

Customer loyalty in the tour operator industry: an exploration of its determinants Towards a new customer loyalty model including social media engagement



D. Snuverink Master student Business Administration

First supervisor: Dr H.G. van der Kaap Second supervisor: Dr. A.M. von Raefeld Meijer

> In cooperation with: Cirkel Vakanties



UNIVERSITY OF TWENTE.



Customer loyalty in the tour operator industry: an exploration of its determinants Towards a new customer loyalty model including social media engagement

Author: Name: D. (Dunja) Snuverink

Supervisors: First supervisor: Dr H.G. (Harry) van der Kaap Second supervisor: Dr. A.M. (Ariane) von Raefeld Meijer

> In cooperation with: Cirkel Vakanties

University of Twente Faculty of Behavioral Management and Social Sciences. Master Business Administration (master track: Marketing & Strategy) Enschede (the Netherlands), October 2017



ACKNOWLEDGEMENTS

Hereby, I am presenting you my master thesis. This thesis fulfills the last part to graduate as a Master of Science in Business Administration. I am looking back at a pleasant time as a student at the University of Twente. Now my master thesis is finalized, I am well prepared to enter the labor market. I am ready to start a new adventure and I am excited to look for a job where I can put knowledge to the test.

I could not have finalized my master's thesis without the support and feedback from people around me. Therefore, I would like to thank some people in particular for their support during the whole process. First of all, a special thanks goes to my first supervisor dr. Harry van der Kaap. Whenever needed, he always helped me in the right direction. His critical mind and educated advice were really helpful. The discussions with him helped me to keep a clear focus. Additionally, I would like to thank my second supervisor dr. Ariane von Raesfeld Meijer for supervising my thesis as well.

Secondly, I would like to thank Cirkel Vakanties for their cooperation. For the last three years, I have been working as a tour guide for them. I have made a lot of amazing trips and created memories I will never forget. The last months, I had the opportunity to approach the organization from another angle; namely customer's view. Without the help of Cirkel Vakanties, I would not have been able to gather the data for this study. Therefore, I am really grateful for the opportunity to write my master thesis about customer loyalty in tour operator industry.

Lastly, I would like to show my gratitude to my family and friends for their support and faith in me. For now, I hope you will enjoy reading.

Dunja Snuverink Enschede, October 2017



MANAGEMENT SUMMARY

Introduction: Due to the competitive tourism industry, customer loyalty is becoming more and more important for tour operators in order to be successful. Additionally, loyal customers pay less attention to competitors and are more likely to repurchase a product or service. Therefore, customer loyalty can increase the organizational profit. Looking at the existing literature, there is no standard customer loyalty model, even though several researchers suggest that customer satisfaction, trust, perceived quality and communication are positively related to customer loyalty. In addition, nowadays social media is globally used to engage with customers and increase customer's value towards the business. The latter can positively influence purchase intentions and willingness to recommend the organizations to others, which can be referred to as behavioural loyalty. Besides the fact that research on social media in the tourism industry is scarce, it can be suggested that a relationship between social media engagement and customer loyalty exists.

Purpose: This research aims to give insight in the relationship between the independent variables customer satisfaction, trust, perceived quality, communication and social media engagement and the dependent variable customer loyalty. Therefore, the research question of this paper is: *How are customer satisfaction, perceived quality, communication and social media engagement related to customer loyalty in the tour operator industry*?

Methodology: In order to test the hypotheses and answer the research question, quantitative research is used. Via the database of the case company, Cirkel Vakanties, customers from the last three years were selected and invited by email to fill in the online questionnaire. In total 286 customers participated. Six hypotheses were proposed, however, after conducting factor analyses, only five were tested. Moreover, after redistributing the items, independent variable perceived quality is ignored.

Conclusion: Looking at the results of the regression analysis, only customer satisfaction and trust have a significant positive relationship with customer loyalty. However, based on additional analyses, caution is advised when rejecting the other hypotheses. Moreover, due to the fact that communication highly correlates with the other variables, it can be concluded that the research model is complex and that the variables overlap each other. Therefore, communication is certainly important in determining customer loyalty. Next to this, by dividing the participants into two groups, engaged and not engaged in social media, a significant difference is noticed in customer loyalty. In addition, a regression analysis with only the social media engagement variables as independent variables shows a positive significant relationship between passive social media engagement and customer. The same applies for the regression analysis when it is only performed for the participants who answered the questions about social media engagement.

Keywords: Customer loyalty, customer satisfaction, customer trust, perceived quality, communication, social media engagement

TABLE OF CONTENTS

1. INTRODUCTION	7
1.1 Academic Relevance	8
1.2 Practical Relevance	8
2. LITERATURE REVIEW	10
2.1 Customer loyalty	10
2.2 Determinants of customer loyalty	12
2.2.1 Customer satisfaction	12
2.2.2 Customer trust	13
2.2.3 Perceived Quality	14
2.2.4 Communication	15
2.3 Social media engagement	15
2.4 Research model	18
3. METHODOLOGY	19
3.1 Case Company	19
3.2 Research Design	19
3.2.1 Participants	19
3.2.2 Procedure	20
3.2.3 Measures	20
3.2.4 Data analysis	22
3.2.5 Reliability and Validity	22
3.3 Revised research model	24
4. RESULTS	25
4.1 Data exploration	25
4.1.1 Mean scores	25
4.1.2 Social media engagement	26
4.2 Correlation	27
4.3 Regression analysis	28
5. DISCUSSION	30
5.1 Discussion of the findings	30
5.1.1 Satisfaction, trust and communication	30
5.1.2 Social media engagement	31
5.2 Theoretical contributions	32
5.3 Practical contributions	32
5.4 Limitations and future research	33
5.5 Conclusion	34
REFERENCES	35

APPENDIX
Appendix I: Invitation to participate in the survey
Appendix II: The questionnaire
Appendix IIa: The questionnaire in Dutch
Appendix III: Variables and measures
Appendix IV: Factor analysis of customer loyalty 45
Appendix V: Factor analysis of the major independent variables
Appendix VI: Histograms of satisfaction, trust and communication
Appendix VII: Factor analysis of social media engagement
Appendix VIII: Histograms of social media engagement
Appendix IX: ANOVA different segments
Appendix X: Scatterplot passive vs. active social media engagement
Appendix XI: ANOVA passive social media engagement51
Appendix XII: ANOVA active social media engagement
Appendix XIII: Assumptions for a regression analysis
Appendix XIV: VIF analysis
Appendix XV: Regression analysis

LIST OF FIGURES

Figure 1: Conceptual model	18
Figure 2: Histogram for customer loyalty	22
Figure 3: Revised research model	24
Figure 4: Social media users of the different target groups	26
Figure 6: Mean loyalty for engagement and no engagement	27

LIST OF TABLES

Table 1: Demographics	19
Table 2: Histogram for customer loyalty	23
Table 3: Newly formed variables and Cronbach's alpha	24
Table 4: Mean and standard deviation	25
Table 5: Mean scores for the three different target groups	26
Table 6: Correlation matrix	27
Table 7: Multiple linear regression	28
Table 8: Model summary of R Square	29

1. INTRODUCTION

Over the past decade, loyalty has become more and more important in the field of customer relationship management and thereby in the field of marketing (Ball, Simões Coelho & Machás, 2004). Due to the competitive tourism industry, customer loyalty within tour operators gain importance (van Asperen, de Rooij & Dijkmans, 2017). Srinivasan, Anderson and Ponnavolu (2002) argue that understanding the online behaviour of customers can help online businesses to create more loyal customers.

Customer loyalty can be described as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future" (Oliver, 1997, p. 392). Smith (1998) adds that when a customer is loyal, he will exclusively buy from your organisation, which makes the competition become irrelevant. Furthermore, loyal customers pay less attention to competitors and are more likely to repurchase a product or service (Dick & Basu, 1994; Griffin, 1995; Bennett & Rundel-Thiele, 2005; Tideswell & Fredline, 2004). This means that loyal customers can increase organizational profit (Reichheld & Schefter, 2000; Baker & Crompton, 2000). Especially in the competitive touristic market, it is important to gain customer loyalty (van Asperen et al., 2017). To illustrate this: "attracting a new customer can cost as much as 15 times more than retaining an existing customer" (Gillen, 2005, p. 89). Next to this, according to the Pareto principle, 80 percent of the profit comes from 20 percent of the customers (Koch, 2011). So, the trick is to focus on this top customers by making them loyal and thereby increase organizational profit.

In order to reach customer loyalty, a wide range of researchers investigated different influencers of this construct. Lots of rumours exist about the determinant of customer loyalty, while there is no standard customer loyalty model. Empirical research shows that customer satisfaction is a key asset of customer loyalty, whereby satisfaction positively affects the attitude of customers towards a company or brand and thereby customer loyalty (Chiou, Droge and Hanvanich 2002; Newman & Werbel, 1973; Cronin, Brady & Hult, 2000; Cronin & Taylor, 1992; McDougall & Levesque, 2000; Woodside, Frey & Daley, 1989; Hoyer & MacInnis, 2001). Additionally, trust is also seen as a fundamental building block for long-term relationships with customers (Rousseau, Sitkin, Burt & Camerer, 1998; Reichheld & Shefter, 2000; Singh & Sirdeshmukh, 2000). Furthermore, several studies show that perceived service quality is a direct indicator for customers' intention to repurchase, their willingness to share their experiences with others and resistance to competitors (Venetis & Ghauri, 2004; De Ruyter, Wetzels & Bloemer, 1998; Jones, Mothersbaugh & Beatty, 2002; Cronin et al., 2000). Despite of the fact that communication is not seen as a widely discussed asset of customer loyalty, research supports that communication can possibly create customer loyalty, whereby personal relationship, personalization and customization play an important role (Ball et al., 2004; Lemon, Rust & Zeithaml, 2001; Jones, Mothersbaugh & Beatty, 2000; Parasuraman, Berry & Zeithaml, 1991; Allen & Wilburn, 2002; Bowen & Shoemaker, 1998).

Nowadays, social media is globally used to keep in contact with the customer (van Asperen et al., 2017). When organizations engage and connect with their customers, usually the goal is to increase customers' value towards the business. In return, this can positively influence their purchase intentions and willingness to recommend the organization to others (Casaló, Flavián & Guinalíu, 2010) and this can lead to loyal customers (Hollebeek, Glynn & Brodie, 2014; Patterson, Yu & de Ruyter, 2006). However,

research on the effect of social media on customer loyalty is scarce. Especially in the tourism industry (Zeng & Gerritsen, 2014). This scarcity will therefore be used to conduct this study.

The research aims to give insight in the influences of customer satisfaction, trust, perceived quality and communication on customer loyalty. Furthermore, social media engagement will be added in the model and tested as a possible predictor of customer loyalty. The research question of this paper is: *How are customer satisfaction, perceived quality, communication and social media engagement related to customer loyalty in the tour operator industry?* A critical overview of the current state of findings about the determinants of customer loyalty will be given. The research question is based on literature findings about the effect of the above mentioned predictors. With the help of a survey among customers of Cirkel Vakanties, the research question will be answered. The hypotheses will be elaborated on later in this paper.

1.1 Academic Relevance

The key focus of the present paper lies on giving insight how to increase customer loyalty while taking the above-mentioned determinants in consideration. Currently, no research exists which takes all four variables into consideration in one research model. However, different studies indicate that there are positive relationships between the independent variables customer satisfaction, trust, perceived quality and communication on one hand and the dependent variable customer loyalty on the other hand. Also, despite the widespread use of social media among customers and companies, knowledge about the effects of social media engagement on customer loyalty is still scarce (van Asperen et al., 2017), especially within the tourism industry (Zeng & Gerritsen, 2014). The result of this study can provide valuable insight in the usability of social media for tour operators. Furthermore, it is expected that by publishing this paper a new customer loyalty model for tour operators can be established.

1.2 Practical Relevance

Looking at the practical impact of the paper, this research can help tour operators with optimizing their communication strategy. The goal is to increase customer loyalty and thereby increase repeated bookings and ultimately the profit of the companies.

From a managerial perspective, loyal customers have multiple advantages for both the company and the customer themselves. Looking at organisational perspective, loyal customer pay less attention to competitors and are more likely to repurchase a product or service (Dick & Basu, 1994; Griffin, 1995; Bennett & Rundel-Thiele, 2005; Tideswell & Fredline, 2004). As a result, customer loyalty can help to increase sales and lower the costs (Ostrowski, O'Brien & Gordon, 1993; Terril, Middlebrooks & American Marketing Assocation, 2000). Therefore, Reichheld (1996) argues that loyal customers are needed in order for a firm to survive and grow, as it is a key factor for gaining a competitive advantage (Bharadwaj, Vanradarajan & Fahy, 1993).

Additionally, loyal customers are willing to share their positive experiences with others (Morais, Dorsch, & Backman, 2004; Tideswell & Fredline, 2004). This is called word-of mouth, which means that customer share their experiences by e.g. writing a blog, an online review, on social media or during a

conversation. The arrival of social media platforms changed online customer behaviour in the tourism industry (Buhalis & Law, 2008; Gretzel, Kang & Lee, 2008; Xiang & Gretzel, 2010; Kim & Kim, 2010). The most loyal customers even advertise for a brand on social media, besides of course purchasing or using the product or service (Batra, Ahuvia and Bagozzi, 2012). Because of these reasons, it is useful for tour operators to know if social media engagement is positively related to customer loyalty, so they can focus on this aspect.

The paper is structured as follows: first, in order to create a sufficient foundation for the paper, the existed scientific literature will be reviewed. In addition, this chapter will present the six hypotheses. Secondly, the methodology will be discussed and the research techniques will be highlighted. Thirdly, the results of the survey will be presented. Fourthly, a discussion and conclusion of the research findings will be given.

2. LITERATURE REVIEW

In this section, the theoretical framework of the study is elaborated on. The theoretical framework includes a literature review of the dependent variable customer loyalty, main determinants of customer loyalty; customer satisfaction, customer trust, perceived quality, communication and social media engagement.

2.1 Customer loyalty

"A deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future" is a definition of customer loyalty referred to by Oliver (1997, p. 392). This definition is based on the theory of Dick and Basu (1994). They found that customer loyalty goes along with positive experiences, brand commitment and the will to recommend the brand or organization to others. Additionally, this is in line with the theory of Lipstein (1959) and Kuehn (1962) who state that the probability of re-purchase behaviour could indicate customer loyalty.

Reichheld (1996) argues that loyal customers are needed in order for a firm to survive and grow. Customer loyalty can be seen as an important asset for gaining competitive advantage (Bharadwaj et al., 1993) and build up a long-term relationship with the customer which is crucial in times of highly competitive environments (Conze, Bieger, Laesser & Riklin, 2010). Reichheld and Schefter (2000) even argued that "increasing customer retention rates by 5% increase profits by 25% to 95%" (p.106). An explanation for this is the reduced costs of marketing activities: "attracting a new customer can cost as much as 15 times more than retaining an existing customer" (Gillen, 2005, p. 89). Next to this, the chance that a loyal customer will buy from another organisation is less (Oliver, 1997; Dick & Basu, 1994; Morais, Kerstetter & Yarnal, 2006; Bennet & Rundel-Thiele, 2005), even when situational influencers and marketing efforts try to influence people's switching behaviour (Oliver, 1997). Smith (1998) supported this argument and argued that a loyal customer will exclusively buy from your organization, which makes the competition become irrelevant.

Looking at the literature, two forms of customer loyalty are distinguished: (1) attitudinal loyalty and (2) behavioural loyalty (Jacoby & Kyner, 1973; Dick & Basu, 1994; Griffin, 1995; Pritchard, Havitz & Howard; 1999). The first-mentioned form of loyalty, attitudinal loyalty, refers to the emotional attachment to a product, service or organization (Griffin, 1995; Fornier, 1994; Akbar & Parvez, 2009). According to Oliver (1999) attitudinal loyalty refers to the psychological meaning of the relationship with an organization and behavioural loyalty is about "what the person actually does". The latter, behavioural loyalty, indicates the repeat purchases and the intention to purchase different products or services from the same organization (Yi, 1990). According to Lee, Lee and Feick (2001) it also includes recommending the organization to others. Behavioural loyalty is directly linked to firm performance, because buying behaviour directly influences the amount of products sold and thereby organisations' profit (Shoemaker & Lewis, 1999; Reichheld & Schefter, 2000; Baker & Crompton, 2000).

However, these two different forms can be also named as brand engagement and brand loyalty. Brand engagement involves emotional attachment in the form of attitude towards the brand and sharing of experiences. Brand loyalty is based on repeat purchase behaviour (Batra et al., 2012). Furthermore, according to the customer loyalty model of Dick and Basu (1994), loyalty as an attitude is the first stage of

gaining customer loyalty. Loyalty as an attitude can lead to loyalty as behaviour (repeat patronage). A more recent study of Back and Parks (2003) investigated the influence of attitudinal loyalty on behavioural loyalty in the lodging industry among business travellers in an upper-middle-class business hotel. They found that indeed there is a positive relationship between these two constructs, which is in line with previous scientific literature showing that intentions lead to actual behaviour (Fishbein & Ajzen, 1975).

As a result, customer loyalty measurements are mostly based on the assumption that loyalty is a multi-dimensional construct (Jones & Taylor, 2007). Jones and Taylor (2007) investigated if service loyalty is three-dimensional or two-dimensional. Their empirical test results, using data from over 300 service customers, show that customer loyalty can be seen as a two-dimensional representation of a behavioural element combined with an attitudinal/cognitive element. This is consistent with previously mentioned customer loyalty model of Dick and Basu (1994) and the two described dimensions. However, Reichheld (2003) argued that loyalty can be measured by only one measure, the "willingness to recommend". Accordingly, the findings in his study show that this indicator is a strong predictor of a firm's growth rate. This is in line with studies of Jacoby and Chestnut (1978). Therefore, most researchers use the behavioural intentions, such as the intention of repurchase and the intention to provide positive recommendations, as measurement of customer loyalty (Homburg & Gireing, 2001; del Bosque, San Martín & Collado, 2006; Yang & Peterson, 2004; Chen & Chen, 2010). Moreover, according to Mandal and Vong (2016), also in tourism research loyalty is mostly studied by using the above-mentioned two indicators 'revisiting intention' and 'willingness to recommend'.

The aim of the study is to investigate the influencers of behavioural intentions, such as repeat bookings and recommendations, Therefore, behavioural loyalty is chosen as the dependent variable. As a result, customers' attitudinal loyalty is ignored. This variable reflects the attitude of customers towards a tour operator, while the focus of this research is to investigate their behavioural intentions. Furthermore, the attitudinal component of customer loyalty is already partially measured by the independent variables; customer satisfaction, trust, perceived quality and communication. Moreover, these variables measure the attitude of the customer towards the different constructs. In order to distinguish the independent variables and customer loyalty, behavioural loyalty would be a better measurement to eliminate any possible confusion (Bei & Chiao 2001). As a result, it is chosen to separate the attitudinal and behavioural component of customer loyalty and the latter will be used as a dependent variable.

2.2 Determinants of customer loyalty

The different determinants of customer loyalty are widely discussed in scientific literature. The following determinants are elaborated on: customer satisfaction, trust, perceived quality and communication. This section provides a discussion of these four determinants.

2.2.1 Customer satisfaction

"A person's feeling of pleasure or disappointment which resulted from comparing a product's perceived performance or outcome against his/her expectations" is a definition of customer satisfaction given by Kotler and Keller (2006, p.144). This is based on the decades old definition of customer satisfaction by Hunt (1977): ""an evaluation of an emotion" (pp. 459-460). It is widely known that customer satisfaction is about customer perception of the experienced service (Oliver, 1997; Rai, 2008) and therefore it differs from customer loyalty (Shoemaker & Lewis, 1999), as explained in section 2.1. Due to the fact that customer satisfaction consists of the differences between the perceived value (performance) and the expectations (Oliver, 1980) in terms of overall service experience (Oliver, 1992), it could be measured by evaluating both aspects (Bitner & Zeithaml, 2003). When perceived performance is greater than expectations, this will result in customer satisfaction (La Barbera & Mazursky, 1983; Kano, 1984). In contrast, when the perceived performance is lower than expectations, this will lead to customer dissatisfaction (Kano, 1984).

Looking at the importance of customer satisfaction, Smith (1998) argues that satisfied customers have a higher intention to repurchase exclusively from you which makes competition irrelevant. In contrast with satisfied customers, Anderson and Srinivasan (2003) state that dissatisfied customers are "more likely to search for information on alternatives" (p. 125). La Barbera and Mazursky (1983) agree and argue that dissatisfaction is seen as the main reason to cease the relationship with an organization. Additionally, the study of Zairi (2000) concludes that satisfied customers will share their positive experiences with five or six other people, while dissatisfied customers will inform ten people about their negative experiences. According to Shankar, Smith and Rangaswamy (2003), the actual experienced service in the service industry is mostly offline. The same applies for the online travel industry, even though the booking is made online. Research showed that the relationship between overall satisfaction and loyalty is stronger online than offline (Shankar et al., 2003).

A wide range of studies are conducted to investigate the impact of customer satisfaction on repeat purchases, loyalty and retention. Several researchers claim that customer satisfaction is a major driver of customer loyalty (Oliver, 1999; Yi, 1990; Hennig-Thurau, Gwinner & Gremler, 2002; Reynolds & Beatty, 1999) and a good predictor of re-purchase intentions (Wang, Tang & Tang, 2001; Chiou et al., 2002; Newman & Werbel, 1973; Cronin et al., 2000; Cronin and Taylor, 1992; McDougall and Levesque, 2000; Woodside et al., 1989; Hoyer & MacInnis, 2001; La Barbera & Mazursky, 1983). This is in line with the research findings of Assael (1991) and Bowen and Chen (2001), who argued that satisfied customers are needed in order to gain customer loyalty (Assael, 1991). Also, Hart and Johnson (1999) state that total satisfaction is one of the primary conditions of customer loyalty. However, according to Shoemaker and Lewis (1999), "satisfaction is a necessary but not a sufficient condition for loyalty" (p. 353). It means

that customer satisfaction is a very important influencer of the behavioural aspect of customer loyalty and only satisfied customers may not be enough.

Looking at the tourism and hospitality industry, satisfaction is defined as tourist's emotional state after experiencing the trip (Baker & Crompton, 2000) and seen as an important indicator of customer loyalty (Mandal & Vong, 2016). Yoon and Uysal (2005) investigated the effect of satisfaction on destination loyalty and found a significant positive effect. Furthermore, Kuo, Chang, Lai and Cheng (2011) studied the influence of customer satisfaction on customer loyalty for travel agencies in Taiwan among 302 respondents. By conducting a SEM (Structural Equation Modeling) analysis they found a significant positive effect of customer loyalty. Therefore, based on above-mentioned literature findings, the following hypothesis is proposed:

Hypothesis 1: Customer satisfaction is positively related to customer loyalty

2.2.2 Customer trust

"A willingness to rely on an exchange partner in whom one has confidence" is a definition of trust as referred to by Moorman, Zaltman and Desphpande (1992, p. 315). Hereby, the organization where the product or service is purchased can be seen as the exchange partner. Reichheld and Shefter (2000) argue that "to gain the loyalty of customers, you must first gain their trust" (p. 107). This shows that trust is seen as an important asset of collaborative relationships (Akbar & Parvez, 2009) and a fundamental building block for long-term relationships (Rousseau et al., 1998; Reichheld & Shefter, 2000; Singh & Sirdeshmukh, 2000). In order to create an atmosphere of trust, an organizations promises and provides information to the customers. This information needs to be reliable and customers need to feel confident that organizations do not take advantage of their vulnerability (Jin, Park & Kim, 2008; Bigley & Pearce, 1998; Singh & Sirdeshmuk, 2000).

Additionally, according to Sirdeshmukh, Japdig and Berry (2002) two components of trust could be distinguished: (1) performance or credibility trust and (2) benevolence trust. Performance or credibility trust in the travel industry refers to trust in the competences of the tour operator, the ability and knowledge of the employees and their capability to provide the information and service that customers expected. Secondly, benevolence trust comprise customers' confidence that the tour operator is honest and also takes customers desires into consideration when making decisions and providing services (adapted from Martínez & del Bosque, 2013).

Previously, a wide range of researchers found evidence for a positive relationship between trust and customer satisfaction. According to Mayer and Davis (1999), most studies show that trust directly positively influences repurchasing intentions. An example is the study of Lin and Wang (2006), which shows that trust has a significant positive effect on customer satisfaction. Furthermore, Chiou (2004) found a direct significant positive effect from perceived trust on customer loyalty. Also Lau and Lee (1999) argue that positive behavioural intentions are formed when trust is created.

Looking at tour operators, Senders, Govers and Neuts (2013) provide proof that customers' trust influences customer loyalty. Therefore, tour operators should communicate their reliability to the customers in order to gain loyalty. Furthermore, a number of researchers have investigated the

importance of trust on customer loyalty in the hotel sector (Hikkerova, 2011; So, King, Sparks & Wang, 2013; Martínez & del Bosque, 2013). Martínez and del Bosque (2013) investigated customer loyalty among 382 Spanish hotel customers. They found that trust is the main predictor when determining customer loyalty in the hotel industry. Therefore, based on above-mentioned literature findings, the following hypothesis is proposed:

Hypothesis 2: Customer trust is positively related to customer loyalty

2.2.3 Perceived Quality

"The consumer's judgment about the overall excellence or superiority of a service" is a definition of perceived value given by Zeithaml (1988, p. 3). This description is in line with the user-based approach of Garvin (1983), where quality is an individual matter and based on the perception of the customer. Due to the fact that booking a holiday differs from buying a product, the current study only takes perceived quality into consideration. This means that objective quality, the actual technical excellence of the product (Monroe & Krishnan, 1985), will not be discussed.

Empirical findings show that perceived quality is an important influencer of customer satisfaction (Athanassopoulos, 2000; Cronin et al., 2000; Anderson & Sullivan, 1993). There are several studies showing that perceived service quality is a direct indicator for customers' intention to repurchase, their willingness to share their experiences with others and resistance to competitors (Venetis & Ghauri, 2004; De Ruyter et al., 1998; Jones et al., 2002; Cronin et al., 2000). In 1995, Fredericks and Salter already argued that customer loyalty can be influenced by customers' value perception. Also, Geller (1997) was one of the first researchers who identified quality of the product or service as a key element for gaining loyal customers. Furthermore, Lin & Wang (2006) found a positive effect of perceived value on customer satisfaction and also has a direct effect on customer loyalty. Additionally, the study of Batra et al. (2012) shows that quality beliefs is an asset of brand loyalty. Cronin et al. (2000) investigated six industries and found that service quality directly influences consumers' behavioural intentions in four of the six service industries (spectator sports, participation sports, entertainment and fast food). However, the majority of the researchers argue that service quality predicts customer satisfaction, which in turn affects customer loyalty (e.g. Anderson & Sullivan, 1993; Patterson & Spreng, 1997). These researchers argue that there is only an indirect effect from perceived quality on customer loyalty.

Lastly, the study of Petrick (2004), which looks specifically at the travel industry, shows that perceived quality in the best predictor to indicate repurchase intentions of its customers. Moreover, the study of Campo & Yangüe (2008) among Spanish travellers purchasing a package tour indicates that perceived quality has two effects. First of all a significant direct positive effect on customer loyalty as well as an indirect positive effect by means of satisfaction. According to this research, perceived quality is the main asset of customer loyalty in the tour operator industry. Therefore, based on the above-mentioned literature findings, the following hypothesis is proposed:

Hypothesis 3: Perceived Quality is positively related to customer loyalty

2.2.4 Communication

"Communication from the service provider to the consumer, but not vice versa" is a definition of communication given by Ball et al. (2004, p. 1277). Communication includes all activities related to communication from the service provider with the customer, such as written communications (direct mail, web site interactions, e-mails, social media, etc.) as well as in-person communication with service personnel (Ball et al., 2004, Shoemaker & Lewis, 1999).

Shoemaker and Lewis (1999) identified communication as an important determinant of customer loyalty by developing the Loyalty Triangle. Here, one of the three legs is designed for database management and communication and the other two legs are labelled as value creation and process. In order to gain long-term loyalty, the service firm must perform all three aspects equally well. Also, Geller (1997) argued that communication is needed to gain loyal customers. According to Schneider (1997), a solid two-way communication between the customer and the organization is important in order to be more likely to adapt to customer needs. In turn this can lead to repurchase behaviour. Later research supports the above-mentioned findings and adds that personal relationship, personalization and customization also play important roles in creating customer loyalty (Lemon et al, 2001; Jones et al., 2000; Parasuraman et al., 1991; Allen & Wilburn, 2002; Bowen & Shoemaker, 1998). An interesting result found in the study of Bowen and Shoemaker (1998) shows that 57,7% of the customers would be loyal to a hotel, if the hotel is using information from prior stays to customize their services. With this, they show the importance of communication between customers and the organization itself.

Looking at existing studies about customer loyalty, communication used as a mediator in loyalty models (Alrubaiee & Al-Nazer, 2010). However, Ball et al. (2004) found a direct and significant relationship between communication and customer loyalty during their study within the bank sector they. Also Gaurav (2016) found a direct significant effect of communication on customer loyalty in the automobile industry. Additionally, literature on communication is relatively scarce in the hospitality industry (Shoemaker & Lewis, 1999). However, due to the fact that it is part of the service industry, customer interaction needs to be taken into consideration. Therefore, it can be relevant to include communication in the research model of this study. Based on the above-mentioned literature findings, the following hypothesis is proposed:

Hypothesis 4: Communication is positively related to customer loyalty

2.3 Social media engagement

"A tool both for mass message dissemination to audiences and for multi-way interactions with sizable audience segment" is a definition of social media engagement given by Heldman, Schindelar and Weaver (2013, p. 4). During this era, in which social media plays an important role in the interaction between people and companies (Hanna, Rohm & Crittenden, 2011; Kietzmann, Hermkens, McCarthy & Silvestre, 2011), social media engagement is seen as a new way to online engage with potential customers (Leung, Law, van Hoof & Buahlis, 2013).

In order to understand the advantages of social media engagement, it is useful to define the meaning of social media first. Social media is widely discussed and many definitions exist. An example is found in the

research of Cohen (2011), he even described 30 different definitions of social media. According to him, the definition of Kaplan and Haenlein suits the meaning of social media the best: "a group of Internetbased applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content" (2010, p. 61). Through social media, also referred to as consumer-generated media (Mangold & Faulds, 2009), there is a multi-way communication, "at the same time but in different places" (Heldman et al., 2013, p.2), with or without permission of the firms in question (Kietzmann et al., 2011). As a result, customers are on social media to modify, share and discuss their interest among each other or with organisations (Kietzman et al., 2011). Therefore, social media could be seen as an extension of the traditional word-of-mouth communication (Mangold & Faulds, 2009). According to Zeng and Gerritsen (2014) social media goes further than former communication and can be seen as "an entire online environment built on participants' contributions and interactions" (p. 28).

Nowadays, social media is becoming increasingly important to engage with the customer (Kietzmann et al, 2011; Muntinga, Moorman & Smit, 2011). According to Mollen and Wilson (2010), online customer engagement can be defined as "the customer's cognitive and affective commitment to an active relationship with the brand as personified by the website or other computer-mediated entities designed to communicate brand value" (p. 12). At the present time, internet makes it possible for companies to build relationships with their customers (Senders et al., 2013). Facebook one of the biggest social media platforms and has 2.01 billion monthly active users worldwide. Only in Europe, already over 307 million people are on Facebook (Zephoria, 2017). Therefore, according to research of Senders et al. (2013), tour operators should create an online friendship by intensifying their relationship with the customers.

Additionally, according to Kaplan and Haenlein (2010), the possibility of social media platforms to create and share content changed online customer behaviour. When comparing traditional forms of marketing and advertising with customers' interactions with and about a brand, it can be stated that this customers' voice is becoming more and more influential (e.g. Chiou & Cheng, 2003; Villanueva, Yoo & Hanssens, 2008; Muñiz & Schau, 207; Cova & Dalli, 2009). Also, this is supported by research of Mangold and Faulds (2009), where they stated that customers feel more engaged when they have the possibility to give feedback. This feedback can have different forms; criticism, accolades and helpful suggestions. All these forms of feedback on social media help to build a honest and open community, where customer engagement is generated (Mangold & Faulds, 2009). Additionally, a feeling of connectedness for customers is created (Baird & Parasnis, 2011). According to Casaló et al. (2010) consumers' intention to be part of an online community positively influences their purchase intentions and their willingness to recommend the organization to others. This is in line with the results found by Baird and Parasnis (2011), they found that customers feel more connected with organisations when social media engagement is created. Also, in the study of Dholakia and Durham (2010) was stated that Facebook activities have a positive impact on sales and word-of-mouth communications. Furthermore, some studies show that customer engagement via social media increases customers' value towards a business (Bowden, 2009; Mangold & Faulds, 2009) and positively influences sales and customer loyalty (Stephen & Galak, 2012; Erdogmus & Çiçek, 2012; Hollebeek et al., 2014; Patterson et al., 2006). Similarly, Walsh, Clavio, Lovell and Blaszka (2013) found a positive relationship between customers' social media use and a brand's image.

In this section two types of social media engagement, passive and active, are elaborated on. According to Drews & Schemers (2010), social media has two functions: (1) providing information and (2) creating a platform where customers can generate content and start a conversation with others. Therefore, also two dimensions of social media engagement can be distinguished: consuming and contributing (Men & Tsai, 2013). With consuming, a passive way of social media use is meant. Examples are: watching, viewing and reading. In contrast, contributing refers to active social media behaviour: reacting, conversating, sharing, recommending and adding (Men & Tsai, 2013; Muntinga et al., 2011). This is in line with the study of Pagani, Hofacker and Goldsmith (2011) where two types of customer activities on social network sites are determined: viewing and posting. Viewing means the consuming of other's content, so a passive use of social media. On the other hand, posting is seen as the active use of social media.

Looking at the tourism industry specifically, customers' behaviour has seriously changed over the last few years (Buhalis & Law, 2008; Gretzel, Kang & Lee, 2008; Xiang & Gretzel, 2010; Kim & Kim, 2010). Social media is used to engage online with potential guests (Leung et al., 2013) and as a useful platform for sharing experiences (Zeng & Gerritsen, 2014). From customers' perspective, this User Generated Content (UGC) is seen as more reliable than information provided by tour operators or touristic organizations (Chung & Buhalis, 2008). Therefore, it is considered to have the same influence as recommendations provided by friends, the so called "word-of-mouth" (Yoo, Lee, Gretzel & Fesenmaier, 2009; Bray, Schetzina & Steinbrick, 2006). Research of eMarketer (2008) supports this and shows that 82% of US online customers have checked online reviews, blogs and feedback before booking a trip. Also, Fotis, Buhalis and Rossides (2012) stated that social media plays a crucial role in customers' decision-making behaviour within the tourism industry. Furthermore, the study of Senders et al. (2013) showed that customers' attitude towards the tour operator's Facebook page positively influences customer loyalty. Next to this, van Asperen et al. (2017) investigated the relation between active and passive social media engagement and two dimensions of customer loyalty; affective and conative loyalty in the travel industry. They concluded that only passive engagement has a positive significant effect on affective loyalty¹. Nevertheless, research on the effect of social media on customer loyalty is scarce, especially in the tourism industry (Zeng & Gerritsen, 2014). Looking at social media-related research in tourism and hospitality industry, the first publication were in 2007 (Zeng & Gerritsen, 2014). Which means that research on social media in tourism is in the early stages.

Based on the discussed literature findings, both types of social media engagement, passive and active, are tested (van Asperen et al., 2017; Men & Tsai, 2013). In the above-mentioned literature a relationship between social media engagement and customer loyalty is suggested (Senders et al., 2013; Casaló et al., 2010; Stephen & Galak, 2012; Erdogmus & Çiçek, 2012; Hollebeek et al., 2014; Patterson et al., 2006). Furthermore, no research currently exists that added the social media engagement variable to an existing customer loyalty model. Accordingly, the following two hypothesis are proposed:

Hypothesis 5: Passive use of social media engagement is positively related to customer loyalty Hypothesis 6: Active use of social media engagement is positively related to customer loyalty **2. LITERATURE REVIEW**

¹ In current paper, affective loyalty is considered as attitudinal loyalty and conative loyalty is referred to as behavioural loyalty.

2.4 Research model



Figure 1. Conceptual model

3. METHODOLOGY

In this chapter, the methodology of the research is described. First, an explanation of the case company is given. Next, the research design is highlighted.

3.1 Case Company

The case company of this study is Cirkel/Mambo BV, a Dutch tour operator located in Amersfoort, the Netherlands. Cirkel/Mambo BV is operating in name of two different brands: Cirkel Vakanties and Mambo Reizen. Cirkel Vakanties focusses on two different groups: single parent families and singles, where the target group of Mambo Reizen is active youths and young adults. Cirkel/Mambo BV is connected with ANVR, SGR and Stichting Calamiteitenfonds Reizen

3.2 Research Design

To answer the research question, quantitative research is used in the form of a survey, also known as a questionnaire. The used questions and possible answers were all predetermined. The research method will be explained in the subsection below; the participants, procedure, measures, data analysis and reliability and validity will be discussed. Lastly, the revised research model will be shown.

3.2.1 Participants

Customers of Cirkel/Mambo BV were approached by mail. Via the database of the case company, customers from the last three years were selected and invited by email to fill in the online survey. In total, this were 5405 customers (1295 single parent families (EOG), 1075 singles and 3035 customers of Mambo). In total 286 customers participated in this survey. In the table below, some characteristics from the respondents are shown. Looking at this, there could be ascertained that most respondents were female (60,5%) and have a HBO/WO education (53,8%). Furthermore, the average age of the participants was 35.07 years and the average holidays booked over the five years was 1.95.

Demographics		Response	rate
Gender	Male	60.5%	
	Female	35.5%	
Age	18 – 25	29.4%	(M = 35.07)
	25 – 39	32.5%	
	40 – 50	25.2%	
	51 – 60	10.8%	
	61+	2.1%	
Education	VMBO	1.4%	
	HAVO/VWO	7.0%	
	MBO	24.5%	
	HBO/WO (bachelor)	53.8%	
	WO (doctor or master)	13.3%	

Booking frequency (over the	1	47.9% (M = 1.95)
last 5 years)	2	26,9%
	3	12.9%
	4	7.3%
	5+	4.9%

Table 1. Demographics (N=286)

3.2.2 Procedure

The online questionnaire was developed in the web-based tool "Lime Survey". The questionnaire was entirely in Dutch. Cirkel Vakanties has send an email invitation out with the help of "Tripolis" (see appendix 1). Respondents were directly linked to the online questionnaire through the hyperlink in the received email. The questionnaire can be found in appendix 2. Moreover, the questionnaire was conducted in Dutch. Therefore, the dutch version of the questionnaire can be found in appendix 2a. The first questions of the survey were introduction questions. The aim of these questions was to gain some background information about the booking behaviour of the respondents, like number of holidays booked with Cirkel Vakanties. Secondly, questions about loyalty, repeat behaviour and willingness to recommend the organisation to others were asked. Thirdly, some questions were asked about satisfaction, trust, perceived quality and communication. Fourthly, a few questions were asked about social media engagement. Lastly, general demographic questions were asked. In general, it took about 10 minutes to Besides, it should be noticed that question 11 "Are you a 'liker' of the complete the survey. Facebookpage of Cirkel Vakanties?", as shown in appendix 2, is used as contingency question. Only if the participants answered "yes" they were asked to fill in additional questions, the so-called social media engagement questions. In total, a sample size of 127 of the in total 286 participants needed to fill in these additional questions.

3.2.3 Measures

The research questions are all based on previous literature. Since all constructs are already measured in previous studies, with an appropriate cronbach's alpha, the questions of this research are a collection of items used in previous studies. In appendix 3 an overview of all scale items and sources can be found.

3.2.3.1 Dependent variable

Based on the theoretical conceptualization of the constructs, specific items to measure **customer loyalty** were included in the questionnaire. These items were based on the study of Zeithaml, Berry & Parasuraman (1996), who are seen as leading researchers in the field of customer loyalty. They investigated the influence of variables on customer loyalty as a behavioural component. Moreover, the study of van Asperen et al. (2017) about engagement-based loyalty in the travel industry also made use of these items. Furthermore, to measure customer loyalty Back and Parcks (2003) added the item "I would book a trip with this organisation again" to measure customer's intention to repurchase. They did a study in the lodging industry, which is also party of the hospitality industry. Because of the fact that this

item gives a good indication of customer's future behaviour in the hospitality industry, it is added in the questionnaire of this study. All items used for measuring customer loyalty can be find in appendix 3.

3.2.3.2 Independent variables

The independent variables in the current study are customer satisfaction, trust, perceived quality, communication, passive social media engagement and active social media engagement. First of all, to measure **customer satisfaction**, three items were included in the questionnaire (see appendix 2). These items were based on the study of Cronin, Brady & Hult (2000) and are similar to Oliver's (1997) cumulative satisfaction measures. Looking at the construct satisfaction, Oliver's measures are widely used as a guideline. For example, looking at the hospitality industry, of Cronin, Brady & Hult (2000) and are similar to Oliver's (1997) Martinez and del Bosque (2013) investigated corporate social responsibility and customer loyalty among Spanish hotel consumers and also made use of these items to measure satisfaction.

Secondly, the items to measure **trust** are, just as satisfaction, based on the study of Martinez and del Bosque (2013) who adapted them from Morgan and Hunt (1994) and Sirdeshmukh et al. (2002). The Cronbach's alpha of 0.89 indicates that this construct is reliable. Therefore, the choice is made to use these items in the questionnaire in appendix 2 in the current study.

Thirdly, to determine **perceived quality** two items are used based on the study of Lin & Wang (2006). Even though they named this construct differently, namely perceived value, the operationalization is the same as in current study. Furthermore, due to the fact that Cirkel Vakanties offers an intangible product, namely holidays, the perceived quality is mostly about the service. Therefore, one item is adapted from the study of Aydin & Özer (2005) and added to the questionnaire: "customer services of Cirkel Vakanties is excellent".

Fourthly, the literature about the relation between **communication** and customer loyalty is scarce. However, Ball et al. (2003) investigated this relationship in the banking sector and found a positive significant effect. Therefore, some items were included in the survey to test if the same relation exists within the travel industry.

Lastly, for **passive social media engagement** and **passive social media engagement** items were included based on the study of Men and Tsai (2013). Van Asperen, de Rooij, Dijkmans (2017) also used these items during their study about the effects of social media engagement on customer loyalty in the travel industry. Because of the high Cronbach's alpha for passive social media engagement 0.81 and for active social media engagement 0.88, the same items are used during this related research.

All items of the components customer loyalty, satisfaction, trust, perceived quality and communication were measured on a 7-point Likert scale with scores ranging from '1 = strongly disagree' to '7 = strongly agree'. According to Symonds (1924) by using a seven scale points, an optimal level of reliability can be achieved. Next to this, for 'perceived quality' and 'communication' an extra answer opportunity was added; '8 = inapplicable'. Furthermore, independent variables passive social media engagement and active social media engagement are also measured on a 7-point Likers scale. However, in contrast with previously mentioned scales, scores ranging from '1 = never' and '7 = always'.

3.2.4 Data analysis

To analyse the quantitative data of the survey, Statistical Products and Service Solutions 23 (SPSS) is used. SPSS makes it possible to easily analyze the gathered data. In this study, single regression and multiple regression analyses are used.

3.2.5 Reliability and Validity

To determine the validity of the current study, it is needed to measure if the research is free of systematic errors (Dooley, 2001). The aim is to identify the underlying variables of the measured items Factor analyses are conducted to assess the validity of the construct measurements. The included variables of the factors are determined based on previous literature research. All factor analyses of this study are measured with the help of the statistical program SPSS.

3.2.5.1 Dependent variable: customer loyalty

First, with the help of a histogram the distribution of the data is visualized. Looking at the histogram for customer loyalty below, it can be concluded that the data has a wide range of variety, but generally contains high scores. However, because the aim of this research is not to draw conclusions in absolute terms, it is not a problem that the data is not normally distributed. Moreover, this study aims to give insight in the differences of customer loyalty and its influencers. Therefore, the distribution of the data is enough and appropriate for the rest of the study.



Figure 2. Histogram for customer loyalty.

Next, a factor analyses for the construct of customer loyalty is conducted. Therefore, all five items for customer loyalty, as indicated in appendix 3, are taken into account. The complete explanation and the used statistics of this factor analyses can be found in appendix 4. From this findings it can be concluded that loyalty is an <u>one-dimensional concept</u> with a Cronbach's Alpha of 0,925.

3.2.5.2 Independent variables: customer satisfaction, trust, perceived quality and communication

As described in the literature review in the previous section, all of the measured items are thought to belong to one of the four different constructs: satisfaction, trust, perceived quality and communication. Thus, a factor analysis (KMO=0.963, see appendix 5) is conducted with "a fixed number of factors to attract", in this case four. The oblique rotation method is used because the factors in the population are likely to be correlated. Based on the results of the factor analyses as shown in table 2 below, it can be stated that the factors differentiate from the expected constructs as described in the literature review. Also, it can be noticed that COM1 "I have an easy and satisfactory relationship with Cirkel Vakanties" is the only variable that only belongs to the fourth factor. Because one item is not enough to measure a construct, this item will be deleted. After further analysing the different items in the questionnaire (appendix 3), it can be observed that some of the items can possibly measure multiple constructs. For example, COM 3 "The information provided by Cirkel Vakanties is clear and transparent". First, the aim for this item was to measure the construct communication. However, as you can see in table 2, this specific item shows more coherence with the construct trust. This was not only the case for COM3, but for multiple items. After redistributing the items, as shown in table 3, it was decided to continue with three constructs. In this table, also the Cronbach's alpha of the newly formed variables are shown. Based on these values, it can be stated that the independent variables are reliable. By further examinating the questions in the questionnaire, the newly formed constructs seem more related to cover the content of satisfaction, trust and communication as discussed in the literature review. As a result, it is chosen to delete the construct perceived quality. For this reason, in the further analysis only the constructs of satisfaction, trust and communication are used as independent variables. In addition, by simplifying the research model, it might be easier to draw meaningful conclusions.

	Component						
	1	2	3	4			
SAT1	<mark>0.846</mark>	0.463	0.649	0.432			
SAT2	<mark>0.936</mark>	0.501	0.676	0.440			
SAT3	<mark>0.892</mark>	0.381	0.627	0.394			
SAT4	<mark>0.935</mark>	0.540	0.731	0.425			
TR1	0.772	0.571	<mark>0.842</mark>	0.449			
TR2	0.814	0.473	<mark>0.837</mark>	0.522			
TR3	0.683	0.380	<mark>0.859</mark>	0.393			
TR4	0.746	0.551	<mark>0.905</mark>	0.389			
PQ1	0.455	<mark>0.881</mark>	0.495	0.325			
PQ2	<mark>0.801</mark>	0.570	0.745	0.335			
PQ3	<mark>0.897</mark>	0.575	0.752	0.362			
COM1	0.553	0.426	0.546	<mark>0.931</mark>			
COM2	0.437	<mark>0.777</mark>	0.508	0.704			
COM3	0.555	0.513	<mark>0.859</mark>	0.407			
COM4	0.589	<mark>0.841</mark>	0.562	0.371			

Table 2. Component matrix satisfaction, trust, perceived quality and communication.



After creating the three different variables, histograms of the different variables are created and shown in appendix 6. Based on this, it can be concluded that the spread of the data is enough for the purpose of this study for the same reason as mentioned in the subsection about customer loyalty.

Variable	Items	Cronbach´s Alpha
Satisfaction	SAT1 - It is nice to stay in a holiday destination of Cirkel Vakanties SAT2 - My choice to book with Cirkel Vakanties was a wise one SAT 3 - Cirkel Vakanties offers exactly what I need for my holiday SAT 4 – I am happy about my decision to book with Cirkel Vakanties PQ2 - A holiday with Cirkel Vakanties is good value for money PQ3 - A Holiday with Cirkel Vakanties is considered to be a good buy	0,950
Trust	 TR1 - The services of Cirkel Vakanties make me feel a sense of security TR2 - I trust on the quality of Cirkel Vakanties TR3 - Cirkel Vakanties is interested in its customers TR4 - Cirkel Vakanties is honest with its customers COM3 - The information provided by Cirkel Vakanties is clear and transparent 	0,923
Communication	PQ1 - Customer services of Cirkel Vakanties is excellent COM2 - Personal service and advice of Cirkel Vakanties is excellent COM4 - When I have a question, Cirkel Vakanties is always willing to help	0,813

Table 3. Newly formed variables and Cronbach's alpha.

3.2.5.3 Independent variables social media engagement

Looking at the factor analysis as shown in appendix 7 it can be concluded that all items of active social media engagement form one component. The same applies to the items of passive social media engagement. This complies with previously mentioned literature findings.

For the variables passive social media engagement and active social media engagement histograms are shown in appendix 8. Only 127 respondents answered the questions about social media engagement. Therefore, the other 159 respondents are coded as 1 = "never" for each item about social media engagement. As a result, the distribution of the data is skewed. However, there is still some spread, which makes further analyzes still possible.

3.3 Revised research model

Based on the above-mentioned factor analyses, the research model of 2.4 needs to be modified. The model below will be used for further analyses. As a result, hypothesis 3 will not be tested and only the other hypotheses will be dealt with in the following chapter.



3. METHODOLOGY

Figure 3. Revised research model.



4. RESULTS

This section presents the results and analyses of the questionnaire among the customers of Cirkel Vakanties. All analyses are executed with the help of the statistical program SPSS version 23. Firstly, the data is explored. Secondly, an analysis based on the correlations is done. Thirdly, a regression analysis is performed.

4.1 Data exploration

It is important to explore the data in order to draw meaningful conclusions. In this subsection, the mean scores will be presented. Additionally, some figures and descriptives about the different segments, degree of social media engagement and the degree of loyalty will be discussed. Next to this, in order to compare different mean scores, ANOVA analyses will be conducted.

4.1.1 Mean scores

In the table below, the different means and standard deviations of the variables within this study are presented (N=286). It can be noticed from table 4 that the mean score of customer loyalty (M=5,49) is between 5 and 6 on the Likert scale, whereby 5 means 'slightly agree' and 6 'agree'. Furthermore, it can concluded that the highest rated independent variable is satisfaction (M=5,73). This indicates that customers are quite satisfied with Cirkel Vakanties. In contrast, based on the table below, it can be noted that the lowest rated independent variable is active social media engagement (M=1,29). Furthermore, looking at the three major independent variables (satisfaction, trust and communication), they range between 5,44 and 5,73, which means between 'slightly agree' and 'agree'. However, looking at the social media engagement variables, 'active social media engagement' and 'passive social media engagement', it can be concluded that they are much lower rated than the above-mentioned variables (M=1,29 and M=2,16, whereby 1='never' and 3='seldom').

	Mean	SD
Customer loyalty	5.49	1.26
Satisfaction	5.73	1,13
Trust	5.44	1.13
Communication	5.55	1,16
Passive social media engagement	2.16	0.69
Active social media engagement	1.29	1.52

 Table 4. Mean and standard deviation

4.1.1.1 Different target groups

The abovementioned findings refer to all participant of this research. However, as mentioned in the methodology section, Cirkel Vakanties is focused on three different target groups: youths, singles and single parent families. Therefore, it might be useful to explore the data and check if there are differences between these three segments. Firstly, based on table 5, it can be concluded that youths have the highest mean for loyalty (M=5.63), passive social media engagement (M=2.63) and active social media engagement (M=1.37). Based on the conducted one way ANOVA in appendix 9, it can be concluded that the different means are significant for passive social media engagement (p=0.000) and active social



	Ν	Mean loyalty	Mean passive social media engagement	Mean active social media engagement	
Youths	150	5.63	2.63	1.37	
Singles	69	5.26	1.50	1.09	
Single parent families	67	5.42	1.81	1.32	

media engagement (0.023). However, there is no significant difference between the means for loyalty (p=0.117). For this reason, no distinction is made between the three groups in the following analysis.

Table 5. Mean scores for the three different target groups

Additionally, figure 4 below shows the percentage of social media users per target group. Based on this figure, it can be concluded that youths make the most use of social media (94.67%) and single parent families the least (71.64%).





4.1.2 Social media engagement

Looking at the relationship between passive and active social media engagement as shown in appendix 10, it can be noticed that active social media engagement often goes along with passive social media engagement. Moreover, a customer may be passively engaged through social media and not active, but vice versa does not exist. So, it can be concluded that passive social media engagement is a prerequisite for active social media engagement. Due to the fact that no typology does exist, the two dimensions of social media engagement, passive and active (as discussed in the literature section), are retained for further analyses.

Additionally, the different mean scores for customer loyalty are checked. Here, a distinction is made for not engaged people (1.0) and people who are engaged through social media (all scores above 1 are recoded as 2.0). Looking at figure 5, the mean scores of customer loyalty are higher when social media engagement exists, both for passive and active social media engagement. Therefore, it can be concluded

that social media engagement leads to a higher level of customer loyalty. Moreover, based on the ANOVA analyses, see appendix 11 and 12, it can be concluded that the difference between the mean scores of customer loyalty for engaged and not engaged customers is significant, both for passive and active social media engagement (p=0.000). In addition, it can be concluded that active social media engagement can lead to the highest loyalty (M=6.0).



Figure 5. Mean loyalty for engagement and no engagement

4.2 Correlation

Next, the Pearson's correlation matrix is executed to analyze the correlation between different variables and seen in table 6 shown below. It can noticed that all variables have a positive significant correlation with each other (p<0.01). So, the variables are interrelated and may overlap each other. Additionally, satisfaction, trust and communication are higher correlated with customer loyalty than passive social media engagement and active social media engagement. Next to this, based on the table below, it can be stated that the major independent variables satisfaction, trust and communication are higher satisfaction.

Scale	1	2	3	4	5	6
1. Customer loyalty	-					
2. Satisfaction	.884**	-				
3. Trust	.799**	.857**	-			
4. Communication	.722**	.790**	.851**	-		
5. Passive social media engagement	.313**	.279**	.263**	.306**	-	
6. Active social media engagement	.239**	.216**	.206**	.241**	.582**	-

N=286 ** Correlation is significant at the 0.01 level (2-tailed). **Table 6.** Correlation matrix

4.3 Regression analysis

In order to test the five hypotheses, a multiple regression analysis is conducted. Prior to this analysis, the assumptions for a multiple regression are checked. As shown in appendix 13 the residuals are independent and it can be concluded that they are normally distributed. Additionally, the VIF analyses in appendix 14 concludes that there is high similarity between satisfaction, trust and communication. Especially trust shows high similarities with the other two independent variables (VIF trust = 5.751). However, according to Rogerson (2001), VIF scores above 10 are problematic and indicate multicollinearity. As a result, it can be concluded that there is no problematic multicollinearity. Because all assumptions are met, it is possible to perform a multiple regression analysis.

In order to conduct a regression analysis, three different models are distinguished: model 1 with the major independent variables (satisfaction, trust and communication), model 2 with the social media engagement variables (passive social media engagement and active social media engagement) and model 3 with all of the above-mentioned independent variables. Based on the results for model 1 shown below, it can be concluded that both satisfaction (B=0.869 and p=0.000) and trust (B=0.187 and p=0.013) have a positive significant effect on customer loyalty. Furthermore, looking at the results of model 2, only passive social media engagement has a positive significant effect (B=0.219 p=0.000).

Looking at model 3, satisfaction has the highest significant positive relation with customer loyalty (B=0.850 and p=0.000). So, when satisfaction scores one point higher, the score of customer loyalty will increase with 0.850. Additionally, only one other variable in this model is significantly related to customer loyalty, namely trust (B=0.194, p=0.010). All the other variables are not significantly related to customer loyalty. However, it is remarkable that when only the respondents who answered "yes" to question 11 are taken into consideration (N=127 and listwise deletion), regression model 3 looks different. As shown in appendix 15, it shows a positive significant relationship between satisfaction and customer loyalty as well as between passive social media engagement and customer loyalty (B=0.146, p=0.005). The relationship between trust and customer loyalty is not significant anymore (p=0.268). Interestingly, it can be concluded that passive social media engagement is now an important independent variable instead of trust.

	Model 1		Model 2		Model 3			
	В	Sig.	В	Sig.	В	Sig.		
(Constant)	187	.331	4,816*	0.000	177	.360		
Satisfaction	.869*	.000			.850*	.000		
Communication	049	.434			062	.315		
Trust	.187*	.013			.194*	.010		
Passive social media engagement			0.219*	0.000	.045	.141		
Active social media engagement			0.156	0.217	.027	.672		

Dependent variable: Customer Loyalty

*significant at the 0.05 level.

 Table 7. Multiple linear regression.

Additionally, table 8 shows the R-square values of the three different models. This value defines how customer loyalty can be explained by the independent variables. The adjusted R-square value can be used as a measure of overall model predictive accuracy. First, looking at model 1 it can be concluded that

81,1% of the variation in customer loyalty could be explained by satisfaction, trust and communication (R-square value=0.811).

Secondly, looking at model 2, it can be concluded that the social media engagement variables explain 9,7% (adjusted R-square = 0.097) of the variation in customer loyalty when only these variables are taken into consideration.

Thirdly, the adjusted R-square of the model 3 is 0,813, which means that 81,3% of the variation in customer loyalty is explained by the main independent variables and the social media engagement variables together. It can be concluded that by adding the social media engagement variables in model 3, only a very small increase in the predicted value of customer loyalty is caused (0,2%), which is not even a significant change (p=0,102).

*significant at the 0.05 level.

 Table 8. Model summary of R Square.

5. DISCUSSION

The conclusion and discussion will be presented in this section. First, the findings of the study will be highlighted. Secondly, the theoretical and practical contributions will be elaborated on. Thirdly, the limitations of the study will be discussed. Lastly, a conclusion will be given.

5.1 Discussion of the findings

The aim of this study was to answer the research question: *How are customer satisfaction, trust, perceived quality, communication and social media engagement related to customer loyalty in the tour operator industry*? Therefore, six hypotheses were proposed and five were tested with the help of a questionnaire among the customers of Cirkel Vakanties, a Dutch tour operator.

Previous studies indicated that above-mentioned independent variables are positively related to customer loyalty (e.g. Mandal & Vong, 2016; Yoon & Uysal, 2005 Martínez & del Bosque, 2013; Ball et al., 2004; Petrick, 2004). However, contrary to the literature findings of section 2 of the current study, the independent variables have been reduced from six to five variables after conducting a factor analysis. The variable perceived quality has been deleted and therefore also hypothesis 3 is not tested. This is in line with the theory of Swarbrooke and Horner (2009). They argue that quality and satisfaction in the tourism industry cannot be seen as different variables. Moreover, they state that quality is one of the determinants for achieving customer satisfaction, which in turn will lead to customer loyalty. After redistributing the measured items, the remaining five variables; satisfaction, trust, communication, passive social media engagement and active social media are tested for their relationship with customer loyalty.

5.1.1 Satisfaction, trust and communication

Firstly, by looking at the results of the multiple regression analyses, it can be concluded that satisfaction is positively significantly related to customer loyalty. This is in line with previous literature findings, where several researchers argue that customer satisfaction is the main influencer of customer loyalty (e.g. Oliver, 1999; Yi, 1990; Hennig-Thurau, Gwinner & Gremler, 2002; Reynolds & Beatty, 1999). Also in the tourism industry, some research about the connection between satisfaction and customer loyalty exists, for example studies of Mandal and Vong (2016) and Kuo et al. (2011). The latter investigated the influence of satisfaction on customer loyalty for travel agencies in Taiwan. Bei & Chiao (2001) have an explanation for the importance of customer satisfaction is seen as the most important measure of customers' attitude towards an organization. As a result this attitudinal loyalty influences behavioural loyalty (Oliver, 1999).

Secondly, trust also has a positive significant relationship with customer loyalty. Senders et al. (2013) also investigated this connection in the tour operator industry. Both studies came to similar results, which further strengthens the evidence. Also, besides the travel industry, the majority of the research shows a direct positive influence from trust on repurchasing intentions (Mayer & Davis , 1999). As mentioned in the literature section, a positive attitude of customers can be achieved by make them feel

confident and showing them that you do not take advantage of their vulnerability (Jin et al., 2008). As a result of the research findings, hypotheses 1 and 2 of the current study are accepted.

Thirdly, looking at communication, no clear evidence was found in the literature that proves the relationship with customer loyalty in the hospitality industry (Shoemaker & Lewis, 1999). However, based on studies in different industries (e.g. Ball et al., 2004; Gaurav, 2016) and the fact that a tour operator can be seen as being part of the service industry, this relationship was suggested. The present study does not indicate a significant relationship between communication and customer loyalty. However, the latter is based on the regression analysis statistics. Looking at the correlation matrix, it can be concluded that communication highly correlates with customer loyalty and the other independent variables. Moreover, all variables show high correlations. Therefore, it can be concluded that they overlap each other and the conducted research model is very complex. As a result, it should be remarked that communication is certainly important in determining customer loyalty.

5.1.2 Social media engagement

Additionally, looking at the existing literature, a relationship between social media engagement and customer loyalty is suggested (Senders et al., 2013; Casaló et al., 2010; Stephen & Galak, 2012; Erdogmus & Çiçek, 2012; Hollebeek et al., 2014; Patterson et al., 2006). The aim of this study was to investigate the relationship between social media engagement and customer loyalty by adding the social media engagement variables to an existing customer loyalty model. Based on the results (see model 3, section 4), it can be concluded that both social media engagement variables do not have a significant effect on customer loyalty. Based on this, hypotheses 5 and 6 should be rejected. However, additional analyses lead to other insights.

Firstly, by conducting a regression analysis with only passive social media engagement and active social media engagement as independent variables, it can be concluded that passive social media engagement has a significant positive relationship with customer loyalty. This differs from the results of the study of van Asperen et al. (2017). The study of van Asperen et al. (2017) indicated that passive social media engagement only has a significant effect on attitudinal loyalty, while the present study found a relationship with behavioural loyalty.

Secondly, after filling in the questionnaire the participants were divided into two groups: not engaged (scored 1 for social media engagement) and engaged (scored > 1 for social media engagement). After doing this, a difference in customer loyalty can be noticed. Both passive and active social media engagement show higher loyalty scores when engagement does exist. Moreover, there is a significant difference between the mean scores for not engaged and engaged, both for passive and active social media engagement.

Lastly, as mentioned in the methodology section, only 127 respondents answered the questions about social media engagement. Therefore, the other 159 respondents are coded as 1 = "never" for each item about social media engagement before conducting the regression analysis. However, when a multiple regression analysis is conducted for only the 127 above-mentioned respondents, passive social media engagements does have a significant positive relationship with customer loyalty. This is in contrast with the findings of previous regression analysis.



To conclude, the results of the regression analysis should not be looked at too strictly. Therefore, hypotheses 5 and 6 cannot simply be rejected. Both by dividing social media engagement into two different groups and by conducting extra regression analyses, the results show us that this variable is certainly important in determining customer loyalty.

5.2 Theoretical contributions

Customer loyalty is seen as a key factor for gaining competitive advantage (Bharadwaj et al., 1993) and thereby is of great importance in the field of marketing and strategy building (Ball et al., 2004). Due to the competitive nature of the tourism industry, tour operators need to have loyal customers in order to survive (van Asperen et al., 2017). This study contributes to a better understanding of customer loyalty and its relationship with satisfaction, trust, communication, passive social media engagement and active social media engagement. Therefore, the first theoretical contribution is that the current study tested a new model of customer loyalty in the tour operator industry. Four main variables (satisfaction, trust, perceived quality and communication) where chosen and tested together in one research model. These variables where chosen based on existing literature studies. However, they were never tested in the same model before. This resulted in a new construction of variables in a research model.

Secondly, the current study helps to create more evidence in the research area of social media engagement. Additionally, according to Zeng and Gerritsen (2014), research on the effect of social media on customer loyalty in the tourism industry was scarce. However, despite the fact that no significant relationship has been proven by testing social media engagement in combination with the other independent variables, future study is recommend to test this relationship again. Due to the relatively short time that social media now exist and its changing nature, it might be possible that within a couple of years an affiliation with customer loyalty does exist.

5.3 Practical contributions

Besides some theoretical contributions, this study also has some practical contributions. Based on the above-mentioned results, the first practical contribution is that this research gives insight in the focus areas for tour operators in order to gain customer loyalty by testing the relationship with satisfaction, trust, perceived quality, communication and social media engagement. As discussed in the literature section, customer loyalty can lead to increased sales and lower costs (Ostrowski, O'Brien & Gordon, 1993; Terril, Middlebrooks & American Marketing Assocation, 2000). Based on the results of the current research, it can be concluded that, by optimizing the strategy in the field of satisfaction and trust, a higher amount of loyal customers can be achieved. In turn, this can lead to an improvement in competitive advantage of the tour operator which is needed for an organization to survive (Bharadwaj et al., 1993). Therefore, organisations need to focus on these two aspects. First, in order to get more satisfied customers, the perceived performance has to exceed customers' expectations (La Barbera & Mazursky, 1983; Kano, 1984). Secondly, when aiming for a high level of trust, organizations need to provide reliable information to the customers (Jin et al., 2008; Bigley & Pearce, 1998; Singh & Sirdeshmuk, 2000). However, although the regression analysis did not show a significant relationship between communication and

customer loyalty, as mentioned in section 5.1, communication does certainly play an important role in gaining loyal customers. Therefore, it can be concluded that a solid two-way communication between the customer and the organization is needed (Schneider, 1997).

Secondly, the regression analysis with only the social media engagement variables shows that passive social media engagement is significantly related to customer loyalty. However, only 9.7% of the variation in customer loyalty is explained by social media engagement. Therefore, tour operators can also focus on social media activities, but this should definitely not be their priority. Additionally, by concentrating on social media activities, tour operators should be focused on the youth segment. Evidence for this is provided in the results of the current study, which shows that 94.67% of the youths make use of social media. Moreover, these results correspond with the findings of PEW Research Center (2016), which shows that most Facebook users are between 18 and 29 years old. Therefore, tour operators should focus their social media activities on this target group. Furthermore, youths have the highest mean scores for both passive (M=2.63) and active social media engagement (M=1.37). Thus, it can be concluded that youths are more likely to be engaged through social media.

5.4 Limitations and future research

Despite some meaningful results and contributions, this study is subject to a number of limitations which should be taken in consideration when interpreting the results. At first, the current study only looked at the behavioural component of customer loyalty. This could be misleading because there is the possibility to measure spurious loyalty (Day, 1969; Jacoby & Chestnut, 1978). Spurious loyalty may result from a lack of available alternatives while the focus of current study is on preferring an organization over the others (true loyalty). For example, customers with spurious loyalty always book with the same tour operator. This means that they are loyal customers. However, when a new tour operator comes up, the customer will switch to this other organization. This is in contrast with true loyalty, where the customer is always willing to repurchase, even when there are available alternatives.

Secondly, another issue regarding the internal validity can be the translation of the constructs to the Dutch language. As a result, the meaning of an item can differentiate from the original constructs, which may cause a minor deviation in the results as compared to the original constructs.

Thirdly, the data of this study is of cross-sectional nature. This means that the data is gathered at a single point of time and may be a snapshot of customers' feeling about Cirkel Vakanties (Dooley, 2009). For example when they just came home after a vacation. Therefore, it might be possible that at a different point of time customer perception differentiates. As a result, the timing of the snapshot (when conducting this study) is not guaranteed to be representative. This is in line with the theory of Monroe and Guiltinan (1975), they argue that due to the dynamic nature, customer behaviour should be investigated over time. Therefore, future research is suggested to use a longitudinal study.

Fourthly, the study is conducted at one specific tour operator, namely Cirkel Vakanties. Their target group is very specific, namely single parent families, singles and active youths, where individual travellers book a group holiday. As a result, studying this segmented group might be a potential source of sample bias. This can result in a low generalizability (Dooley, 2009). Therefore, in order to extend the validity of the research findings, future research is recommended to focus on different kind of tour

operators. Next to this, the application of this research in different industries such as hotel or airlines could extend the validity and generalizability of these findings to the whole hospitality industry.

Lastly, it has to be taken into account that the respondents may not be representative for the entire research population. Because the study is about customer loyalty, it may be the case that only very loyal and unloyal customers filled in the survey. This can result in a skewed distribution of the research population. However, the current research only investigated the relationship between different variables, and in this case it is not considered to be a problem. When the aim is to investigate the strength of the relationship between those variables, it might be useful to investigate the whole research population.

5.5 Conclusion

This study investigated the relationship between independent variables customer satisfaction, trust, perceived quality, communication and social media engagement and dependent variable customer loyalty. However, based on the results of the factor analyses the hypothesis of perceived quality is not tested. As a result, only customer satisfaction, trust, communication, passive social media engagement and active social media engagement are tested for their relationship with customer loyalty. The regression analysis only showed a significant positive relationship between the independent variables satisfaction and trust and the dependent variable customer loyalty. Moreover, a significant relationship between independent variables communication, passive social media engagement and active social media engagement and dependent variable customer loyalty is not noticed. However, it can be noticed that communication and passive social media engagement are definitely important in determining customer loyalty. Evidence for this is found in the additional analyses. Firstly, based on the correlation matrix it can be concluded that communication is largely overlapped by trust and satisfaction. This leads to a very complex model for performing a regression analyses. Secondly, by dividing the participants into two groups, engaged and not engaged, a significant difference is noticed in customer loyalty scores. In addition, when a regression analyses is conducted with only the social media engagement variables as independent variables, a significant positive relationship between passive social media engagement and customer loyalty can be noticed. Next to this, by conducting a regression analyses for only the 127 respondents who answered the questions about social media engagement, passive social media engagement shows a significant positive relationship with customer loyalty.

As a final conclusion, based on the research findings, hypotheses 1 and 2 are supported. Furthermore, caution is advised when rejecting hypotheses 4, 5 and 6.

REFERENCES

- Anderson, R. E., & Srinivasan, S. S. (2003). E-satisfaction and e-loyalty: A contingency framework. *Psychology & marketing*, 20(2), 123-138.
- Anderson, E. W., & Sullivan, M. W. (1993). The antecedents and consequences of consumer satisfaction for firms. Marketing Science, 12(1), 125-143.
- Akbar, M. M., & Parvez, N. (2009). Impact of service quality, trust, and customer satisfaction on customers loyalty. *ABAC Journal*, 29(1).
- Allen, D. and Wilburn, M. (2002), *Linking Customer and Employee Satisfaction to the Bottom Line*, ASQ Quality Press, Milwaukee, WI.
- Alrubaiee, L., & Al-Nazer, N. (2010). Investigate the impact of relationship marketing orientation on customer loyalty: The customer's perspective. *International Journal of Marketing Studies*, *2*(1), 155.
- Assael, H. (1991). Consumer Behavior and Marketing Action. PWC-KENT.
- Athanassopoulos, A. D. (2000). Customer satisfaction cues to support market segmentation and explain switching behavior. Journal of Business Research, 47(3), 191-207.
- Aydin, S., & Özer, G. (2005). The analysis of antecedents of customer loyalty in the Turkish mobile telecommunication market. *European Journal of marketing*, *39*(7/8), 910-925.
- Back, K. J., & Parks, S. C. (2003). A brand loyalty model involving cognitive, affective, and conative brand loyalty and customer satisfaction. Journal of Hospitality & Tourism Research, 27(4), 419-435.
- Baird, C. H., & Parasnis, G. (2011). From social media to social customer relationship management. *Strategy & Leadership*, *39*(5), 30-37. doi:10.1108/10878571111161507
- Baker DA, Crompton JL (2000) Quality, satisfaction and behavioural intentions. Ann Tour Res 27(3):785-804
- Ball, D., Simões Coelho, P., & Machás, A. (2004). The role of communication and trust in explaining customer loyalty: An extension to the ECSI model. *European journal of marketing*, *38*(9/10), 1272-1293.
- Batra, R., Ahuvia, A., & Bagozzi, R. P. (2012). Brand love. Journal of Marketing, 76(2), 1-16
- Bennett, R., & Rundel-Thiele, S. (2005). The brand loyalty life cycle: Implications for marketers. *Journal of Brand Management*, 12(4), 250-263.
- Bei, L. T., & Chiao, Y. C. (2001). An integrated model for the effects of perceived product, perceived service quality, and perceived price fairness on consumer satisfaction and loyalty. *Journal of consumer satisfaction, dissatisfaction and complaining behavior, 14,* 125.
- Bharadwaj, S. G., Vanradarajan, P. R. and Fahy, J. (1993), "Sustainable competitive advantage in service industries: a conceptual model and research propositions", *Journal of Marketing*, Vol. 57, pp. 83-99.
- Bigley, G.A. and Pearce, J.L. (1998), "Straining for shared meaning in organization science: problems of trust and distrust", Academy of Management Review, Vol. 23 No. 3, pp. 405-21.
- Bitner, M. J. & Zeithaml, V. A. (2003). Service Marketing (3rd ed.), Tata McGraw Hill, New Delhi.
- Bowden, J. L. H. (2009). The process of customer engagement: A conceptual framework. *Journal of Marketing Theory and Practice*, 17(1), 63-74.
- Bowen, J. T. & Chen, S. L., May 2001, The Relationship Between Customer Loyalty and Customer Satisfaction, International Journal of Contemporary Hospitality Management, pp. 213-217.
- Bowen, J. T., & Shoemaker, S. (1998). Loyalty: A strategic commitment. The Cornell Hotel and Restaurant Administration Quarterly, 39(1), 12-25.
- Bray, J., Schetzina, C., & Steinbrick, S. (2006). Six travel trends for 2006: PhoCus Wright.
- Buhalis, D. & Law, R. (2008). Progress in information technology and tourism management: 20 years on and 10 years after the Internet The state of eTourism research. *Tourism Management*, 29(4), 609-623

- Campo, S., & Yagüe, M. J. (2008). Tourist loyalty to tour operator: effects of price promotions and tourist effort. *Journal of Travel Research*, *46*(3), 318-326.
- Casaló, L. V., Flavián, C., & Guinalíu, M. (2010). Determinants of the intention to participate in firm-hosted online travel communities and effects on consumer behavioral intentions. *Tourism management*, 31(6), 898-911.
- Chen, C. F., & Chen, F. S. (2010). Experience quality, perceived value, satisfaction and behavioral intentions for heritage tourists. *Tourism management*, *31*(1), 29-35.
- Chiou, J.-S. & Cheng, C. (2003) Should a company have a message board on its websites? *Journal of Interactive Marketing*, 17(3), pp. 50–61.
- Chiou, J. S., Droge, C., & Hanvanich, S. (2002). Does customer knowledge affect how loyalty is formed? *Journal of Service Research*, 5(2), 113-124.
- Chiou, J. S. (2004). The antecedents of consumers' loyalty toward Internet service providers. Information & Management, 41(6), 685-695.
- Cohen, H. (2011). 30 social media definitions. Posted by Heidi Cohen on May 9, 2011 in actionable marketing, Social media, 101 (2011) (Available from: http://heidicohen.com/social-media-definition/.
- Conze, O., Bieger, T., Laesser, C., & Riklin, T. (2010). Relationship intention as a mediator between relational benefits and customer loyalty in the tour operator industry. *Journal of Travel & Tourism Marketing*, 27(1), 51-62.
- Cova, B. & Dalli, D. (2009) Working consumers: the next step in marketing theory? *Marketing Theory*, 9(3), pp. 315–339.
- Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of retailing*, *76*(2), 193-218.
- Cronin Jr, J. J., and Taylor, S. A. (1992). Measuring service quality: a reexamination and extension. *Journal of Marketing*, 56(July), 55-68.
- De Ruyter, K., Wetzels, M., & Bloemer, J. (1998). On the relationship between perceived service quality, service loyalty and switching costs. *International journal of service industry management*, *9*(5), 436-453.
- del Bosque, I. A. R., San Martín, H., & Collado, J. (2006). The role of expectations in the consumer satisfaction formation process: Empirical evidence in the travel agency sector. *Tourism Management*, *27*(3), 410-419.
- Dholakia, U. M., & Durham, E. (2010). One Café Chain's Facebook experiment. Harvard Business Review March 01st, 2010. Retrieved from http://hbrg-redesign.s3.amazonaws.com/F1003Ef2.pdf
- Dick, A. S., & Basu, K. (1994). Customer Loyalty: Toward and Integrated. *Journal of the Academy of Marketing Science*, 22(2), pp. 99-113.
- Dooley, D. (2009). Social Research Methods. Harlow: Pearson Education Limited .
- Drews, W., & Schemer, C. (2010). eTourism for all? Online travel planning of disabled people. *Information and Communication Technologies in Tourism 2010*, 507-518.
- Dube, L., & Shoemaker, S. (1999). Loyalty marketing and brand switching. *Handbook of Services Marketing and Management. Sage, Beverly Hills.*
- Erdoğmuş, I. E., & Çiçek, M. (2012). The impact of social media marketing on brand loyalty. Procedia Social and Behavioral Sciences, 58, 1353-1360. doi:10.1016/j.sbspro.2012.09.1119
- eMarketer. (2008). Online reviews sway shoppers. Retrieved from http://www.emarketer.com/Article.aspx?R=100640
- Fishbein, M.,&Ajzen, I. (1975). *Belief, attitude, intention, and behavior: An introductionto theory and research.* Reading, MA: Addison-Wesley.
- Fornier, S. (1994), A Consumer-based Relationship Framework for Strategic Brand Management, published PhD dissertation, University of Florida
- Fotis, J., Buhalis, D., & Rossides, N. (2012). Social media use and impact during the holiday travel planning process (pp. 13-24). Springer-Verlag.



Fredericks, J. O., & Salter II, J. M. (1995). Beyond customer satisfaction. Management Review, 84(5), 29.

Garvin, David A. (1983), "Quality on the Line," Harvard Business Review, 61 (September-October), 65-73.

- Gaurav, K. (2016). Impact of Relationship Marketing on Customer Loyalty: Evidence from Indian Automobile Industry. *Purushartha: A Journal of Management Ethics and Spirituality*, 9(1).
- Geller. L. (1997) 'Thank You So Much For Your Recent Purchase... Customer Retention Begins With the Basics', *Direct Marketing*, 60(5), September, 58-63
- Gretzel, U., Kang. M. H. & Lee, W. j. (2008). Differences in consumer-generated media adoption and use: a crossnational perspective. *Journal of Hospitality & Leisure Marketing, 17*(1-2), 99-120
- Griffin, J., 1995. Customer Loyalty: How to Earn it and How to Keep it. Lexington Books, New York.
- Hanna, R., Rohm, A., & Crittenden, V. L. (2011). We're all connected: The power of the social media ecosystem. *Business Horizons, 54*(3), 265-273. doi:10.1016/j.bushor.2011.01.007
- Hart, C. W. & Johnson, M. D. (1999). "Growing the trust relationship". Marketing Management, 14 (Spring), 8-19.
- Heldman, A. B., Schindelar, J., & Weaver, J. B. (2013). Social media engagement and public health communication: implications for public health organizations being truly "social". *Public Health Reviews*, *35*(1), 13.
- Hennig-Thurau, T., Gwinner, K. P., & Gremler, D. D. (2002). Understanding relationship marketing outcomes: An integration of relational benefits and relationship quality. *Journal of Service Research*, *4*(3), 230–247.
- Hikkerova, L., 2011. The effectiveness of loyalty programs: an application in the hospitality industry. International Journal of Business 16 (2), 150–164.
- Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of Interactive Marketing*,28(2), 149–165. doi:10.1016/j.intmar.2013.12.002
- Hoyer, W. D., & Macinnis, D. J. (2001). Customer behavior. Boston, Houghton Mifflin Company.
- Jacoby, J. and Chestnut, R.W. (1978), Brand Loyalty: Measurement and Management, Wiley, New York, NY.
- Jacoby, J. and Kyner, D.B. (1973), "Brand loyalty vs. repeat purchasing behaviour", Journal of Marketing Research, February, pp. 1-9
- Jin, B., Park, J., & Kim, J. (2008). Cross-cultural examination of the relationships among firm reputation, esatisfaction, e-trust and e-loyalty. *International Marketing Review*, 25(3), 324-337.
- Jones, M. A., Mothersbaugh, D. L. & Beatty, S.E. (2000), "Switching barriers and repurchase intentions in service", *Journal of Retailing*, Vol. 76 No. 2, pp. 259-74.
- Jones, M. A., Mothersbaugh, D. L., & Beatty, S. E. (2002). Why customers stay: measuring the underlying dimensions of services switching costs and managing their differential strategic outcomes. *Journal of business research*, 55(6), 441-450.
- Jones, T., & Taylor, S. F. (2007). The conceptual domain of service loyalty: how many dimensions?. Journal of services marketing, 21(1), 36-51.
- Kano, N. (1984). Attractive quality and must be quality. Hinshitsu (Quality), 14(2), 147 156 (in Japanese).
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. *Business horizons*, 53(1), 59-68.
- Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. Business Horizons, 54(3), 241-251. doi:10.1016/j.bushor.2011.01.005
- Kim, S.-B., & Kim, D.-Y. (2010). Travel information search behavior and social networking sites: The case of U.S. college students. Retrieved from http://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1134& context=gradconf_hospitality&seiredir=1
- Koch, R. (2011). The 80/20 principle: the secret to achieving more with less. Crown Business.

Kotler, P & Keller, K, 2006, "Marketing Management", twelfth edition, Prentice-Hall

- Kuehn, Alfred (1962). Consumer brand choice as a learning process, *Journal of Advertising Research*, 2 (March-April), 10–17.
- Kuo, N. T., Chang, K. C., Lai, C. H., & Cheng, Y. S. (2011, August). The impact of service quality, customer satisfaction and customer loyalty in the travel agency sector: Moderating effect of perceived value. In *Management and Service Science (MASS)*, 2011 International Conference on (pp. 1-6). IEEE.
- LaBarbera, P. A. & Mazursky, D., 1983, A Longitudinal Assessment of Consumer Satisfaction, Dissatisfaction: the Dynamic Aspect of Cognitive Process, Journal of Marketing Research, Vol. 20, November, pp. 393-404.
- Lau, G. & Lee, S. (1999). "Consumers' trust in a brand and link to brand loyalty". Journal of Market Focused Management, 4, 341-70.
- Lee, J., Lee, J., & Feick, L. (2001). The impact of switching costs on the customer satisfaction-loyalty link: mobile phone service in France. *Journal of services marketing*, *15*(1), 35-48.
- Lemon, K., Rust, R. & Zeithaml, V. (2001). "What drives customer equity", *Journal of Marketing Management,* Vol. 10 No. 1. Pp. 20-5
- Leung, D., Law, R., van Hoof, H., & Buhalis, D. (2013). Social media in tourism and hospitality: A literature review. *Journal of Travel and Tourism Marketing, 30*(1-2), 3-22. doi:10.1080/10548408.2013.750919
- Lin, H. H., & Wang, Y. S. (2006). An examination of the determinants of customer loyalty in mobile commerce contexts. *Information & management*, *43*(3), 271-282.
- Lipstein, Benjamin (1959). The dynamics of brand loyalty and brand switching, In Proceedings of the Fifth Annual Conference of the Advertising Research Foundation (pp. 101–108), New York: Advertising Research Foundation.
- Mandal, P. & Vong, J. (2016). Development of Tourism and the Hospitality Industry in Southeast Asia. Springer. ISBN 978-981-287-605-8
- Mangold, W. G., & Faulds, D. J. (2009). Social media: The new hybrid element of the promotion mix. *Business horizons*, *52*(4), 357-365.
- Martínez, P., & del Bosque, I. R. (2013). CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction. *International Journal of Hospitality Management*, *35*, 89-99.
- Mayer, R. C., & Davis, J. H. (1999). The effect of the performance appraisal system on trust for management: A field quasi-experiment. *Journal of applied psychology*, *84*(1), 123.
- McDougall, G. H. G., & Levesque, T. (2000). Customer satisfaction with services: putting perceived value into the equation. *Journal of Service Marketing*, 14(5), 392-410.
- Men, L. R., & Tsai, W.-H. S. (2013). Beyond liking or following: understanding public engagement on social networking sites in China. Public Relations Review, 39(1), 13-22. doi:10.1016/j.pubrev.2012.09.013
- Miller, M. (2011). The ultimate web marketing guide. Indianapolis, IN: Que.
- Mollen, A., & Wilson, H. (2010). Engagement, telepresence and interactivity in online consumer experience: Reconciling scholastic and managerial perspectives. *Journal of business research*, 63(9), 919-925.
- Monroe, K. B., & Guiltinan, J. P. (1975). A path-analytic exploration of retail patronage influences. *Journal of Consumer research*, 2(1), 19-28.
- Monroe, K. B., & Krishnan, R. (1985). The effect of price-comparison advertising on buyers' perceptions of acquisition value, transaction value, and behavioral intentions. *Journal of Marketing*, *6*2(2), 46-59.
- Moorman, C., Zaltman, G., & Deshpande, R. (1992). The relationship between providers and users of market research: the dynamics of trust within and between organizations. *Journal of Marketing Research*, 29(3), 314-28.

- Morais, Duarte B., Michael J. Dorsch, and Sheila J. Backman (2004). "Can tourism providers buy their customers' loyalty? Examining the influence of customer-provider investments on loyalty." *Journal of Travel Research* 42.3 (2004): 235-243.
- Morais, D. B., Kerstetter, D. L. and Yarnal, C. M (2006). The Love triangle: Loyal relationships among providers, customers and their friends. *Journal of Travel Research*, 44(4), 379-386. Doi: 10.1177/0047287505282955
- Muñiz, A.M. & Schau, H.J. (2007) Vigilante marketing and consumer-created communications. *Journal of Advertising*, 36(3), pp. 35–50.
- Muntinga, D. G., Moorman, M., & Smit, E. G. (2011). Introducing COBRAs: Exploring motivations for brand-related social media use. *International Journal of advertising*, *30*(1), 13-46.
- Newman, J. W., & Werbel, R. A. (1973). Multivariate analysis of brand loyalty for major household appliances. *Journal of marketing research*, 404-409.
- Oliver, R. L. (1980), A cognitive model of the antecedents and consequences of satisfaction decisions, Journal of Marketing Research 17(4), pp. 460–469.
- Oliver, R. L. (1992). An investigation of the attribute basis of emotion and related affects in consumption: suggestions for a stage-specific satisfaction framework. *NA-Advances in Consumer Research V19*.
- Oliver, R. L. (1997), Satisfaction: A Behavioral Perspective on the Consumer. New York: irwin/McGraw-Hill.
- Ostrowski, P.L., O'Brien, T. and Gordon, G. (1993), "Service quality and customer loyalty in the commercial airline industry", *Journal of Travel Research*, Vol. 32, pp. 16-24
- Pagani, M., Hofacker, C. F., & Goldsmith, R. E. (2011). The influence of personality on active and passive use of social networking sites. *Psychology & Marketing*, *28*(5), 441-456.
- Parasuraman, A., Berry, L. and Zeithaml, V. (1991), "Perceived service quality as a customer based performance measure: an empirical examination of organizational barriers using an extended service quality model", Human Resource Management, Vol. 30 No. 3, pp. 335-65.
- Patterson, P. G., & Spreng, R. A. (1997). Modeling the relationship between perceived value, satisfaction and repurchase intentions in a business-to-business, services context: An empirical examination. International Journal of Service Industry Management, 8(5), 415-432.
- Patterson, P., Yu, T., & de Ruyter, K. (2006). Understanding customer engagement in services. Presented at the ANZMAC 2006, Brisbane, Australia.
- Petrick, J. F. (2004). "The Roles of Quality, Value, and Satisfaction in Predicting Cruise Passengers' Behavioral Intentions." Journal of Travel Research, 42 (May): 397–407.
- PEW Research Center (2016). Survey conducted March 7 April 4. *Retrieved from: http://www.pewinternet.org/fact-sheet/social-media/*
- Pritchard, M.P., Havitz, M.E. and Howard, D.R. (1999), "Analyzing the commitment-loyalty link in service contexts", Journal of the Academy of Marketing Science, Vol. 27 No. 3, pp. 333-48.
- Rai, AK, 2008, Customer Relationship Management: Concepts and Cases, PHI Learning
- Reichheld, F.F. (1996), The Loyalty Effect, Harvard Business School Press, Boston, MA.
- Reichheld, F., & Schefter, P. (2000). E-loyalty: Your secret weapon on the web. *Harvard Business Review, 78*, 105-113.
- Reynolds, K. E., & Beatty, S. E. (1999). Customer benefits and company consequences of customer-salesperson relationships in retailing. *Journal of Retailing*, 75(1), 11–32.

Rogerson, P. A. (2001). Statistical methods for geography. London: Sage.

- Rousseau, D.M., Sitkin, S.B., Burt, R.S. & Camerer, C.F. (1998). "Not so different after all: a cross-discipline view of trust". Academy of Management Review, 23 (3), 393-404
- Schneider, D. (1997) 'Retail Retention: Building an Retaining a Loyal Customer Base Through Relationship Marketing', *Target Marketing*, 20(8), August, 46-8

- Senders, A., Govers, R., & Neuts, B. (2013). Social media affecting tour operator's customer loyalty. Journal of Travel & Tourism Marketing, 30(1-2), 41-57. doi:10.1080/10548408.2013.750993
- Shankar, V., Smith, A. K., & Rangaswamy, A. (2003). Customer satisfaction and loyalty in online and offline environments. *International journal of research in marketing*, 20(2), 153-175.
- Shoemaker, S., & Lewis, R. C. (1999). Customer loyalty: the future of hospitality marketing. *International Journal of Hospitality Management, 18,* 345-370.
- Smith, R., 1998. Can you bribe your way to customer loyalty? Frequency marketing strategies. Strategic Research Institute, New York.
- So, K.K.F, King, C., Sparks, B. & Wang, Y. (2013). The influence of customer brand identifi- cation on hotel brand evaluation and loyalty development. International Journal of Hospitality Management 34, 31–41.
- Singh, J. & Sirdeshmukh, D. (2000). "Agency and trust mechanisms in customer satisfaction and loyalty judgements". Journal of the Academy of Marketing Science, 28 (1), 150-67.
- Sirdeshmukh, D., Japdig, S. & Berry, S. (2002). Customer trust, value, and loyalty in relational exchanges. Journal of Marketing 66, 15–37
- Srinivasan, S. S., Anderson, R., & Ponnavolu, K. (2002). Customer loyalty in e-commerce: an exploration of its antecedents and consequences. *Journal of retailing*, 78(1), 41-50.
- Stephen, A. T., & Galak, J. (2012). The effects of traditional and social earned media on sales: a study of a microlending marketplace. Journal of Marketing Research, 49(5), 624-639. doi:10.1509/jmr.09.0401
- Swarbrooke J, Horner S (2009) Consumer behaviour in tourism, 2nd edn. Elsevier, Oxford
- Symonds, P. M. (1924) "On the loss of reliability in ratings due to coarseness of the scale". Journal of Experimental Psychology, Vol 7, pp 456-461.
- Terril, C., Middlebrooks, A. and American Marketing Association (2000), *Market Leadership Strategies For Service Companies: Creating Growth, Profits, and Customer Loyalty,* NTC/Contemporary Publishing, Lincolnwood, IL.
- Tideswell, C., & Fredline, E. (2004). Developing and rewarding loyalty to hotels: the guest's perspective. *Journal of Hospitality & Tourism Research*, *28*(2), 186-208.
- van Asperen, M., de Rooij, P., & Dijkmans, C. (2017). Engagement-Based Loyalty: The Effects of Social Media Engagement on Customer Loyalty in the Travel Industry. *International Journal of Hospitality & Tourism Administration*, 1-17.
- Venetis, K. A., & Ghauri, P. N. (2004). Service quality and customer retention: building long-term relationships. *European Journal of marketing*, 38(11/12), 1577-1598.
- Villanueva, J., Yoo, S. & Hanssens, D.M. (2008) The impact of marketing-induced versus word-of-mouth customer acquisition on customer equity growth. *Journal ofMarketing Research*, 45(1), pp. 48–59.
- Walsh, P., Clavio, G., Lovell, M. D., & Blaszka, M. (2013). Differences in event brand personality between social media users and non-users. *Sport Marketing Quarterly*, 22(4), 214.
- Wang, Y-S., Tang, T-I., Tang, J. E (2001), An instrument for measuring customer satisfaction toward web sites that market digital products and services. *Journal of Electronic Commerce Research 2(3)*, pp. 89-102.
- Woodside, A. G., Frey, L. L., & Daly, R. T. (1989). Linking Sort/ice anlity, Customer Satisfaction, and Behavioral Intention. *Journal of health care marketing*, *9*(4), 5-17.
- Xiang, Z., & Gretzel, U. (2010). Role of social media in online travel information search. *Tourism Management*, 31, 179–188.
- Yang, Z., & Peterson, R. T. (2004). Customer perceived value, satisfaction, and loyalty: The role of switching costs. *Psychology & Marketing*, 21(10), 799-822.
- Yi, Y. (1990), "A critical review of consumer satisfaction", in Zeithaml, V. (Ed.), Review of Marketing, 1990, American Marketing Association, Chicago, IL, pp. 68-123

- Yoo, K. -H., Lee, Y. -J., Gretzel, U., & Fesenmaier, D. R. (2009). Trust in travel-related consumer generated media. In W. Höpken, U. Gretzel, & R. Law (Eds.), Information and communication technologies in tourism 2009 (pp. 49–60). Vienna, Austria: Springer Verlag.
- Yoon, Y., & Uysal, M. (2005). An examination of the effects of motivation and satisfaction on destination loyalty: a structural model. *Tourism management*, 26(1), 45-56.
- Zairi, M. (2000). Managing customer satisfaction: a best practice perspective. The TQM Magazine, 12(6), 389-394.
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *The Journal of marketing*, 2-22.
- Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *the Journal of Marketing*, 31-46.
- Zeng, B., & Gerritsen, R. (2014). What do we know about social media in tourism? A review. *Tourism Management Perspectives*, *10*, 27-36.
- Zephoria. (2017, September 17). *The Top 20 Valuable Facebook Statistics Updated September 2017*. Retrieved from Zephoria Digital Marketing: https://zephoria.com/top-15-valuable-facebook-statistics/

APPENDIX Appendix I: Invitation to participate in the survey



Vul de enquête in!

Beste Anneke,

In het kader van mijn afstuderen aan de **Universiteit Twente**, wijd ik mijn master thesis aan klantloyaliteit en het gebruik van social media binnen de reissector. Dit onderzoek doe ik in samenwerking met **Cirkel** Vakanties.

Jij ontvangt deze mail dan ook omdat je afgelopen 3 jaar één of meerdere keren hebt geboekt bij onze organisatie. Je zou mij ontzettend helpen door deze enquête in te vullen. Het duurt circa 10 minuten.

Klik hier om aan de enquête deel te nemen

Deelname aan dit onderzoek is volstrekt vrijblijvend en de door jou verstrekte gegevens zullen anoniem worden verwerkt.

Met vriendelijke groet,

Dunja van Cirkel Vakanties

Appendix II: The questionnaire

- 1. How many holidays have you booked with Cirkel Vakanties since the last 5 years? (open question)
- 2. When was the last holiday you have booked with Cirkel Vakanties? (2012-2017)

3. Loyalty as behaviour (7-point likert scale)

- I would recommend this organisation to people who seek my advice
- I would tell other people positive things about this organization
- I would recommend this organisation to my friends
- I would book a trip with this organisation again
- I consider Cirkel Vakanties as my first choice as a Tour Operator

4. Satisfaction (7-point likert scale)

- It is nice to stay in a holiday destination of Cirkel Vakanties
- My choice to book with Cirkel Vakanties was a wise one
- Cirkel Vakanties offers exactly what I need for my holiday
- I am happy about my decision to book by Cirkel Vakanties

5. Trust (7-point likert scale):

- The services of Cirkel Vakanties make me feel a sense of security
- I trust on the quality of Cirkel Vakanties
- Cirkel Vakanties is interested in its customers
- Cirkel Vakanties is honest with its customers

6. Perceived Quality (7-point likert scale)

APPENDIX

- Customer services of Cirkel Vakanties is excellent
- A holiday with Cirkel Vakanties is good value for money
- A Holiday with Cirkel Vakanties is considered to be a good buy

7. Communication (7-point likert scale)

- I have an easy and satisfactory relationship with Cirkel Vakanties
- Personal service and advice of Cirkel Vakanties is excellent
- The information provided by Cirkel Vakanties is clear and transparent
- When I have a question, Cirkel Vakanties is always willing to help
- 8. Do you know the Social Media activities of Cirkel Vakanties? (yes/no)
- 9. Do you use Social Media? (yes/no)
- 10. Which Social Media channels do you use? (Facebook/Twitter/LinkedIn/no/others)
- 11. Did you "like" the Facebook page of Cirkel Vakanties?
- 12. Did you like/follow the Cirkel Vakanties Facebook page already before you booked the trip?
- **13.** Are you also liker/follower of Facebook pages of other tour operators?

14. Social Media engagement

- Active
- I start a conversation (comment, ask a question or give an answer) on the Facebook page of Cirkel Vakanties
- I share posts (video, pictures, texts) from Cirkel Vakanties on my own Facebook page
- I recommend the Facebook page of Cirkel Vakanties to others
- I upload pictures or video on the Facebook Page of Cirkel Vakanties

- Passive

- I look at the posts on the Facebookpage of Cirkel Vakanties
- I look at the video's at the Facebookpage of Cirkel Vakanties
- I look at photo's at the Facebookpage of Cirkel Vakanties
- I read reviews on the Facebookpage of Cirkel Vakanties

15. What is your gender? (male/female)

- 16. What is your age? (open question)
- 17. What is your highest level of education? (basisonderwijs/vmbo/havovwo/mbo/hbo/WO/others/no)
- 18. Do you have any question and/or comments?

Appendix IIa: The questionnaire in Dutch

- 1. Hoeveel vakanties heb jij de afgelopen 5 jaar geboekt bij Cirkel Vakanties? (open question)
- 2. Wanneer was de laatste vakantie die je hebt geboekt bij Cirkel Vakanties? (2012-2017)

3. Loyalty as behaviour (7-point likert scale):

- Ik zou Cirkel Vakanties aanraden aan mensen die mijn advies vragen
- Ik zou anderen positieve dingen vertellen over Cirkel Vakanties
- Ik zou Cirkel Vakanties aanbevelen aan mijn vrienden
- Ik zou opnieuw boeken bij Cirkel Vakanties (aangepast van van Asperen, de Rooij, Dijkmans)
- Ik zie Cirkel Vakanties als mijn eerste keuze voor een reisorganisatie

4. Satisfaction (7-point likert scale)

- Het is leuk om te verblijven op een vakantiebestemming van Cirkel Vakanties
- Mijn keuze om bij Cirkel Vakanties te boeken was een goede keuze
- Cirkel Vakanties biedt precies wat ik nodig heb tijdens een vakantie

APPENDIX



- Ik ben tevreden over mijn beslissing om bij Cirkel Vakanties te boeken

5. Trust (7-point likert scale)

- Ik voel me goed bij de services die Cirkel Vakanties aanbiedt
- Ik vertrouw op de kwaliteit van Cirkel Vakanties
- Cirkel Vakanties is geïnteresseerd in de wensen en behoeften van de klant
- Cirkel Vakanties is eerlijk naar de gasten toe

6. Perceived Quality (7-point likert scale)

- De klantenservice van Cirkel Vakanties is uitstekend
- Een vakantie met Cirkel Vakanties is waar voor je geld
- Ik beschouw een vakantie met Cirkel Vakanties als een goede beslissing

7. Communication (7-point likert scale)

- Ik heb een goede relatie met Cirkel Vakanties
- De persoonlijke service en adviezen van Cirkel Vakanties zijn uitstekend
- De informatie die Cirkel Vakanties geeft is duidelijke en transparant
- Wanneer ik een vraag heb, is Cirkel Vakanties altijd bereid om mij te helpen

8. Ben je bekend met de social media activiteiten van Cirkel Vakanties? (yes/no)

- 9. Gebruik je zelf social media? (yes/no)
- 10. Welke social media kanalen gebruik je? (Facebook/Twitter/LinkedIn/no/others)
- 11. Heb je de Facebookpagina van Cirkel Vakanties "geliket"?
- 12. Was je al "liker" van de Facebookpagina's van Cirkel Vakanties voordat je hier geboekt had?
- 13. "Like" je ook FAcebookpagina's van andere reisorganisaties?

14. Social Media engagement

- Active
- Ik voer gesprekken (opmerkingen, vragen, antwoord geven) op de Facebookpagina van Cirkel Vakanties
- Ik deel berichten (video, audio, foto's, teksten) van Cirkel Vakanties op mijn eigen Facebookpagina
- Ik beveel de Facebookpagina van Cirkel Vakanties aan mijn contacten aan
- Ik upload video's of foto's op de Facebookpagina van Cirkel Vakanties

- Passive

- Ik bekijk de posts van Cirkel Vakanties op hun Facebookpagina
- Ik bekijk video's op de Facebookpagina van Cirkel Vakanties
- Ik bekijk foto's op de Facebookpagina van Cirkel Vakanties
- Ik lees berichten van gebruikers en/of recensies op de Facebookpagina van Cirkel Vakanties
- 15. Wat is je geslacht?
- 16. Wat is je leeftijd?
- 17. Wat is je hoogst genoten opleiding met diploma?
- 18. Heb je nog opmerkingen en/of vragen?

Appendix III: Variables and measures

Variable	Measure	
Loyalty as behaviour (LOY)	I would recommend this organisation to people who seek my advice	LOY1
(Zeithaml, Berry &	I would tell other people positive things about this organization	LOY2
Parasuraman, 1996); van	I would recommend this organisation to my friends	LOY3
Asperen et al., 2017; Back &	I would book a trip with this organisation again	LOY4
Parcks, 2003)	I consider Cirkel Vakanties as my first choice as a Tour Operator	LOY5
Satisfaction (SAT)	It is nice to stay in a holiday destination of Cirkel Vakanties	SAT1
(Cronin, Brady & Hult, 2000;	My choice to book with Cirkel Vakanties was a wise one	SAT2
Oliver, 1997; Martinez & del	Cirkel Vakanties offers exactly what I need for my holiday	SAT3
Bosque 2013)	I am happy about my decision to book with Cirkel Vakanties	SAT4
Trust (TR)	The services of Cirkel Vakanties make me feel a sense of security	TR1
(Martinez & del Bosque,	I trust on the quality of Cirkel Vakanties	TR2
2013; Morgan & Hunt, 1994;	Cirkel Vakanties is interested in its customers	TR3
Sirdeshmukh et al., 2002)	Cirkel Vakanties is honest with its customers	TR4
Perceived Quality (PQ)	Customer services of Cirkel Vakanties is excellent	PQ1
(Lin & Wang, 2006; Aydin &	A holiday with Cirkel Vakanties is good value for money	PQ2
Ozer, 2005)	A Holiday with Cirkel Vakanties is considered to be a good buy	PQ3
Communication (COM)	I have an easy and satisfactory relationship with Cirkel Vakanties	COM1
(Ball et al., 2003)	Personal service and advice of Cirkel Vakanties is excellent	COM2
	The information provided by Cirkel Vakanties is clear and	COM3
	transparent	
<u> </u>	When I have a question, Cirkel Vakanties is always willing to help	COM4
Passive social media	I look at the posts on the Facebookpage of Cirkel Vakanties	PAS1
engagement (PAS)	I look at the video's at the Facebookpage of Cirkel Vakanties	PAS2
(Men & Isai, 2013; van	I look at photo's at the Facebookpage of Cirkel Vakanties	PAS3
Asperen et al., 2017)	I read reviews on the Facebookpage of Cirkei Vakanties	PAS4
Active social media	I start a conversation (comment, ask a question or give an	ACT1
engagement (ACI)	answer) on the Facebook page of Cirkel Vakanties	A O T O
(Men & Isal, 2013; Van	i share posts (video, pictures, texts) from Cirker vakanties on my	ACTZ
Asperen et al., 2017)	Unit racebook page	ACTO
	Lupload pictures or video on the Eacebook Page of Cirkel	ACT4
	Vekaptice	AC14
	Varanues	

Appendix IV: Factor analysis of customer loyalty

Looking at all items of Loyalty, the statistic of Kaiser-Meyer-Olkin (KMO) is 0,862, which means that the correlation between variables can be explained by other variables. So, a factor analysis may be appropriate. In the total variance explained-table there could be found that component 1 has an Eigenvalue of 3,924. The rest of the 5 components have an Eigenvalue less than 1,0, which means that they are no better than a single variable. Looking at the component matrix in table 3 below, there could be stated that all 5 items have a high loading on component 1 (between 0.793 and 0.927). Hereafter, a reliability analysis is conducted. The reliability indicates how a study is free from random errors. In this study the Cronbach's Alpha is used to measure the reliability of the questions in the survey (Baarda, De Goede & Van Dijkum, 2011). The Cronbach's Alpha shows the correlation between the various questions of a scale between 0.00 and 1.00. The closer to 1.00, the more homogenous the questions are. When α has a value of 0,7 of higher, there could be concluded that the measurement is reliable. In table 4 below you can also find that the Cronbach's Alpha for the construct Loyalty is 0,925, which means that the measurement is reliable. By deleting variable LOY5, this alpha could increase to 0,932 (table 5 below)

five items.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure	,862	
Bartlett's Test of Sphericity Approx. Chi-Square		1319,279
	df	10
	Sig.	,000

Table 1: KMO test customer loyalty

Total Variance Explained

	Initial Eigenvalues			Extractio	on Sums of Square	ed Loadings
Component	Total	% of Variance Cumulative %		Total	% of Variance	Cumulative %
1	3,924	78,480	78,480	3,924	78,480	78,480
2	,565	11,292	89,771			
3	,244	4,889	94,661			
4	,156	3,123	97,784			
5	,111	2,216	100,000			

Extraction Method: Principal Component Analysis. Table 2: total variance explained customer loyalty

Component N	latrix ^a
-------------	---------------------

	Component	
	1	
LOY1	,908,	
LOY2	,925	
LOY3	,927	
LOY4	,870	
LOY5	,793	

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Table 3: component matrix customer loyalty

Reliability Statistics					
Cronbach's					
Alpha	N of Items				
.925	5				

Table 4: reliability statistics customer loyalty

Item-Total Statistics					
				Cronbach's	
	Scale Mean if	Scale Variance	Corrected Item-	Alpha if Item	
	Item Deleted	if Item Deleted	Total Correlation	Deleted	
LOY1	21,62	26,278	,834	,902	
LOY2	21,52	27,128	,860	,900	
LOY3	21,73	25,896	,862	,897	
LOY4	22,00	25,098	,806	,907	
LOY5	22,94	25,266	,704	<mark>,932</mark>	

Table 5: item-total statistics customer loyalty



Appendix V: Factor analysis of the major independent variables

Looking at all items of the four main constructs, customer satisfaction, trust, perceived quality and communication, the statistic of Kaiser-Meyer-Olkin is 0,963, which means that the correlation between variables can be explained by other variables. So, a factor analysis may be appropriate. Because of the literature findings in previous sections, a factor analysis is conducted with fixed numbers of factors to attract, namely 4. The oblique rotation method is used because of the fact that the factors in the population are likely to be correlated. You could have read in previous sections that the measured variables influence each other and thereby they correlate with each other. By performing the oblique rotation method, the correlations among factors are allowed and will simplify the factor pattern matrix. Looking at table 2, 3 and 4 below, only for the construct 'Trust' the current Cronbach's alpha can be increased by deleting COM3. However, because of the fact that this is only a small decrease of 0,02 there is chosen not to delete this item. A construct is better justified by more items.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure	,963	
Bartlett's Test of Sphericity	Approx. Chi-Square	3400,139
	df	105
	,000	

Table 1: KMO of customer satisfaction, trust, perceived quality and communication

Customer satisfaction

Item-Iotal Statistics					
				Cronbach's	
	Scale Mean if	Scale Variance	Corrected Item-	Alpha if Item	
	Item Deleted	if Item Deleted	Total Correlation	Deleted	
SAT1	28,45	34,972	,781	,948	
SAT2	28,36	31,396	,893	,935	
SAT3	28,96	31,332	,825	,943	
SAT4	28,48	30,840	,910	,933	
Q2	28,94	32,901	,787	,947	
Q3	28,61	31,558	,890	,935	

Table 2: Item-Total statistics of customer satisfaction **Trust**

				Cronbach's		
	Scale Mean if	Scale Variance	Corrected Item-	Alpha if Item		
	Item Deleted	if Item Deleted	Total Correlation	Deleted		
COM3	21,85	20,952	,710	,925		
TR1	21,59	21,127	,831	,900		
TR2	21,59	21,071	,834	,899		
TR3	22,02	20,965	,772	,911		
TR4	21,83	20,082	.865	.892		

Item-Total Statistics

Table 3: Item-Total statistics of customer satisfaction





Communication

Item-Total Statistics						
				Cronbach's		
	Scale Mean if	Scale Variance	Corrected Item-	Alpha if Item		
	Item Deleted	if Item Deleted	Total Correlation	Deleted		
Q1	12,19	7,305	,653	,754		
COM2	12,21	6,627	,674	,737		
COM4	11,85	7,967	,676	,739		

Table 4: Item-Total statistics of communication

Appendix VI: Histograms of satisfaction, trust and communication



Table 3: Histogram for communication

3 00

4 00

Communication

5 00

2 00

Appendix VII: Factor analysis of social media engagement

6 00

7 00

Looking at all items of social media engagement together (both active and passive) Kaiser-Meyer-Olkin (KMO) is 0,963 (table 1 below) which means that the correlation between variables can be explained by other variables. So, a factor analysis may be appropriate. Looking at the total variance explained, table 2 below, component 1 has an Eigenvalue of 3,954 and component 2 1,759. The rest of the 8 components

APPENDIX

have an Eigenvalue less than 1,0, which means that they are no better than a single variable. Therefore, there could be concluded that Social Media Engagement consist of two different components. Looking at the structure matrix (table 3 below) there could be seen that all items of active social media engagement form one component. The same applies to the items of passive social media engagement.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure	of Sampling Adequacy.	<mark>,808</mark> ,
Bartlett's Test of Sphericity	Approx. Chi-Square	536,340
	df	28
	Sig.	,000

Table 1: KMO of passive social media engagement and active social media engagement

		Initial Eigenval	ues	Extractio	n Sums of Squai	red Loadings	Rotation Sums of Squared Loadings ^a
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	3,954	49,422	49,422	3,954	49,422	49,422	3,423
2	1,759	21,986	71,408	1,759	21,986	71,408	3,091
3	,608	7,600	79,008				
4	,486	6,073	85,081				
5	,438	5,469	90,550				
6	,311	3,891	94,441				
7	,290	3,627	98,068				
8	,155	1,932	100,000				

Total Variance Explained

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance. Table 2: Total variance explained of passive SME and active SME

Structure Matrix						
	Component					
	1	2				
PAS1	,839	,295				
PAS2	<mark>,875</mark>	,377				
PAS3	<mark>,935</mark>	,280				
PAS4	<mark>,818</mark>	,355				
ACT1	,387	<mark>,741</mark>				
ACT2	,258	<mark>,879</mark>				
ACT3	,368	,815				
ACT4	,239	, <mark>820</mark>				

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization. Table 3: component matrix passive social media engagement and passive social media engagement

Appendix VIII: Histograms of social media engagement



Appendix IX: ANOVA different segments

Test of Homogeneity of variances	Test of	Homoge	eneity of	Variances
----------------------------------	---------	--------	-----------	-----------

	Levene Statistic	df1	df2	Sig.
Loyalty	2,280	2	283	,104
Total_SMA	11,181	2	283	,000
Total_SMP	14,173	2	283	,000

Table 1: Test of homogeneity of variances

ANOVA								
		Sum of Squares	df	Mean Square	F	Sig.		
Loyalty	Between Groups	6,827	2	3,414	2,163	,117		
	Within Groups	446,565	283	1,578				
	Total	453,393	285					
Total_SMA	Between Groups	3,615	2	1,808	3,820	,023		
	Within Groups	133,923	283	,473				
	Total	137,538	285					
Total_SMP	Between Groups	70,710	2	35,355	17,119	,000		
	Within Groups	584,480	283	2,065				
	Total	655,190	285					

Table 2: ANOVA loyalty by 3 different target groups



Appendix X: Scatterplot passive vs. active social media engagement

Figure 1: Active vs. passive social media engagement

Appendix XI: ANOVA passive social media engagement

Descriptives

Loyalty								
					95% Confidence Interval for			
					Mean			
	Ν	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
1,00	163	5,1779	1,37275	,10752	4,9656	5,3902	1,00	7,00
2,00	123	5,9041	,95449	,08606	5,7337	6,0744	1,40	7,00
Total	286	5,4902	1,26129	,07458	5,3434	5,6370	1,00	7,00

Table 1: Descriptives

Test of Homogeneity of Variances

Loyalty

Levene Statistic	df1	df2	Sig.	
11,970	1	284	,001	

Table 2: Test of homogeneity of variances

ANOVA

Loyalty									
	Sum of Squares	df	Mean Square	F	Sig.				
Between Groups	36,964	1	36,964	25,209	,000				
Within Groups	416,428	284	1,466						
Total	453,393	285							

Table 3: ANOVA

Appendix XII: ANOVA active social media engagement

Loyalty

					95% Confidence Interval for Mean			
	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
1,00	212	5,3132	1,32007	,09066	5,1345	5,4919	1,00	7,00
2,00	74	5,9973	,90689	,10542	5,7872	6,2074	2,40	7,00
Total	286	5,4902	1,26129	,07458	5,3434	5,6370	1,00	7,00

Table 1: Descriptives

Test of Homogeneity of Variances

Loyalty

Levene Statistic	vene Statistic df1		Sig.	
7,229	1	284	,008	

Table 2: Test of homogeneity of variances

ANOVA

Loyalty								
	Sum of Squares	df	Mean Square	F	Sig.			
Between Groups	25,670	1	25,670	17,044	,000			
Within Groups	427,722	284	1,506					
Total	453,393	285						

Table 3: ANOVA

Appendix XIII: Assumptions for a regression analysis









Appendix XIV: VIF analysis

	Tolerance	VIF
Satisfaction	0.237	4.217
Trust	0.174	5.751
Communication	0.265	3.772
Table 4. Calling and statistics		

Table 1: Collinearity statistics.

Appendix XV: Regression analysis

	В	Sig.
(Constant)	670	.153
Satisfaction	.924*	.000
Communication	055	.574
Trust	.125	.268
Passive social media engagement	.146*	.005
Active social media engagement	.010	.863

Dependent variable: Customer Loyalty

*significant at the 0.05 level.

Table 1: Multiple linear regression with respondents who answered "yes" to question 11