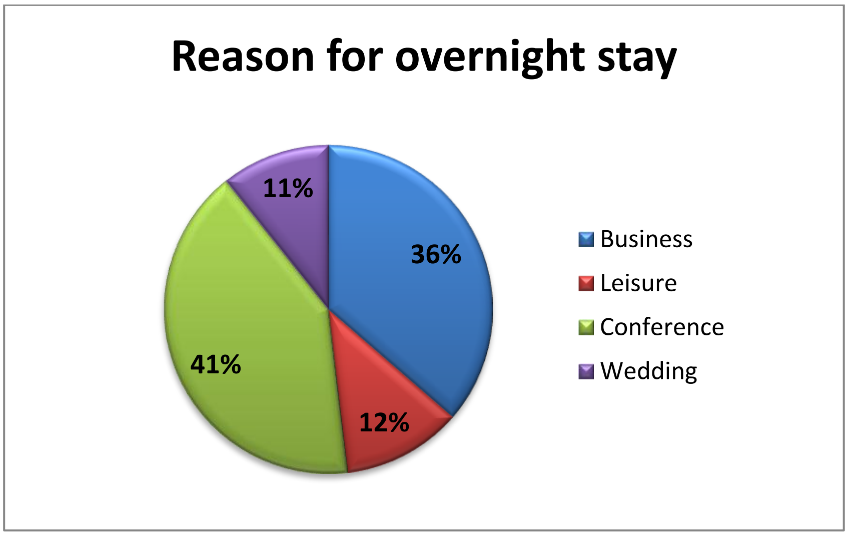
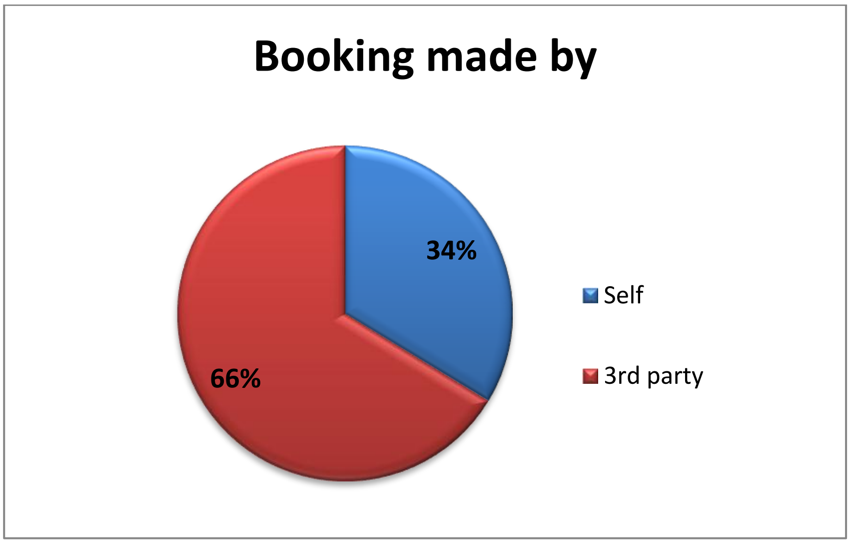


Figure 3.6 illustrates that the main reason for respondents to stay at a hotel is conferencing, with business a close second. These two groups collectively contribute to 78% of reasons for overnight stay at a hotel. Attending a weddding and leisure comprise only 11% and 12% of the respondents respectively. The choice of hotels where the sample were taken might have had an influence on the this outcome. The sample was therefore taken mostly from business travelers which have external motives for booking at a particular hotel brand. This is also reflected in figure 3.7 which illustrates by whom the bookings were made. Two thirds of the bookings of repondents were not made by themselves, but by a third party such as the company they are employed by.

Figure 3.7: Bookings



Two additional statements were posed to the repondents to gather more data about the type of hotel guest and their loyalty towards a brand. To the first question “Do you always try to stay at the same hotel brand?”, 49 respondents answered yes resulting in a 26.2% positive answer. The second question “Do you have a loyalty card?” resulted in a lower 12.8% positive response. This means that one third of respondents are loyal to a brand, but less than a half of them pledge their loyalty by using a loyalty card. This might be a function of having more than one loyalty card and seeking corresponding perks.

3.3.2 Quantitative analysis

3.3.2.1 Validity of the questionnaire

The validity of the questionnaire is determined by performing an exploratory factor analysis pertaining to each specific brand loyalty influence and the statements that measure that specific influence.

3.3.2.1.1 Customer satisfaction

The *customer satisfaction* analysis is summarised in tables 3.3 and 3.4.

Table 3.3: KMO and Bartlett’s test for customer satisfaction		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.808
Bartlett’s test of sphericity	Approx. Chi-square	422.561
	Df	10
	Sig	0.000

The KMO score is exceeds the 0.700 requirement with ease (0.808) while the Bartlett’s score is also at a satisfactory 0.000, being smaller than 0.005 (Field, 2007:749). This means that the sample is adequate and that the data are suitable for factor analysis. The results of the factor analysis are in table 3.4.

Next, exploratory factor analysis was used to determine if all the statements pertaining to customer satisfaction loads onto one factor. This means that these statements successfully measure the brand loyalty construct under investigation, thus validating the statements as measuring criteria.

Table 3.4: Factor analysis for customer satisfaction expressed as α		
No.	Statement	Factor
		1
1	I am very satisfied with the hotel brand I am staying with currently	0.795
2	Distinctive attributes of the hotel I am staying with currently keep me loyal towards the brand	0.803
3	My loyalty towards the hotel brand increases when I am a satisfied customer	0.852
4	I do not stay again if I am dissatisfied about the hotel's brand	0.713
5	I attain pleasure from the hotel brand I am loyal towards	0.825

All the statements loaded into one factor with values far above the 0.400 cut-off, meaning that all five the statements do measure the influence *customer satisfaction*. The total variance explained is 63.81%

3.3.2.1.2 Switching cost

The analysis pertaining to *switching cost* is summarised in tables 3.5 and 3.6.

Table 3.5: KMO and Bartlett's test for switching cost		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.785
Bartlett's test of sphericity	Approx. Chi-square	250.785
	Df	10
	Sig	0.000

The KMO score for *switching cost* is larger than the 0.700 requirement with 0.785 and the Bartlett's score is also at a satisfactory 0.000. This means that the sample is adequate and that the data are suitable for factor analysis. The results of the factor analysis are in table 3.6.

Table 3.6: Factor analysis for switching cost expressed as α		
No.	Statement	Factor
		1
6	I do not switch hotel brands because of the high cost implications	0.801
7	I do not switch hotel brands because of the effort required to reach a level of comfort	0.759
8	I avoid switching hotel brands due to the risks involved	0.794
9	I switch hotel brands according to the prevailing economic conditions	0.580
10	I prefer not to switch hotel brand as I stand to lose out on the benefits from loyalty programmes	0.705

All the statements loaded into one factor, meaning that they all measure the influence of switching cost. All the statements also loaded above the 0.400 cut-off value. The total variance explained is 53.34%.

3.3.2.1.3 Brand trust

The brand trust analysis is summarised in tables 3.7 and 3.8.

Table 3.7: KMO and Bartlett's test for brand trust		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.750
Bartlett's test of sphericity	Approx. Chi-square	455.353
	Df	6
	Sig	0.000

The KMO score for *brand trust* is larger than the 0.700 requirement with 0.750 and the Bartlett's score is also at a satisfactory 0.000. This means that the sample is adequate and that the data are suitable for factor analysis.

Table 3.8: Factor analysis for brand trust expressed as α		
No.	Statement	Factor
		1
11	I trust the hotel brand I am loyal towards	0.837
12	I have confidence in the hotel brand that I am loyal to	0.910
13	The hotel brand I stay at has consistently high quality	0.885
14	The reputation of a hotel brand is a key factor in me maintaining brand loyalty	0.802

All the statements loaded into one factor, meaning that they all measure the influence *of brand trust*. All the statements also loaded well above the 0.400 cut-off value. The total variance explained is 73.87%.

3.3.2.1.4 Repeat purchase

The *repeat purchase* analysis is summarised in tables 3.9 and 3.10.

Table 3.9: KMO and Bartlett's test for repeat purchase		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.809
Bartlett's test of sphericity	Approx. Chi-Square	477.029
	Df	6
	Sig	0.000

The KMO score for *repeat purchase* is a satisfactory 0.809, well above the 0.700 requirement. This indicates that the data are suitable for factor analysis. The Bartlett's test of sphericity resulted in a satisfactory value of 0.000.

Table 3.10: Factor analysis for repeat purchase expressed as α		
No.	Statement	Factor
		1
15	I prefer to maintain a long term relationship with a hotel brand	0.839
16	I maintain a relationship with a hotel brand in keeping with my personality	0.895
17	I maintain a relationship with a hotel brand that focuses and communicates with me	0.897
18	I have a passionate and emotional relationship with the hotel brand I am loyal to	0.883

The factor analysis indicates that the set of statements all has factor loadings well above the required 0.400. The total variance explained is 77.25%

3.3.2.1.5 Involvement

The *involvement* analysis is summarised in tables 3.11 and 3.12.

Table 3.11: KMO and Bartlett's test for involvement		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.759
Bartlett's test of sphericity	Approx. Chi-square	286.020
	Df	6
	Sig	0.000

The Kaiser-Meyer-Olkin score for *involvement* is higher than the 0.700 requirement with a value of 0.759. The data are therefore adequate to use for a factor analysis. The Bartlett's score is equally satisfactory at 0.000 again making the data suitable for factor analysis.

Table 3.12: Factor analysis for involvement expressed as α		
No.	Statement	Factor
		1
19	Loyalty towards a hotel brand increases the more I am involved with it	0.822
20	Involvement with a hotel brand intensifies my arousal and interest towards that brand	0.863
21	I consider other hotel brands when my involvement with my hotel brand diminishes	0.814
22	My choice of a hotel brand is influenced by the involvement others have with their brands	0.745

As shown in table 3.12, the factor analysis of *involvement* identifies one factor. In addition, all the statements have factor loadings that exceed 0.400 and therefore none of the statements should be excluded from the questionnaire. The total variance explained is 65.95%

3.3.2.1.6 Perceived value

The *perceived value* analysis is summarised in tables 3.13 and 3.14.

Table 3.13: KMO and Bartlett's test for perceived value		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.614
Bartlett's test of sphericity	Approx. Chi-square	141.259
	Df	6
	Sig	0.000

The Maiser-Meyer-Olkin score for *perceived value* is lower than the required 0.700 with a value of 0.614. Although this is below 0.700, the data are still usable in factor analysis because 0.614 exceeds the 0.500 cut-off value (Field, 2007:749). The Bartlett's test of sphericity resulted in a satisfactory 0.000 supporting the decision to use the data for factor analysis despite the lower KMO.

Table 3.14: Factor analysis for perceived value expressed as α			
No.	Statement	Factor	
		1	2
23	My hotel brand loyalty is based on service quality and expected performance	0.842	
24	I have an emotional attachment with the hotel brands I am loyal towards		0.866
25	Price worthiness is a key influence in my loyalty towards a hotel brand	0.815	
26	The hotel brand that I am loyal to enhances my social self concept		0.900

The factor analysis identified two sub-factors for the brand loyalty influence *perceived value*. Sub-factor 1 consists of statements 23 and 25 and deals with quality and price issues of value while sub-factor 2 consists of statements 24 and 26 that deal with brand value issues. Therefore the *perceived value* as brand loyalty influence can be seen as dualistic. All the statements have factor loadings that exceed 0.400 and therefore none of the statements should be excluded from the questionnaire.

The two factors explain a cumulative variance of 50.36% with the two sub-factors explaining 40.02% and 10.34% respectively.

3.3.2.1.7 Commitment

The *commitment* analysis is summarised in tables 3.15 and 3.16.

Table 3.15: KMO and Bartlett's test for commitment		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.751
Bartlett's test of sphericity	Approx. Chi-square	413.783
	Df	10
	Sig	0.000

The KMO score for *commitment* is a satisfactory 0.751, above the 0.700 requirement. This indicates that the data are suitable for factor analysis. The Bartlett's test of Sphericity also resulted in a satisfactory value of 0.000.

Table 3.16: Factor analysis for commitment expressed as α		
No.	Statement	Factor
		1
27	I have pledged my loyalty to a particular hotel brand	0.730
28	I do not stay at another hotel brand if my hotel brand is unavailable	0.654
29	I identify with the hotel brand and feel as part of the brand community	0.864
30	The more I become committed to a hotel brand, the more loyal I become	0.866
31	I remain committed to a hotel brand even through price increases and declining popularity	0.740

Table 3.16 shows the factor analysis of commitment identifies one factor. In addition, all the statements have factor loadings that exceed 0.400 and therefore none of the statements should be excluded from the questionnaire. The total variance explained is 65.95%

3.3.2.1.8 Relationship proneness

The relationship proneness analysis is summarised in tables 3.17 and 3.18.

Table 3.17: KMO and Bartlett's test for relationship proneness		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.544
Bartlett's test of sphericity	Approx. Chi-square	117.587
	Df	10
	Sig	0.000

At 0.544, the KMO is much lower than the desired 0.700, however it is still higher than the cut-off value of 0.500 (Field, 2007:749). The data are still acceptable for factor analysis, but must be handled with caution. The Bartlett's value is a desirable 0.000.

Table 3.18: Factor analysis for relationship proneness expressed as α			
No.	Statement	Factor	
		1	2
32	My loyalty towards a hotel brand is purely habitual	0.563	
33	I do not necessarily stay the same hotel brand all the time	0.831	
34	I always sample new hotel brands as soon as they are available	0.661	
35	I establish a hotel brand stay-over pattern and seldom deviate from it		0.810
36	Loyalty programmes are reason I repeatedly stay-over at a certain hotel brand		0.892

The factor analysis of *relationship proneness* identified two sub-factors. Sub-factor 1 consists of statements 32, 33 and 34 dealing with habitual and switching proneness. Sub-factor 2 consists of statements 35 and 36 dealing with patterns and loyalty programme issues. The factor *relationship proneness* can therefore be seen as dualistic in nature. All the statements however have factor loadings that exceed 0.400 and none of the statements should be excluded from the questionnaire. The two factors explain a cumulative variance of 61.15% with the two sub-factors explaining 31.27% and 29.88% respectively.

3.3.2.1.9 Brand affect

The *brand affect* analysis is shown in tables 3.19 and 3.20.

Table 3.19: KMO and Bartlett's test for brand affect		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.680
Bartlett's test of sphericity	Approx. Chi-square	220.115
	Df	3
	Sig	0.000

As table 3.19 indicates, the KMO is a little lower at 0.680 than the desired 0.700, but the data are still acceptable for factor analysis. The Bartlett's value is at a satisfactory 0.000. This indicates the data can be used to perform factor analysis without any reservations.

Table 3.20: Factor analysis for brand affect expressed as α		
No.	Statement	Factor
		1
37	I attain a positive emotional response staying over at a certain hotel brand	0.727
38	The hotel brand that I am loyal towards makes a difference in my life	0.826
39	I am distressed when I am unable to stay over at a particular hotel brand	0.677

All the statements measuring *brand affect* loaded into one factor with values far above the 0.4000 cut-off, meaning that all the statements do measure the influence at a satisfactory level. The total variance explained is 74.32%

3.3.2.1.10 Brand relevance

The *brand relevance* analysis is summarised in tables 3.21 and 3.22.

Table 3.21: KMO and Bartlett's test for brand relevance		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.701
Bartlett's test of sphericity	Approx. Chi-square	356.951
	Df	6
	Sig	0.000

The KMO score is at a satisfactory 0.701 and the Bartlett's score is also at a satisfactory 0.000. This means that the sample is adequate and that the data are suitable for factor analysis.

Table 3.22: Factor analysis for brand relevance expressed as α		
No.	Statement	Factor
		1
40	The hotel brand that I am loyal towards stands for issues that actually matters	0.815
41	The hotel brand that I am loyal towards has freshness about them and portray positive significance	0.828
42	I know that a hotel brand is relevant through the brand messages communicated.	0.812
43	The hotel brand that I am loyal towards are constantly updating and improving so as to stay relevant	0.838

All the statements loaded into one factor with values all above 0.800, meaning that all five the statements do measure the influence of *brand relevance* at a very satisfactory level.
The total variance explained is 67.80%

3.3.2.1.11 Brand performance

The *brand performance* analysis is summarised in tables 3.23 and 3.24.

Table 3.23: KMO and Bartlett's test for brand performance		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.671
Bartlett's test of sphericity	Approx. Chi-square	117.419
	Df	3
	Sig	0.000

The KMO score at 0.671 is slightly lower than the 0.700 requirement but well above the unacceptable 0.500. Upon addition the Bartlett's score is at a satisfactory 0.000 which means that the sample is adequate and that the data are suitable for factor analysis.

Table 3.24: Factor analysis for brand performance expressed as α		
No.	Statement	Factor
		1
44	I evaluate a hotel brand based on perceived performance	0.843
45	I will switch hotel brand loyalty should a better performing hotel brand be available	0.790
46	I am loyal only towards the top performing hotel brand	0.783

All the statements on *brand performance* loaded into one factor with satisfactory values all above 0.700, meaning that all three the statements do measure the influence at a satisfactory level. The total variance explained is 64.97%

3.3.2.1.12 Culture

The *culture* analysis is summarised in tables 3.25 and 3.26.

Table 3.25: KMO and Bartlett's test for culture		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.835
Bartlett's test of sphericity	Approx. Chi-square	430.008
	Df	6
	Sig	0.000

The Kaiser-Meyer-Olkin score for the influence *culture* is higher than the 0.700 requirement with a value of 0.853. The data are therefore adequate to use for a factor analysis. The Bartlett's score is equally satisfactory at 0.000 again indicating that the data are suitable for factor analysis.

Table 3.26: Factor analysis for culture expressed as α		
No.	Statement	Factor
		1
47	My choice of hotel brand is in keeping with the choice made by other members in my race group	0.714
48	My loyalty towards a hotel brand is based on the choice of hotel brand used by my family.	0.834
49	Religion plays a role in my choice and loyalty of hotel brand	0.745
50	Family used hotel brands indirectly assure brand security and trust.	0.731

All the statements loaded into one factor with satisfactory values all above 0.700, meaning that all three the statements do measure the influence of culture at a acceptable level. The total variance explained is 75.59%

3.3.2.2 Reliability of results

Reliability is defined as the consistence of a group of measuring instruments and is therefore a reflection of the quality of the measurement tool. For this study the Cronbach's alpha coefficients is used to measure the reliability and internal consistency of the data. According to George and Mallery (2003:231) Cronbach's alpha coefficients can be interpreted as set out in table 3.27.

Table 3.27: Cronbach's alpha coefficient interpretation

Cronbach's alpha coefficient	**Interpretation**
$\alpha > 0.9$	Excellent
$0.8 < \alpha < 0.9$	Good
$0.7 < \alpha < 0.8$	Acceptable
$0.6 < \alpha < 0.7$	Questionable
$0.5 < \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

George and Mallery (2003:231)

Table 3.28 shows the reliability coefficients of the 12 brand loyalty influences as well as the number of statements that pertain to each brand loyalty influence.

From table 3.28 it is clear that the majority of the influences returned satisfactory reliability coefficients with the influences of *customer satisfaction*, *brand trust*, *repeat purchase*, i*nvolvement*, *commitment, brand affect, brand relevance* and *culture* giving a good Cronbach's alpha coefficient of 0.8 and above. The influences of switching cost, perceived value: sub-factor 2 and brand performance have acceptable Cronbach's alpha values between 0.700 and 0.800. Sub-factor 2 of relationship proneness has a questionable value of 0.661 while the sub-factor 1 of perceived value has a poor Cronbach's alpha of 0.585. The only influence with an unacceptable Cronbach's alpha coefficient is sub-factor 1 within *relationship proneness*.

Table 3.28: Reliability of the influences and their factors

Factor	Statements	Cronbach's alpha	Number of items
Customer satisfaction	All	0.857	5
Switching cost	All	0.782	5
Brand trust	All	0.880	4
Repeat purchase	All	0.901	4
Involvement	All	0.825	4
Perceived value	Sub-factor 1 (23, 25)	0.585	2
	Sub-factor 2 (24, 26)	0.755	2
Commitment	All	0.825	5
Relationship proneness	Sub-factor 1 (32,33,34)	**0.369**	3
	Sub-factor 2 (35,36)	0.661	2
Brand affect	All	0.820	3
Brand relevance	All	0.841	4
Brand performance	All	0.725	3
Culture	All	0.891	4

3.3.3 The importance of research variables

The questionnaire is designed on a 7 point Likert scale to measure the influences of brand loyalty in the hotel industry. The scale employed appears in table 3.29.

Table 3.29: Points allocated to statements

Strongly agree	7
Agree	6
Slightly agree	5
Undecided	4
Slightly disagree	3
Disagree	2
Strongly disagree	1

The Likert scale values are then calculated as mean values to be able to interpret the results (Bisschoff & Lotriet, 2008:270).

< 60%: Lower importance: Dissatisfaction immediate action required

60% - 75%: Important: satisfaction; develop to become excellent

> 75%: Very Important: Very satisfied / excellent; maintain to stay on top.

The standard deviation serves as a secondary measure and indicates to what extent the respondents have agreed on the statement. A standard deviation of < 1 indicates respondents agreed to the statements.

3.3.3.1 Customer satisfaction

Table 3.30 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *customer satisfaction*.

Table 3.30: Mean scores of customer satisfaction

No.	Statement	Average	Mean %	SD*
1	I am very satisfied with the hotel brand I am staying with currently	5.75	82.28	1.22
2	Distinctive attributes of the hotel I am staying with currently keep me loyal towards the brand	5.39	77.01	1.31
3	My loyalty towards the hotel brand increases when I am a satisfied customer	5.71	81.67	1.22
4	I do not stay again if I am dissatisfied about the hotel's brand	5.67	81.06	1.24
5	I attain pleasure from the hotel brand I am loyal towards	5.28	75.55	1.21
	GRAND MEAN FOR CUSTOMER SATISFACTION		79.51	

*SD: Standard Deviation

All the statements have mean percentages higher than 75% and fall in the *very important* category. This means that all the statements for *customer satisfaction* are regarded as a very important indicator of brand loyalty in the hotel industry.

3.3.3.2 Switching Cost

Table 3.31 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *switching cost* indicating the importance of *switching cost* as an influence of brand loyalty.

Statements 7 and 9 are the only ones falling in the *important* category and can be seen as important influences of brand loyalty in the hotel industry. Statements 6, 8 and 10 have values of below 60% making them less important to hotel guests as an influence of brand loyalty. The average for *switching cost* at 56.86% also falls in the lower importance group, resulting in the influence as a whole not being of great importance to hotel guests.

Table 3.31: Mean scores of switching cost

No.	Statement	Average	Mean %	SD
6	I do not switch hotel brands because of the high cost implications	4.05	57.96	1.77
7	I do not switch hotel brands because of the effort required to reach a level of comfort	4.29	61.41	1.69
8	I avoid switching hotel brands due to the risks involved	3.51	50.24	1.79
9	I switch hotel brands according to the prevailing economic conditions	4.73	67.75	1.52
10	I prefer not to switch hotel brand as I stand to lose out on the benefits from loyalty programmes	3.28	46.95	1.85
	GRAND MEAN FOR CUSTOMER SATISFACTION		56.86	

3.3.3.3 Brand Trust

Table 3.32 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *brand trust*.

Table 3.32: Mean scores of brand trust

No.	Statement	Average	Mean %	SD
11	I trust the hotel brand I am loyal towards	4.93	70.51	1.44
12	I have confidence in the hotel brand that I am loyal to	5.18	74.02	1.35
13	The hotel brand I stay at has consistently high quality	5.27	75.32	1.33
14	The reputation of a hotel brand is a key factor in me maintaining brand loyalty	5.26	75.17	1.36
	GRAND MEAN FOR CUSTOMER SATISFACTION		73.76	

Statements 11 and 12 have mean percentage values above 70% and lie within the 60% and 75% bracket, resulting in the statements regarded as important. Statements 13 and 14 have mean percentages higher than 75% and fall in the *very important* category. This means that all the statements for *brand trust* are regarded as important and very important indicators of brand loyalty in the hotel industry. The mean average of *brand trust* strengthens the previous statement with a value of 73.76%.

3.3.3.4 Repeat purchase

Table 3.33 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *repeat purchase*.

Table 3.33: Mean scores of repeat purchase

No.	Statement	Average	Mean %	SD
15	I prefer to maintain a long term relationship with a hotel brand	5.08	72.57	1.46
16	I maintain a relationship with a hotel brand in keeping with my personality	4.85	69.36	1.50
17	I maintain a relationship with a hotel brand that focuses and communicates with me	4.91	70.20	1.50
18	I have a passionate and emotional relationship with the hotel brand I am loyal to	4.44	63.55	1.64
	GRAND MEAN FOR CUSTOMER SATISFACTION		68.92	

All the statements have mean percentages between 60% and 75% and fall in the *important* category. This means that all the statements for *repeat purchase* are regarded as important indicators of brand loyalty in the hotel industry. This statement is strengthened by the mean average of 68.92%.

3.3.3.5 Involvement

Table 3.34 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *involvement*.

Table 3.34: Mean scores of repeat involvement

No.	Statement	Average	Mean %	SD
19	I prefer to maintain a long term relationship with a hotel brand	4.86	69.44	1.38
20	I maintain a relationship with a hotel brand in keeping with my personality	4.71	67.37	1.37
21	I maintain a relationship with a hotel brand that focuses and communicates with me	4.94	70.58	1.47
22	I have a passionate and emotional relationship with the hotel brand I am loyal to	4.71	67.37	1.49
	GRAND MEAN FOR CUSTOMER SATISFACTION		68.69	

All the statements designed for involvement have mean percentages between 60% and 75% and fall in the *important* category. This means that all the statements are regarded as important indicators of brand loyalty in the hotel industry. This statement is strengthened by the mean average of 68.69%.

3.3.3.6 Perceived value

Table 3.35 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *perceived value.*

Table 3.35: Mean scores of perceived value

No.	Statement	Average	Mean %	SD
23	My hotel brand loyalty is based on service quality and expected performance	5.48	78.31	1.39
24	I have an emotional attachment with the hotel brands I am loyal towards	4.54	64.92	1.67
25	Price worthiness is a key influence in my loyalty towards a hotel brand	5.51	78.76	1.37
26	The hotel brand that I am loyal to enhances my social self concept	4.57	65.31	1.66
	GRAND MEAN FOR CUSTOMER SATISFACTION		71.83	

Statements 23 and 25 have mean percentage values well above 75% which makes them fall in the *very important* category. Statements 24 and 26 lie within the 60% and 75% bracket resulting in the statements regarded as important. This means that all the statements for *perceived value* are regarded between important and very important indicators of brand loyalty in the hotel industry. The mean average of brand trust strengthens the previous statement with a value of 71.83%, falling high in the *Important* category with a tendency toward the *very important* group.

3.3.3.7 Commitment

Table 3.36 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *commitment*.

Table 3.36: Mean scores of commitment

No.	Statement	Average	Mean %	SD
27	I have pledged my loyalty to a particular hotel brand	3.62	51.77	1.77
28	I do not stay at another hotel brand if my hotel brand is unavailable	3.46	49.48	1.78
29	I identify with the hotel brand and feel as part of the brand community	4.80	68.67	1.64
30	The more I become committed to a hotel brand, the more loyal I become	4.83	69.05	1.57
31	I remain committed to a hotel brand even through price increases and declining popularity	3.89	55.67	1.87
	GRAND MEAN FOR CUSTOMER SATISFACTION		58.93	

Only two of the five statements are of importance according to the mean percentages of *commitment*. Statements 29 and 30 can be regarded as important while 27, 28 and 31 are not important influences with an average mean value of less than 60%. The mean average for *commitment* is also below the 60% cut-off at 58.93% and overall this influence can be regarded as of less importance to hotel guests as an influence of hotel brand loyalty.

3.3.3.8 Relationship proneness

Table 3.37 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *relationship proneness*.

Table 3.37: Mean scores of relationship proneness

No.	Statement	Average	Mean %	SD
32	My loyalty towards a hotel brand is purely habitual	4.57	65.31	3.36
33	I do not necessarily stay the same hotel brand all the time	5.10	72.88	1.49
34	I always sample new hotel brands as soon as they are available	4.53	64.77	1.52
35	I establish a hotel brand stay-over pattern and seldom deviate from it	3.99	57.05	1.51
36	Loyalty programmes are reason I repeatedly stay-over at a certain hotel brand	4.17	59.57	1.58
	GRAND MEAN FOR CUSTOMER SATISFACTION		63.92	

Statements 32, 33 and 34 have mean percent values that lie within 60% - 75% resulting in the statements being regarded as important, while statements 35 and 36 have mean percentages lower than 60% and fall in the *lower important* category. This means that the statements for *relationship proneness* are regarded between important and not very important indicators of brand loyalty in the hotel industry. The mean average of brand trust strengthens the previous statement with a value of 63.92%.

3.3.3.9 Brand affect

Table 3.38 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *brand affect*.

Table 3.38: Mean scores of brand affect

No.	Statement	Average	Mean %	SD
37	I attain a positive emotional response staying over at a certain hotel brand	4.42	63.16	1.49
38	The hotel brand that I am loyal towards makes a difference in my life	4.14	59.26	1.66
39	I am distressed when I am unable to stay over at a particular hotel brand	3.69	52.76	1.88
	GRAND MEAN FOR CUSTOMER SATISFACTION		58.39	

The loyalty influence of *brand affect* has been tested by only three statements. Two out of the three statements have mean values below 60% and as a result fall in the *lower importance* group. Statement 37 is just above the 60% mark, at 63.16% making it the only statement regarding *brand affect* to be regarded as important to hotel guests as an indicator of brand loyalty. The mean average for *brand affect* also scored a low 58.39%.

3.3.3.10 Brand relevance

Table 3.39 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *brand relevance*.

Table 3.39: Mean scores of brand relevance

No.	Statement	Average	Mean %	SD
40	The hotel brand that I am loyal towards stands for issues that actually matters	4.42	63.16	1.51
41	The hotel brand that I am loyal towards has freshness about them and portray positive significance	4.91	70.28	1.45
42	I know that a hotel brand is relevant through the brand messages communicated.	5.05	72.26	1.37
43	The hotel brand that I am loyal towards are constantly updating and improving so as to stay relevant	4.91	70.28	1.43
	GRAND MEAN FOR CUSTOMER SATISFACTION		69.00	

All the statements designed for *brand relevance* have mean percentages between 60% and 75% and fall in the *important* category. This means that all the statements are regarded as important indicators of brand loyalty in the hotel industry. This statement is strengthen by the mean average of 69.00%

3.3.3.11 Brand performance

Table 3.40 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *brand performance*.

Table 3.40: Mean scores of brand performance

No.	Statement	Average	Mean %	SD
44	I evaluate a hotel brand based on perceived performance	5.09	72.72	1.41
45	I will switch hotel brand loyalty should a better performing hotel brand be available	5.03	71.88	1.62
46	I am loyal only towards the top performing hotel brand	4.43	63.39	1.63
	GRAND MEAN FOR CUSTOMER SATISFACTION		69.33	

All the statements regarding *brand performance* have mean percentages between 60% and 75% and fall in the *important* category. This means that all the statements are regarded as important indicators of brand loyalty in the hotel industry. This statement is strengthened by the mean average of 69.33% and indicates that *brand performance* can be seen as an important influence.

3.3.3.12 Culture

Table 3.41 summarises the mean score of each statement, standard deviation and also the accumulative mean score of *culture*.

Table 3.41: Mean scores of culture

No.	Statement	Average	Mean %	SD
47	My choice of hotel brand is in keeping with the choice made by other members in my race group	3.62	51.69	1.63
48	My loyalty towards a hotel brand is based on the choice of hotel brand used by my family.	3.55	50.70	1.67
49	Religion plays a role in my choice and loyalty of hotel brand	3.17	45.35	1.76
50	Family used hotel brands indirectly assure brand security and trust.	3.48	49.78	1.77
	GRAND MEAN FOR CUSTOMER SATISFACTION		49.38	

All the statements regarding *culture* scored low mean values, with the highest being 51.69%. This is a clear indication that *culture* is of lower importance when guests pledge loyalty to a particular hotel brand. The average of 49.38% is well below the 60% cut-off and strengthens the previous statement.

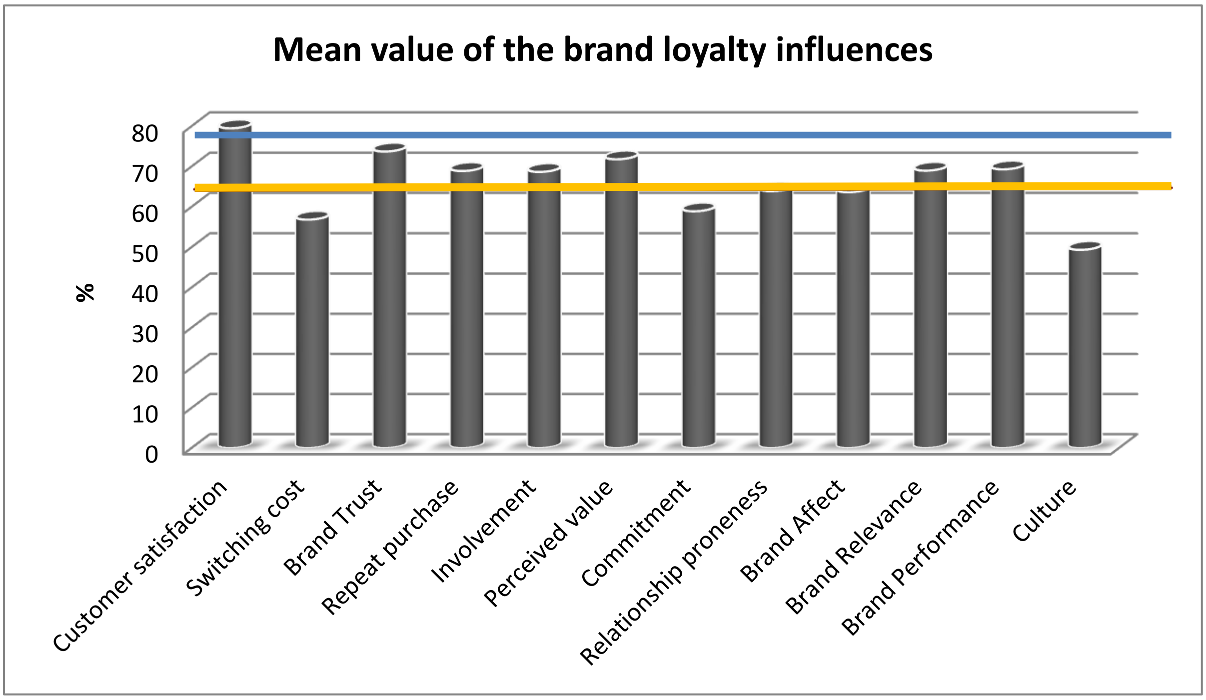
3.3.3.13 Summary of mean values

The mean value of the brand loyalty influences is summarised in Table 3.42 and illustrated in figure 3.8.

Table 3.42: Summary of mean average values of brand loyalty influences

Influence	Mean average %
Customer satisfaction	79.51
Switching cost	56.86
Brand Trust	73.76
Repeat purchase	68.92
Involvement	68.69
Perceived value	71.83
Commitment	58.93
Relationship proneness	63.92
Brand Affect	63.67
Brand Relevance	69.00
Brand Performance	69.33
Culture	49.38

Figure 3.8: Mean values of brand loyalty influences



Customer satisfaction is the most important brand loyalty influence in the hospitality industry and can be regarded as the only very important influence with a mean average above 75%. Brand trust, repeat purchase, involvement, perceived value, relationship proneness, brand affect, brand relevance and brand performance are all above the satisfactory level of 60% and can all be seen as important influences. Switching cost, commitment and culture are below the satisfactory level and are not very important brand influence to hotel guests. Culture is the least important influence.

3.4 Summary

Chapter 3 includes the research findings and discussions regarding the twelve influences which according to Moolla and Bisschoff (2012a:71) have an influence on brand loyalty.

This chapter reported on the following:

A. Research Methodology which includes questionnaire development and the data collection method.

B. The statistical analysis results give the following information:

- insight into the respondents' demographic details such as age, gender, income per annum, ethnicity, reason and frequency for overnight stay and who made the booking;
- sample adequacy using a Kaiser-Meyer-Olkin measure and suitability for factor analysis;
- validity of the questionnaire by factor analysis;
- calculates the reliability coefficients using Cronbach's alpha; and
- the perception of the respondents as to the extent the twelve brand loyalty influences plays a role in the hospitality and more specifically the hotel industry.

Chapter four concludes this study and provides more insight by offering conclusions and recommendations. A brand loyalty framework for the hospitality industry is also presented in Chapter four and accompanied by recommendations for future studies.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

4.1 Introduction

This chapter discusses the findings and draws conclusions from the empirical study outlined in chapter 3. Recommendations as well as suggestions for future research studies are derived from the conclusions and presented in this chapter. The following will be discussed:

- Conclusions and recommendations based on the results from the adapted Moolla and Bisschoff model used as a measurement tool. Attention will be given to the reliability and validity of the data.
- Conclusions and recommendations on the brand loyalty influences as observed in the hospitality industry
- A conceptual brand loyalty model for the hospitality industry will be suggested.
- Possibilities for future research will be discussed.

4.2 Conclusions and Recommendations

Conclusions and recommendations on firstly the reliability and validity of the questionnaire and data will be discussed and secondly the the brand loyalty influences.

4.2.1 Validity and reliability

Regarding the validity of the questionnaire and the reliability of the data, the following conclusions and resulting recommendations can be made:

4.2.1.1 Conclusion 1

The Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's' test of spherity were proven by Moolla and Bisschoff (2012b:105) as suitable measures to determine if the data is suitable for factor analysis and therefore also employed in this study. The KMO for the twelve brand loyalty influences ranged between 0.835 and 0.544. Perceived value, brand affect and brand preference were the only influences that did not score above the recommended 0.700 KMO value, but were still above the 0.600

acceptability level. Relationship proneness is the only influence with a KMO value below 0.600. All the Bartlett's tests did, however, score the required 0.000 indicating that the sample size was large enough to represent the population of hotel guests over all the influences. The combination of KMO values and Bartlett's tests validated the decision to use factor analysis of the data for all the influences. The average KMO for the whole data set is 0.725, and with relationship proneness being the only influence not scoring a satisfactory KMO value, the data set as an entity can be regarded as adequate for factor analysis.

4.2.1.2 Conclusion 2

Factor analysis was used to determine the variance within the influences and used to determine factor loading. The factors extracted resulted in a satisfactory variance above 0.400 over all twelve influences. The factor analysis also identified sub-factors for perceived value and relationship proneness when measured in the hospitality industry.

4.2.1.3 Conclusion 3

Cronbach's alpha was used to determine the reliability and internal consistency of the data set. Most of the influences have acceptable Cronbach's alpha values of above 0.700, except for sub-factor 2 of relationship proneness which has a questionable reliability value of 0.661. Sub-factor 1 of perceived value has a poor Cronbach's alpha of 0.585. The only influence with an unacceptable Cronbach's alpha is the sub-factor 1 of relationship proneness. It can therefore be concluded that, overall, the data set is reliable but however, caution must be exercised when the data for sub-factor 1 of perceived value and sub-factor 1 of relationship proneness are interpreted.

4.2.1.4 Recommendation 1

From conclusions 1, 2 and 3 it is recommended that the brand loyalty model and questionnaire developed by Moolla and Bisschoff (2012a:81) for the FMCG industry can be used for measuring brand loyalty in the hospitality industry. The minor adaptations made from the original questionnaire to fit the hospitality industry can be used without further changes. The statistics used in this study indicated that when the Moolla and Bisschoff model is applied to the hospitality industry, that overall the questionnaire can be regarded as reliable and will yield valid data if the sample size is large enough. This study had a sample size of 187 and a similar sample is recommended as a guide when testing brand loyalty using this questionnaire. It is furthermore recommended to continue to use the statistical tools as utilised in this study for future investigations. It is recommended to use KMO test to determine sample adequacy and Bartlett's test of spherity to determine if data is suitable for factor analysis. It is also recommended to use factor analysis to determine the validity of the research questionnaire and Cronbach's alpha coefficient to measure the reliability of the data.

4.2.2 Brand loyalty influences

Regarding the twelve brand loyalty influences tested, the following conclusions and resulting recommendations can be made:

4.2.2.1 Conclusion 4

All twelve brand loyalty influences have been validated to measure brand loyalty in the hospitality industry. All 50 of the individual statements are also proven to be valid and none had to be discarded. Sub-factors were however, identified for perceived value and relationship proneness, which leads to the reasoning that ten of the twelve influences are represented by a single influence. Perceived value and relationship proneness can be seen as dualistic.

4.2.2.2 Conclusion 5

From the mean average results it can be deduced that the influence of customer satisfaction is a very important influence of hotel brand loyalty. Brand trust, repeat purchase, involvement, perceived value, relationship proneness, brand affect, brand relevance and brand performance are important influences with means exceeding 60%. The influences of switching cost, commitment and culture are below the satisfactory level and are not very important brand influences to the hospitality industry.

4.2.2.3 Conclusion 6

When the demographics of the of hotel guests are taken into consideration, a conclusion can be drawn that the average hotel patron is not representative of the average South African population and consists primary of conference delegates or business travellers.

4.2.2.4 Recommendation 2

Two of the influences can be regarded as dualistic and the results should be interpreted accordingly. Each sub-factor should be interpreted independently and the sub-factor's importance and influence on brand loyalty in the hospitality industry evaluated. Managers should therefore incorporate the sub-factors into their marketing plans and it is recommended to focus on the most important sub-factor first.

4.2.2.5 Recommendation 3

The brand loyalty influences of the hospitality industry as measured by the adapted Moolla and Bisschoff model resulted in a valuable ranking of importance. It is recommended that managers should take the order of influences' impact into account when spending resources to develop brand loyalty. That said, most resources should address customer satisfaction with the least emphasis on switching cost, commitment and culture.

4.2.2.6 Recommendation 4

With the demographic information at hand, hotels should focus their brand loyalty development efforts towards all ages, genders and races of hotel guests. Special attention should however be focused on business and conference travellers. Marketing efforts should especially promote loyalty with the company travel agents regardless of whether the function lies in-house or are outsourced. Unfortunately, most hotel guests only overnight between once in six months and once a year and innovative brand loyalty efforts must be implemented for a guest to remain loyal especially after long periods of time have passed.

4.3 Brand loyalty model for the hospitality industry

A framework adapted from the original Moolla and Bisschoff model (Moolla, 2010:197) to measure brand loyalty in the hospitality industry is illustrated in figure 4.1.

Figure 4.1: Conceptual hospitality industry brand loyalty framework.

4.4 Suggestions for future research

The following recommendations are made towards future research studies:

- Expansion of the study to include other types of hotel guests. Wedding attendants and leisure guests might have different opinions regarding brand loyalty, especially if they book their reservations themselves. Further studies could also distinguish between national and international travellers.
- A replication consisting of a larger sample size and other hotels or geographical areas is recommended to refine the results.
- This study focused only on hotel guests. Future studies should include other areas of the hospitality industry such as dining, travel and entertainment.

4.5 Summary

The primary objective of this study was to measure brand loyalty in the hospitality industry. In order to achieve the primary objective, a model developed by Moolla and Bisschoff (2012b:82) was used as a basis and the questionnaire adapted to apply to the hospitality and more specifically the hotel industry. In order to evaluate the adapted Moolla and Bisschoff model, the questionnaire was statistically validated, the sample adequacy ensured and the reliability of the data determined.

Chapter one identifies the primary and secondary objectives of this study and also addresses the need to measure brand loyalty in the hospitality industry of South Africa. Chapter one also further elaborated on the structure of this study and described the statistical methodology followed.

In chapter two the concept and benefits of branding and brand loyalty are explained. Chapter two also presents a literature review of brand loyalty in the hospitality and more specifically the hotel industry. The Moolla and Bisschoff model for brand loyalty as developed for the FMCG industry is discussed as well the twelve influences of brand loyalty identified by Moolla and Bisschoff.

Chapter three presents the research methodology followed as well as the analysis of the data and the empirical results of this study. The empirical results focus on the demographic profile of the respondents, the sample adequacy, the validity of the questionnaire and the reliability of the results.

Chapter four, which is the final chapter, provides conclusions with regards to the results obtained within this study. In Chapter 4 a conceptual framework to identify factors influencing brand loyalty in the hospitality industry is suggested as well as recommendations to managers and for future research.

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ADDENDUM 1

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TO WHOM IT MAY CONCERN

Research into brand loyalty in the hospitality industry

The purpose of the questionnaire is to obtain information with regards to consumer brand loyalty in the hotel industry and to determine the drivers behind customers' loyalty to a certain brand.

The survey you have received is interested in studying behaviour in brand loyalty. You have been selected because you fit the description of the population of the survey. By completing this survey you agree that that the information you provide may be used for research purposes. Know that you are free to decide not to participate and complete the survey, or withdraw at any time, although your data cannot be replaced by anyone else's. The survey is however completed anonymously, and we as researchers will have no way of connecting the information you provide to you personally. Even so, the researcher(s) undertake to keep the individual information provided herein confidential, not to let it out of their possession, and to analyse results only at the group level. The information gathered from this questionnaire will be utilized to create awareness among marketers about brand loyalty influences in the hospitality industry.

Your kind assistance is requested in completing this questionnaire

Yours sincerely

Liezl-Marie Scholtz

Research Questionnaire to determine brand loyalty influences in the hospitality industry

This survey is six pages long and should take only 7-10 minutes to complete

Please place a cross in the appropriate block

Section 1 – Demographics

Age Group	
18 – 30	
31 – 40	
41 – 50	
51 – 60	
61 +	

How often do you stay at a hotel	
At least once a month	
At least once every 2-3 months	
At least once in six months	
At least once a year	
Less than once a year	

Ethnicity	
Black	
White	
Coloured	
Asian	
Other	

Reason for overnight stay	
Business	
Leisure	
Conference	
Wedding	

Who made the booking?	
Self	
3rd Party (such as company)	

Income Segment (p.a)	
Less than R100,000	
R100k – R250k	
R250k – R500k	
R500k – R1m	
More than R1m	

Gender	
Male	
Female	

Do you always try to stay at the same hotel or hotel brand?	**Yes**	**No**
Do you have a loyalty card?	**Yes**	**No**

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No	Question	Strongly Agree	Agree	Agree some-what	Undecided	Disagree some-what	Disagree	Strongly Disagree
1	I am very satisfied with the hotel brand I am staying with currently							
2	Distinctive attributes of the hotel I am staying with currently keep me loyal towards the brand							
3	My loyalty towards the hotel brand increases when I am a satisfied customer							
4	I do not stay again if I am dissatisfied about the hotel's brand							
5	I attain pleasure from the hotel brand I am loyal towards							
6	I do not switch hotel brands because of the high cost implications							
7	I do not switch hotel brands because of the effort required to reach a level of comfort							
8	I avoid switching hotel brands due to the risks involved							
9	I switch hotel brands according to the prevailing economic conditions							
10	I prefer not to switch hotel brand as I stand to lose out on the benefits from loyalty programmes							
11	I trust the hotel brand I am loyal towards							
12	I have confidence in the hotel brand that I am loyal to							
13	The hotel brand I stay at has consistently high quality							
14	The reputation of a hotel brand is a key factor in me maintaining brand loyalty							

No	Question	Strongly Agree	Agree	Agree some-what	Undecided	Disagree some-what	Disagree	Strongly Disagree
15	I prefer to maintain a long term relationship with a hotel brand							
16	I maintain a relationship with a hotel brand in keeping with my personality							
17	I maintain a relationship with a hotel brand that focuses and communicates with me							
18	I have a passionate and emotional relationship with the hotel brand I am loyal to							
19	Loyalty towards a hotel brand increases the more I am involved with it							
20	Involvement with a hotel brand intensifies my arousal and interest towards that brand							
21	I consider other hotel brands when my involvement with my hotel brand diminishes							
22	My choice of a hotel brand is influenced by the involvement others have with their brands							
23	My hotel brand loyalty is based on service quality and expected performance							
24	I have an emotional attachment with the hotel brands I am loyal towards							
25	Price worthiness is a key influence in my loyalty towards a hotel brand							
26	The hotel brand that I am loyal to enhances my social self concept							
27	I have pledged my loyalty to a particular hotel brand							
28	I do not stay at another hotel brand if my hotel brand is unavailable							

No	Question	Strongly Agree	Agree	Agree some-what	Undecided	Disagree some-what	Disagree	Strongly Disagree
29	I identify with the hotel brand and feel as part of the brand community							
30	The more I become committed to a hotel brand, the more loyal I become							
31	I remain committed to a hotel brand even through price increases and declining popularity							
32	My loyalty towards a hotel brand is purely habitual							
33	I do not necessarily stay the same hotel brand all the time							
34	I always sample new hotel brands as soon as they are available							
35	I establish a hotel brand stay-over pattern and seldom deviate from it							
36	Loyalty programmes are reason I repeatedly stay-over at a certain hotel brand							
37	I attain a positive emotional response staying over at a certain hotel brand							
38	The hotel brand that I am loyal towards makes a difference in my life							
39	I am distressed when I am unable to stay over at a particular hotel brand							
40	The hotel brand that I am loyal towards stands for issues that actually matters							
41	The hotel brand that I am loyal towards has freshness about them and portray positive significance							

No	Question	Strongly Agree	Agree	Agree some-what	Undecided	Disagree some-what	Disagree	Strongly Disagree
42	I know that a hotel brand is relevant through the brand messages communicated.							
43	The hotel brand that I am loyal towards are constantly updating and improving so as to stay relevant							
44	I evaluate a hotel brand based on perceived performance							
45	I will switch hotel brand loyalty should a better performing hotel brand be available							
46	I am loyal only towards the top performing hotel brand							
47	My choice of hotel brand is in keeping with the choice made by other members in my race group							
48	My loyalty towards a hotel brand is based on the choice of hotel brand used by my family.							
49	Religion plays a role in my choice and loyalty of hotel brand							
50	Family used hotel brands indirectly assure brand security and trust.							