

## Academic papers

# Reoperationalising the loyalty framework

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#### ABSTRACT

**KEYWORDS:** *loyalty, segmentation, psychological attachment, satisfaction, perceived value, intention to repurchase, cruise*

*The purpose of this study was to operationalise loyalty as a segmentation tool utilising both psychological and behavioural measures (as suggested by Backman, 1988), while recognising the vast differences between the types of loyalty possible by acknowledging the differences between first time visitors and actual 'loyal' visitors (as suggested by Opperman, 2000). Secondary purposes of the study included the identification of differences between the segments derived. The proposed framework identified an easy to utilise, and effective segmentation tool. It was also revealed that the proposed frame-*

*work can be very useful for segmenting cruise passengers into distinct homogeneous groups. Specific managerial implications are discussed.*

#### INTRODUCTION

A plethora of studies have shown that one of the best marketing strategies is to advance and promote visitors' loyalty to the respective service (Backman and Crompton, 1991; Backman and Shinew, 1994; Opperman, 1998; Park, 1996; Thomas, 2001; Wakefield and Sloan, 1995). One basis for the examination of consumer loyalty is that past research has suggested that it is more desirable, and much less expensive to retain current visitors than it is to seek new ones (Reichheld and Sasser, 1990; Thomas, 2001). Howard (1992) has shown that only 2 per cent of American adults accounted for 75 per cent of annual participation rates in leisure activities. While this ratio of participation is undesirable from a societal perspective, it does show the importance of consumer retention strategies (Iwasaki and Havitz, 1998). Further, loyal customers are more likely to discuss past service experiences positively than non-loyal customers, creating a potential for word-of-mouth advertising at no extra cost to the service provider (Shoemaker and Lewis, 1999).

This effect, termed the 'loyalty ripple effect', has been suggested to provide service providers with additional revenue streams and to both add value and reduce costs (Gremler and Brown, 1999).

In general terms, 'loyalty refers to committed behaviour that is manifested by propensity to participate in a particular recreation service' (Backman and Crompton, 1991: 205). Loyalty is desired by service providers, for it is what secures the relationship between customer and supplier, when the customer is faced with increasingly attractive competitive offers, or the supplier's own shortcomings. With loyalty, the consumer is more likely to identify with, have trust in, and be committed to the supplier when faced with adversity. Further, errors made in the provision of a service are more apt to be given a second chance if the consumer has loyalty to the provider. According to Weiner (2000) loyal customers will generally attribute service errors to 'unstable factors' (i.e. uncontrollable factors) instead of factors that are controlled by the provider, thus remaining loyal in spite of dissatisfying experiences.

The challenge to tourism service providers is to understand and appropriately use the information they receive with regard to customer loyalty. One use of customer loyalty data is to identify distinct segments of visitors related to their loyalty to the destination/service. The segmentation of visitors into homogeneous markets allows for the comparison of consumer variables by groups and can assist management in formulating consumer-oriented marketing strategies (Kotler, Bowen and Makens, 1996).

#### LITERATURE REVIEW

Initial definitions of consumer loyalty described loyalty from a behavioural perspective. Loyalty from this perspective has been defined solely as a function of pur-

chasing frequency (Brown, 1952), as proportion of market share (Cunningham, 1956). Defining loyalty from a solely behavioural perspective created many measurement and conceptual problems. Since loyalty was operationalised only in terms of overt behaviour, sometimes research utilising the same data base classified the same consumer as loyal in one study, yet not loyal in another. According to Backman and Crompton (1991) it was the lack of success in identifying relationships when measuring loyalty in terms of use that led researchers to deduce that brand loyalty involved more than simple repeat usage, and should include an attitudinal measure.

Attitudinal definitions of consumer loyalty base intensity of loyalty on consumers' preferences, intentions or strength of affection for a brand (Guest, 1942; Iwasaki and Havitz, 1998; Jarvis and Wilcox, 1976). Attitudinal measures have been identified as explaining an additional proportion of the variance that behavioural measures do not (Olson and Jacoby, 1971). The conceptualisation of loyalty only from an attitudinal perspective has been found to be limited, as some of the hypothesised relationships with other variables have not been found (Jacoby and Chestnut, 1978).

It was in the late 1960s, that the deficiencies of a strictly behavioural or attitudinal measure of loyalty were questioned. While agreeing with Pessemier (1959) that consumers exhibit differing degrees of loyalty, Day (1969) argued the appropriateness of using intensity of use alone, as a measure of loyalty. He proposed that solely behavioural measures overestimated true loyalty as they did not account for consumers that were spuriously loyal. Day thus suggested that attitudinal data be integrated with behavioural measures to conceptualise loyalty. He further suggested that in order for a consumer to be truly loyal, they must hold a favourable attitude to the product, and purchase it repeatedly.

Figure 1 Consumer Loyalty Matrix. (Adapted from Backman, 1988).

		Psychological attachment	
		Low	High
Behavioural consistency	Low	Low loyalty	Latent loyalty
	High	Spurious loyalty	High loyalty

Further support for this two-dimensional, composite view quickly emerged. Olson and Jacoby (1971), empirically supported Day's conceptualisation of loyalty with distinct measures of cognitive and behavioural loyalty. They defined loyalty as a 'process in which various alternative brands are psychologically compared and evaluated on certain criteria and the selected brand or brands are selected' (p. 49).

According to Backman and Crompton (1991), the most often used conceptualisation and definition of loyalty is that of Jacoby and Kyner (1973), which states that loyalty is a biased behaviour expressed over time by an individual with respect to one or more alternatives and is a function of psychological processes. In agreement with Day, they also suggest that the dynamics underlying simple repeat patronage and consumer loyalty are different. Thus, neither attitudinal nor behavioural measures alone are able fully to explain consumer loyalty.

Employing Jacoby and Kyner's (1973) definition of loyalty, Backman (1988) integrated behavioural and attitudinal measures of loyalty to compute an index to measure participants' loyalty. Based on respondents' scores on behavioural consistency and psychological attachment, they were assigned to

one of four cells which constitute the loyalty paradigm. The four categories include: low loyalty, latent loyalty, spurious loyalty and high loyalty. Participants categorised as low loyalty, had low behavioural consistency and low psychological attachment. Latently loyal participants had high psychological attachment, but low behavioural consistency. Participants categorised as spuriously loyal had high behavioural consistency, but low psychological attachment, while highly loyal participants had both high behavioural consistency and high psychological attachment (see Figure 1).

Since spuriously loyal consumers lack a true attachment to a product, they may quickly switch their patronage to another provider offering a less expensive or more convenient product (Selin, Howard, Udd and Cable, 1988). Further, latently loyal participants may become highly loyal, if coaxed into more frequent patronage.

With the use of these phenomena, the identification of both a behavioural and attitudinal commitment has been shown to be an effective way to operationalise loyalty (Heiens and Pleshko, 1996; Selin *et al.*, 1988; Veldkamp, 1993). Baloglu (2001), Pritchard and Howard (1997), and Rowley and Dawes (2000) have utilised cluster analysis of behavioural consistency and psy-

chological attachment items to confirm the four quadrant structures proposed by Selin *et al.* (1988) and Backman (1988). These studies have confirmed that four distinct types of loyalty exist in a multitude of settings. Opperman (2000) posited that this methodology for segmenting visitors by loyalty does not recognise the vast differences between the different types of loyalty possible, for, among other reasons, the intensity of visitation is an important variable. He further argues that there is a vast difference between first time visitors and multiple time visitors and that loyalty segmentation must account for this differentiation.

Recognising these flaws, a more holistic framework for using loyalty as a segmentation tool was conceptualised, but not empirically examined by Opperman (2000). He suggests that consumers of services can be classified into the groups of: non-purchasers (have yet to purchase); disillusioned (first time purchasers, who had a negative experience); instable (first time purchasers who had a positive experience, but switch between providers); disloyal (first time purchasers who are characterised by a lesser quest for novelty); and somewhat loyal, loyal and very loyal (multiple visits, differentiated by frequency and intensity of previous visits).

According to Opperman (2000: 34) 'this typology can be a useful instrument for destination marketing and management organisations, because the different types of tourist require different marketing and encounter strategies'. He proposes that this framework more accurately defines loyalty segments than the Backman (1988) framework, for it distinguishes between first time visitors and actual 'loyal' visitors. While conceptually developed, Opperman (2000) suggests that limitations to this framework include its neglect of psychological attachment as a dimension of loyalty, and that it is difficult to operationalise.

It is thus believed that the Opperman (2000) typology, with the addition of delineating segments by attachment would be beneficial to resort managers. It is believed that the added value of this typology is the ability to examine loyalty differences between first time visitors and repeat visitors, and to be able to distinguish the differences between segments based on both their behavioural (intensity) and attitudinal (attachment) loyalty. With the use of this framework, destination managers should be able to delineate useful loyalty segments with which to examine differences in order to match more successfully services with target markets.

### **Purpose of the study**

One market of recreation/tourism participants in need of loyalty research is that of the cruise traveller. Recent buyouts of major cruise lines have created a highly competitive market, with only three cruise lines conducting the vast majority of all development (Peisley, 1995). With loyalty being observed as an important marketing strategy, it is believed that accurate measures of the construct would be useful to cruise line management.

Past research has revealed that loyalty is composed of both a psychological and a behavioural component (Backman, 1988; Baloglu, 2001; Pritchard and Howard, 1997) and that a four quadrant classification of loyalty is not comprehensive enough (Opperman, 2000). It is thus believed that a more comprehensive tool for segmenting loyalty, utilising both psychological and behavioural measures would be more pertinent than current measures. Thus, the purpose of the current study is to operationalise loyalty as a segmentation tool utilising both psychological and behavioural measures (as suggested by Backman, 1988), while recognising the vast differences between the types of loyalty possible by acknowledging the differ-

ences between first time visitors and actual 'loyal' visitors (as suggested by Opperman, 1998).

A second purpose of the study is to identify demographic and cruising history differences in the loyalty segments derived. The identification of demographic and cruising history differences between segments will not only assist in the development of a profile for each segment, but may also aid in the understanding of why segments differ in their loyalty to the service.

A third purpose of the study is to examine the differences between the loyalty segments derived, and their satisfaction and intention to repurchase the vacation. Research has consistently revealed that satisfaction (Barsky, 1992; Petrick, Backman and Bixler, 1999; Weber, 1997) and repurchase intentions (Kozak, 2001; Petrick, Morais and Norman, 2001; Reid and Reid, 1993), are important indicators for destination managers to assess. Further, past behaviour (behavioural loyalty) has been found to be highly related to visitors' satisfaction and repurchase intentions (Mazursky, 1989; Petrick, Morais and Norman, 2001; Sonmez and Graefe, 1998). It is therefore believed that if the proposed segmentation tool can be used to identify differences in cruise passengers' satisfaction and intentions to repurchase, it would be beneficial to destination management.

Therefore, three research questions were developed in order to guide this study. The first research question (*RQ1*) is whether or not cruise passengers are effectively segmented using psychological attachment, number of visits and intensity of visitation? Since the methodology chosen will automatically generate categories, no hypotheses were tested regarding this question. Yet, as per Kotler, Bowen and Makens (1996), segments will be determined effective if they are able to generate distinctive differences between groups.

*RQ2* Do cruise passengers from different loyalty segments differ in demographics and/or tripographics?

Past research suggests that first time visitors are more likely to be younger visitors (Opperman, 2000; Vogt, Stewart and Fessenmaier, 1988) and have fewer experiences (Petrick, 1999), and that females are more likely to be attached than males (Backman, 1988; Schiavo, 1988). Research also suggests that education does not do an adequate job of delineating segments (Neal, Quester and Hawkins, 2002). Further, it would seem practical that more loyal cruisers would be more likely to have taken more cruises, and that less loyal cruisers would have been on more cruise lines. Thus the following hypotheses coincide with the second research question:

- H1<sub>a</sub>:** First-time visitors are more likely to be younger than repeat visitors
- H1<sub>b</sub>:** More highly attached visitors are more likely to be female
- H1<sub>c</sub>:** No differences will be found in the education levels of different visitor segments
- H1<sub>d</sub>:** First time visitors are more likely to have taken fewer cruises than repeat visitors
- H1<sub>e</sub>:** More loyal visitors will have taken more cruises than less loyal visitors
- H1<sub>f</sub>:** Less loyal visitors will have cruised on more cruise lines than more loyal visitors

*RQ3* Do cruise passengers from different loyalty segments differ in their satisfaction and intention to repurchase?

As postulated by Opperman (2000), it is proposed that visitors who are more loyal

will be more satisfied, and will be more likely to repurchase their vacation. He further postulated that first-time visitors who do not have a good first experience will not return. As revealed by Butcher, Sparks and O'Callaghan (2001: 318) '...satisfaction with a single service encounter is critical to loyalty formation'. Thus, the following hypotheses coincide with the third research question:

- H2<sub>a</sub>:** More loyal visitors will be more satisfied than less loyal visitors
- H2<sub>b</sub>:** More loyal visitors will be more likely to return than less loyal visitors
- H2<sub>c</sub>:** First-time visitors who have a negative experience will be less likely to revisit in the future than first time visitors who have a positive experience.

## METHODS

Participants were sampled on two separate seven-day Caribbean voyages, on board the same ship. To ensure that cruise passengers taking back-to-back cruises were not sampled twice, the two samples were taken three weeks apart. One questionnaire was distributed to each cabin accommodating a paying passenger on board the vessel on the second to last evening of the cruise. A letter was included with the questionnaire explaining that only one member in the room was to complete it, and that it was to be returned to their cabin steward. The

questionnaire was six pages long and included questions related to this particular study such as number of visits, psychological attachment, intensity of visits, demographics, overall satisfaction and intention to repurchase.

A total of 591 questionnaires were distributed during the first cruise, and 592 during the second. Of these, 394 (66.7 per cent) and 398 (67.2 per cent) completed questionnaires were returned from the first and second cruises respectively ( $n = 792$ ). All of the questionnaires ( $n = 792$ ) were valid and were used for the analysis. Among passengers who participated, the average age was 51.6, the median household income was US\$75,000 to \$99,999, 58.7 per cent were female and, on average, respondents had taken 8.1 cruises in their lifetime. Demographic and cruise history profiles of both first timers and repeaters can be found in Table 1. The presented profiles reveal distinct differences ( $p < 0.05$ ) between first-timers and repeaters and further amplify the need for separating the two groups. Additionally, no differences ( $p > 0.05$ ) were found between the sample chosen and the overall population for all variables compared (gender, age and income).

## Study variables

Number of visits was operationalised by asking participants the number of cruises they had taken with the cruise line in their lifetime. Similar to Backman (1988)

**Table 1: Profiles of first time cruise passengers and repeat cruise passengers**

	<i>Percentage female</i>	<i>Mean age*</i>	<i>Years of education</i>	<i>Median income</i>	<i>Mean cruises taken*</i>	<i>Mean cruise lines*</i>
First timers	59.9	48.1	16.0	75–100k	4.0	2.5
Repeaters	53.4	59.4	15.9	75–100k	14.3	4.4

\*Significantly different at the  $p < 0.05$  level

and Petrick and Backman (2001) psychological attachment was measured with a five-item, seven-point Likert-type scale from the evaluative domain of the semantic differential scale, which was summed. The five items which had the highest loadings in both studies were retained for the current study. Respondents were asked to rate the cruise line on a scale from 1 ‘negatively’ to 7 ‘positively’. Anchors included: unpleasurable/pleasurable, not interesting/interesting, and negative/positive. The five-item scale was found to have a Chronbach alpha of 0.96 and was deemed acceptable.

Intensity of visit was operationalised as the average number of cruises taken with the cruise line per year. This was done by taking the total number of cruises with the cruise line, divided by the number of years they have been cruising with the cruise line. Overall satisfaction was measured with a single item, ten-point Likert-type scale anchored by very dissatisfied and very satisfied. Similar to Grewal *et al.* (1998) intention to repurchase was measured with a two-item, five-point Likert-type scale asking respondents the likelihood and possibility that they will repurchase a cruise with the cruise line again. Demographic questions relevant to the current study include age, income, education and gender.

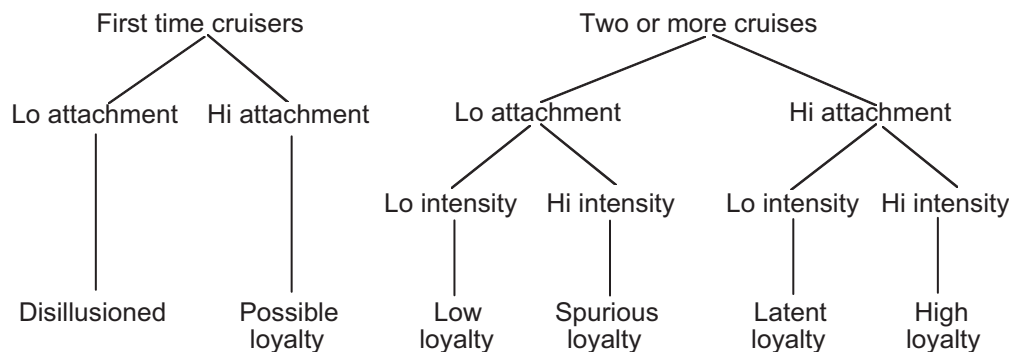
## RESULTS

### Loyalty segmentation

Loyalty segments were created with the use of the variables of: number of visits, psychological attachment and intensity of visits. Number of visits was used to divide respondents into the groups of first time visitors and those who have taken two or more visits. Psychological attachment and intensity of visits were transformed into simple bivariate categories of ‘high’ (above the median) and ‘low’ (below the median). Respondents whose scores were on the median of either variable were not included in the study ( $n=21$ ). Passenger segments were identified by creating two categories of first time cruise passengers (those with low and high attachment) and four categories of repeat visitors (using each of the possible attachment and intensity combinations). Figure 2 displays each of the categories. Descriptive labels were given to each of the categories for purposes of imageable identification:

- Disillusioned (32.5 per cent): first-time visitors with low attachment
- Possible loyal (33.1 per cent): first-time visitors with high attachment
- Low loyalty (6.9 per cent): multiple visits with low attachment and low intensity

Figure 2 Loyalty segments



- Spurious loyalty (8.6 per cent): multiple visits with low attachment and high intensity
- Latent loyalty (7.9 per cent): multiple visits with high attachment and low intensity
- High loyalty (11.0 per cent): multiple visits with high attachment and high intensity.

The resultant segments reflect an integration of both the Backman (1988) and Opperman (2000) conceptualisations of loyalty. As suggested by Opperman (2000) 'disillusioned' visitors have had an unsatisfactory visit and may never repurchase a cruise with the cruise line. 'Possible loyal' visitors are first-time visitors who have had a positive experience. These visitors are not yet loyal, for they have yet to show repeat purchasing behaviour.

'Low loyalty' visitors have taken more than one cruise with the cruise line, but have taken them with low intensity (not taken close to each other), and do not feel psychologically attached to the cruise line. This segment of visitors is unlikely to purchase another cruise from the cruise line in the near future.

'Spuriously loyal' visitors have taken multiple cruises with high intensity, even though they have a low attachment to the cruise line. As suggested by Backman (1991) 'spuriously loyal' visitors probably continue to purchase even though they are not attached because they feel the cruise line is their best or only option. According to Selin *et al.* (1988) since spuriously loyal consumers lack a true attachment to a product, they may quickly switch their patronage to another provider offering a more convenient or less expensive product.

'Latently loyal' visitors have taken multiple cruises with the cruise line and have a high attachment, but have taken their cruises with low intensity. This market segment has the potential to be 'very loyal',

but may need extra coaxing to increase their purchasing intensity. 'Very loyal' visitors are the ideal market segment, for they have taken multiple cruises, are highly attached and have taken their cruises with high intensity.

While the segments formed are mutually exclusive, they do not represent ordinal levels of increasing loyalty, but instead distinct patterns of visitor loyalty. Results suggest that cruise passengers can be effectively segmented using psychological attachment, number of visits and intensity of visitation.

### Demographic/cruising history differences

In order to examine whether or not the individuals comprising the loyalty segments differ in their gender (**H1<sub>a</sub>**), chi-square analysis was employed. Results of the chi-square comparing gender revealed significant differences ( $X^2_5 = 14.8$ ,  $p = 0.01$ ) between groups. It was found that respondents in the groups of low loyalty (41.9 per cent), spurious loyalty (47.2 per cent) and disillusioned (53.8 per cent) were less likely to be female than those in the groups of high loyalty (64.7 per cent), possible loyalty (64.9 per cent) and latent loyalty (65.3 per cent). This finding reveals that the three segments composed of members with high attachment (high loyalty, possible loyalty and latent loyalty) are more likely to have females in them than males, while the opposite is true for the three segments composed of members with low attachment (low loyalty, spurious loyalty and disillusioned) (see Table 2). Thus the research hypothesis (**H1<sub>a</sub>**) is accepted, and it is suggested that more highly attached visitors are more likely to be female.

Analysis of variance (ANOVA) with *post hoc* Tukey's *t*-tests was employed to examine differences in age (**H1<sub>b</sub>**), education (**H1<sub>c</sub>**), total cruises taken (**H1<sub>d</sub>** and **e**), and number of different cruise lines travelled (**H1<sub>f</sub>**). Tukey's HSD was chosen because it



**Table 2: Differences in demographic and cruise history between loyalty segments**

	Percentage female	Mean age	Mean education	Mean total cruises taken	Mean cruise lines taken
Disillusioned	53.8	46.6 <sup>A</sup>	16.4 <sup>A</sup>	4.1 <sup>A</sup>	2.7 <sup>A</sup>
Possible loyal	64.9	47.2 <sup>A</sup>	15.6 <sup>A</sup>	5.4 <sup>A</sup>	2.1 <sup>A</sup>
Low loyalty	41.9	56.8 <sup>B</sup>	15.3 <sup>A</sup>	11.9 <sup>B</sup>	4.9 <sup>B</sup>
Spurious loyalty	47.2	59.3 <sup>B</sup>	16.4 <sup>A</sup>	15.9 <sup>C</sup>	4.4 <sup>B</sup>
Latent loyalty	65.3	55.5 <sup>B</sup>	16.1 <sup>A</sup>	11.8 <sup>B</sup>	4.3 <sup>B</sup>
High loyalty	64.7	59.1 <sup>B</sup>	15.9 <sup>A</sup>	13.7 <sup>B</sup>	3.9 <sup>B</sup>

Means with different letters are significantly different at the  $p < 0.05$  level

is moderately conservative and controls for different error rates between groups, while allowing for groups of different sizes (Ott, 1993). Results found significant differences between loyalty segments and their age ( $F$  5, 609 = 18.2  $p < 0.001$ ), years of education ( $F$  5, 606 = 2.5  $p = 0.03$ ), cruises in lifetime ( $F$  5, 614 = 6.1  $p < 0.001$ ) and cruise lines taken ( $F$  5, 612 = 24.9  $p < 0.001$ ).

*Post hoc* analysis revealed that the segments of disillusioned (mean = 46.6) and possible loyal (mean = 47.2) were significantly ( $p < 0.05$ ) younger than low loyalty (mean = 56.8), spurious loyalty (mean = 59.3), latent loyalty (mean = 55.5) and high loyalty (mean = 59.1) (see Table 2). This finding reveals that first time cruise passengers on the test cruise line are younger than passengers who have taken two or more cruises on the test cruise line. Thus, the research hypothesis (**H1<sub>b</sub>**) was accepted.

Results revealed no differences ( $p > 0.05$ ) between segments and their years of education (see Table 2). Thus, the hypothesis stating that no differences would be found in the education levels of different segments (**H1<sub>c</sub>**) was accepted.

It was also found that passengers taking their first cruise with the test cruise line, disillusioned (mean = 4.1) and possible loyal (mean = 5.4) had taken significantly

( $p < 0.05$ ) fewer total cruises in their lifetime than all other segments (low loyalty = 11.0, spurious loyalty = 15.9, latent loyalty = 11.8 and high loyalty = 13.7), while the segment of low loyalty had taken significantly ( $p < 0.05$ ) fewer cruises than the segments of spurious loyalty, latent loyalty and high loyalty (see Table 2). This reveals that first time cruisers are less likely to have cruised anywhere, and that passengers who had taken multiple cruises, with low intensity and low attachment (low loyalty) have taken fewer cruises than all other multiple cruise segments. This finding confirms the research hypotheses (**H1<sub>d</sub>** and **e**) and suggests that first-time visitors are more likely to have taken fewer cruises than repeat visitors and that less loyal visitors are more likely to have taken fewer cruises than more loyal visitors.

Results further revealed that passengers taking their first cruise with the test cruise line, disillusioned (mean = 2.7) and possible loyal (mean = 2.1) had taken cruises on significantly ( $p < 0.05$ ) fewer cruise lines than cruisers who had taken multiple cruises with the test cruise line (low loyalty = 4.9, spurious loyalty = 4.4, latent loyalty = 4.3 and high loyalty = 3.9) (see Table 2). This finding confirms the research hypothesis (**H1<sub>f</sub>**) stating that less loyal visitors will have cruised on more cruise lines.

### Satisfaction and repurchase intention differences

ANOVA was also employed in order to examine whether or not loyalty segments differed in their overall satisfaction (**H2<sub>a</sub>**) and intention to repurchase a cruise vacation (**H2<sub>b</sub>** and **c**). Results revealed that significant differences existed between segments and both their overall satisfaction ( $F 5, 608 = 69.5$   $p < 0.001$ ) and intention to repurchase ( $F 5, 615 = 65.5$   $p < 0.001$ ). *Post hoc* analysis was again conducted with Tukey's HSD *t*-tests.

It was found that the segments of low loyalty (mean = 7.4), disillusioned (mean = 7.5), and spurious loyalty (mean = 7.8) were significantly ( $p < 0.05$ ) less satisfied than latent loyalty (mean = 9.5), possible loyalty (mean = 9.6) and high loyalty (mean = 9.6) (see Table 3). This finding reveals that the three segments with low attachment are less likely to be satisfied than the three segments with high attachment. Thus, the research hypothesis (**H2<sub>a</sub>**) was accepted.

Results of the *post hoc* analysis examining differences in intention to repurchase found that disillusioned (mean = 6.6) and low loyal (mean = 6.7) visitors were significantly ( $p < 0.01$ ) less likely to intend to repurchase than all other segments. Also, spurious loyal (mean = 7.6) visitors were significantly ( $p < 0.01$ ) less likely to repurchase than latent loyalty (mean = 9.3) and high loyalty (mean = 9.5) visitors (see Table 3). This finding also reveals that the three segments with low attachment are less likely to intend to repurchase than the three segments with high attachment. Therefore it was found that more loyal visitors are more likely to return than less loyal visitors (**H2<sub>b</sub>**) and that first time visitors who have a negative experience will be less likely to revisit in the future than first time visitors who have a positive experience (**H2<sub>c</sub>**).

Table 4 summarises the findings of the

**Table 3: Differences in overall satisfaction and repurchase intention between loyalty segments**

	Overall satisfaction <sup>1</sup>	Intention to repurchase <sup>2</sup>
Disillusioned	7.5 <sup>A</sup>	6.6 <sup>A</sup>
Possible loyal	9.6 <sup>B</sup>	8.9 <sup>C</sup>
Low loyalty	7.4 <sup>A</sup>	6.7 <sup>A</sup>
Spurious loyalty	7.8 <sup>A</sup>	7.6 <sup>B</sup>
Latent loyalty	9.5 <sup>B</sup>	9.3 <sup>C</sup>
High loyalty	9.6 <sup>B</sup>	9.5 <sup>C</sup>

<sup>1</sup> 1 = extremely dissatisfied to 10 = extremely satisfied

<sup>2</sup> 1 = very low probability of repurchase to 10 = very high probability of repurchase

Means with different letters are significantly different at the  $p < 0.05$  level

current study, allowing a comprehensive overview of the results. It reveals that the most viable markets are possible loyal, latent loyal and high loyal visitors, while spurious loyal visitors are a potential market, and disillusioned and low loyal visitors are not good markets. These findings reveal the subtle differences between first time visitors and repeat visitors, while revealing the benefits of increasing visitors loyalty (ie higher satisfaction and intention to revisit). Results also reveal that females are the majority in the desired markets, while males are the majority in the less favoured markets suggesting that marketing efforts directed at female clientele may be more effective.

### CONCLUSIONS

Since both loyalty and segmentation have been identified as important marketing strategies, it is believed that results of the current study have potential application for tourism management. Based on the results of this study, it is believed that the proposed loyalty framework has shown its potential as a procedure to segment tour-

**Table 4: Summary of differences between loyalty segments**

	<i>Disillusion</i>	<i>Possible loyalty</i>	<i>Low loyalty</i>	<i>Spurious loyalty</i>	<i>Latent loyalty</i>	<i>High loyalty</i>
Gender	Mostly male	Mostly female	Mostly male	Mostly male	Mostly female	Mostly female
Age	Younger	Younger	Older	Older	Older	Older
No. of cruises	Few	Few	Average	Many	Average	Average
No. of cruise lines	Few	Few	Many	Average	Average	Average
Satisfaction	Low	High	Low	Low	High	High
Intention to repurchase	Very low	High	Very low	Possible	Very high	Very high

ists, in this case cruise passengers. Results revealed that the Backman (1988) and Opperman (2000) conceptualisations of loyalty can be operationalised into a relatively easy to utilise, and effective segmentation tool (with the use of only three variables: attachment, intensity and number of cruises). Cruise management could easily utilise this tool by simply knowing visitors' attachment, total number of cruises taken, number of cruises with the cruise line and number of cruise lines taken.

The current research further revealed that the resultant segments are substantially different in both demographics (gender and age) and cruise history (total cruises taken and cruise lines taken). Specifically, it was found that females are more likely to have a high attachment to the cruise line than males. This finding is consistent with past research (Backman, 1988; Petrick and Backman, 2001) and suggests that females are more likely to form an affective attachment and be loyal to a leisure experience than males. From a managerial perspective, this reveals that it may be more difficult to create loyalty in male patrons, and that females may be a preferred target market. Past research has revealed that females are more likely to be the decision makers regarding vacation travel (Kerstetter,

Bricker and Gitelson, 2000). If this is the case, marketing efforts may be more successful if they focus on female visitors. Thus, it is suggested for further research, that the underlying reasons for the differences between males and females be examined.

With regard to age, total cruises taken and cruise lines taken, it was found that first time cruisers were substantially different from cruise passengers who had taken two or more cruises. Not surprisingly, it was revealed that first timers were younger and had fewer cruise experiences than passengers who had taken multiple cruises with the test cruise line. This finding amplifies Opperman's (2000) suggestion that loyalty segmentation must consider the vast differences between first time and multiple visitors. Thus, marketing and programming efforts should also consider these differences. This could be accomplished by developing separate marketing strategies, for first time visitors and visitors, based on their profiles and preferences. Results of the current study would suggest that in marketing to first time visitors, destination management should utilise messages which would entice younger visitors, while messages created for past visitors should be geared to more mature visitors.

It was further revealed that the resultant

segments are substantially different in their overall satisfaction and intention to repurchase. It was discovered that cruise passengers with a high attachment were more likely to be satisfied and intend to repurchase. This finding reveals the importance of understanding the determinants of visitors' attachment. Since research has shown that satisfaction (Barsky, 1992; Petrick and Backman, 2001; Weber, 1997) and repurchase intentions (Kozak, 2001; Petrick, Morais and Norman, 2001; Reid and Reid, 1993), are important indicators for destination managers to assess, it is believed that the proposed segmentation tool may be utilised to examine potential ways to retain clientele better. By being able to identify specific differences between segments, destination managers may be able to alter visitors' experiences in order to maximise satisfaction and repurchase intentions. By understanding the relationships between the services provided, and how they affect visitors' attachment, destination managers should be better equipped both to satisfy and to retain clientele.

Since both the cruise ship and cruise line utilised were not randomly selected, the current results should not be generalised. The study was further limited by examining passengers during only one season of the year. It is thus suggested that more research is necessary in order to comprehend better the utility of the current segmentation tool in other leisure and tourism settings.

The study was also limited by using median splits to derive segments. According to Pritchard and Howard (1997) this practice arbitrarily assigns respondents to predetermined loyalty segments, yet, it is proposed that the derived segments allow for easy identification of potential and current segments, without having to make judgment calls associated with clustering respondents.

It is further proposed for future study that multidimensional measures of loyalty

be developed which encompass the dimensions (ie intensity, frequency, attachment) proposed by Opperman (2000). It is believed that attachment may, in itself, be multidimensional, yet current measures treat it as a one-dimensional construct. While much research has been conducted in order to conceptualise the construct of loyalty (Dick and Basu, 1994; Dimanche and Havitz, 1994; Opperman, 2000; Parasuraman and Grewal, 2000; Pritchard, Howard and Havitz, 1992), consistent, concrete measures have not been established. With the use of consistent measures, loyalty comparisons could be made within and across sectors and services, similar to those made with the use of SERV-QUAL.

While results of the current study should not be generalised, it is believed that the proposed segmentation tool offers a useful way for destination managers to develop consumer-oriented marketing strategies, by identifying distinct segments based on loyalty. It is further believed that a more thorough understanding of the antecedents of loyalty, and the differences between loyalty segments will enable destination managers to allocate their resources better in order to develop a more loyal clientele.

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