UNDERSTANDING ROLES OF EXPERIENTIAL VALUE AND PERCEIVED SWITCHING
DRIVERS ON TRAVELERS' LOYALTY: AN EMPIRICAL STUDY OF THIRD-PARTY
TRAVEL WEBSITES

by

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AN ABSTRACT OF A DISSERTATION

submitted in partial fulfillment of the requirements for the degree

DOCTOR OF PHILOSOPHY

Department of Hospitality Management and Dietetics
College of Human Ecology

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Abstract

The Internet has been one of the primary channels for acquiring information during pre-purchase and actual purchase stages characterized by easy entry and low supplier power. Internet travel businesses find it harder to retain customers, and customer defection to better alternatives is inevitable. Travel website developers and/or managers face problems that make it necessary to understand and identify what makes their customers continue to use websites without switching. To date, much attention has gone to identifying what affects website users' behavioral intentions. Limited research, however, has been published on the experiential value of using travel websites and what influences travelers to switch to other travel websites, a context that requires more information.

The purpose of this study was to explore and test travelers' loyalty empirically, along with determinants like the value of travel websites and website switching drivers. In particular, Study 1 proposed a theoretical model identifying the effects of a website's experiential value on satisfaction, and, in turn, attitudinal loyalty and behavioral loyalty. Study 2 aimed to examine website switching factors (i.e., switching costs, attractiveness of alternatives, and perceived network externality) on the relationship between satisfaction and loyalty. Along with the purpose and objectives of the study, 14 hypotheses were proposed based on the literature review.

Data were collected from 384 travel website users in the United States who are 18 years or older and have used travel websites within the last three months. The proposed relationships were examined using structural equation modeling and hierarchical multiple regression analysis. Results showed that customer return on investment, service excellence, and aesthetics were directly associated with satisfaction; satisfaction was directly related to attitudinal loyalty and behavioral loyalty; attitudinal loyalty showed a positive influence on behavioral loyalty; and

attitudinal loyalty partially mediated the relationship of satisfaction with behavioral loyalty. Further, the results of this study revealed that switching costs, attractiveness of alternatives, and perceived network externality were significantly and positively associated with loyalty, but their interaction effects with satisfaction on loyalty were not significant.

The findings should add to the understanding of travelers' value perception of travel websites and website switching behaviors. In addition to its contribution to the literature, online travel and tourism businesses or organizations benefit from suggestions of practical applications for retaining customers.

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Dedication

To my parents, for their unwavering and unconditional love, support, patience and encouragement over the years.

Chapter 1 - Introduction

The international tourism market has recorded approximately 52 million new international tourists in 2013, raising the total to 1.087 billion, up from 1.035 billion in 2012 (United Nations World Tourism Organization [UNWTO], 2014). According to UNWTO (2014), the number of international tourist arrivals on destinations around the world increased by 4.5% in 2014, and the number will reach 1.8 billion by 2030. With the 2012 surge, the U.S. tourist market is ranked third among the world's leading travel spenders as a country (UNWTO, 2013).

The Internet has significantly affected the travel and tourism sector, allowing travelers to directly purchase tourism-related products through airlines or hotel websites or travel intermediaries (Law, Qi, & Buhalis, 2010; Standing, Tang-Taye, & Boyer, 2014). Online tourism-related product sales have increased from $94 billion in 2008 to $162 billion in 2012, with online hotel reservations accounting for 40% of the total volume (Phoenix Marketing International, 2013). Flights and hotels ranked first and second among the most purchased of all online products respectively, following clothing/footwear and car insurance (Google, 2014). According to Google (2013), 80% of American travelers used the Internet to plan travel and 61% researched online before deciding where or how to travel.

The travel and tourism industry was one of the first to adopt information technology, offering airline tickets directly to customers (Standing et al., 2014). Airline companies made electronic reservations available in the mid-1970s, and starting in 1996, thanks in part to the success of the commercial Internet, online hotel and flight booking websites like Expedia, Priceline, and Orbitz were launched (Hockenson, 2012). According to Hockenson (2012), online travel agencies (OTAs) were the most frequently used channel for booking travel (62%) in 2011, followed by branded supplier websites (46%) and meta search websites (14%). Offline travel

agents were used by only 9% of travelers. As the number of people using the Internet to plan trips and purchase tourism-related products has increased, diverse Internet travel business models such as bidding and price comparison websites, vertical search engines, and travel review integrators have been introduced into the market since 2004. The emergence of Web 2.0 yielded user-generated content in the form of travel blogs and reviews in online travel communities and other travel related websites, facilitating the sales of tourism products and services. The pure online travel forums and bulletins websites such as Tripadvisor were launched providing reviews and recommendations for travelers (Joyce, 2013).

The changing environment in the travel and tourism industry has created intense competition among online travel agencies and other types of travel websites. Consequently, researchers and companies show increased interest in customer retention as a marketing goal for travel websites, demonstrating the need to understand customer loyalty to online retailers and emphasizing its role in predicting online businesses' long-term profitability (Anderson & Srinivasan, 2003; Doong, Wang, & Shih, 2008; Fuentes-Blasco, Saura, Berenguer-Contrí, & Moliner-Velázquez, 2010; Shamdasani, Mukherjee, & Malhotra, 2008; Srinivasan, Anderson, & Ponnavolu, 2002; H. C. Wang, Pallister, & Foxall, 2006; Z. Yang & Peterson, 2004). However, low entrance barriers to the online market and high competition in the same service category tend to make it more difficult for online businesses to keep customers loyal over the long-term (Fuentes-Blasco et al., 2010). Revisit/repurchase intention or actual revisit/repurchase within a short period may not truly predict long-term success of online businesses. Accordingly, online businesses must identify what does predict customer retention and defection and thus strengthen the competitiveness of their websites.

Customer value perception explains why customers choose certain products or services in the purchase process (Sheth, Newman, & Gross, 1991). As Woodruff (1997) explains, value to a customer involves preferences for attributes and actual performance of a product or service during and after the consumption process. The marketing literature (e.g., Cronin, Brady, & Hult, 2000; Khalifa, 2004; Y. Wang, Lo, Chi, & Yang, 2004; Woodruff, 1997) has noted that customer perceived value drives customer loyalty and post-purchase intentions like repurchase intention or word-of-mouth recommendations. Customer value is also a key motivation in shopping, strongly affecting a customer's repurchase intention (Kim, Chan, & Gupta, 2007; K. Yang, Lee, & Lee, 2010). Travelers appear to be motivated by value perception to choose a particular travel website for travel planning and booking, and for sharing experiences (Gretzel, Fesenmaier, & O'Leary, 2006; Mohd-Any, Winklhofer, & Ennew, 2014). Considering that perceived value of a product/service is derived by either directly using the product/service or distantly appreciating attributes and performance of the product/service (Holbrook, 1996), understanding value derived when experiencing a website is essential to understanding website visitors' behavioral intention after visiting.

Managing customer switching, and thus facilitating or impeding customer defection from a service provider, is a potential marketing strategy in retaining key customers (Jones, Mothersbaugh, & Beatty, 2000). According to Bolton and Tarasi (2007) "[s]trong relationships [between a service provider and a customer] are associated with customer loyalty and/or switching costs, which create barriers to competition" (p. 4). Any factor that contributes to customer loyalty or switching may affect a relationship with a service provider. While research has confirmed the link between customer satisfaction and customer loyalty, the relationship tends to be a function of barriers to switching, among them costs and competitiveness of alternatives

(Jones et al., 2000; Patterson, 2004). Switching barriers refer to "any factor, which makes it more difficult or costly for consumers to change providers" (Jones et al., 2000, p. 261). Although customers may not be fully satisfied (showing low satisfaction or dissatisfaction), they may not switch because of high switching barriers. Often, they show little attitudinal loyalty (liking or commitment to the current service provider), although they exhibit behavioral loyalty (staying with the current service provider) (Ping, 1993; Porter, 1980). Thus, understanding what affects switching among customers may help online service providers gain better insight into customer behavior. Moreover, since customers tend to associate with post-switching behaviors like negative word-of-mouth communications, a service provider should note the importance of customer retention and strive to prevent customers from switching (Keaveney, 1995).

Statement of the Problem

Attracting and retaining customers is more crucial for commercial travel websites than ever before. Customer loyalty is a marketing goal and a key to success for any company's long-term viability, giving the company a competitive advantage; companies with good retention of existing customers see lower costs than companies who must constantly attract new customers. Moreover, loyal customers are more likely to purchase products and services than new customers, and to show word-of-mouth behaviors after purchasing, which helps a company attract new customers (Hallowell, 1996; Reichheld & Schefter, 2000; Reitz, 2012). Despite the importance of loyalty, little empirical research details the factors affecting customer loyalty on travel websites, leaving room for examining what drives online customer loyalty (Fuentes-Blasco et al., 2010; Sandström, Edvardsson, Kristensson, & Magnusson, 2008; Turnbull, 2009).

Because value conceptualization is complex and inconsistent, though widely recognized as important, perceived value is an often ignored facet of customer service experiences (Gallarza,

Gil-Saura, & Holbrook, 2011). Experiential value of a product/service is derived through either directly using a product/service or distantly appreciating attributes and performance of a product/service (Holbrook, 1996; 1999), emphasizing service consumption experience more than the performance of each service feature. It is one determinant of customer attitudes or emotions in an online environment and essential to understanding the behavioral intention of website visitors (Jeong, Fiore, Niehm, & Lorenz, 2009; Keng & Ting, 2010; Kim, Gupta, & Koh, 2011; Perea y Monsuwé, Dellaert, & de Ruyter, 2004). Adapting the concept, however, to travel websites has rarely been attempted.

Further, the Internet market has an open-structure and is characterized by low entry barriers and supplier power, allowing customers to switch with relative ease. Both theoretically and empirically, as shown in the literature, identifying what prevents or promotes customer switching could help online businesses retain customers and gain repeat patronage. Substantial research has revealed the determinants of switching in physical service settings like department stores (Tung, Kuo, & Kuo, 2011), hairdressers (Bansal, Taylor, & James, 2005; Jones, Mothersbaugh, & Beatty, 2002; Patterson & Smith, 2003; Vázquez-Carrasco & Foxall, 2006), credit card and long distance phone call providers (Burnham, Frels, & Mahajan, 2003), mobile phone service (J. Lee, Lee, & Feick, 2001) and financial services (Colgate & Lang, 2001; Sharma & Patterson, 2000). Online retailing research also has focused on switching barriers in online settings (e.g., Balabanis, Reynolds, & Simintiras, 2006; Chang & Chen, 2009; P. Y. Chen & Hitt, 2002; Fuentes-Blasco et al., 2010; Goode & Harris, 2007; Tseng & Teng, 2014; Z. Yang & Peterson, 2004), and switching barriers did not fully explain customers' post-purchase behavioral intentions. Even so, research on the effects of switching barriers on online travelers' satisfaction and loyalty remains incomplete.

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Previous literature asserts that retaining customers is a better marketing strategy than seeking new customers. Identifying and understanding the predictors of online customer loyalty to travel websites would be a good way to enhance customer revisit and repurchase intentions for a website. This study addressed how experiential value and other variables related to customer switching affect loyalty toward a travel website. Specifically, this study hypothesized that travelers who perceive high experiential value in a travel website are more likely to be satisfied and thus return and repurchase from that travel website. Further, this study proposed that the relationship between online traveler satisfaction with and loyalty to a travel website would be a function of perceived switching determinants.

Purpose of the Study

The purpose of this study was to propose and test conceptual models consisting of factors that affect traveler loyalty to travel websites. Specifically, this study empirically tested relationships among experiential value, satisfaction, and loyalty among travelers who use a travel website. This study also examined the effects of three switching-related variables on the relationship between satisfaction with and loyalty to a travel website. Specific research objectives were to:

1. determine aspects of experiential value for travelers using a travel website;

2. examine how experiential value among travelers using a travel website influences their satisfaction with and their loyalty to a travel website;

3. explore how switching costs, attractiveness of alternatives, and perceived network externality affect travelers using a travel website;

4. assess how switching costs, attractiveness of alternatives, and perceived network externality influence the relationship between satisfaction with and loyalty to a travel website.

Hypotheses

The conceptual models in this study included a total of 14 hypotheses: eight for the first model and six for the second model. In the first model, the relationships among experiential value dimensions (i.e., customer return on investment (ROI), service excellence, playfulness, aesthetics, and social value), satisfaction, attitudinal loyalty and behavioral loyalty were examined. In the second model, the effects of perceived switching costs, attractiveness of alternatives, and perceived network externality on loyalty and on the relationships between satisfaction and loyalty were tested.

First Model Hypotheses

H1: As travelers perceive higher customer return on investment using a travel website, they are more satisfied with the travel website.

H2: As travelers perceive higher service excellence using a travel website, they are more satisfied with the travel website.

H3: As travelers perceive higher playfulness using a travel website, they are more satisfied with the travel website.

H4: As travelers perceive higher aesthetics using a travel website, they are more satisfied with the travel website.

H5: As travelers perceive higher social value using a travel website, they are more satisfied with the travel website.

H6a: As travelers are more satisfied with a travel website, they show higher attitudinal loyalty to the travel website.

H6b: As travelers are more satisfied with a travel website, they show higher behavioral loyalty to the travel website.

H7: As travelers hold higher attitudinal loyalty to a travel website, they show higher behavioral

loyalty to the travel website.

Second Model Hypotheses

H8a: As travelers perceive higher switching costs to a new travel website, they show higher

loyalty to the travel website they are currently patronizing.

H8b: As travelers perceive higher switching costs to a new travel website, the relationship

between traveler satisfaction and loyalty to the travel website they are currently patronizing

becomes stronger.

H9a: As travelers perceive higher attractiveness of alternative travel websites, they show lower

loyalty to the travel website they are currently patronizing.

H9b: As travelers perceive higher attractiveness of alternative travel websites, the relationship

between traveler satisfaction and loyalty to the travel website they are currently patronizing

becomes weaker.

H10a: As travelers perceive higher network externality of the website they are currently

patronizing, they show higher loyalty to the travel website.

H10b: As travelers perceive higher network externality of the travel website they are currently

patronizing, the relationship between traveler satisfaction to the current website and loyalty

to the travel website becomes stronger.

Significance of the Study

To date, relatively few studies have been devoted to value perception by online customers

of travel websites. Previous studies of customer experiential value are limited to retail or service

contexts in mostly offline environments, and existing literature for online marketing focuses on

adapting the conceptual model and the measurement items from previous literature (cf. Mathwick, Malhotra, & Rigdon, 2001). The multidimensional perspective of value to online customers has received much attention from the travel and tourism industry, but the experiential perspective of value to travelers has rarely been studied. This study would embrace the distinctive nature of a travel website, a virtual space for e-commerce as well as an online community for sharing travel information. Accordingly, considering the other-oriented dimension of experiential value, this study attempted to provide comprehensive empirical evidence of value perceptions of customers of travel websites. In addition, this study would contribute to the literature on online travel marketing by investigating and identifying factors that prevent or facilitate switching among travelers who use travel websites and the effects on loyalty. Consequently, the findings of this study provide a foundation for practical advice on designing better marketing strategies to marketers and or online/mobile travel companies.

Limitations of the Study

The first limitation involved in this study is the use of a retrospective approach to collecting the data. Although this study used screening questions to filter out unqualified survey participants, relying on the traveler's memory of their past website experience to complete the survey questionnaires may cause a recall bias.

The second limitation concerns the generalization of the findings. Data were collected at one point in time in the United States and the sample was limited to travel website users who had experience with using a third-party travel website during a certain period of time. Therefore, generalizability of the findings of this study is limited when investigating other periods in time, other geographical settings or other cultures.

It was not possible to include all third-party travel websites that were in business at the time the survey was conducted. Thus, this study selected the eleven most popular websites based on online sources (i.e., Ali, 2014; eBizMBA, 2015). While the selection of travel websites was based on reliable sources, this may lead to potential biases so that these findings are not generalizable beyond the third-party websites included in this study.

Definition of Terms

- **Third-party travel website:** a travel website that provides booking service (hotel rooms or flight tickets) and travel reviews service (comments/ratings of any hotel, restaurant or travel attractions). A third-party travel website is not operated directly by any hotels, airlines, or official tourism marketing organizations, and is not a price-comparison website in which travelers can only compare prices from different providers and are redirected to other websites for purchasing.

- **Online travel agency (OTA):** a web-based travel agency that provides travel planning services like bookings (hotel rooms or flight tickets) and/or travel-related information (comments/reviews/ratings of any hotel, restaurant or other travel attractions) on behalf of airlines, hotels, car rental companies, etc.

- **Travel supplier website:** a website owned and operated by airline companies or hotel companies that provide their travel-related products along with their traditional distribution channels.

- **Travel meta search website:** a travel website that provides "a vertical meta search engine focused on finding and comparing travel accommodations and pricing from many sources (i.e., websites) with a single query from one site" (Christodoulidou, Connolly, & Brewer, 2010, p. 822) and does not provide booking service and destination content.

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- **Online Travelers**: travelers who use and visit a travel website to search for travel information, purchase tourism-related products, or/and share their travel experience with other travelers.

- **Experiential Value**: "a perceived, relativistic preference for product attributes or service performances arising from interaction within a consumption setting that facilitates or blocks achievement of customer goals or purposes" (Mathwick, Malhotra, & Rigdon, 2002, p. 53).

- **Customer Return On Investment (ROI)**: an active/extrinsic dimension of experiential value, capturing "perceived affordability of the [products or services] purchased and the efficiency of the retail experience" as indicators of "the perceived return on cognitive, behavioral, or financial investments made by the consumer" (Mathwick et al., 2002, p. 53).

- **Service Excellence**: a reactive/extrinsic dimension of experiential value, reflecting "the generalized [customer] appreciation of a service provider to deliver on its promises through demonstrated expertise and task-related performance" (Mathwick et al., 2001, p. 42).

- **Aesthetics**: "a reactive/intrinsic dimension of experiential value, derived from an aesthetic reaction to the visual elements of the retail environment and the entertaining or dramatic aspects of the service performance" (Mathwick et al., 2001, p. 42).

- **Playfulness**: "an active/intrinsic dimension of experiential value, reflecting in the intrinsic enjoyment that comes from engaging in activities that are absorbing" (Mathwick et al., 2001, p. 44).

- **Social value**: an extrinsic and other-oriented dimension of experiential value, derived from active pursuit of a favorable response from others or reactive appreciation of a favorable recognition from others (Holbrook, 1999).

- **Satisfaction**: "contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm" (Anderson & Srinivasan, 2003, p. 125).

- **Loyalty**: "[a customer's] desire to continue a relationship with a service provider and repeat patronage behavior" assessed by "both attitudinal and behavioral measures" (C. F. Chen & Chen, 2010, p. 31).

- **Attitudinal Loyalty**: "a customer's favorable attitude towards [a service provider] that results in repeat buying [or usage] behavior" (Srinivasan et al., 2002, p. 42).

- **Behavioral Loyalty**: "a customer's overt, observable behavior toward a specific [service provider] in terms of repeat purchasing [or usage] patterns" (Back & Parks, 2003, p. 3)

- **Perceived Switching Costs**: a customer's subjective perception of the one-time cost, i.e., time, money, and effort, associated with the process of changing from one service provider to another (Burnham et al., 2003; Chang & Chen, 2009).

- **Continuity Costs**: "customer perceptions of the benefits and privileges lost by and of the likelihood of lower performance when switching" (Jones et al., 2002, p. 442).

- **Learning Costs**: "customer perceptions of the time and effort of gathering and evaluating information prior of switching and of learning a new service routine subsequent to switching" (Jones et al., 2002, p. 442).

- **Relationship Loss Costs**: "customer perceptions of investments and costs already incurred in establishing and maintaining relationship" (Jones et al., 2002, p. 442).

- **Attractiveness of Alternatives**: customer perceptions regarding the extent to which viable competing alternatives are available in the market, differentiated and non-substitutable (Burnham et al., 2003; Jones et al., 2000).

- **Perceived Network Externality**: customer perceptions of "the benefit [or utility] in using a good or service increasing with the total number of consumers using the same (or compatible) good or service" (Tseng & Teng, 2014, p. 206).

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Chapter 2 - Review of Literature

This chapter reviews related literature on developing the proposed conceptual models. Specifically, this chapter provides the theoretical background of experiential value, satisfaction, attitudinal loyalty, behavioral loyalty, perceived switching costs, attractiveness of alternatives, and perceived network externality. Fourteen hypotheses also are presented based on the literature review.

Perceived Value

Considering that marketing is a process leading to exchanges, referring to a transaction between two parties where each trades something of value for something of greater value, perceived value is fundamental to all marketing activity (Holbrook, 1996). Customer perceived value is a critical competitive advantage for a product/service provider because it leads to customer loyalty and future behavioral intentions, resulting in customer retention and profit (Khalifa, 2004; Sigala, 2006; Wang, Lo, Chi, & Yang, 2004; Woodruff, 1997). Perceived value is also an important predictor of online customer buying behavior like repurchase intention or word-of-mouth intention (Francis & White, 2004; C. Kim, Galliers, Shin, Ryoo, & Kim, 2012; H. W. Kim, Chan, & Gupta, 2007a; H. W. Kim, Gupta, & Koh, 2011b; K. Yang, Lee, & Lee, 2010). While much research has been done on customer value perception, the literature shows little agreement on its definition and conceptualization (Holbrook, 1999; Monroe, 1990; Sweeney & Soutar, 2001; Zeithaml, 1988). For instance, the term 'value' has often been used interchangeably with other related constructs like utility, price, quality, and/or satisfaction (Sánchez, Callarisa, Rodríguez, & Moliner, 2006).

Two main research approaches, unidimensional and multidimensional, are used to conceptualize perceived value. The unidimensional perspective of value uses a cognitive definition of value, representing a comparison of what is received (product/service attributes or performance) to what is given (the price/costs paid) (Z. Chen & Dubinsky, 2003) or "consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given" (Zeithaml, 1988, p. 14). Extending Zeithaml's definition of value, the unidimensional approach to value echoes what customers get (benefits, quality, worth, utility) from the purchase and use of a product versus what they pay (price, costs, sacrifices) (Dodds, Monroe, & Monroe, 1985; Monroe, 1990; J. B. Smith & Colgate, 2007; Yadav & Monroe, 1993). According to Monroe (1990), consumer perception of value is "a trade-off between the quality/benefits they perceive in the product relative to the sacrifice they perceive by paying the price" (p. 46). This trade-off model between benefit and cost is the most frequently cited unidimensional concept of perceived value (Jin, Line, & Goh, 2013). Overall, from the unidimensional concept of value, consumers evaluate value by comparing what they receive with what they give, considering only functional/economic measures.

However, researchers have challenged the unidimensional approach, criticizing it for its excessive concentration on economic utility and for being too narrow and simplistic to fully and accurately capture the complex and multifaceted construct of value (Babin, Darden, & Griffin, 1994; Bolton & Drew, 1991; Holbrook, 1999; Mathwick, Malhotra, & Rigdon, 2002; 2001; Sánchez-Fernández & Iniesta-Bonillo, 2007; 2009; Sinha & DeSarbo, 1998; Sweeney & Soutar, 2001; Woodall, 2003). Instead, these researchers advocate a multidimensional concept of value in which the perceived value involves both the cognitive (i.e., functional or utilitarian) and affective (i.e., emotional or hedonic) aspects measured with

multiple-item scales (Gallarza & Saura, 2006; Sánchez et al., 2006; Sweeney & Soutar, 2001; Sweeney, Soutar, Whiteley, & Johnson, 1996). One multidimensional approach to value focuses on utilitarian and hedonic dimensions (Babin et al., 1994; Hirschman & Holbrook, 1982). The utilitarian dimension is task-related and goal-directed, while the hedonic dimension focuses on the personal, subjective, and intangible (Babin et al., 1994; Y. K. Kim, Sullivan, & Forney, 2007b). A second dichotomy of perceived value is functional and emotional. The functional dimension includes not only the quality or the functional and physical performance of a product or service, but also non-monetary sacrifice and price (Petrick & Petrick, 2002; Sánchez et al., 2006; Sheth, Newman, & Gross, 1991; Sweeney & Soutar, 2001; Sweeney et al., 1996), while the emotional dimension captures the feeling or affective states generated by the product or service (Sheth et al., 1991; Sweeney & Soutar, 2001). Sheth et al. (1991) proposed a model of utilitarian and hedonic consumption value, with five dimensions of perceived value: functional, social, emotional, epistemic, and conditional. Reducing Sheth et al.'s original model to three dimensions, Sweeney and Soutar (2001) established a framework assessing the functional (quality and price), social, and emotional dimensions of perceived value. Based on the model, the researchers developed PERVAL, a perceived value scale.

Customer Experience

Schmitt (1999b) indicates that "as a marketer you need to provide the right environment and setting for the desired customer experiences to emerge" (p. 58). A retailer, in other words, does not just sell a product or service but creates an environment that emphasizes fun, excitement, and entertainment, thus encouraging customers to participate in the service

(Gentile, Spiller, & Noci, 2007; Mathwick et al., 2001). From a customer standpoint, customer experience indicates that customers create their own experience within the environment a retailer provides. Unlike traditional marketing, which focuses on providing customers with functional features and benefits, experiential marketing broadly focuses on a holistic consumption experience (Schmitt, 1999a). Therefore, every retail service encounter creates a customer experience that provides relational, emotional, cognitive, and behavioral value (Schmitt, 1999a). Positive customer experience promotes an emotional bond between a company and its customers, which enhances customer preference for the company and its brand. From a company perspective, customer experience helps a company to identify what customers value most about the company's offerings and to develop a competitive advantage in the market (Zhang, Dewald, & Neirynck, 2009).

Experiential Value

The marketing literature stresses the critical role of experience in the service environment and has consistently defined value derived from the consumption experience (e.g., Andrews, Kiel, Drennan, Boyle, & Weerawardena, 2007; Hirschman & Holbrook, 1982; Jin et al., 2013; Keng & Ting, 2010; Wu & Liang, 2009). Holbrook and Hirschman (1982) identify experiential value as a personal event created as a response to some stimulus, which frequently results from direct observation of a product or service or participation in the consumption process. Holbrook (1999) proposed a multidimensional customer value that captures diverse aspects of the consumption experience. He defined customer value as "an interactive relativistic preference experience" (p. 5) and emphasized four fundamentals of customer value: (1) interactive, (2) relativistic, (3) preferential, and (4) experience. First,

customer value is "interactive", for which value is the mutual interaction between a customer

and a product/service. Value is derived from the attributes, quality, or benefits of the

product/service, and occurs when the customer appreciates them.

Second, customer value is "relativistic." In other words, customer value is

comparative among products/services, personal across people, and situational or context-

specific. Value judgments involve preferences among products/services, and a customer

perceives value in a specific product/service through comparing different attributes among

products/services and identifying relative preferences among them. Customer value is

personal because perceived value of the same product/service varies from customer to

customer. Moreover, customer value is situational in that the perceived value of a

product/service is specific to the context and varies from time to time, place to place, or

moment to moment. Next, customer value is "preferential" in that it involves preference

judgments including "affect (pleasing –displeasing), attitude (liking-disliking), evaluation

(good-bad), predisposition (favorable-unfavorable), opinion (pro-con), response tendency

(approach-avoidance), or valence (positive-negative)" (Holbrook, 1999, p. 8). Lastly,

customer value is "an experience." Value is inherent not to the product/service or the brand,

but to the consumption experience derived therefrom.

Overall, Holbrook's (1999) typology of value entails value as experiential, originating

from the interactions among customers, a product/service, and a company at a set of different

contact points in the service retail environment, and those interactions are stimulated by more

customer participation (Gentile et al., 2007). Adapting previous studies on value, Mathwick et

al. (2002) defined experiential value as "a perceived, relativistic preference for product

attributes or service performances arising from interaction within a consumption setting that

facilitates or blocks achievement of customer goals or purposes" (p. 53). In the context of

travel websites, experiential value can be derived when travelers access a website, use it, and

conduct transactions. Moreover, the traveler chooses the travel website on the basis of

preferences in website attributes, website performance.

Holbrook's (1999) Typology of Experiential Value

Recent literature shows that Holbrook's (1994, 1999) typology is the most

comprehensive and detailed explanation of perceived value: it encompasses all the

multidimensional aspects of value that other studies had already defined (Sánchez-Fernández

& Iniesta-Bonillo, 2007). Holbrook (1994; 1999) broadened the traditional concept of

consumer value, identifying three key dimensions of consumer value: (1) extrinsic versus

intrinsic value; (2) active versus reactive value; and (3) self-oriented versus other-oriented

value (see Table 2.1).

Table 2.1. Holbrook's (1999) Typology of Consumer Value (p. 10)

		Extrinsic	Intrinsic
Self-oriented	Active	EFFICIENCY (Output/Input, Convenience)	PLAY (Fun)
	Reactive	EXCELLENCE (Quality)	AESTHETICS (Beauty)
Other-oriented	Active	STATUS (Success, Impression, Management)	ETHICS (Virtue, Justice, Morality)
	Reactive	ESTEEM (Reputation, Materialism, Possessions)	SPIRITUALITY (Faith, Ecstasy, Sacredness, Magic)

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When consumption is appreciated for its function and utility, a consumer experiences *extrinsic value*. Extrinsic value helps customers attain specific goals (Holbrook, 1999). A consumer discovers *intrinsic value* when experience is appreciated for its own sake, apart from the consequences of the experience (Holbrook, 1999; Sigala, 2006). Customers achieve extrinsic value by completing tasks or achieving goals, while intrinsic value is a result of the pleasure and playfulness of the experience itself (Babin et al., 1994). In other words, the difference between extrinsic and intrinsic value is whether a customer derives value from using a product or service as a means to an end (extrinsic) or an end in itself (intrinsic) (Turnbull, 2009). In a retail environment, customers acquire extrinsic value from a shopping trip by seeking to satisfy a utilitarian goal. They are often satisfied with completing their tasks (e.g., purchasing a product or acquiring information) or saving money (Batra & Ahtola, 1991; Mathwick et al., 2002). Intrinsic value, however, comes from playfulness and actually enjoying a shopping trip. The focus is on appreciating the shopping experience, regardless of any consequence to the shopping (Holbrook, 1994).

Value is either active (participative) or reactive (passive), depending on whether customers are active or reactive during the shopping experience. *Active value* occurs from direct use of a product/service, which involves more collaboration between customer and retailer (Holbrook, 1999). Mathwick et al. (2001) indicated that this collaboration results from customers actively manipulating resources that a retailer provides. *Reactive value*, in contrast, derives from appreciating or evaluating a product/service or from the physical shopping environment (Holbrook, 1999; Mathwick et al., 2002). A traveler may thus enjoy a website experience either by actively using the website or by simply evaluating the website design, images, or other sensory aspects.

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Value can be *self-oriented* when consumption occurs because the customer wants it but *other-oriented* when the customer perceives value that benefits others (Holbrook, 1999; Turnbull, 2009). The individual shopping experience is typically considered self-oriented because customers shop for their own needs and satisfaction.

Mathwick et al. (2001; 2002) developed the Experiential Value Scale (EVS) to measure customer self-oriented experiential value using Holbrook's (1999) typology in both online and offline retail contexts. EVS measures a hierarchical scheme of self-oriented experiential value entailing four dimensions (customer ROI, playfulness, service excellence, and aesthetics) and six sub-dimensions (efficiency, economic value, escapism, intrinsic enjoyment, visual appeal, and entertainment) (see Table 2.2). This study added the other-oriented extrinsic value, or social value, to EVS to embrace the distinctive nature of a travel website, a virtual space for e-commerce as well as an online community for information sharing and communicating with other website users.

Table 2.2. Mathwick et al.'s (2001) Hierarchical Model of Experiential Value (p. 43)

		Extrinsic	Intrinsic
Self-oriented	Active	Customer ROI (Efficiency, Economic value)	Playfulness (Escapism, Intrinsic Enjoyment)
	Reactive	Service Excellence (Service excellence)	Aesthetics (Visual appeal, Entertainment)

Customer Return on Investment (ROI)

Customer ROI captures the perceived return on "financial, temporal, behavioral, cognitive investment" (Mathwick et al., 2001, p. 41). Online customers actively invest money, time, or effort in return for an experience, expecting to benefit from the utilitarian aspects of their online shopping experience. If this return meets their expectations, customers may perceive their online shopping as having more value (Perea y Monsuwé, Dellaert, & de Ruyter, 2004).

Mathwick et al. (2001) classified customer ROI into two elements: efficiency and economic value. *Efficiency* is understood as a ratio of perceived convenience (output) to time and effort (input) (Holbrook, 1999; Y. K. Kim, 2002; Rintamäki, Kanto, Kuusela, & Spence, 2006). Online customers tend to perceive the value of using a commercial website when they receive utilitarian benefits like convenience and ease of shopping from using the Internet as a channel to purchase goods and services. Zeithaml, Parasuraman, and Malhotra's (2000) study describes the positive relationship between the efficiency of online shopping and time/effort savings. *Economic value* implies utilitarian value perceived from monetary savings. Price may be an element of value in the unidimensional approach of value. The literature describes "good value" as "fair price," meaning that consumers trade price for a product or service with value (Bolton & Drew, 1991).

Previous research confirms that utilitarian value derives from saving money (price) and non-monetary costs (time, effort, and risk reduction) in both offline and online (Babin et al., 1994; Childers, Carr, Peck, & Carson, 2001; Hirschman & Holbrook, 1982; Zeithaml, 1988; Zeithaml et al., 2000). Travelers may consider all inputs including time spent in search and transaction, as well as convenience of access and use, when using a travel website.

Service Excellence

Another type of extrinsic value, service excellence reflects a reactive response for the degree to which services meet customer expectations (Holbrook, 1999). According to Holbrook (1994, 1999), service excellence represents customer perception and appreciation of how well a service or service experience satisfies customer needs and wants. Adopting the definitions of quality by Zeithaml (1988) and Garvin (1988), Holbrook (1999) suggests that excellence refers to both perceived quality and product/service performance. Other researchers have also found that quality is an antecedent of perceived value (Z. Chen & Dubinsky, 2003; Cronin, Brady, & Hult, 2000) or an element of overall value (Sheth et al., 1991; Sweeney & Soutar, 2001). Mathwick et al. (2001) measured excellence using only service performance for catalog and Internet shopping experience. Therefore, this study considered service excellence as a construct related to service quality, i.e., service performance and a service provider's expertise, measured by the degree to which a travel website provides expert, or reliable, and consistent content.

Playfulness

A traveler may perceive enjoyment and escapism using a travel website when searching for information and pictures of tourism products and reading other travelers' reviews and comments. Holbrook (1999) identified play as an active self-oriented experience reflected by fun, which Mathwick et al. (2001) renamed playfulness. Playfulness measures the extent to which customers engage in activities in a service environment that generate enjoyment and escapism (Mathwick et al., 2001). According to Mathwick et al. (2001), playfulness differs from its reactive counterpart, aesthetics, based on how actively customers

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participate in creating value for the service experience. Playfulness occurs when customers actively shop for pleasure or to escape from the demands of the day-to-day world.

Intrinsic enjoyment occurs when customers appreciate the shopping experience itself as an end, apart from actually completing a shopping task (Perea y Monsuwé et al., 2004). This enjoyment comes from fun and pleasurable shopping experiences. Escapism is the enjoyment that comes from an intensive engagement in activities to the point that customers temporarily "get away from it all" (Mathwick et al., 2001). Thus, when hypermedia computer-mediated environments evoke the flow state (De Wulf, Schillewaert, Muylle, & Rangarajan, 2006; Hoffman & Novak, 1996), defined as "a seamless sequence of responses facilitated by machine interactivity" (Hoffman & Novak, 1996, p. 57), customers are so involved in an act of website navigation that they feel playfulness and a loss of self-consciousness (Hoffman & Novak, 1996). When customers are so absorbed in shopping activities that they forget their daily lives, enjoyment of the shopping experience comes in the form of flow, which in turn helps them escape from it all.

Aesthetics

Unlike active playfulness, aesthetics is a customer's reactive appreciation to "consonance/unity of physical objects and their cadence, or performance" (Wu & Liang, 2009, p. 588). Aesthetics measures the level of customer perception of the visual attractiveness and entertainment inherent to a certain product/service or physical environment, thereby creating immediate pleasure (Mathwick et al., 2001; 2002). The aesthetics dimension of experiential value is further classified into two elements: visual appeal and entertainment (Mathwick et al., 2001). Visual appeal captures observable elements of the retail

environment, often stimulated by the design and physical attractiveness of the shopping environment (Keng, Huang, Zheng, & Hsu, 2007). *Entertainment* measures the extent to which aspects of the retail service performance itself entertain customers. It reflects "an appreciation for the retail spectacle" (Mathwick et al., 2001).

O'Brien and Toms (2010), in their study of Internet shopping, defined website aesthetics as "visual beauty or the study of natural and pleasing (aesthetic) computer-based environments" (p. 51). The physical environment of a website contributes to visual appeal and often uses specific features of the website interface like screen layout, color, graphics/images, photographic quality, and brightness of a website. Entertaining websites seem to offer a service environment or service that excites a website user.

Social Value

The social value dimension of experiential value represents both the active and reactive nature of other-oriented value; the dimension combines two of Holbrook's (1999) sub-categories: status and esteem. Holbrook (1999) pointed out that status is based on successfully impressing others, achieving a favorable response from others through consumption. Esteem, on the other hand, is reactive; the value derived from appreciating a product or service and gaining, as a result, favorable recognition. Specifically, other-oriented value is attained when a customer actively pursues a favorable impression by others; the customer's purpose for having a consumption experience is the positive appreciation of others (Holbrook, 1994). Holbrook (1999) noted that these two sub-categories are distinct from one another but are also intimately interrelated with a grey area in between. On a travel website, online travelers may evaluate a tourism-related product or post reviews to impress other users

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by providing helpful and useful information to travelers. On an online opinion platform, a positively-recognized online consumer is perceived as a consumption expert or intelligent shopper. Consumers articulate their reviews online, in part, hoping that their reviews are perceived as useful, thereby gaining public recognition and praise (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Moreover, communicating and interacting with other members of a website, and thereby gaining a sense of belonging, has proved to be a motive for using travel websites (E. E. K. Kim, Mattila, & Baloglu, 2011a). Given the empirical and theoretical difficulty of separating these two categories, this study defines it as a single category: social value.

Satisfaction

Satisfying customers is an important goal for a product/service provider because increasing customer satisfaction leads to lower marketing costs through retaining customers and maintaining long-term relationships (Fornell, 1992; McDougall & Levesque, 2000; Patterson, Johnson, & Spreng, 1996). Researchers of consumer behavior focus on understanding satisfaction as fundamental to predicting customer behavior, particularly loyalty (Carpenter, 2008; Chang & Chen, 2009; Fornell, 1992; Setó-Pamies, 2012), behavioral intentions (E. W. Anderson & Sullivan, 1993; Patterson et al., 1996), and switching (McDougall & Levesque, 2000).

The confirmation/disconfirmation paradigm of customer satisfaction postulates that satisfaction forms when a customer cognitively perceives the similarity of expectations of an experience with a product/service and the actual performance of that product/service, and dissatisfaction forms when expectations are not met (Cardozo, 1965; Oliver, 1980; 1996; Rust

& Oliver, 1993). When the perceived performance of a product/service meets or exceeds expectations, confirmation or positive disconfirmation occurs, accompanied by pleasure, relief, or surprise (Oliver, 1981; 1996). Otherwise, dissatisfaction occurs.

Please note that satisfaction may derive from affective responses to the consumption experience or the purchase situation (Babin & Griffin, 1998; Bagozzi, Gopinath, & Nyer, 1999). Previous satisfactory consumption experiences of a product or service evoke five end-states of satisfaction: contentment, pleasure, relief, novelty, and surprise (Babin & Griffin, 1998; Bagozzi et al., 1999; Oliver, 1996). These affective responses determine whether a customer forms a positive or negative attitude toward the product/service. Further, various studies posit satisfaction as a consumer's affective evaluation of a product or service based on the total purchase and consumption experience with the product or service rather than cognitive evaluation processes represented by disconfirmation (E. W. Anderson, 1994; Casaló, Flavián, & Guinalíu, 2008; C. F. Chen & Chen, 2010; Woodruff, 1997).

Previous research describes two distinct ways of measuring consumption satisfaction. Transaction-specific satisfaction occurs with each new transaction or consumption experience and determines the level of satisfaction (Casaló et al., 2008). Overall satisfaction refers to the cumulative and global evaluation of a product or service from multiple encounters or consumption experiences (E. W. Anderson, 1994; Burnham, 1998; M. D. Johnson, Anderson, & Fornell, 1995). Overall satisfaction better explains behavior patterns (i.e., loyalty and revisit/repurchase intentions) because situational variables easily influence transaction-specific satisfaction (E. W. Anderson, 1994; Burnham, 1998; Z. Yang & Peterson, 2004). Thus, using the concept of overall satisfaction, not satisfaction from a specific transaction, was more appropriate in this study to measure past website experiences.

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Further evidence suggests the concept of satisfaction extends to an online retailing environment. Electronic customer satisfaction, or e-satisfaction, is defined as "the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm" (R. Anderson & Srinivasan, 2003, p. 125). It appears that, like offline customer satisfaction, online customer satisfaction with a website is a function of affective responses to pre- and post-website experiences and positively influences reuse or repurchase intention (Devaraj, Fan, & Kohli, 2002; C. Kim et al., 2012; Maditinos & Theodoridis, 2011; Tang & Chiang, 2010), website preference (Karahanna, Seligman, Polites, & Williams, 2009), and online customer loyalty (Overby & Lee, 2006). This study targeted travelers with experience using a specific travel website over a certain period, so overall affective assessment of website experience as website satisfaction was used for this study. This definition is consistent with the traditional definition of customer satisfaction and should be suitable for assessing online customer satisfaction (K. Lee & Joshi, 2007).

Effects of Experiential Value on Satisfaction

Most research supports a chain of linkages from value to customer satisfaction. The services marketing literature (E. W. Anderson, 1994; Fornell, Johnson, Anderson, Cha, & Bryant, 1996; McDougall & Levesque, 2000; Sánchez et al., 2006; Sweeney & Soutar, 2001) shows perceived value is a predictor of consumer satisfaction. Generally, researchers agree that value is often shown at the pre-experience stage and/or the service encounter (experience) stage, while satisfaction is a post-purchase or -use evaluation of a product or service that depends on the actual experience of consuming a product/service (Hirschman & Holbrook, 1982; Oliver, 1981; Woodruff, 1997). Moreover, satisfaction is conceptualized as the

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unidimensional construct of affective evaluations of a product or service varying from positive (favorable) to negative (unfavorable) (Sweeney & Soutar, 2001). Woodruff (1997) supports perceived value as a consumer's cognitive perception of the relational interactions with a product or service provider affecting satisfaction which represents overall feelings about the perceived value. This is also supported by the behavioral model in which cognition significantly influences affect (cf. Fishbein & Ajzen, 1975). In online environments, value perception is significantly related to online satisfaction (C. Kim et al., 2012; Overby & Lee, 2006; Tang & Chiang, 2010). In sum, evidence suggests that customer satisfaction can be better understood through in-depth research of perceived value (Woodruff, 1997).

Zeithaml (1988) argues that value is perceived as a trade-off between benefits/quality and costs or the difference between the utility given by product or service attributes and the disutility represented by the price paid. Goal-directed customers are motivated by more economical, efficient, and timely ways of shopping, pursuing the utilitarian value of shopping (Babin et al., 1994). Reflecting the utilitarian benefits sought by a customer, the customer ROI dimension focuses on efficiency (time and effort savings) and monetary savings in using the product/service and service excellence focuses on overall evaluation of service performance (Mathwick et al., 2001). Customer ROI as a dimension of experiential value is closely associated with a preference for Internet shopping (Mathwick et al., 2001). A positive online shopping experience is thus significantly related to attitude towards the benefits the Internet offers as a shopping channel and its benefits (e.g., convenience of online shopping, specifically savings in time and effort and enjoyment of online shopping) (Doolin, Dillon, Thompson, & Corner, 2005). Service excellence dimension refers to a reactive appreciation of service quality and performance (Holbrook, 1999) and reflects perceived superiority of

service quality (Zeithaml, 1988). The services marketing literature shows quality has a significant link to consumer satisfaction (e.g., Cronin & Taylor, 1992; Parasuraman, Zeithaml, & Berry, 1994). In online shopping, website quality attributes and service quality attributes significantly predict online customer satisfaction (Maditinos & Theodoridis, 2011). For the context of travel websites, it was hypothesized that greater value driven by functional or utilitarian benefits of using a travel website and excellence in website service performance leads to higher website user satisfaction.

H1: As travelers perceive higher customer return on investment using a travel website, they are more satisfied with the travel website.

H2: As travelers perceive higher service excellence using a travel website, they are more satisfied with the travel website.

Two other dimensions of experiential value, playfulness and aesthetics, explain the intrinsic nature of value, specifically the hedonic and affective motives for shopping (E. J. Lee & Overby, 2004). Experiential marketing emphasizes creating a retail environment with a sense of fun, excitement, and entertainment (Gentile et al., 2007; Mathwick et al., 2001; Schmitt, 1999a). Favorable impressions of retail settings influence the emotional and cognitive states of customers (Eroglu, Machleit, & Davis, 2003). Hirschman and Holbrook (1982) note, "[H]edonic consumption designates those facets of consumer behavior that relate to the multisensory, fantasy and emotive aspects of one's experience with products" (p. 92). Therefore, playful and entertaining shopping environments that stimulate the senses will elevate the hedonic value of shopping, thus leading customers to have a satisfying shopping experience. Further, aesthetics drive positive emotions like pleasure and happiness, and

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positive emotions not only have value in themselves but positive consequences (Leder, Belke, Oeberst, & Augustin, 2010; Scherer, 2005). The literature supports the concepts of play and aesthetics among key elements of value (Babin et al., 1994; Gallarza & Saura, 2006; Monroe, 1990). Internet websites may benefit from hedonic value through playfulness and sensory experience by offering multimedia presentations and a professional, state-of-the-art presentation of products and services that attract customers to a pleasurable experience while using a website. Therefore, playfulness and aesthetics should have a positive effect on satisfaction on a travel website.

H3: As travelers perceive higher playfulness using a travel website, they are more satisfied with the travel website.

H4: As travelers perceive higher aesthetics using a travel website, they are more satisfied with the travel website.

Social value reflects extrinsic and other-oriented dimensions of experiential value. This is referred to as a consumer's feeling of recognition that consumption of a product or service is viewed seriously by others. Holbrook (1999) explained that satisfaction is derived from gratification in gaining recognition from others. Along with that, according to Sweeney and Soutar (2001), the social value of consumption explains social approval achieved by using a certain product; that is, the consumer gains approval and creates a favorable impression in others for buying and using a product or service. The Internet is a channel through which people can interact with others who have common interests. The interaction functions of the website embodied in such features as bulletin boards and chat rooms may enhance the social value of using the website, providing website users with more engaging

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and enjoyable experiences by interacting and communicating with others. Hence, this study hypothesized the positive effect of social value on satisfaction;

H5: As travelers perceive higher social value using a travel website, they are more satisfied with the travel website.

Attitudinal Loyalty and Behavioral Loyalty

Generally, a robust, loyal customer base provides a company with a competitive advantage, because loyal customers tend to purchase more products and services, attract new customers through recommendations, and reduce marketing costs, which can then be spent to attract new customers (Casaló, Flavián, & Guinalíu, 2007; Setó-Pamies, 2012). A number of empirical studies have investigated different predictors of loyalty, among them, customer satisfaction (e.g., Carpenter, 2008; Fornell, 1992; M. A. Jones, Reynolds, & Arnold, 2006; Oliver, 1980; K. E. Reynolds & Arnold, 2000; K. E. Reynolds & Beatty, 1999), trust (e.g., Casaló et al., 2007; Chaudhuri & Holbrook, 2001), and commitment (e.g., Fullerton, 2003).

Early research conceptualized loyalty solely through repeat purchases of a specific brand or a repatronage of suppliers, i.e., behavioral aspects of loyalty (cf. R. Anderson & Srinivasan, 2003). The key point of this argument is that loyal customers are those who continue to purchase the same brand over time without considering buying other brands. Some researchers (e.g., Day, 1969; Jacoby & Chestnut, 1978), however, claim that the behavioral definition of loyalty is not sufficient to represent true loyalty behavior. That is, repurchasing patterns cannot measure consumer loyalty toward a brand when consumers show loyalty towards multiple brands and are not aware of better alternatives. In that case, consumers buy a product by accident or for convenience, not out of true loyalty. Oliver (1999)

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notes that a problem also arises when only a behavioral-based definition of loyalty is considered. Behavioral loyalty only measures repeat purchasing frequency, and relative volume of same-brand purchasing, but it does not distinguish true loyalty from repeat purchasing behavior and neglects the consumer's decision making process (Dick & Basu, 1994; Oliver, 1999).

Emphasizing the psychological aspect of loyalty, Oliver (1999) describes loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 34). This definition of loyalty presents a comprehensive concept that includes both behavioral and attitudinal aspects (Z. Yang & Peterson, 2004). Other researchers have since shown more interest in the two dimensions of loyalty: attitude and behavior (Baldinger & Rubinson, 1996; Day, 1969). Jacoby and Chestnut (1978) claim that true loyalty which involves both attitudes and behavior requires three different conditions; a belief, affect (i.e., attitude), and intention (i.e., conation).

Researchers in the service marketing have recognized that the constructs of attitudinal loyalty are multidimensional, encompassing consumer attitudes and commitment to a brand, product, service, or its provider (Bennett, Härtel, & McColl-Kennedy, 2005; Fuentes-Blasco, Saura, Berenguer-Contrí, & Moliner-Velázquez, 2010). According to their research, consumers show attitudinal loyalty when they perceive a product/service as appropriate and are committed to buy. On the other hand, the relationships marketing literature which focuses on the organization to consumer relationships views the affective component of commitment encompasses attitudinal loyalty (Gundlach, Achrol, & Mentzer, 1995). Commitment has

recognized as a key determinant of customer loyalty to the service provider (Fullerton, 2005; Gundlach et al., 1995; Morgan & Hunt, 1994) that includes the willingness to maintain the relationship (Morgan & Hunt, 1994), a resistance to change (Pritchard, Havitz, & Howard, 1999), or attitude strength (Ahluwalia, Burnkrant, & Unnava, 2000) and viewed as "an attachment between two parties that leads to a desire to maintain a relationship" (Fullerton, 2005, p. 100). Two essential components of commitment are affective commitment and continuance commitment. Affective commitment is based on liking a product/service or its provider or having an emotional bond, resulting in a desire to maintain a relationship with a product/service provider (Fullerton, 2003; 2005). Continuance commitment explains the degree to which a customer is perceived as bound to the product/service or its provider (Fullerton, 2003). The customer is likely to commit to the relationship if he or she perceives the product/service is not replaceable because of high switching costs or scarcity of alternatives (Fullerton, 2005). From this notion, while it has not generally been recognized, attitudinal loyalty and commitment may not be mutually exclusive of each other and there may exist some overlapping components between them.

Behavioral loyalty, as noted earlier, indicates a tendency to repurchase a product/service (Bennett et al., 2005). While attitudinal loyalty frequently focuses on customers' psychological state of readiness to devote to a relationship, behavioral loyalty may indicate actual behaviors showing behavioral commitment to the relationship. It captures a multifaceted behavioral constructs of loyalty that measures either actual behaviors (e.g., share of purchases, the relevant frequency of visits/purchases, the proportion of purchase of a specific product/service, the total number of purchases, and the actual amount of purchases) (Back & Parks, 2003; Carpenter, 2008; Caruana, 2002; Casaló et al., 2008) or behavioral

intentions (e.g., positive recommendations, positive word-of-mouth communications, willingness to pay more, or repurchase/repatronage intentions) (Carpenter, 2008; Zeithaml, 2000; Zhang et al., 2009) as a proxy of actual behaviors, or both together.

E-loyalty is also characterized as both attitudinal and behavioral. (R. Anderson & Srinivasan, 2003; Koo, 2006; Rodríguez-Ardura, Martínez-López, & Luna, 2010). Srinivasan, Anderson, and Ponnavolu (2002) defined e-loyalty as "a customer's favourable attitude towards the e-retailer that results in repeat buying behavior's reflecting both affective and behavioral perspectives" (p. 42). Cyr, Bonanni, Bowes, and Ilsever (2005) and Cyr (2008) further note that e-loyalty includes intentions to revisit and repurchase from a website without switching to other websites.

Relationships among Satisfaction, Attitudinal Loyalty and Behavioral Loyalty

Previous service marketing studies have provided evidence of a positive relationship between customer satisfaction and loyalty (Fornell, 1992; McDougall & Levesque, 2000; Patterson et al., 1996; Setó-Pamies, 2012). Satisfaction is usually considered an emotion-oriented assessment of service and one of affective antecedents of loyalty behavior (Bitner, 1990; Cronin et al., 2000; Dick & Basu, 1994; Oliver, 1999; Z. Yang & Peterson, 2004). Because affective responses affect attitudes (Weiss & Cropanzano, 1996), satisfaction as overall affective responses of consumption tend to determine customer attitude including attitudinal loyalty towards a product/service or its provider. However, the relationship of satisfaction to behavioral loyalty is controversial in the literature. For instance, Oliver (1980) suggests that satisfaction is an antecedent of both attitudinal loyalty and actual behavior while

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Carpenter (2008) argues that satisfaction indirectly influences behavioral loyalty through attitudinal loyalty.

Customer satisfaction is positively related to behavioral intention. A customer's behavioral intention is influenced by both the customer's expectation that performance of a certain behavior would lead to a certain outcome and a positive or negative evaluation of this outcome (Ryan, 1982). Customer satisfaction may affect both expectation and outcome evaluation. A satisfied customer is more likely to expect that a behavior would result in the same outcome in the future, which reduces uncertainty and helps the customer make an optimal choice with less effort in the future (E. W. Anderson & Sullivan, 1993). Satisfaction is also associated with positive evaluations. There is little research on whether a behavioral intention would directly lead to an overt behavior in the online environment. However, with the view that a positive behavioral intention leads to an actual behavior (Oliver, 1996), satisfaction may affect a behavioral intention and an actual behavior both as two aspects of behavioral loyalty. Further, it is possible that overall satisfaction through multiple consumption experiences would form attitudinal loyalty, behavioral loyalty, or both.

In terms of the relationship between attitudinal and behavioral loyalty, most research agrees that attitudinal loyalty tends to lead behavioral loyalty (Bennett et al., 2005) supporting the conclusion that consumer attitudes precede overt behavior (Peter & Olson, 2005). Fullerton (2005) demonstrates the positive relationship of commitment to customer advocacy intentions and its negative relationship to switching intentions in retail services. In addition, customer attitudes toward online retailing influence their responses, particularly behavioral intentions (Balabanis & Vassileiou, 1999). Customer attitudinal loyalty influences post-consumption behaviors like share of purchases (i.e., the percentage of purchases made at a

particular store) or word-of-mouth recommendations (Bennett et al., 2005; Carpenter, 2008; K. E. Reynolds & Arnold, 2000).

Research on customer behavior online supports the notion that online satisfaction may predict both attitudinal loyalty or commitment (R. Anderson & Srinivasan, 2003; Balabanis, Reynolds, & Simintiras, 2006; Chang & Chen, 2009; Koo, 2006) and preference for a website (R. Anderson & Srinivasan, 2003; Chang & Chen, 2009; E. J. Lee & Overby, 2004), as well as behavioral loyalty or customer intentions (R. Anderson & Srinivasan, 2003; Z. Yang & Peterson, 2004). In sum, this study hypothesized that website user satisfaction has a positive influence on attitudinal loyalty and behavioral loyalty and that attitudinal loyalty positively influences behavioral loyalty.

H6a: As travelers are more satisfied with a travel website, they show higher attitudinal loyalty to the travel website.

H6b: As travelers are more satisfied with a travel website, they show higher behavioral loyalty to the travel website.

H7: As travelers hold higher attitudinal loyalty to a travel website, they show higher behavioral loyalty to the travel website.

Proposed Conceptual Model for Study 1

Figure 2.1 illustrates the focus of the first study. In the model, five dimensions of experiential value (i.e., aesthetics, playfulness, customer ROI, service excellence, and social value) are antecedents of satisfaction. Satisfaction, in turn, affects attitudinal loyalty and behavioral loyalty. Attitudinal loyalty is positively related to behavioral loyalty.

Figure 2.1 Proposed Conceptual Model for Study 1
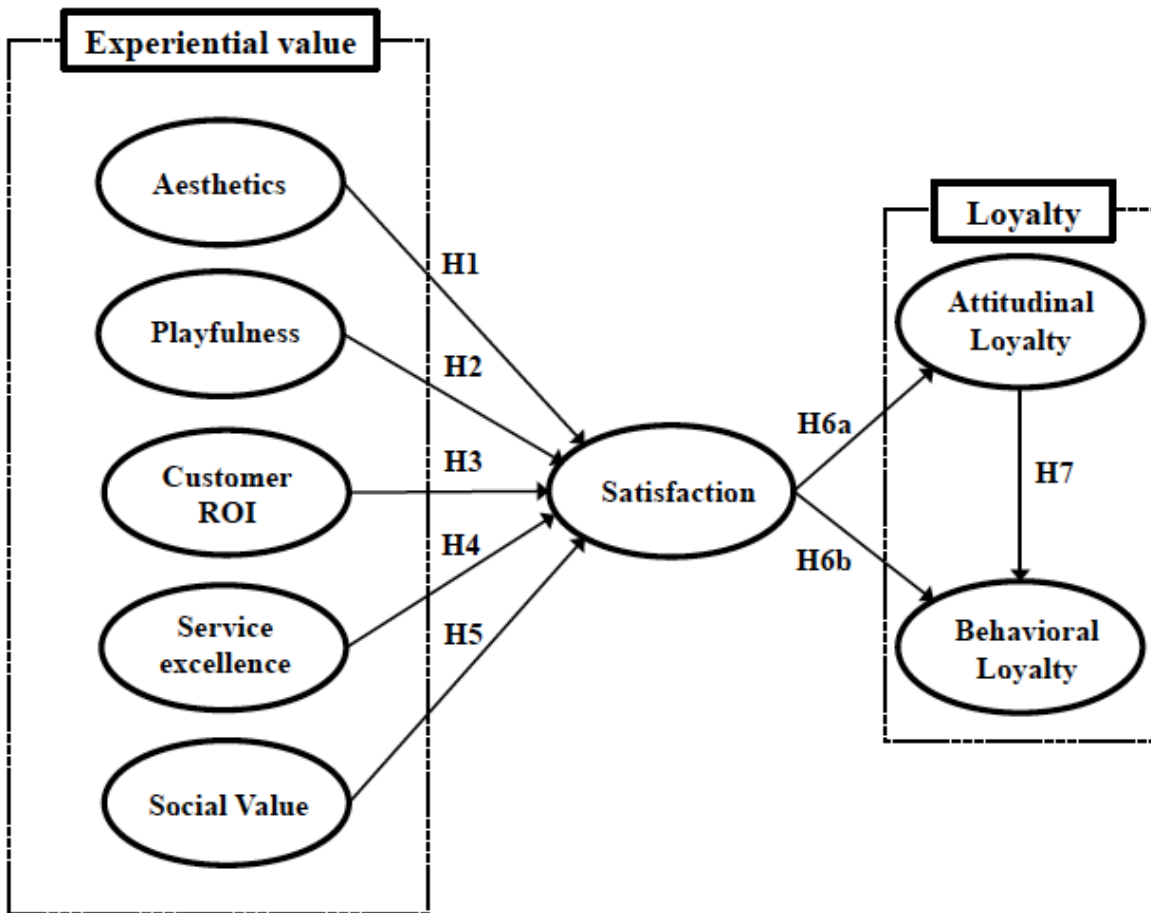
Note. Customer ROI = customer return on investment.

Switching Costs

One marketing strategy used to retain customers is managing switching costs. Switching costs are consumer's perceived onetime costs associated with changing a product or service and acquiring an alternative (Burnham, Frels, & Mahajan, 2003; Fornell, 1992; Porter, 1980). Jones, Mothersbaugh, and Beatty (2000) conceptualize switching costs as "any factor, which makes it more difficult or costly for consumers to change providers" (p. 261). When a customer considers terminating the current service and switching to new service, these costs become barriers that make it difficult to do so. They are not are not immediately incurred upon switching but encompass all costs during the process of searching, evaluating, and learning a new service, as well as emotions resulting from forgone benefits and the loss of relationships (Burnham et al., 2003).

Switching costs are conceptualized as multidimensional, but agreement among scholars is spotty. Switching costs include actual financial costs but may include the psychological and emotional factors like time and effort involved in starting and maintaining a relationship with a service provider or retailer (Gremler, 1995; M. A. Jones et al., 2000; Patterson, 2004). Klemperer (1987) identified three types of switching costs: transaction, learning, and artificial (contractual). Transaction costs are associated with starting a relationship with a new provider and terminating an existing one. Secondly, learning costs are related to learning how to use a new product or service to get the same level of service performance as with a prior service. Finally, artificial or contractual costs occur at a firm's discretion (e.g., frequent purchase rewards, repurchase discounts, click through rewards, or early contract termination fee). Like Klemperer's (1987) typology, Guiltinan's (1989) typology includes types of switching costs, in this case, four of them: contractual costs, setup

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costs (costs required to initiate a new relationship such as initiation fees, time and effort involved in finding and then evaluating a new relationship, as well as learning a new process), psychological commitment costs (psychological costs relevant to time and efforts involved in choosing and maintaining the current relationship), and continuity costs (uncertainty about performance levels of a new service). Other researchers (Colgate & Lang, 2001; M. A. Jones et al., 2000; Patterson, 2004; Sharma & Patterson, 2000) include interpersonal bonds between customer and service provider as social switching costs. Jones et al. (2000), adopting Klemperer (1987) and Guiltinan's (1989) 5typologies, propose six dimensions for switching costs: lost performance costs, uncertainty costs, pre-switching search and evaluation costs, post-switching behavioral and cognitive costs, setup costs, and sunk costs. Additionally, these authors suggested that each dimension of switching costs affects repurchase intentions in banking and hair services. Burnham et al. (2003) classified switching costs into three categories: procedural costs resulting from the loss of time and effort, financial costs related with the loss of financially quantifiable resources, and relationship costs associated with personal and brand relationship loss costs. Jones et al. (2007) examined three different types of switching costs (i.e., social switching costs, lost benefit costs, and procedural costs) as antecedents of commitment, emotion, repurchase intentions, and word-of-mouth recommendations.

The review of the literature revealed several conceptualization and operationalization issues with switching costs in both the online or offline contexts. Further investigation into the concept and role of switching costs for travel websites is needed. This study considered the categorization of switching costs in detail in the next section.

Categorization of Switching Costs

The conceptual framework in this study delineates three major dimensions of customer perceived switching costs: continuity costs, learning costs, and relationship loss costs (Burnham et al., 2003; M. A. Jones, Mothersbaugh, & Beatty, 2002; M. A. Jones, Reynolds, Mothersbaugh, & Beatty, 2007).

Continuity costs represent the opportunity costs of switching due to lost benefits and reduced performance (Guiltinan, 1989; M. A. Jones et al., 2002). Jones et al. (2002) suggested that continuity costs include lost performance costs and uncertainty costs as well. Lost performance costs, or *benefit loss costs* in this study, reflect a customer's perception that benefits or privileges, price specials, rewards are potential losses in switching to another service provider (Burnham et al., 2003; M. A. Jones et al., 2007; Patterson, 2004). *Uncertainty costs* reflect likely costs if a new service provider cannot provide better performance than the incumbent service provider (Burnham et al., 2003; M. A. Jones et al., 2002). Patterson (2004) indicates that customers tend to stay with a service provider to avoid the risks involved in finding a new service provider who offers an equal or higher level of service than the current provider.

Learning costs, the second dimension of switching costs, are those costs associated with the time and effort of finding and adapting to a new service provider (M. A. Jones et al., 2007). This category of switching costs comprises three sub-dimensions: search and evaluation costs, learning costs, and setup costs. *Search and evaluation costs* are the time, effort, inconvenience and money associated with collecting and analyzing information on available alternatives (Burnham et al., 2003; Patterson, 2004). Search and evaluation costs occur because production and consumption of service are both intangible and inseparable. The

sub-dimension *learning costs* involves the time and effort from learning to understand or use a new service after switching (M. A. Jones et al., 2002). The time and effort costs include new skills, know-how, and service procedures or routines to use a new service (Burnham et al., 2003). *Setup costs* reflect the time and effort invested in customizing a new service for initial use (Burnham et al., 2003). Jones et al. (2002) pointed out that high customization of services is necessary, and customers often required additional training to adapt to a new service provider during the first purchase.

Relationship loss costs involves the emotional or affective "discomfort due to the loss of identity and the breaking of bonds" (Burnham et al., 2003, p. 112); customers form an emotional bond with a service, brand, or people (Berry & Parasuraman, 1991; Burnham et al., 2003), investing time, effort, or money to develop and maintain relationships with a service provider (M. A. Jones et al., 2002). Switching may result in breaking off these relationships (personal relationship loss costs) or giving up the brand or service company (brand relationship loss costs) (Burnham et al., 2003).

Effects of Switching Costs on Satisfaction and Loyalty Relationship

Previous literature reveals that customer retention is a function of satisfaction and switching costs (Fornell, 1992; Ping, 1993), and the relationship between customer satisfaction and loyalty may be contingent on switching costs in a service setting (R. Anderson & Srinivasan, 2003). Shapiro and Varian (1999) asserted, "[Y]ou cannot compete effectively in the information economy unless you know how to identify, measure, and understand switching costs and map strategy accordingly" (p. 133). In the services marketing literature, customer satisfaction is a key predictor of revisit intention and loyalty (E. W.

Anderson, 1994; E. W. Anderson & Sullivan, 1993; Fornell, 1992). The relationship of satisfaction with revisit intention and loyalty, however, depend to some extent to how switching costs are perceived by a customer (M. A. Jones et al., 2000; Patterson, 2004).

High switching costs may prevent dissatisfied customers from defecting and changing service providers (Burnham et al., 2003; J. Lee, Lee, & Feick, 2001; Ping, 1993). Since customers become less sensitive to the satisfaction level as switching costs increase (Hauser, Simester, & Wernerfelt, 1994), perceived switching costs tend to encourage repeat purchase and customer loyalty despite lower satisfaction levels. Yanamandram and White (2006) also asserted that switching costs are one of the reasons that dissatisfied customers continue to transact with the service provider in the business-to-business sector. In other words, dissatisfied customers might use the service or purchase from the service provider (behavioral loyalty) partly because of high switching costs even if they do not have commitment or preference for the service (attitudinal loyalty). In that case, high switching costs may affect negative emotions with the service leading negative word-of-mouth recommendations to others (M. A. Jones et al., 2007; Ping, 1993; Porter, 1980). The evidence suggests that customer loyalty may result either from high customer satisfaction or relatively high switching costs. Therefore, understanding and managing perceived switching costs may be an effective way to predict customer behavior and to develop a stronger relationship with a service provider, locking customers into a relationship (Burnham et al., 2003; Fornell, 1992; Guiltinan, 1989; M. A. Jones et al., 2002).

Previous research was inconsistent on the role switching costs play in satisfaction-loyalty relationships in online settings. Switching costs show a direct effect on online customer repurchase intentions (Fuentes-Blasco et al., 2010; Tsai & Huang, 2007) and

customer intentions to try another website (Tseng & Teng, 2014). Their moderating effects in the satisfaction-loyalty relation also were found (Balabanis et al., 2006; Fuentes-Blasco et al., 2010). High online switching costs found to have a positive effect on the relationship between satisfaction and loyalty, i.e., stronger satisfaction-loyalty relationship (Chang & Chen, 2009; Z. Yang & Peterson, 2004). Based on the literature review, this study hypothesized the following:

> **H8a**: As travelers perceive higher switching costs to a new travel website, they show higher loyalty to the travel website they are currently patronizing.
>
> **H8b**: As travelers perceive higher switching costs to a new travel website, the relationship between traveler satisfaction and loyalty to the travel website they are currently patronizing becomes stronger.

Attractiveness of Alternatives

In the literature on marketing and consumer behavior, researchers have used a variety of labels to describe the attractiveness of alternatives: attractiveness of available alternatives (Holloway & Beatty, 2005; M. A. Jones et al., 2000; Patterson & Smith, 2003; Ping, 1993; Sharma & Patterson, 2000; Vázquez-Carrasco & Foxall, 2006), alternative experiences (Burnham et al., 2003; P. Y. Chen & Hitt, 2002), the impact of alternative providers (Yanamandram & White, 2006), switching inducements (Goode & Harris, 2007), awareness of alternatives (Antón, Camarero, & Carrero, 2007; Capraro, Broniarczyk, & Srivastava, 2003), and attraction by competitors (Keaveney, 1995). Jones et al. (2000) defined attractiveness of alternatives as customer perceptions of attractive alternatives available in the

market, explaining that attractiveness of alternatives is a customer perception of other available services (or service providers) in the category.

Patterson and Smith (2003) assert that an alternative is a key to defining dependence upon the current relationship. Customers are likely to stay with the incumbent service provider when they are not aware of alternatives in the market or do not consider them as attractive as the current relationship (Yanamandram & White, 2006). Dependence on a service provider may be a function of comparing the outcomes from the relationship with the current provider and the potential relationship with available alternatives. Bendapudi and Berry (1997) suggest that a comparison of the cost-benefit ratios of the service provider to competitors affect dependence on a service provider. If customers perceive more benefits from not switching, they are more likely to stay with a current service provider. Otherwise, customers will actively seek out available alternative relationships that provide more satisfaction (M. A. Jones et al., 2002; Sharma & Patterson, 2000).

Yanamandram and White (2006), citing Anderson and Narus (1984), discussed the effect of alternative service providers, using four influences on that effect: (1) the number of alternatives available, (2) the degree of differences among alternative service providers, (3) the degree of difficulty in understanding the various alternatives, and (4) the degree of difficulty in comparing alternatives (p. 9). Burnham et al. (2003) define those differences among service providers as provider heterogeneity, referring to it as "the extent to which the providers in a market are seen as different or nonsubstitutable" (p. 113). When provider heterogeneity is high, i.e., when different providers are different services, customers must spend more time and effort for cognitive thinking to compare the alternatives (Burnham et al., 2003). Moreover, provider heterogeneity increases the risk and uncertainty accompanying

switching. In contrast, if different providers offer few service differences, this may also influence customer retention. Patterson and Smith (2003) posit that customers are more likely to stay with the current relationship when alternative providers offer services that do not differ greatly from the current service provider. Therefore, customers perceive switching is not worthwhile because alternatives do not offer better net benefits than the current relationship.

Evidence found in research on the service marketing suggests that attractiveness of alternatives is directly and positively associated with switching intention and negatively with customer loyalty and retention (Bansal, Taylor, & James, 2005; Bendapudi & Berry, 1997; Capraro et al., 2003; M. A. Jones et al., 2000; Keaveney, 1995; Patterson & Smith, 2003; Vázquez-Carrasco & Foxall, 2006). Its interaction effect with satisfaction on switching intention or on repurchasing intention has also been confirmed in both offline and online contexts (Antón et al., 2007; Burnham et al., 2003; Holloway & Beatty, 2005; M. A. Jones et al., 2000; Sharma & Patterson, 2000). Sharma and Patterson (2000) found that satisfaction has more impact on commitment to service providers when alternatives are highly attractive than if they are not. Therefore, this study hypothesized the following:

H9a: As travelers perceive higher attractiveness of alternative travel websites, they show lower loyalty to the travel website they are currently patronizing.

H9b: As travelers perceive higher attractiveness of alternative travel websites, the relationship between traveler satisfaction and loyalty to the travel website they are currently patronizing becomes weaker.

Perceived Network Externality

The concept of network externality was developed by economists to explain a consumer's decisions to adopt technology (Song & Walden, 2007). Network externality is defined as "the utility that a user derives from consumption of [a] good increases with the number of other agents consuming the good" (Katz & Shapiro, 1985, p. 424). According to the network externality theory, the value of joining the network is a function of the number of consumers who join the network (Song & Walden, 2007). The value of a certain product or service, like, for instance, a mobile telephone and social network service, is likely to increase not only because of its inherent quality but also because of the number of consumers who use or adopt it (Katz & Shapiro, 1985). As more people join the network, the consumer perceives more value, which makes a joining decision based on value. Therefore, network externality captures a subjective evaluation, rather than an objective evaluation, of the size of network (Song & Walden, 2007). Network externality has been widely applied to adopting Internet-based technologies and services (Y.-C. Lee, 2006; Song & Walden, 2007). For instance, the value of using the Internet increases as more people communicate and transact with other Internet users; its popularity attracts more users. Users of a certain website perceive network externality when they find more people using the same website.

Network externality affects a website user's behavioral intentions. Shih (2012) noted that perceived network externality is one antecedent of a website user's perceived cognitive lock-in to the website. The author demonstrated that perceived network externality functions as a switching barrier to a website user, thereby increasing website stickiness and cognitive lock-in to the website. Online shoppers are more likely to continue to use a website when they think many people shop and chat at that website. As a result, the intention to stay and

repurchase on the website is higher (Shih, 2012). Tseng and Teng (2014) show that perceived network externality is one antecedent of the intention to adopt another website. The authors found that perceived network externality of a website positively influences website adoption intentions, and perceived popularity and functional quality of a competing website were measures of perceived network externality. Network externality is particularly important for travel websites, which partly depends on a large number of website users sharing travel information in the forms of tourism product reviews or online bulletin board postings. Travelers may find those user-generated content current and reliable because the information results from other travelers' experience. The more active website users there are on the website, the more likely any website user is to find or access up-to-date or accurate information on the website. Thus, travelers would perceive using the current website as a better choice for their trip planning rather than other website. Many other people using the same website may influence a customers' decision to use the website and then stay with the website decreasing traveler intention to switch. Therefore, this study hypothesized that perceived network externality influences loyalty to a website.

H10a: As travelers perceive higher network externality of the website they are currently patronizing, they show higher loyalty to the travel website.

H10b: As travelers perceive higher network externality of the travel website they are currently patronizing, the relationship between traveler satisfaction to the current website and loyalty to the travel website becomes stronger.

Proposed Conceptual Model for Study 2

Figure 2.2 illustrates the focus of the second study. The conceptual model presents the moderating roles of perceived switching costs, attractiveness of alternatives, and perceived network externality in the satisfaction and loyalty linkage.

Figure 2.2 Proposed Conceptual Model for Study 2
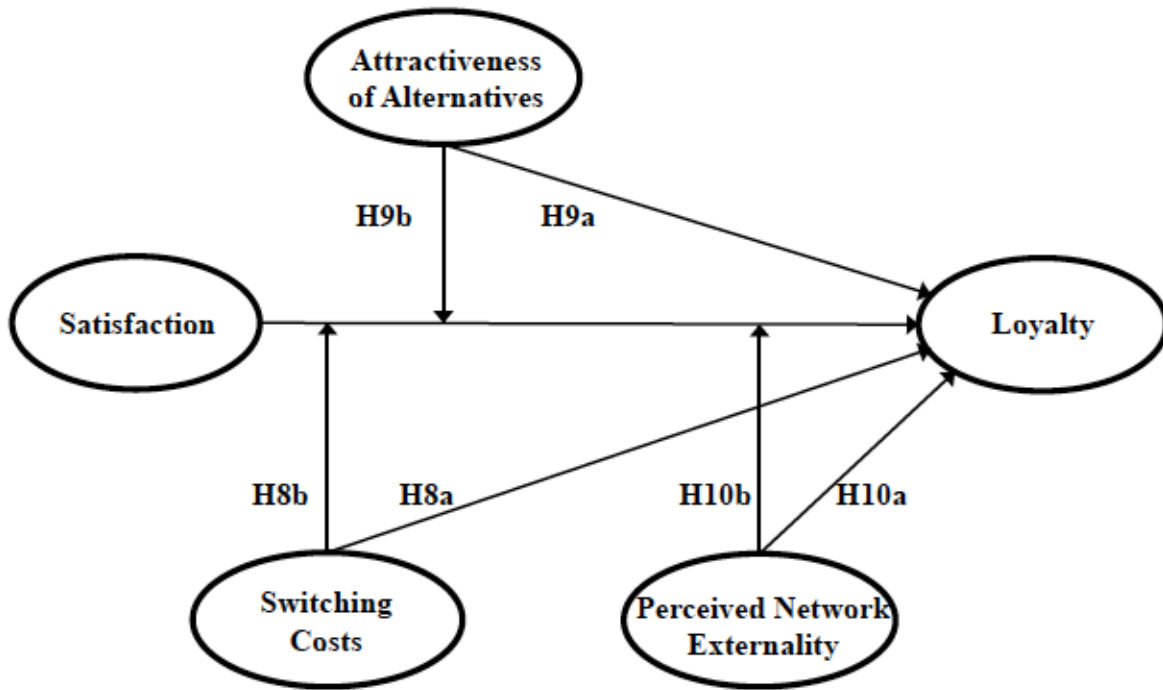
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Chapter 3 - Methodology

This chapter discusses the research design and data analysis of this study. The methodology was developed to empirically achieve the research purposes and objectives. The chapter begins with a discussion of the sample selection, followed by developing the survey instrument with the measurement of the constructs, the pretest, and pilot test. Then, data collection and the data analysis procedures are presented.

Population and Sample

The population of this study was travel website users in the United States who are 18 years old or older. This study was based on past experiences with travel websites, so travel website users who had not used a travel website or purchased from travel websites at least once within the past three months were excluded. According to Hair, Black, Babin, and Anderson (2010), the general requirement for the sample size is that the ratio of observed variables to sample size should be between 1:10 and 1:15 for structural equation modeling (SEM) analysis and 1:50 for multiple hierarchical regression analysis. As a result, this study obtained a total of 400 travel website users for data analysis to take into account possible outliers and missing responses for Study 1 and Study 2.

Survey Instrument Development

The survey questionnaire included a cover letter (See Appendix A) and three screening questions asking experiences about using a travel website within the past three months, followed by the questions asking about the construct measures (See Appendix B). Existing measurement items proved to have high validity and reliability were identified from

the literature and modified to fit the travel website setting. A total of eight constructs were assessed for the first model of this study, and five constructs were used for the second model of this study. The questionnaire also included four questions about respondents' usage patterns of travel websites such as the number of months or years of using the travel website, the primary purpose of visiting the travel website, tourism-related product(s) that they frequently search for, and tourism-related products(s) that they frequently book on the travel websites. Two questions about respondents' Internet expert levels and website participation levels and three questions about demographic information (i.e., gender, educational level, and household income level before taxes) were asked.

The cover letter was designed in accordance with the protocol guidelines for human subjects, using a format developed by the Institutional Review Board (IRB) at Kansas State University. It described a brief introduction of the purpose of the study and a request for participation in the study, including statements assuring anonymity and confidentiality of the responses given by survey participants. Participants were also informed that the Committee for Research involving Human Subjects approved the study, and a summary of results of the study would be available at K-State Research Exchange when the study is finalized. The contact information of the researcher and research advisor for further questions about the study was listed at the end of the cover letter.

At the beginning of the questionnaire, three screening questions asked for age and past experience with any travel websites to obtain data only from those who meet the criteria for the study sample. In the first screening question, respondents were asked to select their age group among six age groups provided. Those who had not selected "under 18 years old" were allowed to proceed to the next screening question. The second screening question asked

respondents about their most recent visit to any travel websites. To improve their understanding, respondents were provided the definition and the type of travel websites of interest in this study (see Appendix B). Since this study was interested in only third-party travel websites that provide customers with booking and review service, hotel brands or airlines websites, price-comparison websites, destination promotion websites, vacation rental websites, social networking websites, and mobile only travel-related applications for smartphones or tablets were excluded. The respondents who selected "within in the past 1 month," "within the past 2 months," or "within the past 3 months" could proceed to the last screening question. In the last screening question, respondents were required to select one of 11 travel websites provided or to provide the name of the travel websites they visited. The eleven travel websites were chosen based on various online sources which show the list of the most popular travel websites among travelers in the United States. (Ali, 2014; eBizMBA, 2015).

Multi-item scales adopted from the literature were used to measure constructs in each model. For the first model, eight constructs were adapted and employed: (1) efficiency and economic value for customer ROI, (2) service excellence, (3) visual appeal and entertainment for aesthetics, (4) escapism and intrinsic enjoyment for playfulness, (5) social value, (6) satisfaction, (7) attitudinal behavior, and (8) behavioral loyalty. The 32 items measured each of five subdimensions of experiential value: customer ROI, service excellence, aesthetics, playfulness, and social value. Among 32 items, the 26 for customer ROI, service excellence, aesthetics, and playfulness were adapted from various experiential value studies of both online and offline shopping (i.e., Mathwick, Malhotra, & Rigdon, 2001; Mohd-Any, Winklhofer, & Ennew, 2014; O'Brien & Toms, 2010; Wang & Fesenmaier, 2003; Wasko &

Faraj, 2005). Six items for social value were adopted from Wang and Fesenmaier (2003) and

Wasko and Faraj (2005). Satisfaction was tested with five items developed by Oliver (1980)

and Ruiz, Gremler, Washburn, and Carríon (2008). Attitudinal loyalty was measured with five

items developed by Overby and Lee (2006) and Srinivasan, Anderson, and Ponnavolu (2002).

Behavioral loyalty was tested with five items adopted from Casaló, Flavián, and Guinalíu

(2008) and Zeithaml, Berry, and Parasuraman (1996).

Three subdimensions of switching costs (i.e., continuity costs, learning costs, and

relationship loss costs), attractiveness of alternatives, and perceived network externality were

measured with multi-item scales adopted from the literature in the second model of this study.

Seven items for continuity costs, nine items for learning costs, and five items for relationship

loss costs were adapted from existing literature on switching costs (i.e., Burnham, Frels, &

Mahajan, 2003; Jones, Mothersbaugh, & Beatty, 2002; Jones, Reynolds, Mothersbaugh, &

Beatty, 2007). Attractiveness of alternatives was measured with six items from Burnham et al.

(2003) and Jones, Mothersbaugh, and Beatty (2000). Perceived network externality was

measured with four items drawn from Tseng and Teng (2014). Table 3.1 lists the measures

used in this study and their sources. All scale items were assessed on a seven-point Likert-

type scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Table 3.1 Descriptions of Measurement of Constructs for the Study.

Construct and Scale Items	Source
Aesthetics	
Visual appeal	
The way this travel website displays products and information is attractive.	Mathwick et
This travel website is aesthetically appealing.	al. (2001);
I like the way this travel website looks.	O'Brien and
The graphics and images used on this travel website is visually appealing.	Toms (2010)
The colors and screen layout of this travel website are visually appealing.	
Entertainment	
This travel website is very entertaining.	Mathwick et
This travel website is captivating. It picks me up.	al. (2001)
This travel website doesn't just sell travel products. It is entertaining to use.	
The travel information (e.g., photos, videos, reviews, forums) provided on this travel website is entertaining.*	
Playfulness	
Escapism	Mathwick et
Using or browsing this travel website "gets me away from it all."	al. (2001);
Using or browsing this travel website makes me feel I'm in another world.	O'Brien &
I get so involved when using or browsing this travel website that I forget about my immediate surroundings.	Toms (2010)
When using or browsing this travel website, I become so involved that I lose track of time.	
Intrinsic enjoyment	
I use or browse this travel website for pure enjoyment.	Mathwick et
I enjoy using or browsing this travel website for the total experience, not just for the tourism products or information I may have acquired.	al. (2001)
The experience of using this travel website is enjoyable.*	
Customer ROI	
Efficiency	
Using this travel website for my travel needs is an efficient way to manage my time.	Mathwick et
Using this travel website for my travel needs fits with my schedule.	al. (2001);

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Using this travel website for my travel needs makes my life easier.	Mohd-Any et
Using this travel website makes it easier to get what I need for my travel.	al. (2014)
Economic value	
This travel website provides good economic value.	Mathwick et
Overall, I am happy with this travel website's prices for their tourism products.	al. (2001)
The prices of the tourism products in this travel website are satisfactory.	

Service excellence

When I think of this travel website, I think of excellence.	Mathwick et
I consider this travel website an expert source for tourism products and travel information.	al. (2001)
The features and customer services of this travel website are consistent and reliable.	

Social value

Participating in writing reviews or posting my travel experiences helps (would help) me build and keep good relationships with other members of this travel website.	Wang & Fesenmaire
Participating in writing reviews or posting my travel experiences helps (would help) me gain recognition from other members of this travel website.	(2003); Wasko & Faraj
Participating in writing reviews or posting my travel experiences helps (would help) me gain favorable responses from other members of this travel website.	(2005)
Participating in writing reviews or posting my travel experiences helps (would help) me make a positive impression on other members of this travel website.	
My travel experience and reviews shared on this travel website help (would help) other travelers who need them.	
My travel experience and reviews shared on this travel website satisfy (would satisfy) other travelers' needs.	

Satisfaction

Overall, I have been pleased when I use this travel website.	Ruiz et al.
My choice to use this travel website was a wise one.	(2008); Oliver
I feel good about my decision to use this travel website.	(1980)
Using this travel website has been a satisfying experience.	
Overall, I am satisfied with this travel website.	

Attitudinal loyalty

I prefer this travel website to other similar travel websites.	Overby and
This travel website is my primary source of tourism products and travel information.	Lee (2006);

When I need tourism products and travel information, this travel website is my first choice.	Srinivasan et
I like using this travel website for my travel needs.	al. (2002)
This is my favorite travel website.	

Behavioral loyalty

I say positive things about this travel website to other people.	Casaló et al.
I use or visit this travel website more frequently than other travel websites.	(2008);
I purchase tourism products from this travel website more often than other travel websites.	Zeithaml et al.
I will recommend this travel website if anyone asks for travel information and tourism products.	(1996)
I intend to continue using this travel website in the future.	

Switching costs

Continuity costs

Being a member or a customer of this travel website has some benefits I would not receive elsewhere.	Jones et al.
I have accumulated points, credits, mileage, etc. with this travel website that I might lose if I switched.	(2002)
I occasionally receive special rewards, deals, or discounts from this travel website I would not receive if I switched.	
This travel website sometimes offers privileges I would not receive if I switched.	
I feel safer using this travel website for tourism products and travel information than other travel websites.	
Switching to another travel website would result in some unexpected problems.	
I worry that offerings and services I would receive might lessen if I switched.	

Learning costs

Searching for alternative travel websites would take a great deal of time and effort.	Burnham et al.
I cannot afford the time and effort to fully evaluate alternative travel websites.	(2003); Jones
It is difficult to find a good alternative travel website that meets my travel needs.	et al. (2002)
It would take time and effort to learn how things work at a new travel website if I switched.	
Even after I switch, I would find it hard to become familiar with a new travel website.	
I am reluctant to change travel websites because I am familiar with **"how the system works"** at this website.	
Changing travel websites would take a lot of time and effort to set up a new travel website the way I like.	
I have put time and effort into adapting this travel website to meet my needs.	

Relationship loss costs

If I switched, I might lose good relationships I have developed through this travel website.	Burnham et al.
I value interacting with other travelers on this travel website.	(2003); Jones

I feel a sense of belonging and attachment to this travel website.*	et al. (2007)
I like the public image of this travel website.	
I value the brand/company name of this travel website more than other travel websites.	

Attractiveness of alternatives

If I had to change travel websites, I know of other good ones.	Burnham et al.
Many travel websites provide similar quality of tourism products/information and services as this travel website.	(2003); Jones
I would be equally or more satisfied with other travel websites compared to this travel website.	et al. (2000)
Product and service quality does not vary much among different travel websites.	
I don't see much difference between travel websites. They provide similar services and features.	
It does not matter which travel website I use. They are about the same.	

Perceived network externality

I think more people use this travel website for their travel needs than other travel websites.	Tseng and
I hear many people talking about their positive experiences with this travel website.	Teng (2014)
I value this travel website because I think more and more people are using this travel website over other travel websites.	
As more people use this travel website, it becomes more valuable to me.	

Note. *created for this study.

Pretest and Pilot Test

A pretest was conducted to refine the research instrument. A preliminary questionnaire was developed using Qualtrics survey system and sent via email to 20 faculty members and graduate students in the Department of Hospitality Management and Dietetics at Kansas State University for the accuracy and appropriateness of instructions and measurements.

After the pretest, the refined questionnaire was pilot-tested using 40 survey panels acquired from an online survey company (Qualtrics). One of 40 responses was found unqualified for further analysis and excluded. There were 39 responses remaining for a pilot test. The results of the pilot test were analyzed for reliability and the validity of the measures and normality of data distribution. A cutoff point of .70 for Cronbach's coefficient alpha recommended by Nunnally (1978) was used for the internal consistency of the measures. Cronbach's coefficient alpha of all the constructs in the pilot test ranged from .828 to .937. All of the reliability exceeded the conventionally recommended cut-off .70 (Nunnally, 1978). Table 3.2 presents the results. For each of the constructs in this study, measurement items showed acceptable factor loading above .6 (Hair et al., 2010), showing unidimensionality and conforming to their conceptual definition.

Table 3.2 Reliability of Measurement.

Construct	Cronbach's Alpha
Aesthetics	.936
Playfulness	.925
Customer ROI	.910
Service Excellence	.828
Social Value	.891
Satisfaction	.911
Attitudinal Loyalty	.918
Behavioral Loyalty	.892
Switching Costs	.937
Attractiveness of Alternatives	.873
Perceived Network Externality	.930

Data Collection

The questionnaire was refined based on the results of the pilot test and then were distributed electronically to survey panels through an online survey company (Qualtrics). The online survey was open and available to the survey participants on March 10, 2015 and closed when 400 complete responses, the target sample size, were collected on March 12, 2015.

Data Analysis

Prior to analyzing each conceptual model, variables were examined for accuracy of data entry, missing values, and outliers for normality of data distribution. Univariate outliers were examined using standard z-score value of │4│, the threshold value of standard scores suggested by Hair et al. (2010). In addition, multivariate outliers were evaluated using Mahalanobis distance (Mahalanobis D^2) for each case.

Construct Reliability and Validity Tests

The measurement model was assessed for reliability and validity of constructs used in the proposed models, specifically the internal consistency reliability and convergent and discriminant validity. The reliability of the construct items was evaluated using Cronbach's coefficient alpha. The conventionally recommended cut-off of .70 for Cronbach's coefficient alpha was used to ensure the internal consistency of the measures for all constructs (Nunnally, 1978).

Confirmatory factor analysis (CFA) was used to examine construct validity and to assess the measurement model fit for each model of this study. CFA allows researchers to assess the construct validity of theoretical constructs, i.e., how well the observed variables represent the theoretical latent constructs that are not directly measured (Hair et al., 2010). Convergent validity indicates how well the scale items of the same construct converge, or share, a high proportion of variance in common, or are correlated (Hair et al., 2010). Discriminant validity indicates the degree of which a construct is truly distinct from other constructs (Hair et al., 2010). Higher correlations among measurements of each construct show that scale items measure their intended construct. To assess convergent validity of the constructs, each indicator on each construct was examined with the factor loading, its statistical significance and the average percentage of variance extracted (AVE). Using the process suggested by Fornell and Larcker (1981), measurement items with a weak factor loading below .60 and/or cross-loaded were dropped (Hair et al., 2010). The AVE value of .50 was used as suggested by Fornell and Larcker (1981) and Bagozzi and Yi (1988). Discriminant validity was tested by comparing the AVE values to squared correlations (R^2) of the respective pairs, as suggested by Fornell and Larcker (1981). If

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an AVE of each construct is greater than R^2 for the paired constructs, discriminant validity of the constructs is confirmed.

Hypothesis Tests

For the first model, structural equation modeling (SEM) was used to assess the proposed model. A two-step analytical procedure recommended by Anderson and Gerbing (1988) was applied to examine the conceptual models. The overall fit of the structural model was examined with multiple fit indices: chi-square (χ^2) statistics, Goodness-of-Fit Index (GFI), Root Mean Square Error of Approximation (RMSEA), Normed Fit Index (NFI), Tucker Lewis Index (TLI), and Comparative Fit Index (CFI). In addition to evaluating goodness-of-fit statistics, proposed relationships among the constructs (hypotheses 1 to 7) were examined with path coefficients.

For the second model, three separate moderated hierarchical regression analyses were conducted to test hypotheses 8, 9, and 10. For each moderated hierarchical regression analysis, respondents' demographic data (i.e., age, level of education, income level before taxes, and travel frequency) were included as control variables in the first step. Then, satisfaction was entered in the second step to examine the main effects of satisfaction on loyalty, followed by entering switching costs, attractiveness of alternatives, and perceived network externality in the third step of each of three regression analyses. Finally, the interaction terms (switching costs × satisfaction, attractiveness of alternatives × satisfaction, and perceived network externality × satisfaction) were entered in the final step to examine the moderating effects as stated in hypotheses 8a, 9a, and 10a. The moderating effect of each interaction term is confirmed if a significant change in the squared multiple correlation (the *F-value*) between the second and the third step exists. For the individual direct effects of perceived switching costs, attractiveness of

alternatives, and perceived network externality on loyalty (hypotheses 8b, 9b, and 10b), the

standardized regression coefficients (*β)* were examined.

All statistical analyses were performed using SPSS 21 and AMOS 21.

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Chapter 4 - The Effect of Experiential Value Perception on Satisfaction and Loyalty to a Travel Website

Abstract

Customer value perception explains why customers choose certain products or services. The literature revealed that experiential value is a critical determinant of customer attitudes or emotions in online retail settings. Adapting the concept to travel websites, however, has not been attempted. This study aimed to explore the experiential value perception of travelers using travel websites and to evaluate the effects on satisfaction and attitudinal and behavioral loyalty toward travel websites. Using responses from 384 travel website users in the United States, structural equation modeling empirically tested the proposed relationships. Results show that customer ROI, service excellence and aesthetics are directly associated with satisfaction, satisfaction is directly related to attitudinal loyalty and behavioral loyalty, and attitudinal loyalty has a positive influence on behavioral loyalty. This study also demonstrates that attitudinal loyalty partially mediates the relationship between satisfaction and behavioral loyalty.

Keywords: experiential value, a third-party travel website, online travelers, satisfaction, attitudinal loyalty, behavioral loyalty

Introduction

The international tourism market recorded approximately 52 million new international tourists on in 2013, raising the total to 1.087 million, up from 1.035 million in 2012 (United

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Nations World Tourism Organization [UNWTO], 2014). The number of international tourist arrivals worldwide increased by 4.5% in 2014, and the number will reach 1.8 billion by 2030 (UNWTO, 2014). At the same time, the Internet has significantly affected travel and tourism, allowing travelers to directly purchase tourism-related products through airlines or hotel websites or travel intermediaries (Law, Qi, & Buhalis, 2010; Standing, Tang-Taye, & Boyer, 2014). Online tourism-related products sales increased from $94 billion in 2008 to $162 billion in 2012, with online hotel reservations accounting for 40% of the volume (Phoenix Marketing International, 2013).

The changing environment in the travel and tourism industry has created intense competition among online travel agencies and other types of travel websites. Consequently, researchers and companies are increasingly interested in retaining customers of travel websites, a marketing goal that requires understanding customer loyalty to online retailers and its role in predicting online businesses' long-term profitability (R. Anderson & Srinivasan, 2003; Doong, Wang, & Shih, 2008; Fuentes-Blasco, Saura, Berenguer-Contrí, & Moliner-Velázquez, 2010; Shamdasani, Mukherjee, & Malhotra, 2008; Srinivasan, Anderson, & Ponnavolu, 2002; H. C. Wang, Pallister, & Foxall, 2006; Z. Yang & Peterson, 2004). However, low entrance barriers to the online market and high competition in the same service category tend to make it more difficult for online businesses to keep customers loyal over the long-term (Fuentes-Blasco et al., 2010). Revisit/repurchase intention or actual revisit/repurchase within a short period may not truly predict the long-term success of online businesses. Accordingly, online businesses must identify what does predict customer retention and defection and thus strengthen the competitiveness of their websites.

Customer value perception explains why travelers choose certain services in the purchase process (Sheth, Newman, & Gross, 1991). As Woodruff (1997) explained, value to a customer involves preferences for attributes and actual performance of a product or service during and after the consumption process. Customer value is also a key motivation in shopping, strongly affecting repurchase intention (K. Yang, Lee, & Lee, 2010). Travelers appear to be motivated by value perception to choose a particular travel website for travel planning and booking and for sharing experiences (Gretzel, Fesenmaier, & O'Leary, 2006; Mohd-Any, Winklhofer, & Ennew, 2014). The marketing literature (e.g., Cronin, Brady, & Hult, 2000; Khalifa, 2004; Woodruff, 1997) has also noted that perceived value drives customer loyalty and post-purchase intentions like repurchase intention or word-of-mouth recommendations.

Because value conceptualization is complex and inconsistent, though widely recognized as important, perceived value is an often ignored facet of customer service experiences (Gallarza, Gil-Saura, & Holbrook, 2011). Experiential value of a product/service is derived through either directly using a product/service or distantly appreciating attributes and performance of a product/service (Holbrook, 1996; 1999), emphasizing service consumption experience more than the performance of each service feature. It is one determinant of customer attitudes or emotions in an online environment and essential to understanding the behavioral intention of website visitors (Jeong, Fiore, Niehm, & Lorenz, 2009; Keng & Ting, 2010; E. E. K. Kim, Mattila, & Baloglu, 2011; Perea y Monsuwé, Dellaert, & de Ruyter, 2004).

This study aimed to explore experiential value perception among travelers using travel websites and to evaluate its effects on traveler satisfaction and attitudinal and behavioral loyalty toward travel websites. Previous studies of customer experiential value are limited to retail or service contexts in mostly offline environments. Considering the other-oriented dimension of

experiential value to the existing experiential value scale (EVS) by Mathwick, Malhotra, and Rigdon (2001), this study attempted to embrace the distinctive nature of a travel website, a virtual space for e-commerce as well as an online community for sharing information with other website users. The results of the study provide comprehensive empirical evidence of value perceptions of travelers who visit and use travel websites and a foundation for practical advice on designing better marketing strategies to marketers and or online/mobile travel companies.

Literature Review

Perceived Value

Perceived value is critical for a product/service provider because it leads to customer loyalty and future behavioral intentions, resulting in customer retention and profit (Khalifa, 2004; Sigala, 2006; Woodruff, 1997). It is also an important predictor of online customer buying behavior like repurchase intention or word-of-mouth intention (Francis & White, 2004; C. Kim, Galliers, Shin, Ryoo, & Kim, 2012; E. E. K. Kim et al., 2011; K. Yang et al., 2010). Considering that marketing is a process leading to exchanges, referring to a transaction between two parties where each trades something of value for something of greater value, perceived value is fundamental to all marketing activity (Holbrook, 1996).

While much research has been done on value perception, the literature shows little agreement on its definition and conceptualization (Holbrook, 1999; Monroe, 1990; Sweeney & Soutar, 2001; Zeithaml, 1988). The unidimensional perspective of value uses a cognitive definition of value, representing a comparison of what is received (product/service attributes or performance) to what is given (the price/costs paid) (Z. Chen & Dubinsky, 2003) or "consumer's overall assessment of the utility of a product (or service) based on perceptions of what is

received and what is given" (Zeithaml, 1988, p. 14). Another extended unidimensional-approach to value echoes what customers get from the purchase (benefits, utility, quality, or worth) versus what they pay to purchase the product (price, costs, or sacrifices) (Dodds, Monroe, & Monroe, 1985; Monroe, 1990; Smith & Colgate, 2007; Yadav & Monroe, 1993). According to Monroe (1990), consumer perception of value is "a trade-off between the quality/benefits they perceive in the product relative to the sacrifice they perceive by paying the price" (p. 46). This trade-off model between benefit and cost is the most frequently cited unidimensional concept of perceived value (Jin, Line, & Goh, 2013).

However, researchers have challenged the unidimensional approach, criticizing it for its excessive concentration on economic utility and for being too narrow and simplistic to fully and accurately capture the complex and multifaceted construct of value (Babin, Darden, & Griffin, 1994; Bolton & Drew, 1991; Holbrook, 1999; Sánchez-Fernández & Iniesta-Bonillo, 2007; 2009; Sinha & DeSarbo, 1998; Sweeney & Soutar, 2001; Woodall, 2003). Instead, these researchers advocate a multidimensional concept of value in which the perceived value involves both the cognitive (i.e., functional or utilitarian) and affective (i.e., emotional or hedonic) measured with multiple-item scales (Gallarza & Saura, 2006; Sánchez, Callarisa, Rodríguez, & Moliner, 2006; Sweeney & Soutar, 2001; Sweeney, Soutar, Whiteley, & Johnson, 1996). One multidimensional approach to value focuses on utilitarian and hedonic dimensions (Babin et al., 1994; Hirschman & Holbrook, 1982). The utilitarian dimension is task-related and goal-directed, while the hedonic dimension focuses on the personal, subjective, and intangible (Babin et al., 1994; Y. K. Kim, Sullivan, & Forney, 2007). A second dichotomy of perceived value is functional and emotional. The functional dimension includes not only the quality or the functional and physical performance of a product or service, but also non-monetary sacrifice and

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price (Petrick & Petrick, 2002; Sánchez et al., 2006; Sheth et al., 1991; Sweeney & Soutar, 2001; Sweeney et al., 1996), while the emotional dimension captures the feeling or affective states generated by the product or service (Sheth et al., 1991; Sweeney & Soutar, 2001). Sheth et al. (1991) proposed a model of utilitarian and hedonic consumption value, with five dimensions of perceived value: functional, social, emotional, epistemic, and conditional. Reducing Sheth et al.'s original model to three dimensions, Sweeney and Soutar (2001) established a framework assessing the functional (quality and price), social, and emotional dimensions of perceived value. Based on the model, the researchers developed PERVAL, a perceived value scale.

Experiential Value

Schmitt (1999b) asserts that "as a marketer you need to provide the right environment and setting for the desired customer experiences to emerge" (p. 58). A retailer, in other words, does not just sell a product or service but creates an environment that emphasizes fun, excitement, and entertainment, thus encouraging customers to participate in the service (Gentile, Spiller, & Noci, 2007; Mathwick et al., 2001). Unlike traditional marketing, which focuses on providing customers with functional features and benefits, experiential marketing broadly focuses on a holistic consumption experience (Schmitt, 1999a). Therefore, every retail service encounter creates a customer experience that provides relational, emotional, cognitive, and behavioral value (Schmitt, 1999a). Positive customer experience promotes an emotional bond between a company and its customers, which enhances customer preference for the company and its brand. From a company perspective, customer experience helps a company to identify what customers value most about the company's offerings and to develop a competitive advantage in the market (Zhang, Dewald, & Neirynck, 2009). From a customer standpoint, customer

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experience indicates that customers create their own experience within the environment a retailer provides.

The marketing literature stresses the critical role of experience in the service environment and has consistently defined value derived from the consumption experience (e.g., Andrews, Kiel, Drennan, Boyle, & Weerawardena, 2007; Hirschman & Holbrook, 1982; Jin et al., 2013; Keng & Ting, 2010; Wu & Liang, 2009). Holbrook and Hirschman (1982) identified experiential value as a personal event created as a response to some stimulus, which frequently results from direct observation of a product or service or participation in the consumption process. Holbrook (1999) proposed a multidimensional customer value that captures diverse aspects of the consumption experience. He defined customer value as "an interactive relativistic preference experience" (p. 5) and emphasized four fundamentals of customer value: (1) interactive, (2) relativistic, (3) preferential, and (4) experience. First, customer value is "interactive", for which value is the mutual interaction between a customer and a product/service. Value is derived from the attributes, quality, or benefits of the product/service when the customer appreciates them. Second, customer value is "relativistic." In other words, customer value is comparative among products/services, personal across people, and situational or context-specific. Value judgments involve preferences among products/services, and a customer perceives value in a specific product/service through comparing different attributes among products/services and identifying relative preferences among them. Customer value is personal because perceived value of the same product/service varies from customer to customer. Moreover, customer value is situational in that the perceived value of a product/service is specific to the context and varies from time to time, place to place, or moment to moment. Next, customer value is "preferential" in that it involves preference judgments including "affect (pleasing –displeasing), attitude (liking-

disliking), evaluation (good-bad), predisposition (favorable-unfavorable), opinion (pro-con), response tendency (approach-avoidance), or valence (positive-negative)" (Holbrook, 1999, p. 8). Lastly, customer value is an experience. Value is inherent not to the product/service or the brand, but to the consumption experience derived therefrom. Overall, Holbrook's (1999) typology of value entails value as experiential, originating from the interactions among customers, a product/service, and a company at a set of different contact points in the service retail environment, and those interactions are stimulated by more customer participation (Gentile et al., 2007). Holbrook (1994; 1999) broadened the traditional concept of consumer value, identifying three key dimensions of consumer value: (1) extrinsic versus intrinsic value; (2) active versus reactive value; and (3) self-oriented versus other-oriented value (see Table 4.1). This typology of value is the most comprehensive and detailed explanation of perceived value: it encompasses all the multidimensional aspects of value that other studies had already defined (Sánchez-Fernández & Iniesta-Bonillo, 2007).

Table 4.1 Holbrook's (1999) Typology of Consumer Value (p. 10).

		Extrinsic	Intrinsic
Self-oriented	Active	EFFICIENCY (Output/Input, Convenience)	PLAY (Fun)
	Reactive	EXCELLENCE (Quality)	AESTHETICS (Beauty)
Other-oriented	Active	STATUS (Success, Impression, Management)	ETHICS (Virtue, Justice, Morality)
	Reactive	ESTEEM (Reputation, Materialism, Possessions)	SPIRITUALITY (Faith, Ecstasy, Sacredness, Magic)

Extrinsic/Intrinsic

When consumption is appreciated for its function and utility, a consumer experiences *extrinsic value*. Extrinsic value helps customers attain specific goals (Holbrook, 1999). A consumer discovers *intrinsic value* when experience is appreciated for its own sake, apart from the consequences of the experience (Holbrook, 1999; Sigala, 2006). Customers find extrinsic value by completing tasks or achieving goals while intrinsic value is a result of the pleasure and playfulness of the experience itself (Babin et al., 1994). In other words, the difference between extrinsic and intrinsic value is whether a customer derives value from using a product or service as a means to an end (extrinsic) or an end in itself (intrinsic) (Turnbull, 2009). In a retail environment, customers acquire extrinsic value from a shopping trip by seeking to satisfy a utilitarian goal. They are often satisfied with completing their tasks (e.g., purchasing a product or acquiring information) or saving money (Batra & Ahtola, 1991; Mathwick, Malhotra, & Rigdon, 2002). Whereas, intrinsic value comes from playfulness and actually enjoying a shopping trip. The focus is on appreciating the shopping experience, regardless of any consequence to the shopping (Holbrook, 1994).

Active/Reactive

Value is either active (or participative) or reactive (or passive), depending on whether customers are active or reactive during the shopping experience. *Active value* occurs from direct use of a product/service, which involves more collaboration between customer and retailer (Holbrook, 1999). Mathwick et al. (2001) indicated this collaboration results from customers actively manipulating resources that a retailer provides. *Reactive value*, in contrast, derives from appreciating or evaluating a product/service or from the physical shopping environment

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(Holbrook, 1999; Mathwick et al., 2002). A traveler may thus enjoy a website experience either by actively using the website or by simply evaluating the website design, images, or other sensory aspects.

Self-oriented/Other-oriented

Value can be *self-oriented* when consumption occurs because the customer wants it but *other-oriented* when the customer perceives value that benefits others (Holbrook, 1999; Turnbull, 2009). The individual shopping experience is typically considered self-oriented because customers shop for their own needs and satisfaction.

Experiential Value Scale (EVS)

In adapting previous studies on value, Mathwick et al. (2002) defined experiential value as "a perceived, relativistic preference for product attributes or service performances arising from interaction within a consumption setting that facilitates or blocks achievement of customer goals or purposes" (p. 53). The authors developed the Experiential Value Scale (EVS) to measure customer self-oriented experiential value using Holbrook's (1999) typology in both online and offline retail contexts. EVS measures a hierarchical scheme of self-oriented experiential value entailing four dimensions (customer ROI, playfulness, service excellence, and aesthetics) and six sub-dimensions (efficiency, economic value, escapism, enjoyment, visual appeal, and entertainment) (see Table 4.2). In the context of travel websites, experiential value can be derived when travelers access a website, use it, and conduct transactions. Moreover, the traveler chooses the travel website on the basis of preferences in website attributes, website performance, and other website offerings.

Table 4.2. Mathwick et al.'s (2001) Hierarchical Model of Experiential Value (p. 43)

		Extrinsic	Intrinsic
Self-oriented	Active	Customer ROI (Efficiency, Economic value)	Playfulness (Escapism, Enjoyment)
	Reactive	Service Excellence (Service excellence)	Aesthetics (Visual appeal, Entertainment)

Customer ROI

Customer ROI captures the perceived return on "financial, temporal, behavioral, cognitive investment" (Mathwick et al., 2001, p. 41). Online customers actively invest money, time, or effort in return for an experience, expecting to benefit from the utilitarian aspects of their online shopping experience. If this return meets their expectations, customers may perceive online shopping as having more value (Perea y Monsuwé et al., 2004). Mathwick et al. (2001) classified customer ROI into two elements: efficiency and economic value.

Efficiency is understood as a ratio of perceived convenience (output) to time and effort (input) (Holbrook, 1999; Y. K. Kim, 2002; Rintamäki, Kanto, Kuusela, & Spence, 2006). Online customers tend to perceive the value of using a commercial website when they receive utilitarian benefits like convenience and ease of shopping from using the Internet as a channel to purchase goods and services. Zeithaml, Parasuraman, and Malhotra's (2000) study describes the positive relationship between the efficiency of online shopping and time/effort savings.

Economic value implies utilitarian value perceived from monetary savings. Price may be an element of value in the unidimensional approach of value. The literature describes "good value" as "fair price," meaning that consumers trade price for a product or service with value (Bolton & Drew, 1991). Previous research confirms that utilitarian value derives from saving

money (price) and non-monetary costs (time, effort, and risk reduction), both offline and online (Babin et al., 1994; Childers, Carr, Peck, & Carson, 2001; Hirschman & Holbrook, 1982; Zeithaml, 1988; Zeithaml et al., 2000). Travelers may consider all inputs, including time spent in search and transaction, as well as convenience of access and use, when using a travel website.

Service Excellence

Another type of extrinsic value, service excellence, reflects a reactive response for the degree to which services meet customer expectations (Holbrook, 1999). According to Holbrook (1994, 1999), service excellence represents customer perception and appreciation of how well a service or service experience satisfies customer needs and wants. Adopting the definitions of quality by Zeithaml (1988) and Garvin (1988), Holbrook (1999) suggests that excellence refers to both perceived quality and product/service performance. Other researchers have also found that quality is an antecedent of perceived value (Z. Chen & Dubinsky, 2003; Cronin et al., 2000) or an element of overall value (Sheth et al., 1991; Sweeney & Soutar, 2001).

Mathwick et al. (2001) measured excellence using only service performance for catalog and Internet shopping experience. This study also considered service excellence as a construct related to service quality, i.e., service performance and a service provider's expertise, measured by the degree to which a travel website provides expert, or reliable, and consistent content.

Playfulness

A traveler may perceive enjoyment and escapism using a travel website when searching for information and pictures of tourism products and reading other travelers' reviews and comments. Holbrook (1999) identified play as an active self-oriented experience reflected by fun, which Mathwick et al. (2001) renamed playfulness. Playfulness measures the extent to

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which customers engage in activities in a service environment that generate enjoyment and escapism (Mathwick et al., 2001). According to Mathwick et al. (2001), playfulness differs from its reactive counterpart, aesthetics, based on how actively customers participate in creating value for the service experience. Playfulness occurs when customers actively shop for pleasure or to escape from the demands of the day-to-day world.

Intrinsic enjoyment occurs when customers appreciate the shopping experience itself as an end, apart from actually completing a shopping task (Perea y Monsuwé et al., 2004). This enjoyment comes from fun and pleasurable shopping experiences. *Escapism* is the enjoyment that comes from an intensive engagement in activities to the point that customers temporarily "get away from it all" (Mathwick et al., 2001). Thus, when hypermedia computer-mediated environments evoke the flow state (De Wulf, Schillewaert, Muylle, & Rangarajan, 2006; Hoffman & Novak, 1996), defined as "a seamless sequence of responses facilitated by machine interactivity" (Hoffman & Novak, 1996, p. 57), customers are so involved in an act of website navigation that they feel playfulness and a loss of self-consciousness (Hoffman & Novak, 1996). When customers are so absorbed in shopping activities that they forget their daily lives, enjoyment of the shopping experience comes in the form of flow, which in turn helps them escape from it all.

Aesthetics

Unlike active playfulness, aesthetics is a customer's reactive appreciation to "consonance/unity of physical objects and their cadence, or performance" (Wu & Liang, 2009, p. 588). Aesthetics measures the level of customer perception of the visual attractiveness and entertainment inherent to a certain product/service or physical environment, thereby creating

immediate pleasure (Mathwick et al., 2001; 2002). The aesthetics dimension of experiential value is further classified into two elements: visual appeal and entertainment (Mathwick et al., 2001).

Visual appeal captures observable elements of the retail environment, often stimulated by the design and physical attractiveness of the shopping environment (Keng, Huang, Zheng, & Hsu, 2007). *Entertainment* measures the extent to which aspects of the retail service performance itself entertains customers. It reflects "an appreciation for the retail spectacle" (Mathwick et al., 2001).

O'Brien and Toms (2010), in their study of Internet shopping, defined website aesthetics as "visual beauty or the study of natural and pleasing (aesthetic) computer-based environments" (p. 51). The physical environment of a website contributes to visual appeal and often uses specific features of the website interface like screen layout, color, graphics/images, photographic quality, and brightness of a website. Entertaining websites seem to offer a service environment or service that excites a website user.

Social value

The social value dimension of experiential value represents both the active and reactive nature of other-oriented value; the dimension combines two of Holbrook's (1999) sub-categories: status and esteem. Holbrook (1999) pointed out that *status* is based on successfully impressing others, achieving a favorable response from others through consumption. *Esteem*, on the other hand, is reactive; the value derived from appreciating a product or service and gaining, as a result, favorable recognition. Specifically, other-oriented value is attained when a customer actively pursues a favorable impression by others; the customer's purpose for having a

consumption experience is the positive appreciation of others (Holbrook, 1994). Holbrook (1999) noted that these two sub-categories are distinct from one another but are also intimately interrelated with a grey area in between. On a travel website, online travelers may evaluate a tourism-related product or post reviews to impress other users by providing helpful and useful information to travelers. On an online opinion platform, a positively-recognized online consumer is perceived as a consumption expert or intelligent shopper. Consumers articulate their reviews online, hoping, in part, that their reviews are perceived as useful, thereby gaining public recognition and praise (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Moreover, communicating and interacting with other members of a website, and thereby gaining a sense of belonging, has proved to be a motive for using travel websites (E. E. K. Kim et al., 2011). Given the empirical and theoretical difficulty of separating these two categories, this study defines it as a single category: social value.

Satisfaction

Satisfying customers is an important goal for a product/service provider because increasing customer satisfaction leads to lower marketing costs through retaining customers and maintaining long-term relationships (Fornell, 1992; McDougall & Levesque, 2000; Patterson, Johnson, & Spreng, 1996). Researchers of consumer behavior focus on understanding satisfaction as fundamental to predicting customer behavior, particularly loyalty (Carpenter, 2008; Chang & Chen, 2009; Fornell, 1992; Setó-Pamies, 2012), behavioral intentions (E. W. Anderson & Sullivan, 1993; Patterson et al., 1996), and switching (McDougall & Levesque, 2000).

The confirmation/disconfirmation paradigm of customer satisfaction postulates that satisfaction forms when a customer cognitively perceives the similarity of expectations of an experience with a product/service and the actual performance of that product/service, and dissatisfaction forms when expectations are not met (Cardozo, 1965; Oliver, 1980; 1996; Rust & Oliver, 1993). When the perceived performance of a product/service meets or exceeds expectations, confirmation or positive disconfirmation occurs, accompanied by pleasure, relief, or surprise (Oliver, 1981; 1996). Otherwise, dissatisfaction occurs. Satisfaction may also derive from affective responses to the consumption experience or the purchase situation (Babin & Griffin, 1998; Bagozzi, Gopinath, & Nyer, 1999). Previous satisfactory consumption experiences of a product or service evoke five end-states of satisfaction: contentment, pleasure, relief, novelty, and surprise (Babin & Griffin, 1998; Bagozzi et al., 1999; Oliver, 1996). These affective responses determine whether a customer forms a positive or negative attitude toward the product/service. Further, various studies posit satisfaction as a consumer's affective evaluation of a product or service based on the total purchase and consumption experience with the product or service rather than cognitive evaluation processes represented by disconfirmation (E. W. Anderson, 1994; Casaló, Flavián, & Guinalíu, 2008; Woodruff, 1997).

Further evidence suggests the concept of satisfaction extends to an online retailing environment. Electronic customer satisfaction, or e-satisfaction, is defined as "the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm" (R. Anderson & Srinivasan, 2003, p. 125). It appears that, like offline customer satisfaction, online customer satisfaction with a website is a function of affective responses to pre- and post-website experiences and positively influences reuse or repurchase intention (Devaraj, Fan, & Kohli, 2002; C. Kim et al., 2012; Maditinos & Theodoridis, 2011; Tang &

Chiang, 2010), website preference (Karahanna, Seligman, Polites, & Williams, 2009), and online customer loyalty (Overby & Lee, 2006).

This study targeted travelers with experience using a specific travel website over a certain period. Overall satisfaction better explains behavior patterns (i.e., loyalty and revisit/repurchase intentions) because situational variables easily influence transaction-specific satisfaction (E. W. Anderson, 1994; Burnham, 1998; Z. Yang & Peterson, 2004). Thus, using the concept of overall satisfaction was more appropriate in this study to measure overall affective assessment of past website experiences as website satisfaction.

Effects of Experiential Value on Satisfaction

Most research supports a chain of linkages from value to customer satisfaction. The services marketing literature shows perceived value is a predictor of consumer satisfaction (E. W. Anderson, 1994; Fornell, Johnson, Anderson, Cha, & Bryant, 1996; McDougall & Levesque, 2000; Sánchez et al., 2006; Sweeney & Soutar, 2001). Generally, researchers agree that value is often shown at the pre-experience stage and/or the service encounter (experience) stage, while satisfaction is a post-purchase or -use evaluation of a product or service that depends on the actual experience of consuming a product/service (Hirschman & Holbrook, 1982; Oliver, 1981; Woodruff, 1997). Moreover, satisfaction is conceptualized as the unidimensional construct of affective evaluations of a product or service varying from positive (favorable) to negative (unfavorable) (Sweeney & Soutar, 2001). Woodruff (1997) supports perceived value as a consumer's cognitive perception of the relational interactions with a product or service provider affecting satisfaction which represents overall feelings about the perceived value. This is also supported by the behavioral model in which cognition significantly influences affect (cf.

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(Fishbein & Ajzen, 1975). In online environments, value perception is significantly related to online satisfaction (C. Kim et al., 2012; Overby & Lee, 2006; Tang & Chiang, 2010). In sum, evidence suggests that customer satisfaction can be better understood through in-depth research of perceived value (Woodruff, 1997).

Effects of Customer ROI and Service Excellence on Satisfaction

Goal-directed customers are motivated by more economical, efficient, and timely ways of shopping, pursuing the utilitarian value of shopping (Babin et al., 1994). Reflecting the utilitarian benefits sought by a customer, the customer ROI dimension focuses on efficiency (time and effort savings) and monetary savings in using the product/service and service excellence focuses on overall evaluation of service performance (Mathwick et al., 2001). Zeithaml (1988) argues that value is perceived as a trade-off between benefits/quality and costs or the difference between the utility given by product or service attributes and the disutility represented by the price paid. Customer ROI, as a dimension of experiential value, is also closely associated with a preference for Internet shopping (Mathwick et al., 2001). A positive online shopping experience is thus significantly related to attitude towards the benefits the Internet offers as a shopping channel (e.g., convenience of online shopping, specifically savings in time and effort and enjoyment of online shopping) (Doolin, Dillon, Thompson, & Corner, 2005).

Service excellence dimension refers to a reactive appreciation of service quality and performance (Holbrook, 1999) and reflects perceived superiority of service quality (Zeithaml, 1988). The services marketing literature shows quality has a significant link to consumer satisfaction (e.g., Cronin & Taylor, 1992; Parasuraman, Zeithaml, & Berry, 1994). In online

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shopping, website quality attributes and service quality attributes significantly predict online

customer satisfaction (Maditinos & Theodoridis, 2011).

H1: As travelers perceive higher customer return on investment using a travel website,

they are more satisfied with the travel website.

H2: As travelers perceive higher service excellence using a travel website, they are more

satisfied with the travel website.

Effects of Playfulness and Aesthetics on Satisfaction

Two other dimensions of experiential value, playfulness and aesthetics, explain the

intrinsic nature of value, specifically the hedonic and affective motives for shopping (E. J. Lee &

Overby, 2004). Experiential marketing emphasizes creating a retail environment with a sense of

fun, excitement, and entertainment (Gentile et al., 2007; Mathwick et al., 2001; Schmitt, 1999a).

Favorable impressions of retail settings influence the emotional and cognitive states of customers

(Eroglu, Machleit, & Davis, 2003). Hirschman and Holbrook (1982) note, "[H]edonic

consumption designates those facets of consumer behavior that relate to the multisensory,

fantasy and emotive aspects of one's experience with products" (p. 92). Therefore, playful and

entertaining shopping environments that stimulate the senses will elevate the hedonic value of

shopping, thus leading customers to have a satisfying shopping experience.

Further, aesthetics drive positive emotions like pleasure and happiness, and positive

emotions not only have value in themselves but positive consequences (Leder, Belke, Oeberst, &

Augustin, 2010; Scherer, 2005). The literature supports the concepts of play and aesthetics

among key elements of value (Babin et al., 1994; Gallarza & Saura, 2006; Monroe, 1990).

Internet websites may benefit from hedonic value through playfulness and sensory experience by

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offering multimedia presentations and a professional, state-of-the-art presentation of products and services that attract customers to a pleasurable experience while using a website.

H3: As travelers perceive higher playfulness using a travel website, they are more satisfied with the travel website.

H4: As travelers perceive higher aesthetics using a travel website, they are more satisfied with the travel website.

Effects of Social Value on Satisfaction

Holbrook (1999) explained that satisfaction is derived from gratification in gaining recognition from others. Along with that, the social value of consumption explains social approval achieved by using a certain product (Sweeney & Soutar, 2001); that is, the consumer gains approval and creates a favorable impression in others for buying and using a product or service. The Internet is a channel through which people can interact with others who have common interests. The interaction functions of the website embodied in such features as bulletin boards and chat rooms may enhance the social value of using the website, providing website users with more engaging and enjoyable experiences by interacting and communicating with others.

H5: As travelers perceive higher social value using a travel website, they are more satisfied with the travel website.

Attitudinal loyalty and Behavioral loyalty

Generally, a robust, loyal customer base provides companies with a competitive advantage, because loyal customers tend to purchase more products and services, attract new customers through recommendations, and reduce marketing costs, which can then be spent to

attract new customers (Casaló, Flavián, & Guinalíu, 2007; Setó-Pamies, 2012). A number of empirical studies have investigated different predictors of loyalty, including customer satisfaction (e.g., Carpenter, 2008; Fornell, 1992; Jones, Reynolds, & Arnold, 2006; Oliver, 1980; K. E. Reynolds & Arnold, 2000; K. E. Reynolds & Beatty, 1999), trust (e.g., Casaló et al., 2007; Chaudhuri & Holbrook, 2001), and commitment (e.g., Fullerton, 2003).

Early research conceptualized loyalty solely through repeat purchases of a specific brand or a repatronage of suppliers, i.e., behavioral aspects of loyalty (cf. R. Anderson & Srinivasan, 2003). Some researchers (e.g., Day, 1969; Jacoby & Chestnut, 1978), however, claim that the behavioral definition of loyalty is not sufficient to represent true loyalty behavior. That is, repurchasing patterns cannot measure consumer loyalty toward a brand when consumers show loyalty towards multiple brands and are not aware of better alternatives. In that case, consumers buy a product by accident or for convenience, not out of true loyalty. Oliver (1999) also notes that a problem arises when only a behavioral-based definition of loyalty is considered. Behavioral loyalty only measures repeat purchasing frequency and relative volume of same-brand purchasing, but it does not distinguish true loyalty from repeat purchasing behavior and neglects the consumer's decision making process (Dick & Basu, 1994; Oliver, 1999).

Emphasizing the psychological aspect of loyalty, Oliver (1999) describes loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 34). This definition of loyalty encompasses a comprehensive concept that includes both behavioral and attitudinal aspects (Z. Yang & Peterson, 2004). Other researchers also have shown more interest

in the two dimensions of loyalty: attitude and behavior (Baldinger & Rubinson, 1996; Day, 1969).

Previous service marketing studies have provided evidence of a positive relationship between customer satisfaction and loyalty (Fornell, 1992; McDougall & Levesque, 2000; Patterson et al., 1996; Setó-Pamies, 2012). Satisfaction is usually considered an emotion-oriented assessment of service and related with both affective and behavioral aspects of loyalty (Bitner, 1990; Cronin et al., 2000; Dick & Basu, 1994; Oliver, 1999; Z. Yang & Peterson, 2004). Because affective responses affect attitudes (Weiss & Cropanzano, 1996), satisfaction as overall affective responses of consumption tends to determine customer attitude including attitudinal loyalty towards a product/service or its provider. However, the relationship of satisfaction to behavioral loyalty is controversial in the literature. For instance, Oliver (1980) suggests that satisfaction is an antecedent of both attitudinal loyalty and actual behavior while Carpenter (2008) argues that satisfaction indirectly influence behavioral loyalty through attitudinal loyalty.

Customer satisfaction is positively related to customer behavior. A customer's behavioral intention is influenced by both the customer's expectation that performance of a certain behavior would lead to a certain outcome and a positive or negative evaluation of this outcome (Ryan, 1982). A satisfied customer is more likely to expect that a behavior would result in the same outcome in the future, which reduces uncertainty and helps the customer make an optimal choice with less effort in the future (E. W. Anderson & Sullivan, 1993). Satisfaction is also associated with positive evaluations. There is little research on whether a behavioral intention would directly lead to an overt behavior in the online environment. However, with the view that a positive behavioral intention leads to an actual positive behavior (Oliver, 1996), satisfaction may affect both behavioral intention and an actual behavior as two aspects of behavioral loyalty.

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Further, it is possible that overall satisfaction through multiple consumption experiences would form attitudinal loyalty, behavioral loyalty, or both.

In terms of the relationship between attitudinal and behavioral loyalty, most research agrees that attitudinal loyalty tends to lead behavioral loyalty (Bennett, Härtel, & McColl-Kennedy, 2005) supporting the conclusion that consumer attitudes precede overt behavior (Peter & Olson, 2005). Fullerton (2005) demonstrates the positive relationship of commitment to customer advocacy intentions and its negative relationship to switching intentions in retail services. In addition, customer attitudes toward online retailing influence their responses, particularly behavioral intentions (Balabanis & Vassileiou, 1999). Customer attitudinal loyalty influences post-consumption behaviors like share of purchases (i.e., the percentage of purchases made at a particular store) or word-of-mouth recommendations (Bennett et al., 2005; Carpenter, 2008; K. E. Reynolds & Arnold, 2000).

E-loyalty is defined as "a customer's favourable attitude towards the e-retailer that results in repeat buying behavior's reflecting both affective and behavioral perspectives" (Srinivasan et al., 2002, p. 42). E-loyalty also has both attitudinal and behavioral aspects (R. Anderson & Srinivasan, 2003; Koo, 2006; Rodríguez-Ardura, Martínez-López, & Luna, 2010). Cyr, Bonanni, Bowes, and Ilsever (2005) and Cyr (2008) further note that e-loyalty includes intentions to revisit and repurchase from a website without switching to other websites. Research on customer behavior online supports the notion that online satisfaction predicts both attitudinal loyalty or commitment (R. Anderson & Srinivasan, 2003; Balabanis, Reynolds, & Simintiras, 2006; Chang & Chen, 2009; Koo, 2006) and preference for a website (R. Anderson & Srinivasan, 2003; Chang & Chen, 2009; E. J. Lee & Overby, 2004), as well as behavioral loyalty or customer intention (R. Anderson & Srinivasan, 2003; Z. Yang & Peterson, 2004). In sum, this study

hypothesized that website user satisfaction has a positive influence on attitudinal loyalty and behavioral loyalty and that attitudinal loyalty positively influences behavioral loyalty.

H6a: As travelers are more satisfied with a travel website, they show higher attitudinal loyalty to the travel website.

H6b: As travelers are more satisfied with a travel website, they show higher behavioral loyalty to the travel website.

H7: As travelers hold higher attitudinal loyalty to a travel website, they show higher behavioral loyalty to the travel website.

Proposed Conceptual Model 1

Figure 4.1 illustrates the focus of this study. In the model, five dimensions of experiential value (i.e., aesthetics, playfulness, customer ROI, service excellence, and social value) are antecedents of satisfaction. Satisfaction, in turn, affects attitudinal loyalty and behavioral loyalty. Attitudinal loyalty is positively related to behavioral loyalty.

Figure 4.1 Proposed Conceptual Model 1
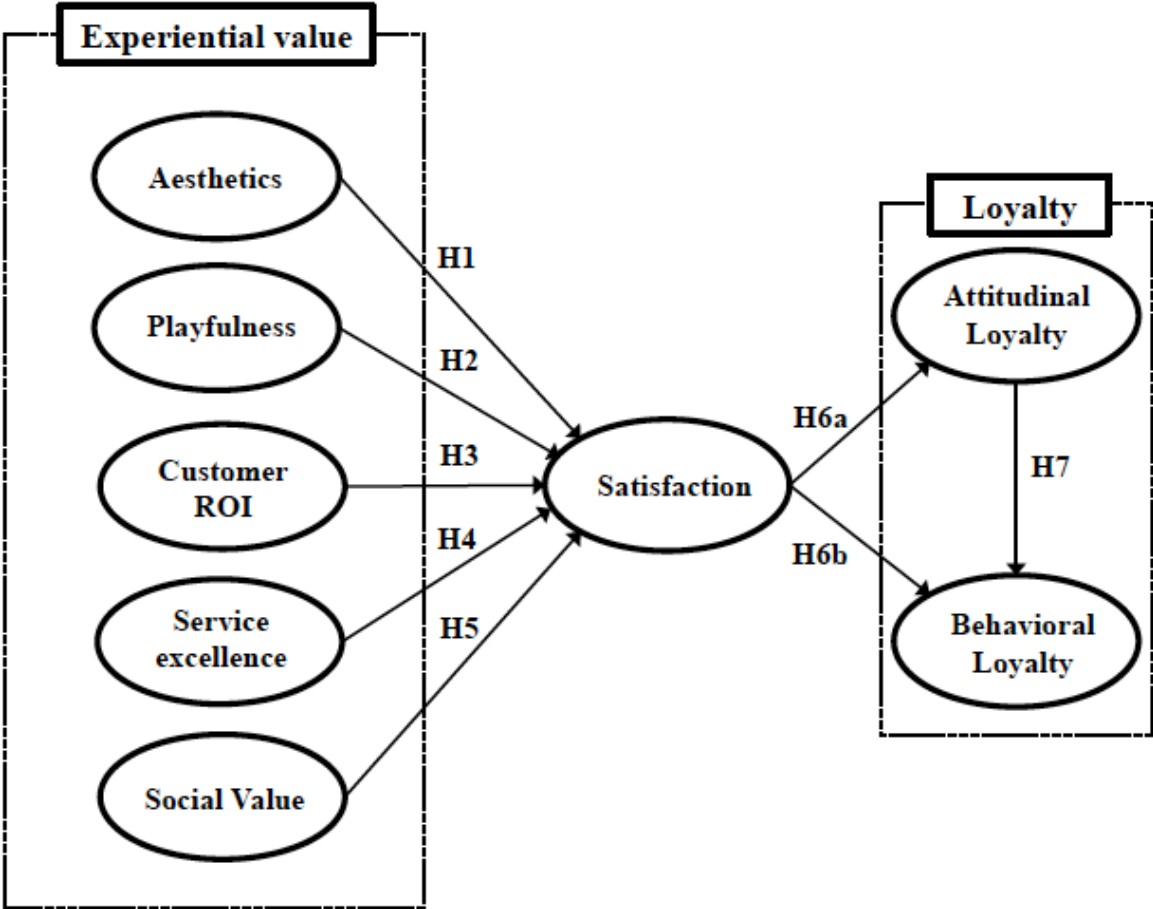
Note. Customer ROI = customer return on investment.

Methodology

Measures and Instrument Development

Multi-item scales adopted from the literature were used to measure eight constructs in Study 1: (1) efficiency and economic value for customer ROI, (2) service excellence, (3) visual appeal and entertainment for aesthetics, (4) escapism and intrinsic enjoyment for playfulness, (5) social value, (6) satisfaction, (7) attitudinal loyalty, and (8) behavioral loyalty. The 32 items measured each of five sub-dimensions of experiential value: customer ROI, service excellence, aesthetics, playfulness, and social value. Among 32 items, the 26 for customer ROI, service excellence, aesthetics, and playfulness were adapted from various experiential value studies of both online and offline shopping (i.e., Mathwick et al., 2001; Mohd-Any et al., 2014; O'Brien & Toms, 2010; Y. Wang & Fesenmaier, 2003; Wasko & Faraj, 2005). Six items for social value were adopted from Wang and Fesenmaier (2003) and Wasko and Faraj (2005). Satisfaction was tested with five items developed by Oliver (1980) and Ruiz, Gremler, Washburn, and Carríon (2008). Attitudinal loyalty was measured with five items developed by Overby and Lee (2006) and Srinivasan, Anderson, and Ponnavolu (2002). Behavioral loyalty was tested with five items adopted from Casaló, Flavián, and Guinalíu (2008) and Zeithaml, Berry, and Parasuraman (1996). All items were assessed on a seven-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Data Collection

The target population for this study included travel website users in the United States who are 18 years old or older. In this study, a travel website refers to a web-based travel agency

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that provides travel planning services such as bookings (hotel rooms or flight tickets) and/or travel-related information (comments/reviews/ratings of any hotel, restaurant or other travel attractions) on behalf of airlines, hotels, car rental companies, etc. Therefore, travel supplier websites such as hotel brands or airlines websites, travel-meta search websites such as price-comparison websites, destination promotion websites, vacation rental websites, social networking websites, and mobile only travel-related applications for smartphones or tablets were excluded from this study. Furthermore, this study was based on past experiences with travel websites, so travel website users who have not used or purchased from any travel websites at least once within the past three months were excluded.

The beginning of the questionnaire has three screening questions asking for respondents' age and past experience with any travel websites. Also, respondents were asked to select one travel website they had used or visited within the last three months. For this question, respondents were required to select one of 11 travel websites provided or to provide the name of the travel websites they had most recently visited. The eleven travel websites were chosen based on various online sources that show lists of the most popular travel websites among travelers in the United States (Ali, 2014; eBizMBA, 2015). To improve their understanding, respondents were provided the definition and type of travel websites of interest in this study (see Appendix B).

According to Hair, Black, Babin, and Anderson (2010), the general requirement for the sample size for structural equation modeling (SEM) is that the ratio of observed variables to sample size should be between 1:10 and 1:15. This study collected data from 400 users of travel websites for data analysis to account for possible outliers and missing responses. The online questionnaire was developed and distributed to survey panels acquired from an online survey

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company. Of the 400 survey respondents, 16 were eliminated because the travel websites they provided did not match the criteria used in this study. As a result, 384 respondents' data were used for further analysis.

Data Analysis and Results

Data Screening

Before analyzing the conceptual model, variables were examined for accuracy of data entry, missing values, and outliers for normality of data distribution. First, data were tested for outliers. If any case showed above │4│ in its standard z-score of each variable, the threshold value of standard scores suggested by Hair et al. (2010), it was considered a univariate outlier. Multivariate outliers were evaluated using Mahalanobis distance (Mahalanobis D^2) for each case. Mahalanobis D^2 for each case was evaluated using the chi-square (χ^2) distribution with degree of freedom equal to the number of variables. To detect multivariate outliers, any case with a Mahalanobis D^2 of $\chi^2 = 82.72$ ($df = 47$) or higher was considered a multivariate outlier. After tests of univariate and multivariate outliers, 18 responses were excluded from the 384 respondents' data. Next, the test for the normal distribution of the data revealed that the skewness and the kurtosis of the variables were within acceptable ranges, confirming normal distribution of the data in all variables. Lastly, a test of multicollinearity showed tolerance levels of the variables were higher than .10, which is the recommended cutoff (Hair et al., 2010), showing no multicollinearity problems among the variables. Thus, 366 respondents' data remained for the hypothesis tests.

Table 4.3 Demographic Profile of Survey Respondents.

Sample Characteristics	Frequency (*N* = 366)	Percent (%)
Gender		
Male	125	34.2
Female	241	65.8
Age		
18 - 24	33	9.0
25 - 34	72	19.7
35 - 44	73	19.9
45 - 54	76	19.9
55 - 64	76	20.8
65 or older	36	9.8
Level of Education		
High school	78	21.3
2-year college	105	28.7
4-year college/university	127	34.7
Post graduate	56	15.3
Frequency of Travel		
More than once a month	26	7.1
5 - 11 times a year	80	21.9
2 - 4 times a year	199	54.4
Once a year	48	13.1
Less than once a year	13	3.6
Primary Purpose of Travel		
Leisure	338	92.3
Business	28	7.7

Profile of the Sample

Table 4.3 summarizes the demographic profile of the survey respondents in this study. Of the 366 respondents, 66% were female (n = 241). Age groups 25-34 years, 35-44 years, 45-54 years, and 55-64 years accounted for approximately 80% of the respondents, followed by age group 65 or older and age group 18-24 years. For level of education, 35% of the respondents had completed 4-year college or university degree (n = 127), followed by 2-year college degree (28.7%, n = 105) and high school graduates (21.3%, n = 78). More than half of the respondents traveled 2 to 4 times a year (54%, n = 199) and 22% traveled 5 to 11 times a year (n = 80). The primary purpose of travel for most respondents was leisure.

Measurement Model Testing

A two-step analytical procedure as recommended by Anderson and Gerbing (1988) was applied to examine the conceptual model. First, confirmatory factor analysis (CFA) (using AMOS 21) was conducted to verify construct reliability and validity of the measurement model.

The model fit indices showed adequate model fit of the measurement model (χ^2 = 2390.333, df = 989, p < .001, NFI = .877, TLI = .917, CFI = .924, RMSEA = .062). The measurement model was assessed for internal consistency reliability and construct validity, i.e., convergent and discriminant validity. Cronbach's alphas of all measurement items were higher than .7, indicating adequate internal consistency reliability (Nunnally, 1978). Convergent validity was tested by checking factor loading scores of each measurement item, and the average variance extracted (AVE) values of each construct. Table 4.4 presents the measurement items used in this study, together with the standardized loadings of the corresponding scale items. The measurement items used had factor loadings higher than .60 and were significant at p < .001.

Table 4.4 Measurement Items and Standardized Loadings.

Constructs and Scale Items	Standardized Loading
Aesthetics	
Visual appeal	
The way this travel website displays products and information is attractive.	.872
This travel website is aesthetically appealing.	.861
I like the way this travel website looks.	.869
The graphics and images used on this travel website are visually appealing.	.867
The colors and screen layout of this travel website are visually appealing.	.845
Entertainment	
This travel website is very entertaining.	.752
This travel website is captivating. It picks me up.	.760
This travel website doesn't just sell travel products. It is entertaining to use.	.644
The travel information (e.g., photos, videos, reviews, forums) provided on this travel website is entertaining.	.698
Playfulness	
Escapism	
Using or browsing this travel website "gets me away from it all."	.853
Using or browsing this travel website makes me feel I'm in another world.	.902
I get so involved when using or browsing this travel website that I forget about my immediate surroundings.	.808
When using or browsing this travel website, I become so involved that I lose track of time.	.779
Intrinsic enjoyment	
I use or browse this travel website for pure enjoyment.	.814

I enjoy using or browsing this travel website for the total experience, not just for the tourism products or information I may have acquired. .854

The experience of using this travel website is enjoyable. .768

Customer ROI

Efficiency

Using this travel website for my travel needs is an efficient way to manage my time. .770

Using this travel website for my travel needs fits with my schedule. .828

Using this travel website for my travel needs makes my life easier. .837

Using this travel website makes it easier to get what I need for my travel. .849

Economic value

This travel website provides good economic value. .793

Overall, I am happy with this travel website's prices for their tourism products. .729

The prices of the tourism products in this travel website are satisfactory. .731

Service excellence

When I think of this travel website, I think of excellence. .879

I consider this travel website an expert source for tourism products and travel information. .855

The features and customer services of this travel website are consistent and reliable. .846

Social value

My travel experience and reviews shared on this travel website help (would help) other travelers who need them. .659

My travel experience and reviews shared on this travel website satisfy (would satisfy) other travelers' needs. .692

Participating in writing reviews or posting my travel experiences helps (would help) me build and keep good relationships with other members of this travel website. .896

Participating in writing reviews or posting my travel experiences helps (would help) me gain recognition from other members of this travel website. .929

Participating in writing reviews or posting my travel experiences helps (would help) me gain favorable responses from other members of this travel website.	.938
Participating in writing reviews or posting my travel experiences helps (would help) me make a positive impression on other members of this travel website.	.921

Satisfaction

Overall, I have been pleased when I use this travel website.	.886
My choice to use this travel website was a wise one.	.880
I feel good about my decision to use this travel website.	.904
Using this travel website has been a satisfying experience.	.887
Overall, I am satisfied with this travel website.	.860

Attitudinal loyalty

I prefer this travel website to other similar travel websites.	.842
This travel website is my primary source of tourism products and travel information.	.811
When I need tourism products and travel information, this travel website is my first choice.	.860
I like using this travel website for my travel needs.	.842
This is my favorite travel website.	.884

Behavioral loyalty

I say positive things about this travel website to other people.	.775
I use or visit this travel website more frequently than other travel websites.	.850
I purchase tourism products from this travel website more often than other travel websites.	.639
I will recommend this travel website if anyone asks for travel information and tourism products.	.875
I intend to continue using this travel website in the future.	.823

Note. All factor loadings are significant at $p < .001$.

Table 4.5 reports the descriptive statistics, composite reliabilities, correlations, and squared correlations of the constructs in this study. The AVE values of constructs ranging from .635 to .781 showed well-established convergent validity, demonstrating more than half of the variance in each construct explained by the corresponding measures (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Composite reliabilities of the constructs ranged from .895 to .947, exceeding the conventional cut-off value of .70 (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Discriminant validity was assessed by comparing the AVE values to squared correlations (R^2) of the respective pairs (Fornell & Larcker, 1981). Discriminant validity was achieved for all pairs of the constructs, except for 'aesthetics and service excellence,' 'customer ROI and service excellence,' 'customer ROI and satisfaction,' 'customer ROI and behavioral loyalty,' 'service excellence and behavioral loyalty,' 'satisfaction and behavioral loyalty,' 'attitudinal loyalty and behavioral loyalty.' Further, chi-square difference ($\Delta\chi^2$) tests assuring the discriminant validity of those exceptions were conducted by comparing χ^2 of the original measurement model with χ^2 of the model in which two constructs are correlated or constrained to unity (the constrained model), as suggested by Bagozzi and Yi (1988). The resulting χ^2 differences were 167.876 ($df =$ 7) for 'aesthetics and service excellence,' 142.723 ($df = 7$) for 'customer ROI and service excellence,' 100.532 ($df = 7$) for 'customer ROI and satisfaction,' 277.659 ($df = 7$) for 'customer ROI and behavioral loyalty,' 183.983 ($df = 7$) for 'service excellence and behavioral loyalty,' 206.105 ($df = 7$) for 'satisfaction and behavioral loyalty,' and 22.445 ($df = 7$) for 'attitudinal loyalty and behavioral loyalty' at $p < .001$. The results of chi-square difference ($\Delta\chi^2$) tests revealed significant larger changes in χ^2 compared to the difference in degrees of freedom, showing each of the constrained models has a worse model fit index than the original

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measurement model (the unconstrained model). This indicates that two constructs for each pair

of the constructs are distinct and, thus, that discriminant validity of the constructs was achieved.

Table 4.5 Descriptive Statistics and Associated Measures.

	No. of Items	Mean (Std. dev.)	AVE	AES	PLA	ROI	EXC	SOC	SAT	ALO	BLO
Aesthetics	9	5.459 (.969)	.636	**.940**[a]	.679[b]	.746	.838	.521	.718	.737	.733
Playfulness	8	4.639 (1.378)	.683	.461[c]	**.938**	.559	.737	.649	.474	.580	.573
Customer ROI	7	5.860 (.811)	.628	.557	.312	**.922**	.873	.471	.813	.749	.802
Service Excellence	3	5.659 (1.029)	.740	.702[d]	.543	.762[d]	**.895**	.532	.809	.831	.841
Social Value	6	4.997 (1.259)	.718	.271	.421	.222	.283	**.937**	.421	.449	.479
Satisfaction	5	6.054 (.821)	.781	.516	.225	.661[d]	.654	.177	**.947**	.818	.862
Attitudinal Loyalty	5	5.673 (1.074)	.719	.543	.336	.561	.691	.202	.669	**.928**	.967
Behavioral Loyalty	5	5.684 (.994)	.635	.537	.328	.643[d]	.707[d]	.229	.743[d]	.935[d]	**.896**

Note. AVE = average variance extracted; AES = aesthetics; PLA = playfulness; ROI = customer ROI; EXC = service excellence; SOC = social value; SAT = satisfaction; ALO = attitudinal loyalty; BLO = behavioral loyalty.

[a] Composite reliabilities are along the diagonal in bold;

[b] Correlations are above the diagonal;

[c] Squared correlations are below the diagonal;

[d] The squared correlation of each pair of ROI-EXC, ROI-BLO and ALO-BLO was higher than the AVEs for each corresponding construct. The squared correlation of AES-EXC was higher than the AVE of AES. The squared correlation of ROI-SAT was higher than the AVE of ROI. The squared correlations of BLO with EXC and SAT were also higher than the AVE of BLO. A further analysis assessed discriminant validity proved those pairs of factors to unity.

Structural Model and Relationship Test

The structural model, including the measurement model with eight constructs and the proposed relationships among the constructs, was tested using structural equation modeling (SEM) analysis. The results of the analysis provided overall fit indices for the proposed model presenting an acceptable fit to the data (χ^2 = 2436.071, df = 998, p < .001, NFI = .875, TLI = .915, CFI = .922, RMSEA = .063). Figure 4.2 shows the path coefficients and t-values for significant paths (at least p < .05) in the model.

Figure 4.2 Test Results of the Proposed Relationship.
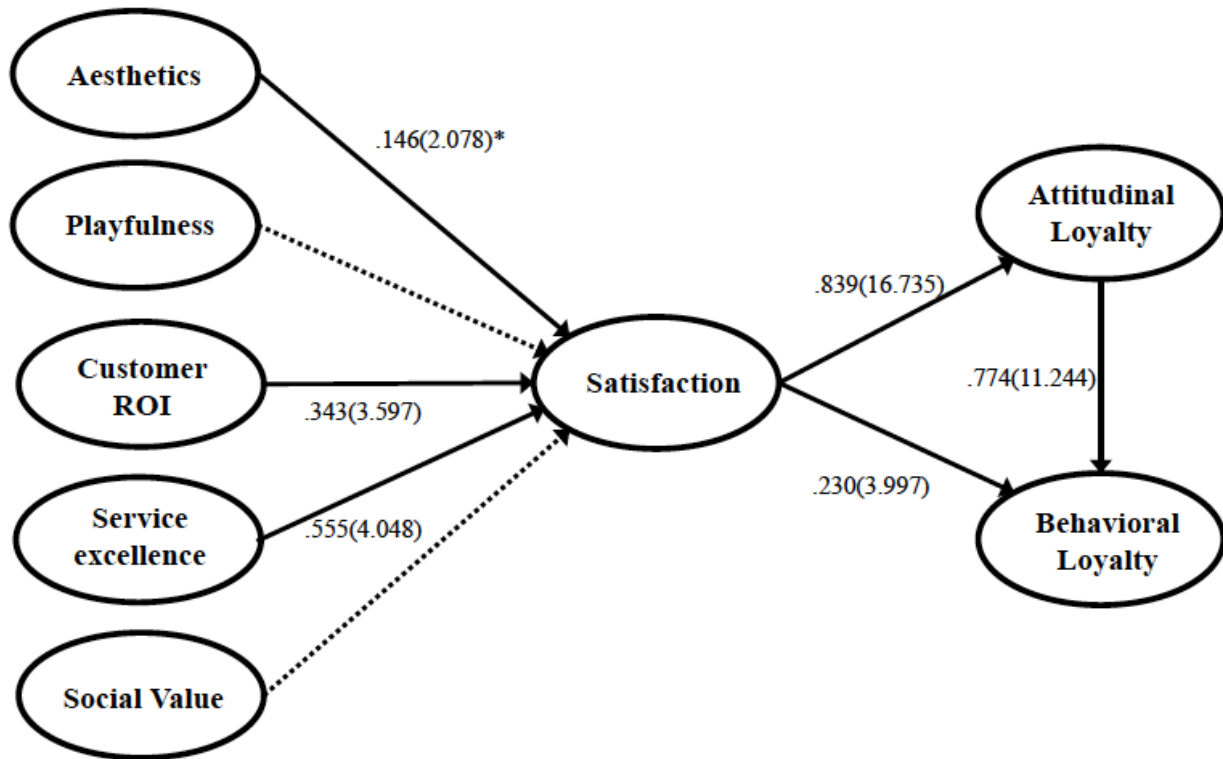
Note. Numbers in parentheses are the t-values; Numbers outside of parentheses are the standardized path coefficients; the dotted arrow indicates an insignificant path (p > .05).
* p < .05; otherwise, p < .001

Test of Direct Relationships

The significance of path coefficients of the proposed structural model was examined. The standardized path coefficients and their *t*-values of eight proposed paths in the model are presented in Table 4.6. Hypotheses 1 to 5 predicted positive relationships between each of five experiential value dimensions (i.e., aesthetics, playfulness, customer ROI, service excellence, and social value) and satisfaction. Hypothesis 1 proposed that aesthetics would be positively associated with satisfaction. Results of SEM supported the hypothesis ($\beta = .146$, $t = 2.078$, $p = .038$). Hypothesis 2 proposed a positive effect of playfulness on satisfaction. Although the path coefficient between two constructs was significant, Hypothesis 2 was not supported ($\beta = -.239$, $t = -3.564$, $p < 001$). The path coefficient between customer ROI and satisfaction was significant ($\beta = .343$, $t = 3.597$, $p = .038$), supporting Hypothesis 3. Hypothesis 4 proposed a positive relationship between service excellence and satisfaction; it was supported by a significant path coefficient ($\beta = .555$, $t = 4.048$, $p < .001$). In Hypothesis 5, social value should be positively related to satisfaction; however, the hypothesis was not supported ($\beta = .0582$, $t = 1.317$, $p = .190$). Satisfaction had a positive and significant relationship with attitudinal loyalty ($\beta = .839$, $t = 16.735$, $p < .001$) and behavioral loyalty ($\beta = .230$, $t = 3.997$, $p < .001$), supporting Hypotheses 6a and 6b. Lastly, Hypothesis 7 predicted a positive relationship between attitudinal loyalty and behavioral loyalty; the hypothesis was supported by a positive path coefficient of .774 ($t = 11.244$, $p < .001$).

Table 4.6 Parameter Estimates and Fit Indices.

Hypothesized Path	Standardized Coefficient (β)	t-value	Results
H1: Aesthetics → Satisfaction	.146	2.078[*]	Supported
H2: Playfulness → Satisfaction	-.202[b]	-3.564[a][**]	Not Supported
H3: Customer ROI → Satisfaction	.343	3.597[**]	Supported
H4: Service Excellence → Satisfaction	.555	4.048[**]	Supported
H5: Social Value → Satisfaction	.058	.190[ns]	Not Supported
H6a: Satisfaction → Attitudinal Loyalty	.839	16.735[**]	Supported
H6b: Satisfaction → Behavioral Loyalty	.230	3.997[**]	Supported
H7: Attitudinal Loyalty → Behavioral Loyalty	.774	11.244[**]	Supported

Goodness-of-fit statistics:

χ^2 (989) = 2390.333, p < .001

χ^2/df = 2.417

NFI = .877, TLI = .917, CFI = .924

RMSEA = .062

Note. [ns] not significant, * p < .05. ** p < .001

[a] The standardized coefficient (β) of this path was significant at p < .001, but the direction of the relationship was not hypothesized to be positive.

[b] The negative coefficients associated playfulness and satisfaction may be due to suppressor effects (Bollen, 1989). This misleading coefficient can also be due to the multicollinearity, redundancy in estimation, between two variables (J. Cohen & Cohen, 1983). The simple regression model was run without other predictor variables to estimate the effect, and the regression coefficient was significant at p < .001.

Mediating Effect of Attitudinal Loyalty

      Four-step mediation analysis. To examine the mediating effect of attitudinal loyalty on the relationship between satisfaction and behavioral loyalty, the four-step mediation analysis suggested by Baron and Kenny (1986) (the *Baron and Kenny procedure*) and chi-square (χ^2) difference tests were conducted. Four-step mediation analysis suggests four conditions must be met to establish the mediation: (1) a significant direct effect of a predictor variable on a mediator

variable; (2) a significant direct effect of a predictor variable on an outcome variable; (3) a significant direct effect of a mediator variable on an outcome variable; and (4) an insignificant (full mediation) or a less significant (partial mediation) direct effect of a predictor variable on the outcome variable in the constrained model (the mediating model) than in the original structural model.

As presented in Figure 4.2, the first three conditions of the four-step mediation analysis were met in the original structural model, which was a significant path coefficient between satisfaction (the predictor variable) and attitudinal loyalty (the mediator) (the first condition), between the mediator and behavioral loyalty (the outcome variable) (the second condition). When the direct path from attitudinal loyalty to behavioral loyalty is controlled (set to zero), the estimated path from satisfaction to behavioral loyalty was significant ($\beta = .912$, $t = 16.839$, $p < .001$) (the third condition). Finally, when the direct path from attitudinal loyalty to behavioral loyalty was freely estimated, the path from satisfaction to behavioral loyalty became weak ($\beta = .230$, $t = 3.997$, $p < .001$) (the fourth condition). The results of the four-step analysis showed a partial mediating role of attitudinal loyalty on the relationship between satisfaction and behavioral loyalty, indicating that satisfaction had a statistically significant indirect effect on behavioral loyalty through attitudinal loyalty.

In addition, the statistically significant change in the χ^2 statistic shows that the mediating model ($\chi^2 = 2436.071$, $df = 998$, $p < .001$) (i.e., the original structural model) is better suited to the data than the constrained model ($\chi^2 = 2600.131$, $df = 999$, $p < .001$) (Byrne, 2001). The mediating model presented statistically significant decrease in χ^2 value ($\Delta\chi^2 = 164.06$), which was larger than 3.84 ($= \chi^2_{05(1)}$), χ^2 statistics for one degree of freedom. The overall fit of the

mediating model provided better estimation than the non-mediating model. Therefore, a partial mediating role of attitudinal loyalty on decision confidence was confirmed.

   Sobel test. Baron and Kenny (1986) indicated that the Sobel (1982) test is a statistically more thorough and rigorous method to test the mediation effect than the four-step mediation analysis. In the Sobel test, the strength of the indirect effect of the predictor (*X*) through the mediator (*M*) on the outcome variable (*Y*) is compared to a null hypothesis that the indirect effect equals zero. According to Preacher and Hayes (2004), "[t]he indirect effect of *X* on *Y* is defined as the product of *X* → *M* path (a) and the *M* → *Y* path (b), or *ab*" (p. 718). The mediation effect is tested for statistical significance by dividing *ab* by its standard error (S_{ab}) and by comparing the value with the critical value from the standard normal distribution for a given alpha level. The equation to yield the standard error of the indirect effect (S_{ab}) is

$$S_{ab} = \sqrt{b^2 s_a^2 + a^2 s_b^2 + s_a^2 s_b^2}$$

   where *a* = unstandardized path coefficient of *X* → *M* path;

   b = unstandardized path coefficient of *M* → *Y* path;

   S_a = standard error of *a;*

   S_b = standard error of *b*

   To test the indirect effect using the Sobel test, the bootstrapping test using the macro for SPSS presented by Preacher and Hayes (2004) was conducted. The results of the test showed that all of Baron and Kenny's criteria for partial mediation were established and confirmed the partial mediation effect of attitudinal loyalty between satisfaction and behavioral loyalty. See Table 4.7 for the results of the mediation analysis using the bootstrapping test.

Table 4.7 Results of the Mediation Analysis of Attitudinal Loyalty in the Relationship Between Satisfaction and Behavioral Loyalty.

Mediating role of	Between	Statistics of P[a] → O[b], when M[c] → O is set at 0.			Statistics of P → O, when M → O allowed.			Sobel test (Z)
		B	SE	t	B	SE	t	
Attitudinal loyalty	Satisfaction and behavioral loyalty	.95	.04	24.39[*]	.38	.04	8.43[*]	.58[*]

Note. B = unstandardized coefficient; SE = standard error of unstandardized coefficient; [a] Predictor variable = satisfaction; [b] outcome variable = behavioral loyalty; [c] mediator = attitudinal loyalty. The mediation analysis was performed using Mediate Macro For SPSS (Preacher & Hayes, 2004). N = 366; Number of bootstrap resamples = 5000;
[*] $p < .001$

Standardized Indirect and Total Effects of Predictor Variables

The total effect of each experiential value dimension was examined to identify the clear influence of experiential value on the outcome variables. As shown in Table 4.8, service excellence showed the greatest total effect on satisfaction (.555), attitudinal loyalty (.466), and behavioral loyalty (.489), followed by excellence, customer ROI (.343 on satisfaction, .288 on attitudinal loyalty, and on .301 behavioral loyalty), and aesthetics (.146 on satisfaction, .123 on attitudinal loyalty, and .129 on behavioral loyalty). Social value dimension had no significant effect in hypothesis testing. In sum, two extrinsic value dimensions (customer ROI and service excellence) showed greater effects on the endogenous variables than the intrinsic value dimensions (aesthetics and playfulness). Additionally, although the total effect of satisfaction on behavioral loyalty (.880) was greater than that of attitudinal loyalty on behavioral loyalty (.774), more than 73% of the effect of satisfaction on behavioral loyalty was indirect through attitudinal loyalty.

Table 4.8 Standardized Effects of Predictor Variables on Outcome Variables.

	Satisfaction		Attitudinal Loyalty		Behavioral Loyalty	
	Indirect	Total	Indirect	Total	Indirect	Total
Aesthetics	-	.146	.123	.123	.129	.129
Playfulness	-	-.239	-.200	-.200	-.210	-.210
Customer ROI	-	.343	.288	.288	.301	.301
Service Excellence	-	.555	.466	.466	.489	.489
Social Value	-	-	-	-	-	-
Satisfaction	-	-	-	.839	.650	.880
Attitudinal Loyalty	-	-	-	-	-	.774

Discussion

This study focused on the following question: "How do experiential value dimensions influence traveler satisfaction and loyalty toward travel websites?" Therefore, the purpose of this study was first, determining aspects of experiential value in using third-party travel websites and, second, examining how the identified experiential value dimensions lead to website user satisfaction and loyalty. Adapting Mathwick et al.'s (2001) experiential value scale, this study proposed and tested a conceptual model that hypothesized direct relationships of five experiential dimensions with satisfaction and indirect relationships with attitudinal loyalty and behavioral loyalty. This study also hypothesized that attitudinal loyalty may mediate between website user satisfaction and behavioral loyalty. The results revealed that three of five experiential value dimensions (aesthetics, customer ROI, and service excellence) had positive relationships with outcome variables either directly or indirectly. The results also confirmed statistically positive relationships of satisfaction with both attitudinal and behavioral loyalty. Further, this study found attitudinal loyalty was a significant mediator between satisfaction and behavioral loyalty.

Relationship between experiential value and satisfaction

The results of this study found positive relationships among website experiential value dimensions and website user satisfaction. Specifically, aesthetics, customer ROI, and service excellence were significantly and positively related to satisfaction (Hypotheses 1, 3, and 4). Online travelers are more likely to be satisfied with third-party travel websites if they perceive that the travel website is visually and aesthetically appealing and entertaining to use. Travelers are also more satisfied with travel websites that help them save time, effort, and money, and that meet their travel needs. Furthermore, travel websites may satisfy users more when they are perceived as having excellent website service performance and having expert and professional

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online travel sources for travelers. Further, two extrinsic value dimensions (service excellence and customer ROI) are more strongly related to attitudinal loyalty and behavioral loyalty toward websites than are intrinsic value dimensions (aesthetics and playfulness). From this perspective, the results of this study suggests that extrinsic value dimensions (service excellence and customer ROI) are more highly related to online satisfaction and website loyalty than are intrinsic value dimensions (aesthetics and playfulness), consistent with the results in previous works (Doolin et al., 2005; Jin et al., 2013; C. Kim et al., 2012; Mathwick et al., 2001; Sigala, 2004). In this study, the aesthetic dimension does have a moderate direct positive effect on satisfaction and indirect positive effect on both attitudinal loyalty and behavioral loyalty.

Unlike the author's expectations and unlike the results of previous research (Jeong et al., 2009; Overby & Lee, 2006), playfulness, an intrinsic dimension of experiential value, did not have a positive effect on satisfaction (Hypothesis 2), which is consistent with Jin et al.'s (2013) results showing a significant but negative relationship between playfulness and satisfaction. In other words, a travel website that provides more intrinsic enjoyment and temporary escapism may not increase traveler satisfaction with the website. This finding suggests that satisfactory website experience may derive more from utilitarian benefits and excellent service quality and performance than from visual appeal and entertaining experiences. For the social value dimension, proposed as an other-oriented experiential value, this study expected it would have a significant role in explaining website user satisfaction (Hypothesis 5). However, the results failed to support that relationship, suggesting that the positive appreciation from others (i.e., impressing others by helping them with their reviews and achieving favorable responses from others on the website) may not positively influence overall satisfaction with travel websites. In other words, experiential value of using travel websites may not be related to traveler satisfaction with travel

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websites. One plausible explanation of this finding may lie in the fact that third-party travel websites included in this study are non-membership-based. In most third-party travel websites, online travelers must be members only if they write reviews or comments and post on forums or bulletins boards, not when searching for travel information and purchasing tourism-related products. Respondents in this study are likely to use travel websites for searching and purchasing, not to actively participate in leaving reviews or posting.

Relationships among satisfaction, attitudinal loyalty and behavioral loyalty

The results of the study confirm the findings of previous studies (e.g., R. Anderson & Srinivasan, 2003; Chang & Chen, 2009; Z. Yang & Peterson, 2004) that website user satisfaction leads directly to both attitudinal loyalty (Hypothesis 6a) and behavioral loyalty (Hypothesis 6b). In other words, online travelers who have satisfactory experiences with travel websites tend to have favorable attitudes and are willing to maintain a relationship with the website; they are also more likely to revisit the website or repurchase services/products from the website. The positive relationship between attitudinal loyalty and behavioral loyalty (Hypothesis 7) indicates that, if travelers consider a travel website preferable to alternative travel websites, they are more likely to use the travel website for their travel needs and to recommend the website. Satisfaction does have a strong significant relationship with attitudinal behavior but only a moderate relationship to behavioral loyalty, and that satisfaction is significantly and positively related to behavioral loyalty through attitudinal loyalty, showing consistency with the results of previous studies (e.g., (Jin et al., 2013; Tang & Chiang, 2010). These findings show that traveler satisfaction is an antecedent to behavioral loyalty and thus can better explain behavioral loyalty through attitudinal loyalty. In sum, this study infers that experiential value affects satisfaction and loyalty in the travel website context and, among experiential value dimensions, the extrinsic value dimension

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(service excellence and customer ROI) has a stronger effect than the intrinsic value dimension (aesthetics and playfulness).

Implications of the Study

The results of this study extend the framework delineating value and behavior of consumption experience in an online service environment. By considering more than purchase decision-making and actual purchase of tourism-related products, the travel website experience is better understood through the relationships between experiential value and its outcome variables, satisfaction and loyalty, which are critical to online experience in a travel website context. Although a substantial amount of research has been published about experiential value for online consumers in a shopping mall context, only few have researched experiential value to explain online traveler perception of value in a travel website context. This study provides a theoretical and practical contribution to the literature on traveler experiential value when using a third-party travel website; this study identified the dimensionality and the effects on satisfaction, attitudinal loyalty and behavioral loyalty.

First, this study proposed using the experiential value scale (EVS) for travel websites and examined experiential value dimensions modified to measure value perception of online travelers: aesthetics (visual appeal and entertainment), playfulness (escape and intrinsic enjoyment), customer ROI (efficiency and economic value), service excellence, and social value. While some literature on website value perception suggested experiential value dimensions could be adapted for online retail or blogs, the results are inconsistent in explaining outcome variables using the four experiential value dimensions (cf. Jeong et al., 2009; Keng & Ting, 2010; E. J. Lee & Overby, 2004; Mathwick et al., 2001; Tang & Chiang, 2010). This study adapted and modified Mathwick et al.'s (2001) scale to reveal online traveler value perceptions, which might

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differ from online shoppers in online retail settings. Additionally, the marketing literature has little discussion of other-oriented value dimension, which this study added to the scale to estimate the comprehensive value of travel website experience as perceived by online travelers as a whole. Thus, the scale may serve as an essential tool for travel websites in managing their value and gathering useful information about online travelers' evaluations of their website experience.

Second, this study identified the positive association between online travelers' experiential value and satisfaction and, in turn, attitudinal loyalty and behavioral loyalty. The findings of this study highlight the dominant roles of extrinsic value dimensions (customer ROI and service excellence) in predicting online traveler satisfaction, emphasizing the importance of quality service provision and economic efficiency in operating and managing travel websites to enhance user satisfaction and, in turn, and loyalty. Mathwick et al.'s (2002) study examined the effects of different stimuli provided by a retail environment on the decision-making process, so goal-directed online shoppers' groups are more likely to be motivated by analytic stimuli of a retail environment, pursuing more extrinsic value (return on investment of time, effort, and money) than intrinsic value (enjoyment of shopping). From these perspectives, website satisfaction is facilitated by emphasizing quality service (e.g., improved accessibility of service representative reliable, prompt and intuitive online and offline customer service, personalization of offerings and of information), increasing economic value of tourism-related products, and increasing utilitarian benefits to travelers using online sources as an efficient and convenient travel planning tool. Some examples are quick, easy, and simple booking, search, or canceling process even at the last minute, improvement of accessibility to the website and navigability

between the pages, or provision of in-depth and current information by frequently checking travelers' feedback on tourism products.

The present study unexpectedly found that playfulness and social value dimensions are not significantly associated with satisfaction and loyalty. Playfulness shows significant but negative relationships to satisfaction and, in turn, attitudinal loyalty and behavioral loyalty. This implies that, unlike an online retail context, travel websites will find that escapism or flow state during website navigation and pleasurable online shopping may actually decrease satisfaction. Further, other-oriented value does not facilitate online traveler satisfaction and loyalty. This suggests that value derived from socially beneficial activity (e.g., contributing website content by posting reviews to help other travelers on the website in an attempt to gain favor with them) does not contribute to increasing website satisfaction and loyalty. Interestingly, however, aesthetics, an intrinsic value dimension, shows a moderate effect on outcome variables. This finding also reinforces the importance of providing travelers with an aesthetically pleasing online environment. As a whole, the study findings indicate that travel websites, to build and maintain positive relationships with their website users, should emphasize delivering an efficient website experience and offering strong economic value in an aesthetically appealing and pleasurable environment.

Lastly, while satisfaction has a positive influence on both attitudinal loyalty and behavioral loyalty, the relationship between satisfaction and behavioral loyalty may be better explained through attitudinal loyalty. Satisfaction with travel websites is important in creating an emotional attachment to the website, as well as increasing behavioral commitment demonstrated by recommendations, repeat usage and purchase, and future intentions. Additionally, the findings of this study suggest that online travelers are more likely to exhibit loyal behaviors based on their

favorable emotional status (i.e., loyal attitudes). Thus, creating loyal behaviors among online travelers may be more effectively enhanced through satisfaction and favorable attitudes encouraged by maximizing experiential value.

Limitations and Suggestions for Future Research

Several limitations associated with this study need to be acknowledged.

First, data were collected at one point in time in the United States, and the sample was limited to travel website users who had experience using a third-party travel website during a certain period. Therefore, the findings of this study may not generalize to other periods, other geographical settings, or other cultures.

Second, the findings of this study may be affected by the limitation of a retrospective approach to collecting data. Although this study used screening questions to filter out unqualified survey participants, relying on a respondent's memory to complete a survey may be the source of recall bias.

Third, as mentioned earlier, this study provides preliminary research on the experiential value of using travel websites. The experiential value scale used in this study was adopted from the literature and modified to fit travel website settings. Although the scale had adequate construct validity and reliability, future study may need to confirm its reliability by replicating the conceptual model proposed in this study or test its applicability to other travel website settings (i.e., online travel agencies, meta-search websites, destination marketing organization websites, or mobile travel apps, etc.). Further, the conceptual model of this study can be applied to other traveler segments to compare different effects of value dimensions among the segments.

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Chapter 5 - Online Traveler Loyalty to Third-Party Travel Websites: Switching Costs, Attractiveness of Alternatives, and Network Externality

Abstract

Customer retention has been a performance goal for travel website companies, especially among those from which switching is relatively easy. Identifying, both theoretically and empirically, what causes customer switching could help online travel websites retain customers and affect repeat patronage. The purpose of this study was to empirically test relationships among factors that affect traveler loyalty to travel websites. Specifically, this study proposed that the relationship between satisfaction and loyalty would be a function of switching costs, attractiveness of alternatives, and perceived network externality. The study sampled 384 travel website users in the United States. Results of multiple hierarchical regressions revealed that switching costs, attractiveness of alternatives and perceived network externality were significantly and positively associated with loyalty but their interaction effects with satisfaction on loyalty were not significant.

Keywords: third-party travel websites, online travelers, switching costs, attractiveness of alternatives, perceived network externality, satisfaction, loyalty

Introduction

The changing environment in the travel and tourism industry has significantly affected travelers purchase patterns, allowing them to directly purchase tourism-related products through

airlines or hotel websites or travel intermediaries (Law, Qi, & Buhalis, 2010; Standing, Tang-Taye, & Boyer, 2014). Online travel agencies (OTAs) were the most frequently used channel for booking travel (62%) in 2011, followed by branded supplier websites (46%) and metasearch websites (14%), while only 9% of travelers used offline travel agents (Hockenson, 2012). Intense competition was inevitable among online travel agencies and other types of travel websites.

Research has shown companies have become increasingly interested in customer retention as a marketing goal for travel websites. Thus, we need to understand customer loyalty to online retailers and emphasize its role in predicting online business long-term profitability (R. Anderson & Srinivasan, 2003; Doong, Wang, & Shih, 2008; Fuentes-Blasco, Saura, Berenguer-Contrí, & Moliner-Velázquez, 2010; Shamdasani, Mukherjee, & Malhotra, 2008; Srinivasan, Anderson, & Ponnavolu, 2002; Wang, Pallister, & Foxall, 2006; Yang & Peterson, 2004). However, low entrance barriers and high competition in the online market tend to make it difficult for online businesses to keep customers loyal over the long-term (Fuentes-Blasco et al., 2010). Revisit/repurchase intention or actual revisit/repurchase within a short period may not truly predict the long-term success of online businesses. Accordingly, online businesses must identify what predicts customer retention and defection, strengthening the competitiveness of their websites in the market.

Managing customer switching, and thus facilitating or impeding customer defection from a service provider, is a potential marketing strategy in retaining key customers (Jones, Mothersbaugh, & Beatty, 2000). While research has been confirmed the link between customer satisfaction and customer loyalty, the relationship tends to be a function of barriers to switching, among them costs and competitiveness of alternatives (Jones et al., 2000; Patterson, 2004). Thus, understanding what affects switching among customers may help online service providers gain

better insight into customer behavior. Further, the Internet market has an open-structure, and is characterized by low entry barriers and supplier power, allowing customers to switch with relative ease. Both theoretically and empirically, as shown in the literature, identifying what prevents or promotes customer switching could help online businesses retain customers and gain repeat patronage.

The purpose of this study was to propose and test conceptual models of factors that affect traveler loyalty to travel websites. Specifically, this study proposed that the relationship between online traveler satisfaction and loyalty to a travel website is a function of perceived switching determinants (switching costs, attractiveness of alternatives, and perceived network externality). The results of the study would give comprehensive empirical evidence revealing value perceptions of travelers who visit and use travel websites and provide a foundation for practical advice on designing better marketing strategies to online travel companies.

Literature Review

Satisfaction

Satisfying customers is an important goal for a product or service provider because increasing customer satisfaction reduces marketing costs through retaining customers and maintaining long-term relationships (Fornell, 1992; McDougall & Levesque, 2000; Patterson, Johnson, & Spreng, 1996). Research into consumer behavior focuses on understanding satisfaction as fundamental to predicting customer behavior, particularly loyalty (Carpenter, 2008; Chang & Chen, 2009; Fornell, 1992; Setó-Pamies, 2012), behavioral intentions (E. W. Anderson & Sullivan, 1993; Patterson et al., 1996), and switching (McDougall & Levesque, 2000).

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The confirmation/disconfirmation paradigm of customer satisfaction postulates that satisfaction forms when a customer cognitively perceives that expectations of an experience with a product/service are similar to the actual performance of that product/service, and dissatisfaction forms when expectations are not met (Cardozo, 1965; Oliver, 1980; 1996; Rust & Oliver, 1993). When the perceived performance of a product/service meets or exceeds expectations, confirmation or a positive disconfirmation occur, accompanied by pleasure, relief, or surprise (Oliver, 1981; 1996). Otherwise, dissatisfaction occurs. Satisfaction may also derive from affective responses to the consumption experience or the purchase situation (Babin & Griffin, 1998; Bagozzi, Gopinath, & Nyer, 1999). Previous satisfactory consumption experiences of a product or service evoke five end-states of satisfaction: contentment, pleasure, relief, novelty, and surprise (Babin & Griffin, 1998; Bagozzi et al., 1999; Oliver, 1996). These affective responses determine whether a customer forms a positive or negative attitude toward the product/service. Further, various studies posit satisfaction as a consumer's affective evaluation of a product or service based on the total purchase and consumption experience with the product or service rather than cognitive evaluation processes represented by disconfirmation (E. W. Anderson, 1994; Casaló, Flavián, & Guinalíu, 2008; Woodruff, 1997).

Further evidence suggests the concept of satisfaction can be extended to an online retail environment. Electronic customer satisfaction, or e-satisfaction, is defined as "the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm" (R. Anderson & Srinivasan, 2003, p. 125). It appears that, like offline customer satisfaction, online customer satisfaction with a website is a function of affective responses to pre- and post-website experiences and has a positive influence on reuse or repurchase intention (Devaraj, Fan, & Kohli, 2002; C. Kim, Galliers, Shin, Ryoo, & Kim, 2012; Maditinos &

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Theodoridis, 2011; Tang & Chiang, 2010), website preference (Karahanna, Seligman, Polites, & Williams, 2009), and online customer loyalty (Overby & Lee, 2006).

This definition is consistent with the traditional definition of customer satisfaction and should be suitable for assessing online customer satisfaction (K. Lee & Joshi, 2007). Overall satisfaction better explains behavior patterns (i.e., loyalty and revisit/repurchase intentions) because situational variables easily influence transaction-specific satisfaction (E. W. Anderson, 1994; Burnham, 1998; Yang & Peterson, 2004). Thus, using the concept of overall satisfaction, not just satisfaction from a specific transaction, is more appropriate in this study for measuring overall affective assessment of past website experiences as website satisfaction.

Attitudinal loyalty and Behavioral loyalty

Generally, a robust loyal customer base provides companies with a competitive advantage, because loyal customers tend to purchase more products and services, attract new customers through recommendations, and reduce marketing costs, which can then be spent to attract new customers (Casaló, Flavián, & Guinalíu, 2007; Setó-Pamies, 2012).

Early research conceptualized loyalty solely through repeat purchases of a specific brand or a repatronage of suppliers, i.e., the behavioral aspects of loyalty (cf. R. Anderson & Srinivasan, 2003). The key point of this argument is that loyal customers are those who continue to purchase the same brand over time without considering buying other brands. Some researchers (e.g., Day, 1969; Jacoby & Chestnut, 1978), however, claim that the behavioral definition of loyalty is not sufficient to represent true loyalty behavior. Repurchasing patterns cannot measure consumer loyalty toward a brand when consumers show loyalty towards multiple brands and are not aware of better alternatives. In that case, consumers would buy the product by accident or for convenience rather than out of true loyalty. Oliver (1999) also notes that a problem arises when

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only a behavioral-based definition of loyalty is considered. Behavioral loyalty only measures repeat purchasing frequency and relative volume of same-brand purchasing, but it does not distinguish true loyalty from repeat purchasing behavior and neglects the consumer's decision making process (Dick & Basu, 1994; Oliver, 1999).

Many studies, therefore, are based on Jacoby and Chestnut's (1978) old claim that true loyalty which involves both attitudes and behavior requires three different conditions; a belief, affect (or attitude), and intention (or conation). Emphasizing the psychological aspect of loyalty, Oliver (1999) describes loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 34). This definition of loyalty is a comprehensive concept that includes both behavioral and attitudinal aspects (Yang & Peterson, 2004). Other researchers also have shown more interest in the two dimensions of loyalty: attitudinal and behavioral (Baldinger & Rubinson, 1996; Day, 1969).

Previous marketing studies of service have provided evidence of a positive relationship between customer satisfaction and loyalty (Fornell, 1992; McDougall & Levesque, 2000; Patterson et al., 1996; Setó-Pamies, 2012). Satisfaction is usually considered an emotion-oriented assessment of service and related with both affective and behavioral aspects of loyalty (Bitner, 1990; Cronin, Brady, & Hult, 2000; Dick & Basu, 1994; Oliver, 1999; Yang & Peterson, 2004). Because affective responses affect attitudes (Weiss & Cropanzano, 1996), satisfaction as an overall affective response to consumption tends to determine customer attitude including attitudinal loyalty towards a product/service or its provider.

In terms of the relationship between attitudinal and behavioral loyalty, most research agree that attitudinal loyalty tends to lead to behavioral loyalty (Bennett et al., 2005) supporting the conclusion that consumer attitudes precede overt behavior (Peter & Olson, 2005). Fullerton (2005) demonstrated the positive relationship of commitment to customer advocacy intentions and its negative relationship to switching intentions in retail services. In addition, customer attitudes toward online retailing influence their responses, particularly behavioral intentions (Balabanis & Vassileiou, 1999). Customer attitudinal loyalty influences post-consumption behaviors like share of purchases (i.e., the percentage of purchases made at a particular store) or word-of-mouth recommendations (Bennett et al., 2005; Carpenter, 2008; K. E. Reynolds & Arnold, 2000).

E-loyalty, like loyalty, has both attitudinal and behavioral aspects (R. Anderson & Srinivasan, 2003; Koo, 2006; Rodríguez-Ardura, Martínez-López, & Luna, 2010). Srinivasan, Anderson, and Ponnavolu (2002) defined e-loyalty as "a customer's favourable attitude towards the e-retailer that results in repeat buying behavior's reflecting both affective and behavioral perspectives" (p. 42). Cyr, Bonanni, Bowes, and Ilsever (2005) and Cyr (2008) further note that e-loyalty includes intentions to revisit the website and repurchase without switching to other websites. Research on online customer behavior supports the notion that online satisfaction predicts both attitudinal loyalty, i.e., commitment (R. Anderson & Srinivasan, 2003; Balabanis, Reynolds, & Simintiras, 2006; Chang & Chen, 2009; Koo, 2006) and preference for a website (R. Anderson & Srinivasan, 2003; Chang & Chen, 2009; E. J. Lee & Overby, 2004), as well as behavioral loyalty, i.e., customer intentions (R. Anderson & Srinivasan, 2003; Z. Yang & Peterson, 2004).

Switching Costs

One marketing strategy used to retain customers is managing switching costs. Switching costs are consumer's perceived onetime costs associated with changing a product or service and acquiring an alternative (Burnham, Frels, & Mahajan, 2003; Fornell, 1992; Porter, 1980). Jones, Mothersbaugh, and Beatty (2000) conceptualize switching costs as "any factor, which makes it more difficult or costly for consumers to change providers" (p. 261). When a customer considers terminating the current service and switching to new service, these costs become barriers that make it difficult to do so. They are not are not immediately incurred upon switching but encompass all costs during the process of searching, evaluating, and learning a new service, as well as emotions resulting from foregone benefits and the loss of relationships (Burnham et al., 2003).

Switching costs are conceptualized as multidimensional, but agreement among scholars is spotty. Switching costs include actual financial costs but may include the psychological and emotional factors like time and effort involved in starting and maintaining a relationship with a service provider or retailer (Gremler, 1995; Jones et al., 2000; Patterson, 2004). Guiltinan's (1989) typology includes types of switching costs, in this case, four of them: contractual costs; setup costs (costs required to initiate a new relationship such as initiation fees, time and effort involved in finding and then evaluating a new relationship, as well as learning a new process); psychological commitment costs (psychological costs relevant to time and efforts involved in choosing and maintaining the current relationship); and continuity costs (uncertainty about performance levels of a new service). Jones et al. (2000), adopting Klemperer (1987) and Guiltinan's (1989) typologies, proposed six dimensions for switching costs: lost performance costs, uncertainty costs, pre-switching search and evaluation costs, post-switching behavioral and

cognitive costs, setup costs, and sunk costs. Additionally, these authors suggested that each dimension of switching costs affects repurchase intentions in offline retail settings. Burnham et al. (2003) classified switching costs into three categories: procedural costs resulting from the loss of time and effort, financial costs related with the loss of financially quantifiable resources, and relationship costs associated with personal and brand relationship loss costs. Jones et al. (2007) examined three different types of switching costs (i.e., social switching costs, lost benefit costs, and procedural costs) as antecedents of commitment, emotion, repurchase intentions, and WOM communications.

Categorization of Switching Costs

The conceptual framework in this study delineates three major dimensions of customer perceived switching costs: continuity costs, learning costs, and relationship loss costs (Burnham et al., 2003; Jones et al., 2007; Jones, Mothersbaugh, & Beatty, 2002).

Continuity costs represent the opportunity costs of switching due to lost benefits and reduced performance (Guiltinan, 1989; Jones et al., 2002). Lost performance costs, or *benefit loss costs* in this study, reflect a customer's perception that benefits or privileges, price specials, and rewards are potential losses in switching to another service provider (Burnham et al., 2003; Jones et al., 2007; Patterson, 2004). *Uncertainty costs* reflect likely costs if a new service provider cannot provide better performance than the incumbent service provider (Burnham et al., 2003; Jones et al., 2002). Patterson (2004) indicates that customers tend to stay with a service provider to avoid the risks involved in finding a new service provider who offers an equal or higher level of service than the current provider.

Learning costs, the second dimension of switching costs, are those costs associated with the time and effort of finding and adapting to a new service provider (Jones et al., 2007). This

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category of switching costs comprises three sub-dimensions: search and evaluation costs, learning costs, and setup costs. *Search and evaluation costs* are the time, effort, inconvenience, and money associated with collecting and analyzing information on available alternatives (Burnham et al., 2003; Patterson, 2004). The sub-dimension *learning costs* involve the time and effort of learning to understand or use a new service after switching (Jones et al., 2002). The time and effort costs include new skills, know-how, and service procedures or routines to use a new service (Burnham et al., 2003). *Setup costs* reflect the time and effort invested in customizing a new service for initial use (Burnham et al., 2003). Jones et al. (2002) pointed out that high customization of services is necessary, and customers often required additional training to adapt to a new service provider during the first purchase.

Relationship loss costs involves the emotional or affective "discomfort due to the loss of identity and the breaking of bonds" (Burnham et al., 2003, p. 112); customers form an emotional bond with a service, brand, or people (Berry & Parasuraman, 1991; Burnham et al., 2003), investing time, effort, or money to develop and maintain relationships with a service provider (Jones et al., 2002). Switching may result in breaking off these relationships (personal relationship loss costs) or giving up the brand or service company (brand relationship loss costs) (Burnham et al., 2003).

Effects of Switching Costs on Satisfaction and Loyalty Relationship

Previous literature reveals that customer retention is a function of satisfaction and switching costs (Fornell, 1992; Ping, 1993), and the relationship between customer satisfaction and loyalty may be contingent on switching costs in a service setting (R. Anderson & Srinivasan, 2003). Shapiro and Varian (1999) asserted, "[Y]ou cannot compete effectively in the information economy unless you know how to identify, measure, and understand switching costs and map

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strategy accordingly" (p. 133). That is, the relationship of satisfaction with revisit intention and loyalty depend on some extent to how switching costs are perceived by a customer (Jones et al., 2000; Patterson, 2004).

High switching costs may prevent dissatisfied customers from defecting and changing service providers (Burnham et al., 2003; J. Lee, Lee, & Feick, 2001; Ping, 1993). Since customers become less sensitive to satisfaction level as switching costs increase (Hauser, Simester, & Wernerfelt, 1994), perceived switching costs tend to encourage repeat purchase and customer loyalty despite lower satisfaction levels. Dissatisfied customers might use the service or purchase from the service provider (behavioral loyalty) partly because of high switching costs even if they have no commitment nor preference for the service (attitudinal loyalty). In that case, high switching costs may cause negative emotions leading negative word-of-mouth recommendations (Jones et al., 2007; Ping, 1993; Porter, 1980). The evidence suggests that customer loyalty may result either from high customer satisfaction or relatively high switching costs.

Previous research showed inconsistent results on how switching costs affect satisfaction-loyalty relationships in online settings. Switching costs do directly affect online customer repurchase intentions (Fuentes-Blasco et al., 2010; Tsai & Huang, 2007) and customer intentions to try another website (Tseng & Teng, 2014). They also moderated the satisfaction-loyalty relation (Balabanis, Reynolds, & Simintiras, 2006; Fuentes-Blasco et al., 2010). High online switching costs have a positive effect on the relationship between satisfaction and loyalty, i.e., stronger satisfaction-loyalty relationship (Chang & Chen, 2009; Yang & Peterson, 2004). Based on the literature review, this study hypothesized the following:

H8a: As travelers perceive higher switching costs to a new travel website, they show higher loyalty to the travel website they are currently patronizing.

H8b: As travelers perceive higher switching costs to a new travel website, the relationship between traveler satisfaction and loyalty to the travel website they are currently patronizing becomes stronger.

Attractiveness of Alternatives

In the literature on marketing and consumer behavior, researchers have used a variety of labels to describe the attractiveness of alternatives: attractiveness of available alternatives (Patterson & Smith, 2003; Ping, 1993; Sharma & Patterson, 2000; Vázquez-Carrasco & Foxall, 2006), alternative experiences (Burnham et al., 2003; P. Y. Chen & Hitt, 2002), the impact of alternative providers (Yanamandram & White, 2006), switching inducements (Goode & Harris, 2007), awareness of alternatives (Antón, Camarero, & Carrero, 2007; Capraro, Broniarczyk, & Srivastava, 2003), and attraction by competitors (Keaveney, 1995). Jones et al. (2000) defined attractiveness of alternatives as customer perceptions of attractive alternatives available in the market, explaining that attractiveness of alternatives is a customer perception of other available services (or service providers) in the category.

Patterson and Smith (2003) assert that alternatives are keys to defining dependence upon the current relationship. Customers are likely to stay with the incumbent service provider when they are unaware of alternatives in the market or do not consider them as attractive as the current relationship (Yanamandram & White, 2006). Depending on a service provider may be a function of comparing the outcomes from the relationship with the current provider and potential relationships with available alternatives. Bendapudi and Berry (1997) suggest that a comparison of the cost-benefit ratios of the service provider to competitors affects dependence on a service

provider. If customers perceive more benefits from not switching, they are more likely to stay with a current service provider. Otherwise, customers would actively seek out available alternative relationships that provide more satisfaction (Jones et al., 2002; Sharma & Patterson, 2000).

Yanamandram and White (2006), citing Anderson and Narus (1984), discussed the effect of alternative service providers, noting four influences on that effect: (1) the number of alternatives available, (2) the degree of differences among alternative service providers, (3) the degree of difficulty in understanding the various alternatives, and (4) the degree of difficulty in comparing alternatives (p. 9). Burnham et al. (2003) defined the differences among service providers as provider heterogeneity, referring to it as "the extent to which the providers in a market are seen as different or nonsubstitutable" (p. 113). When provider heterogeneity is high, i.e., when different providers are different services, customers must spend more time and effort in cognitive thinking to compare the alternatives (Burnham et al., 2003). Moreover, provider heterogeneity increases the risk and uncertainty that accompanies switching.

Evidence found in research on the service marketing suggests that attractiveness of alternatives is directly and positively associated with switching intention and negatively with customer loyalty and retention (Bansal, Taylor, & James, 2005; Bendapudi & Berry, 1997; Capraro et al., 2003; Jones et al., 2000; Keaveney, 1995; Patterson & Smith, 2003; Vázquez-Carrasco & Foxall, 2006). Its interaction effect with satisfaction on switching intention or on repurchasing intention has also been confirmed in both offline and online contexts (Antón et al., 2007; Burnham et al., 2003; Holloway & Beatty, 2005; Jones et al., 2000; Sharma & Patterson, 2000). Therefore, this study hypothesized the following:

H9a: As travelers perceive higher attractiveness of alternative travel websites, they show lower loyalty to the travel website they are currently patronizing.

H9b: As travelers perceive higher attractiveness of alternative travel websites, the relationship between traveler satisfaction and loyalty to the travel website they are currently patronizing becomes weaker.

Perceived Network Externality

The concept of network externality was developed by economists to explain a consumer's decisions to adopt technology (Song & Walden, 2007). Network externality is defined as "the utility that a user derives from consumption of the good increases with the number of other agents consuming the good" (Katz & Shapiro, 1985, p. 424). According to the network externality theory, the value of joining the network is a function of the number of consumers who join the network (Song & Walden, 2007). As more people join the network, the consumer perceives more value, so the decision to join is based on value. Therefore, network externality captures a subjective evaluation, rather than an objective evaluation, of the size of network (Song & Walden, 2007).

Network externality has been widely applied to adopting Internet-based technologies and services (Y.-C. Lee, 2006; Song & Walden, 2007). For instance, the value of using the Internet increases as more people communicate and transact with other Internet users; its popularity attracts more users. Users of a certain website perceive network externality when they find more people using the same website. Network externality affects a website user's behavioral intentions. Shih (2012) noted that perceived network externality is one antecedent of a website user's perceived cognitive lock-in to the website, demonstrating that perceived network externality functions as a switching barrier to a website user, increasing website stickiness and

cognitive lock-in to the website. Online shoppers are more likely to continue to use a website

when they think many people shop and chat at that website. As a result, the intention to stay and

repurchase on the website is higher (H. P. Shih, 2012). Tseng and Teng (2014) show that

perceived network externality is one antecedent of the intention to adopt another website. The

authors also found that perceived popularity and functional quality of a competing website were

measures of perceived network externality. Network externality is particularly important for

travel websites, which partly depends on a large number of website users sharing travel

information in the forms of tourism product reviews or online bulletin board postings. Travelers

may find those user-generated contents current and reliable because the information results from

other travelers' experience. The more active website users there are on the website, the more

likely any website user is to find or access up-to-date or accurate information on the website.

Thus, travelers would perceive using the current website as a better choice for their trip planning

rather than another website. Thus, many other people using the same website may influence a

customers' decision to use the website and then stay with the website decreasing the traveler's

intention to switch. Therefore, this study hypothesized that perceived network externality

influences loyalty to a website.

> **H10a**: As travelers perceive higher network externality of the website they are currently
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> patronizing, they show higher loyalty to the travel website.
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> **H10b**: As travelers perceive higher network externality of the travel website they are
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> currently patronizing, the relationship between traveler satisfaction to the current website
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> and loyalty to the travel website becomes stronger.

Proposed Conceptual Model 2

Figure 5.1 illustrates the focus of this study. The conceptual model presents the moderating roles of perceived switching costs, attractiveness of alternatives, and perceived network externality in the satisfaction and loyalty linkage.

Figure 5.1 Proposed Conceptual Model 2
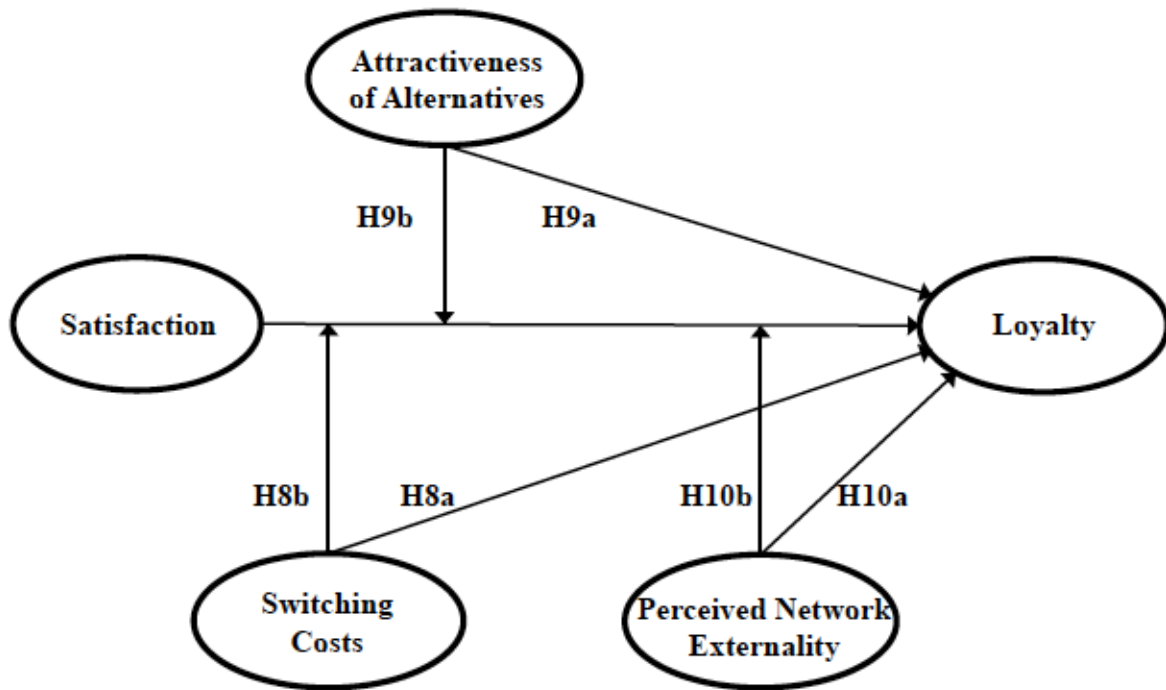
Methodology

Measures and Instrument Development

Multi-item scales adopted from the literature were used to measure five constructs in this study: (1) switching costs, (2) attractiveness of alternatives, (3) perceived network externality, (4) satisfaction, and (5) loyalty. Seven items for continuity costs, nine items for learning costs, and five items for relationship loss costs were adapted from existing literature on switching costs (i.e., Burnham et al., 2003; Jones et al., 2002; 2007). Attractiveness of alternatives was measured with six items from Burnham et al. (2003) and Jones, Mothersbaugh, and Beatty (2000). Perceived network externality was measured with four items drawn from Tseng and Teng (2014). Satisfaction was tested with five items developed by Oliver (1980) and Ruiz, Gremler, Washburn, and Carríon (2008). Loyalty was measured with ten items developed by Overby and Lee (2006), Srinivasan, Anderson, and Ponnavolu (2002), Casaló, Flavián, and Guinalíu (2008) and Zeithaml, Berry, and Parasuraman (1996). All scale items were assessed on a seven-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Data Collection

Data were collected from travel website users in the United States who are 18 years old or older and have used a third-party travel website within the past three months. In this study, a third-party travel website refers to a web-based travel agency that provides travel planning services such as bookings (hotel rooms or flight tickets) and/or travel-related information (comments/reviews/ratings of any hotel, restaurant or other travel attractions) on behalf of airlines, hotels, car rental companies, etc. Therefore, travel supplier websites like hotel brands or airlines websites; travel-meta search websites like price-comparison websites; destination

promotion websites; vacation rental websites; social networking websites; and mobile only travel-related applications for smartphones or tablets were excluded from this study.

At the beginning of the questionnaire, three screening questions asked for age and past experience with any travel websites. Respondents were also asked to select one travel website they had used or visited within the last three months. For this question, respondents were required to select one of 11 travel websites provided or to provide the name of the travel website they had most recently visited. The eleven travel websites were chosen using online sources that list the most popular travel websites among travelers in the United States (Ali, 2014; eBizMBA, 2015). To make sure they understand, respondents were provided a definition of a travel website and a description of the type of travel website of interest in this study (see Appendix B).

According to Hair, Black, Babin, and Anderson (2010), the general requirement for sample size for multiple hierarchical regression analysis is that the ratio of observed variables to sample size should be 1:50. This study used the responses from 400 travel website users for data analysis to take into account possible outliers and missing responses. The online questionnaire was developed and distributed to survey panels acquired from an online survey company (Qualtrics). Of the 400 survey respondents, 16 were eliminated because the travel websites they provided did not match the criteria that this study required. As a result, data from 384 respondents remained for further analysis.

Data Analysis and Results

Data Screening

Before analyzing the conceptual model, variables were examined for accuracy of data entry, missing values, and outliers for normality of data distribution. First, data were tested for

univariate outliers and multivariate outliers. Eight cases were removed because they were

revealed as either univariate or multivariate outliers. Next, the test for the normal distribution of

the data revealed that the skewness and the kurtosis of the variables were within acceptable

ranges, confirming normal distribution of the data in all variables. Lastly, a test of

multicollinearity revealed that tolerance levels of the variables were more than .10, which is

within the recommended cutoff tolerance level of Hair et al. (2010), showing no multicollinearity

problem among the variables. Thus, 376 respondents' data were remained for the hypothesis

tests.

Table 5.1 Measurement Items and Standardized Loadings.

Constructs and Scale Items	Standardized Loading
Satisfaction	
Overall, I have been pleased when I use this travel website.	.866
My choice to use this travel website was a wise one.	.878
I feel good about my decision to use this travel website.	.896
Using this travel website has been a satisfying experience.	.876
Overall, I am satisfied with this travel website.	.847
Loyalty	
I prefer this travel website to other similar travel websites.	.839
This travel website is my primary source of tourism products and travel information.	.828
When I need tourism products and travel information, this travel website is my first choice.	.865
I like using this travel website for my travel needs.	.824
This is my favorite travel website.	.876
I say positive things about this travel website to other people.	.743
I use or visit this travel website more frequently than other travel websites.	.855
I purchase tourism products from this travel website more often than other travel websites.	.632
I will recommend this travel website if anyone asks for travel information and tourism products.	.846
I intend to continue using this travel website in the future.	.782
Switching costs	
Continuity costs	
Being a member or a customer of this travel website has some benefits I would not receive elsewhere.	.682
I have accumulated points, credits, mileage, etc. with this travel website that I might lose if I switched.	.684

I occasionally receive special rewards, deals, or discounts from this travel website I would not receive if I switched.	.737
This travel website sometimes offers privileges I would not receive if I switched.	.777
I feel safer using this travel website for tourism products and travel information than other travel websites.	.721
Switching to another travel website would result in some unexpected problems.	.782
I worry that offerings and services I would receive might lessen if I switched.	.744

Learning costs

Searching for alternative travel websites would take a great deal of time and effort.	.721
I cannot afford the time and effort to fully evaluate alternative travel websites.	.646
It is difficult to find a good alternative travel website that meets my travel needs.	.701
It would take time and effort to learn how things work at a new travel website if I switched.	.662
Even after I switch, I would find it hard to become familiar with a new travel website.	.793
I am reluctant to change travel websites because I am familiar with **"how the system works"** at this website.	.788
Changing travel websites would take a lot of time and effort to set up a new travel website the way I like.	.812
I have put time and effort into adapting this travel website to meet my needs.	.834

Relationship loss costs

If I switched, I might lose good relationships I have developed through this travel website.	.801
I value interacting with other travelers on this travel website.	.760
I feel a sense of belonging and attachment to this travel website.	.812
I like the public image of this travel website.	.644
I value the brand/company name of this travel website more than other travel websites.	.753

Attractiveness of alternatives

I would be equally or more satisfied with other travel websites compared to this travel website.	.764
Product and service quality does not vary much among different travel websites.	.840
I don't see much difference between travel websites. They provide similar services and features.	.866

It does not matter which travel website I use. They are about the same.	.857

Perceived network externality

I think more people use this travel website for their travel needs than other travel websites.	.773
I hear many people talking about their positive experiences with this travel website.	.846
I value this travel website because I think more and more people are using this travel website over other travel websites.	.912
As more people use this travel website, it becomes more valuable to me.	.850

Note. All factor loadings are significant at $p < .001$.

Reliability and Validity Tests

Confirmatory factor analysis (using AMOS 21) was conducted to assess construct reliability and validity of the constructs. One measurement item of the attractiveness of alternatives showed relatively weak factor loading (below .50) (Hair et al., 2010); therefore, it was dropped. As shown in Table 5.1, all factor loadings of the scale items of five constructs ranged between .632 and .912, significant at $p < .001$. As shown in Table 5.2, the AVE values of constructs ranging from .555 to .762 showed well-established convergent validity, demonstrating more than half of variances in each construct are explained by corresponding measures (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Composite reliabilities of the constructs ranged from .899 to .961, exceeding the conventional cut-off value of .70 (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Discriminant validity was achieved for all pairs of constructs, except 'switching costs and perceived network externality' and 'satisfaction and behavioral loyalty.' Further, chi-square difference ($\Delta\chi^2$) tests assuring the discriminant validity of those exceptions were conducted by comparing χ^2 of the original measurement model with χ^2 of the model in which two constructs are correlated or constrained to unity (the constrained model), as suggested by Bagozzi and Yi (1988). The resulting χ^2 differences were 380.084 ($df = 4, p < .001$) for 'switching costs and perceived network externality' and 78.661 ($df = 4$) for 'satisfaction and behavioral loyalty.' The results of chi-square difference ($\Delta\chi^2$) tests revealed significant larger changes in χ^2 compared to the difference in degrees of freedom, showing each of the constrained models has a worse model fit index than the original measurement model (the unconstrained model). This indicates that two constructs of each pair of the constructs are distinct and, thus, that discriminant validity of the constructs was achieved.

Table 5.2 Descriptive Statistics and Associated Measures.

	No. of Items	Mean (Std. dev.)	AVE	SWC	ATA	PNE	SAT	LOY
Switching Costs	20	4.42 (1.26)	.555	**.961**[a]	-.095[b]	.783	.437	.593
Attractiveness of Alternatives	4	4.31 (.07)	.558	.009[c]	**.899**	-.031	-.220	-.278
Perceived Network Externality	4	4.46 (1.25)	.717	.613[d]	.001	**.910**	.479	.586
Satisfaction	5	6.05 (.82)	.762	.191	.048	.229	**.941**	.832
Loyalty	10	5.65 (1.01)	.659	.352	.077	.343	.692[d]	**.950**

Goodness-of-fit statistics:

$\chi^2 (850) = 3280.758$, $p < .001$

Note. SWC=switching costs; ATA=attractiveness of alternatives; PNE=perceived network externality; SAT=satisfaction; LOY=loyalty.
[a] Composite reliabilities are along the diagonal in bold; [b] Correlations are above the diagonal;
[c] Squared correlations are below the diagonal; [d.] The squared correlation of SWC-PNE was higher than the AVE of SWC. The squared correlation of SAT-LOY was higher than the AVE of LOY. A further analysis assessing discriminant validity proved those pairs of factors to unity.

Profile of the Sample

Table 5.3 summarizes the demographic profile of the survey respondents in this study. Of the 376 respondents, 64.6% were female ($n = 243$). Age groups 25-34 years, 35-44 years, 45-54 years, and 55-64 years accounted for approximately 80% of the respondents, followed by age group 18-24 years (9.8%, $n = 37$) and age group 65 or older (9.6%, $n = 36$). For level of education, 34.6% of the respondents had completed a 4-year college or university degree ($n = 130$), followed by a 2-year college degree (28.7%, $n = 108$) and high school graduates (21.8%, $n = 82$). More than half of the respondents traveled 2 to 4 times a year (54%, $n = 203$), and 22%

traveled 5 to 11 times a year (n = 83). For the primary purpose of travel, 92.3% (n =347) of the

respondents traveled for leisure.

Table 5.3 Demographic Profile of Survey Respondents.

Sample Characteristics	Frequency (N = 376)	Percent (%)
Gender		
Male	133	35.4
Female	243	64.6
Age		
18 - 24	37	9.8
25 - 34	74	19.7
35 - 44	76	20.2
45 - 54	77	20.5
55 - 64	76	20.2
65 or older	36	9.6
Level of Education		
High school	82	21.8
2-year college	108	28.7
4-year college/university	130	34.6
Postgraduate	56	14.9
Frequency of Travel		
More than once a month	27	7.2
5 - 11 times a year	83	22.1
2 - 4 times a year	203	54.0
Once a year	48	12.8
Less than once a year	15	4.0
Primary Purpose of Travel		
Leisure	347	92.3
Business	29	7.7

Hypothesis Tests

Three separate moderated hierarchical multiple regressions were conducted to test the six hypotheses in this study. Before conducting a regression analysis, the predictor variables were centered or converted to deviation scores so that each variable had a mean of zero. Centering minimizes multicollinearity among the predictor variables when the interaction of the predictor variables is entered in the regression equation (Tabachnick & Fidell, 2007). For each moderated hierarchical regression analysis, respondents' demographic data (i.e., age, level of education, income level before taxes, and travel frequency) were included as control variables in the first step. Then, satisfaction was entered in the second step to examine the main effect of satisfaction on loyalty, followed by entering switching costs, attractiveness of alternatives, and perceived network externality in the third step of each multiple regression to check their main effects. Finally, the interaction terms (switching costs × satisfaction, attractiveness of alternatives × satisfaction, and perceived network externality × satisfaction) were entered in the final step to examine the moderating effects as stated in hypotheses 8a, 9a, and 10a. For the individual direct effects of switching costs, attractiveness of alternatives, and perceived network externality on loyalty (hypotheses 8b, 9b, and 10b), the standardized regression coefficients (β) were examined. The moderating effects of switching costs, attractiveness of alternatives, and perceived network externality were confirmed if the F-value (ΔF) changes significantly between the second and the third steps.

Table 5.4, Table 5.5, and Table 5.6 present the summary of the results of the hierarchical multiple regression analysis. The tables show that among demographic variables, education ($\beta = -.12$, $t = -2.25$, $p < .05$) and travel frequency ($\beta = -.18$, $t = -3.45$, $p < .01$) were significant in predicting loyalty. Across the three hierarchical regression analyses conducted in this study,

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satisfaction was a significant predictor of loyalty ($\beta = .78$, $t = 24.90$, $p < .001$), accounting for more than 60% of the unique variance in loyalty ($R^2 = .64$). Table 5.4 shows that switching costs were significantly related to loyalty ($\beta = .31$, $t = 9.67$, $p < .001$), explaining about 7% ($\Delta R^2 = .07$) more variance in loyalty. Specifically, the standardized beta coefficient (β) value of satisfaction decreased significantly in model 3, dropping from .78 to .66 ($p < .001$). Therefore, perceived switching costs did positively affect loyalty, confirming Hypothesis 8a. However, the results of hierarchical regression revealed that the interaction terms of satisfaction and switching costs was not significant ($\beta = -.02$, $t = -.79$, $p = .43$). Therefore, switching costs did not moderate the relationship between satisfaction and loyalty, and Hypothesis 8b was not supported.

Table 5.4 Results of Hierarchical Regression Analysis: Direct and Indirect Effects of Satisfaction and Switching Costs on Loyalty.

	Model 1			Model 2			Model 3			Model 4		
	B	β	t	B	β	t	B	β	t	B	β	t
Constant	6.60		19.12***	6.00		28.20***	5.73		29.82***	5.74		29.74***
Age	-.03	-.05	-.93	.00	.00	.03	.05	.07	2.39*	.05	.72	2.47*
Education	-.12	-.12	-2.25*	-.09	.09	-2.68**	-.05	-.05	-1.84	-.05	-.05	-1.81
Income	.03	.04	.67	.05	.06	1.83	.02	.02	.81	.02	.02	.76
Travel Freq.	-.20	-.18	-3.45**	-.11	-.10	-3.02**	-.06	-.05	-1.73	-.06	-.05	-1.81
SAT				.96	.78	24.90***	.82	.66	21.54***	.80	.65	19.96***
SWC							.25	.31	9.67***	.26	.32	9.66***
SAT×SWC										-.02	-.02	-.79
R^2		.04			.64			.71			.71	
ΔR^2		.04			.60			.07			.00	
ΔF		4.11**			620.20***			93.56***			.63	

Note. SAT = satisfaction; SWC = switching costs.
* $p < .05$ ** $p < .01$ *** $p < .001$

Table 5.5 presents a summary of the results of the hierarchical multiple regression analysis for testing the effects of attractiveness of alternatives on loyalty. Attractiveness of alternatives was significantly related to loyalty ($\beta = -.10$, $t = -3.05$, $p < .01$), increasing the explained variance in loyalty by about 1% ($\Delta R^2 = .01$). Specifically, the standardized beta coefficient (β) value of satisfaction decreased significantly in model 3 from .78 to .76 ($p < .001$). Therefore, attractiveness of alternatives did positively affect loyalty, confirming Hypothesis 9a. On the other hand, attractiveness of alternatives did not interact with satisfaction to affect loyalty ($\beta = .04$, $t = 1.07$, $p = .29$). Therefore, Hypothesis 9b, which the effect of attractiveness of alternatives would moderate the satisfaction-loyalty relationship, was not supported.

Table 5.5 Results of Hierarchical Regression Analysis: Direct and Indirect Effects of Satisfaction and Attractiveness of Alternatives on Loyalty.

	Model 1			Model 2			Model 3			Model 4		
	B	β	t	B	β	t	B	β	t	B	β	t
Constant	6.60		19.12***	6.00		28.20***	6.00		28.56***	6.02		28.52***
Age	-.03	-.05	-.93	.00	.00	.03	-.00	-.01	-.20	-.00	-.00	-.07
Education	-.12	-.12	-2.25*	-.09	.09	-2.68**	-.08	-.08	-2.57*	-.08	-.08	-2.60*
Income	.03	.04	.67	.05	.06	1.83	.05	.03	1.79	.05	.05	1.69
Travel Freq.	-.20	-.18	-3.45**	-.11	-.10	-3.02**	-.11	-.09	-3.01**	-.11	-.10	-3.08**
SAT				.96	.78	24.90***	.94	.76	24.13***	.94	.76	23.81***
ATA							-.07	-.10	-3.05**	-.08	-.11	-3.23**
SAT×ATA										.04	.04	1.07
R^2		.04			.64			.65			.65	
ΔR^2		.04			.60			.01			.00	
ΔF		4.11**			620.20***			9.30**			1.15	

Note. SAT = satisfaction; ATA = attractiveness of alternatives.
*$p < .05$ **$p < .01$ ***$p < .001$

The results of the hierarchical multiple regression analysis to test the effects of perceived network externality on loyalty are presented in Table 5.6. Perceived network externality was significant as a predictor of loyalty ($\beta = .26$, $t = 7.60$, $p < .001$), showing increased explained variance in loyalty by about 4.8% ($\Delta R^2 = .05$). Specifically, the standardized beta coefficient (β) value of satisfaction was significantly decreased in model 3 from .78 to .67 ($p < .001$). Therefore, perceived network externality did positively affect loyalty, confirming Hypothesis 10a. The results of the analysis did not support Hypothesis 10b ($\beta = .01$, $t = .20$, $p = .84$), which proposed a significant interaction effect of satisfaction and perceived network externality on loyalty.

Table 5.6 Results of Hierarchical Regression Analysis: Direct and Indirect Effects of Satisfaction and Perceived Network Externality on Loyalty.

	Model 1			Model 2			Model 3			Model 4		
	B	β	t	B	β	t	B	β	t	B	β	t
Constant	6.60		19.12***	6.00		28.20***	5.82		29.17***	5.81		28.93***
Age	-.03	-.05	-.93	.00	.00	.03	.04	.05	1.81	.04	.05	1.78
Education	-.12	-.12	-2.25*	-.09	.09	-2.68**	-.07	-.07	-2.20*	-.07	-.07	-2.20*
Income	.03	.04	.67	.05	.06	1.83	.03	.04	1.21	.03	.04	1.21
Travel Freq.	-.20	-.18	-3.45**	-.11	-.10	-3.02**	-.08	-.07	-2.34*	-.08	-.07	-2.30*
SAT				.96	.78	24.90***	.83	.67	20.55***	.83	.67	19.08***
PNE							.20	.26	7.60***	.20	.26	7.43***
SAT× PNE										.01	.01	.20
R^2		.04			.64			.70			.70	
ΔR^2		.04			.60			.05			.00	
ΔF		4.11**			620.20***			57.71***			.04	

Note. SAT = satisfaction; PNE = perceived network externality.
* $p < .05$ ** $p < .01$ *** $p < .001$

Discussion

This study proposed and empirically tested the influences of switching costs, attractiveness of alternatives, and perceived network externality on loyalty to a third-party travel website, as well as their roles as contingent variables to affect the relationship between online traveler satisfaction and loyalty. Specifically, this study aimed to examine the direct effects of switching costs, attractiveness of alternatives, and perceived network externality as predictors of website loyalty and the moderating effects on the satisfaction-loyalty link in third-party travel website settings. The results of this study provided partial support for the hypotheses linking the constructs.

First, switching costs are significantly and positively associated with loyalty (Hypothesis 8b), confirming prior studies in online commerce settings (Fuentes-Blasco et al., 2010; Tsai & Huang, 2007) but contradicting Yang and Peterson's (2004) study. The findings revealed that online travelers who perceive higher switching costs are more likely to commit to the relationship with and, therefore, stay with the incumbent website. Opportunity costs travelers perceive when switching include continuity costs, learning costs, and relationship loss costs. Online travelers are more likely to choose the current travel website over others showing favorable attitudes, intention to visit and purchase from the current travel website, and engaging in word-of-mouth recommendations, as they (1) perceive losses of benefits (e.g., privileges, price specials, discounts, rewards, or mileage) and uncertainty about the alternative website's performance; (2) perceive inconvenience and difficulty in searching and evaluating an alternative travel website, as well as adapting to the new travel website; and (3) possess the emotional or affective bond with the current travel website and other members, which may be discontinued at switching.

Second, the results of this study revealed that high attractiveness of alternatives perceived by online travelers reduces loyal attitudes and behaviors (Hypothesis 9b). This finding is in line with previous studies (e.g., Bansal et al., 2005; Bendapudi & Berry, 1997; Capraro et al., 2003; Jones et al., 2000; Keaveney, 1995; Patterson & Smith, 2003; Vázquez-Carrasco & Foxall, 2006). The results of this study suggest that if online travelers perceive that alternate online travel websites do not differentiate a travel website from others, online travelers may feel little need to switch to another travel website. Therefore, we can infer that online travelers are more likely to remain with a website when the benefits of staying are greater than the benefits of switching to an alternative. Otherwise, they may actively seek out available alternatives (Bendapudi & Berry, 1997; Patterson & Smith, 2003).

Third, this study also suggests that the more perceived network externality online travelers see, the stronger their loyalty toward third-party travel websites. Confirming previous research (e.g., H. P. Shih, 2012; Tseng & Teng, 2014), the results of this study indicate that online travelers are more likely to show loyal attitudes and behaviors for a travel website when they see more travelers use the site, thereby perceiving using that website as having more value.

In addition to the direct effects, this study also examined the interaction effects of switching costs, attractiveness of alternatives, and perceived network externality with satisfaction in explaining loyalty to travel websites. This study expected that switching costs and perceived network externality would maximize and/or facilitate the relationship between satisfaction and loyalty (Hypotheses 8a and 10a), and that the attractiveness of alternatives weakens the link between satisfaction and loyalty (Hypothesis 9a). Contrary to the expected relationships among the constructs, this study failed to find those proposed interaction effects. These findings differ from those of some previous studies, which showed significant moderating effects of switching

costs (e.g., Balabanis et al., 2006; Chang & Chen, 2009; Jones et al., 2000; Patterson, 2004), attractiveness of alternativeness (e.g., Antón et al., 2007; Burnham et al., 2003; Holloway & Beatty, 2005; Jones et al., 2000; Sharma & Patterson, 2000), and perceived network externality (e.g., H. P. Shih, 2012; Tseng & Teng, 2014). There are some plausible explanations of these findings. First, relatively high average satisfaction levels of the survey participants in this study (see Table 5.2) may significantly offset the effects of switching costs, attractiveness of alternativeness, and perceived network externality on loyalty. As shown in the results, traveler satisfaction accounted for substantially more variance in traveler loyalty than does each moderator (i.e., switching costs, attractiveness of alternatives, and perceived network externality) used in this study. As previous studies indicated (e.g., Burnham et al., 2003; J. Lee et al., 2001; Ping, 1993; Yanamandram & White, 2006), switching costs tend to affect customers behavioral intention more when customer satisfaction levels are relatively low. Attractiveness of alternatives and perceived network externality may have similar influences on the satisfaction-loyalty relationship and, thus, their interaction effects with satisfaction may be insignificant in a situation where customers are satisfied to begin with. Second, attractiveness of alternatives dimensions in prior research include customer perception of service difference, alternative preference, as well as awareness of attractive alternatives (Balabanis et al., 2006; Jones et al., 2000; Ping, 1993; Sharma & Patterson, 2000). Even though this study adopted the items from the existing literature to measure the construct with the highest validity, it did not cover all aspects of attractiveness of alternatives. The measures for attractiveness of alternatives in this study simply assessed travelers' perception of whether the service and products provided by alternative websites differ from those of the current travel website and, thus, how travelers find the alternatives attractive. This concept of attractiveness of alternatives may not relate to increasing

traveler satisfaction with the current travel website. Third, as previously noted, switching costs is a multidimensional construct (Burnham et al., 2003; Jones et al., 2007; Jones et al., 2002). This study measured traveler perception of switching costs as a unidimensional construct. As Jones et al. (2007) suggested, positive switching costs (e.g., the loss of special benefits from and emotional bond with the current travel website) and negative switching costs (e.g., the time, effort and perceived inconvenience of finding an alternative) may affect traveler commitment and preference for the current travel website differently. For example, travelers who perceive more positive switching costs than negative switching costs are more likely to prefer the current website over other websites and to be loyal to the website. In this context, it may be important to identify how differently those two types of switching costs affect traveler satisfaction with the website.

Implications of the Study

Overall, this study found switching costs, attractiveness of alternatives, and perceived network externality had significant effects on loyalty in travel website settings. Perceived network externality has rarely been tested. This study may serve as preliminary research showing the potential application of the network externality theory to online website studies. In addition, the findings of this study have practical implications for web-based travel businesses or companies, especially third-party travel websites. The positive relationship between switching costs and loyalty indicates that creating or enhancing any switching costs as perceived by online travelers, substantially affects online loyalty. The negative relationship between attractiveness of alternatives and loyalty implies that a strong emphasis on differentiating services can lead to loyalty to a travel website. Also, the positive relationship of perceived network externality to

loyalty shows that if a travel website has more users, those same users perceive the travel website as having greater value, thus creating more loyalty among users.

Travel websites should first strive to create and increase benefit loss costs by ensuring online travelers receive special benefits as a member or customer of the website. Travel websites may continuously encourage customer revisit or repurchase by providing them with sufficient and appropriate rewards or promotions (e.g., discounts, coupons, etc.) for revisit, repurchase or long-term membership, and with personalized promotional marketing of products and travel information offerings based on prior searches or purchase history.

Travel websites can also emphasize customer service as a way of facilitating relational benefits. Relational benefits may foster affective bonds established between a travel website and customers; specifically, customer service staff can develop close relationships with customers (Jones et al., 2007). Since online environments are characterized as anonymous, with no humans involved, most, if not all, Internet-based businesses seem to focus less on providing effective customer service than on providing quality content and products. Constant, responsible, and trustworthy customer service and responding to customer needs and wants will make website customers feel that they are specially treated and rewarded, thereby developing affective and behavioral commitment. Travel websites can thus build relational switching costs and further differentiate their services from other travel websites, reducing the attractiveness of alternatives.

Second, continuity costs and learning costs are part of the switching process. Online travelers who perceive these high continuity and learning switching costs are barriers to switching to other travel websites, with all the added inconvenience, and time and effort needed to search out an alternative and adapt to the alternative website. Therefore, even dissatisfied and/or attitudinally disloyal customers may show behavioral loyalty (i.e., calculative

commitment, see Jones et al., 2007). If online customers stay in a less than satisfactory relationship with a travel website or if variations in customer satisfaction levels are high, customers are more likely to switch. Moreover, previous research highlights that those switching costs negatively affect calculative commitment and behavioral intentions, producing negative emotions and negative word-of-mouth recommendations (Jones et al., 2007). Thus, it is critical for travel websites to assess current satisfaction levels of their customers by frequently and regularly evaluating website performance using customer feedback or conducting online surveys, especially, after service failure and recovery.

Third, to increase relationship loss costs and perceived network externality, travel websites must maximize customer value. Improving website brand image and public awareness of the travel website through promotional activities (e.g., advertising) may generate positive website brand value, thereby attracting customers. Consistent updates in website content and upgrades in functional website features (e.g., account settlement, payment, security, etc.) would enhance the value of using a travel website and contribute to customer retention. In addition, supporting traveler community building can help online travelers directly communicate with other travelers. Active and productive interactions among travelers may develop positive emotions and affective bonds between the travel website and its customers, as well as among customers, which in turn develop relationships loss costs and perceived network externality.

Last, providing customized website service may enhance continuity costs and counter the attractiveness of alternatives, thereby helping travel websites create switching barriers. Customized websites create benefit loss costs by improving customer perception of special treatment benefits and increasing customer perception of how the current travel website is differentiated from alternatives, again countering the attractiveness of alternatives and creating

competitive advantages. For this, travel websites should persistently examine customer-specific needs to provide information and product recommendations tailored to each customer's website usage and purchase propensity.

Limitations and Suggestions for Future Research

One potential limitation of this study involves the use of a retrospective approach to collecting the data. Although this study used screening questions to filter out unqualified survey participants, relying on a traveler's memory to complete survey questionnaires may cause recall bias. The second limitation is the cross-sectional design of the study. Data were collected at one point in time in the United States, and the sample was limited to travel website users who had experience using a third-party travel website during a certain time. Therefore, the findings may not apply to other periods in time, other geographical settings or other cultures.

This study focused on direct and indirect effects of switching costs, attractiveness of alternatives, and perceived network externality on the satisfaction-loyalty relationship in the travel website setting. Even though this study found direct effects on loyalty, their moderating effects on the satisfaction-loyalty relationship were not found. The insignificant moderating effect of switching costs on the relationship between satisfaction and loyalty may be due to the fact that this study considered switching costs as a unidimensional construct. As previously noted, switching costs are multidimensional constructs (Burnham et al., 2003; Jones et al., 2007; Jones et al., 2002) and each dimension may have either a positive or negative effect on consumer preference to a product or service. Future research may test individual direct and indirect effects of switching costs on traveler loyalty to the travel website. Additionally, this study simply assessed travelers' perception of whether service alternative websites provides differ from that of the current travel website to measure attractiveness of alternatives. As presented in prior research,

attractiveness of alternatives may include customer perception of service difference, alternative preference, as well as awareness of attractive alternatives (Balabanis et al., 2006; Jones et al., 2000; Ping, 1993; Sharma & Patterson, 2000). Therefore, future research might include additional dimensions to measure the moderating effects of attractiveness of alternatives on the relationship between satisfaction and loyalty. Future studies may also identify the different interaction effects of these switching-related variables and examine how one construct affects website loyalty when the other two constructs are controlled.

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Chapter 6 - Summary and Conclusion

The Internet has significantly affected the travel and tourism market. The changing environment of the travel/tourism industry has created intense competition among online travel agencies and other types of travel websites. Several studies of online marketing have emphasized how customer loyalty predicts online business success; those same studies advocate a better understanding of customer loyalty by online retailers. Identifying and understanding the predictors of online customer loyalty to travel websites may enhance customer retention. Therefore, this study proposed conceptual models delineating what affects online traveler loyalty to travel websites. Specific research objectives of this study were, first, to explore aspects of experiential value of using a travel website; second, to examine how experiential value dimensions of a travel website relate to online traveler satisfaction and loyalty to the website; third, to explore how switching costs, attractiveness of alternatives, and perceived network externality affect online traveler loyalty to a travel website; finally, to assess how those variables influence the relationship between satisfaction and loyalty.

A self-reported online questionnaire was distributed to online travelers in the United States who have experience using any third-party travel website at least once within the past three months. Data from 366 online travelers for Study 1 and 376 online travelers for Study 2 were statically analyzed using structural equation modeling and hierarchical multiple regression to test the proposed relationships.

Major Findings

Study 1 evaluated experiential value perception of travelers using travel websites and its effect on their satisfaction, attitudinal loyalty, and behavioral loyalty to travel websites.

Additionally, this study also examined whether attitudinal loyalty would lead to behavioral loyalty in an online environment.

The structural model included eight constructs for eight proposed relationships among the constructs and was tested using structural equation modeling analysis. The results of the analysis showed that three of five experiential value dimensions (aesthetics, customer ROI, and service excellence) had positive relationships, either directly or indirectly, with outcome variables. The study also confirmed the statistically positive relationships of satisfaction to both attitudinal and behavioral loyalty. Further, results showed attitudinal loyalty was a significant mediator between satisfaction and behavioral loyalty. Table 6.1 summarizes the results of the hypotheses tests in Study 1.

Table 6.1 Results of Hypothesis Test in Study 1.

	Hypothesis	Result
H1	Customer ROI is positively related to satisfaction.	Supported
H2	Service excellence in consumption is positively related to satisfaction.	Supported
H3	Playfulness is positively related to satisfaction.	Rejected
H4	Aesthetics is positively related to satisfaction.	Supported
H5	Social value is positively related to satisfaction.	Rejected
H6a	Satisfaction is positively related to attitudinal loyalty.	Supported
H6b	Satisfaction is positively related to behavioral loyalty.	Supported
H7	Attitudinal loyalty is positively related to behavioral loyalty.	Supported

Study 2 investigated the direct effects of switching costs, attractiveness of alternatives, and perceived network externality on website loyalty and their moderating effects on the

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satisfaction-loyalty link. The results of hierarchical multiple regression analysis showed that

switching costs, attractiveness of alternatives, and perceived network externality have significant

relationships with loyalty. However, switching costs, attractiveness of alternatives, and perceived

network externality did not have significant interaction effects with satisfaction on loyalty. Table

6.2 summarizes the results of the hypotheses tests in Study 2.

Table 6.2 Results of Hypothesis Test in Study 2.

	Hypothesis	Result
H8a	Perceived switching costs positively affect loyalty.	Supported
H8b	Perceived switching costs have a moderating effect on the relationship between satisfaction and loyalty.	Rejected
H9a	Attractiveness of alternatives negatively affects loyalty.	Supported
H9b	Attractiveness of alternatives has a moderating effect on the relationship between satisfaction and loyalty.	Rejected
H10a	Perceived network externality positively affects loyalty.	Supported
H10b	Perceived network externality has a moderating effect on the relationship between satisfaction and loyalty.	Rejected

Conclusions

Relationship between experiential value and satisfaction

Experiential value dimensions were positively related to satisfaction. Specifically,

aesthetics, customer ROI, and service excellence dimensions of experiential value were

significantly and positively related to satisfaction, which shows online travelers are more likely

to be satisfied with the third-party travel websites they use for their trip planning if they perceive

that the travel website is visually and aesthetically appealing and entertaining to use. Travelers are also more satisfied with travel websites that help them save time, effort, and money, and that fulfill their travel needs. In addition, travel websites may satisfy their users more when perceived as offering excellent website service and as expert and professional online travel sources for travelers. In sum, extrinsic value dimensions (service excellence and customer ROI) were more highly related to online satisfaction and website loyalty than were intrinsic value dimensions (aesthetics and playfulness), which is consistent with previous research (Doolin, Dillon, Thompson, & Corner, 2005; Jin, Line, & Goh, 2013; C. Kim, Galliers, Shin, Ryoo, & Kim, 2012; Mathwick, Malhotra, & Rigdon, 2001; Sigala, 2004).

A travel website that provides more enjoyment and temporary escapism may not increase traveler satisfaction with the website. Although this study developed a hypothesis based on previous studies, results showed playfulness did not positively relate to satisfaction. Moreover, the results failed to show a positive relationship between social value and satisfaction. This indicates that traveler satisfaction with the website may not be positively related to travelers' social value perceived by providing helpful and useful information to other members of the website and thus impressing them.

Relationships among satisfaction, attitudinal loyalty and behavioral loyalty

Satisfaction leads directly to both attitudinal loyalty and behavioral loyalty to websites, confirming findings in previous studies (e.g., Anderson & Srinivasan, 2003; Chang & Chen, 2009; Yang & Peterson, 2004). In other words, online travelers who have satisfactory experiences with travel websites tend to favor a website and are more willing to maintain a relationship with the website; they are also more likely to revisit the travel website or repurchase services/products. The positive relationship between attitudinal loyalty and behavioral loyalty

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indicates that, if travelers consider a travel website preferable to other travel websites, they are more likely to use the travel website themselves and to recommend the website to others. This indicates that satisfaction with travel websites as an antecedent of behavioral loyalty can be better explained through attitudinal loyalty.

Relationship between switching costs and loyalty

Switching costs are significantly and positively associated with loyalty, confirming prior studies of online commerce (Fuentes-Blasco, Saura, Berenguer-Contrí, & Moliner-Velázquez, 2010; Tsai & Huang, 2007), Thus, online travelers who perceive higher switching costs are more likely to stay with the incumbent third-party travel website. Online travelers are more likely to choose the current travel website over other travel websites, showing favorable attitudes, visiting and purchasing from the current website, and engaging in word-of-mouth recommendations because they (1) perceive likely losses of benefits (e.g., privileges, price specials, discounts, rewards, or mileages) as well as uncertainty about the alternative website's performance; (2) perceive more inconvenience and difficulty investing time and effort in searching and evaluating an alternative website, as well as adapting to a new website; and (3) possess higher emotional or affective bond with the current travel website and other members.

Relationship between attractiveness of alternatives and loyalty

In line with previous studies, online travelers who find alternatives highly attractive have lower attitudinal and behavioral loyalty (e.g., Bansal, Taylor, & James, 2005; Bendapudi & Berry, 1997; Capraro, Broniarczyk, & Srivastava, 2003; Jones, Mothersbaugh, & Beatty, 2000; Keaveney, 1995; Patterson & Smith, 2003; Vázquez-Carrasco & Foxall, 2006). If online travelers perceive that they will be equally or more satisfied with other travel websites and see

little difference in service among travel websites, they are less likely to show loyalty to the current travel website and more likely to switch. On the other hand, if online travelers perceive that services and products are not different from their current travel website, they may not feel the need to switch. Therefore, online travelers are more likely to stay when they see more benefit to staying with the current website than in switching to an alternative. Otherwise, they may actively seek out available alternatives (Bendapudi & Berry, 1997; Patterson & Smith, 2003).

Relationship between perceived network externality and loyalty

Perceived network externality is also a significant predictor of loyalty. This finding is also consistent with previous research (e.g., Shih, 2012; Tseng & Teng, 2014). Online travelers are more likely to remain loyal and use a travel website persistently when they see many other travelers using the same travel website because they perceive more value in using that website.

Implications

This study proposed that applying the experiential value scale to travel websites and examined the experiential value dimensions adapted and modified from Mathwick et al.'s (2001) scale to reveal how value perceptions among online travelers might differ from other types of online shoppers. While the literature on website value perception reveals that experiential value dimensions can be adapted to online retail or blog settings, it also shows results are inconsistent in using the four experiential value dimensions to explain outcome variables (cf. Jeong, Fiore, Niehm, & Lorenz, 2009; Keng & Ting, 2010; Lee & Overby, 2004; Mathwick et al., 2001; Tang & Chiang, 2010).

Mostly neglected in the marketing literature, the other-oriented value dimension of experiential value was added to Mathwick et al.'s (2001) scale in this study to estimate the comprehensive value of travel website experience as perceived by online travelers as a whole.

Thus, the scale may be an essential tool for travel websites in managing value and in providing useful information about website experience of online travelers.

The results of this study of travel websites show significant direct effects of three different factors (switching costs, attractiveness of alternatives, and perceived network externality) on loyalty to a website. This study tested the applicability of those three variables to travel websites, which adds to the literature on the field. Particularly, perceived network externality has been rarely tested in online settings. Therefore, this study may serve as preliminary research showing the potential application of the network externality theory in online website studies.

The findings of this study highlight the dominant roles of extrinsic value dimensions (customer ROI and service excellence) in predicting online traveler satisfaction, emphasizing the importance of providing quality service and economic efficiencies in operating and managing travel websites to enhance traveler satisfaction, and in turn, loyalty. This indicates that emphasizing quality service, keeping prices competitive, and increasing the benefits to travelers using online sources (e.g., easy access to variety of information and convenient purchase) would facilitate website satisfaction. Although aesthetics, an intrinsic value dimension, had less effect than customer ROI and service excellence, it also showed a significant effect on satisfaction, attitudinal loyalty, and behavioral loyalty. This finding reinforces the importance of providing travelers with an aesthetically pleasing online environment. As a whole, the study findings indicated that travel websites should emphasize delivering an efficient website experience and offering strong economic value in an aesthetically appealing environment to build and maintain positive relationships with their website users.

While satisfaction has a positive influence on both attitudinal loyalty and behavioral loyalty, the relationship between satisfaction and behavioral loyalty may be better explained through attitudinal loyalty. Satisfaction with travel websites is important to creating an emotional attachment to the website, as well as increasing behavioral commitment (e.g., recommendations, repeat usage and purchase, and future intentions). Additionally, our findings suggest that online travelers are more likely to show behavioral loyalty based on favorable emotional status (i.e., loyal attitudes). Thus, creating loyal behavior among online travelers may require enhancing satisfaction and favorable attitudes by maximizing experiential value.

Travel websites should also strive to ensure special benefits to online travelers as members or customers of the travel website, which would create and increase switching costs. Travel websites may be able to continuously induce customer revisit or repurchase by: (1) providing sufficient and appropriate rewards or promotions (e.g., discounts, coupons, etc.) for revisit, repurchase, or long-term membership and (2) offering personalized promotional marketing of products and travel information based on a customer's prior search or purchase history. Travel websites can also emphasize customer service by facilitating delivery of relational benefits. Relational benefits can be fostered by affective bonds a travel website establishes with its customers, usually developed by close interactions between customer service and customers (Jones, Reynolds, Mothersbaugh, & Beatty, 2007). Constant, responsible, and trustworthy customer service and quick and accurate responses to customer needs and wants will help website customers feel that they are receiving special treatment and rewards, thereby developing affective and behavioral commitment. Travel websites, in doing this, can build relational switching costs and further differentiate their services from other travel websites, thus reducing the attractiveness of alternatives.

Additionally, travel websites must maximize customer value by increasing relationship loss costs and perceived network externality. For this, improving website brand image and public awareness of the travel website through promotional activities (e.g., advertising) may generate positive website brand value and attract customers. Consistent updates in website contents and upgrades in functional website features (e.g., account settlement, payment, security, etc.) would enhance the value of using a travel website and contribute to customer retention. In addition, supporting traveler community building can help online travelers direct communicate with other travelers. Active and productive interactions among travelers may help develop positive emotions and an affective bond not just between the travel website and its customers, but among customers themselves, which in turn creates relationship loss costs and perceived network externality.

Providing customized website service may help customers perceive continuity costs and reduce the attractiveness of alternatives websites, thus creating switching barriers. Customized websites create benefit loss costs by increasing the perception of special treatment benefits among customers and differentiating website services from alternative websites, reducing the attractiveness of alternatives and leading to competitive advantages. For this, travel websites should continuously examine specific customer needs to provide information and product recommendations tailored to each customer's website usage and purchase propensity.

Limitation and Suggestions for Future Research

One potential limitation of this study involves the use of a retrospective approach to collecting data. Although this study used screening questions to filter out unqualified survey participants, relying on memory to complete a survey may cause recall bias.

The second limitation of this study is the cross-sectional design of the study. Data were collected at one point in time in the United States, and the sample was limited to travel website users who had experience using a third-party travel website. Therefore, generalizability of the findings of this study may be limited for other periods and to other geographical settings or other cultures.

As mentioned earlier, this study is preliminary research on traveler experiential value in using travel websites, and three factors (switching costs, attractiveness of alternatives, and perceived network externality) affecting loyalty to travel websites. The scale used in this study was adopted from the literature and modified to fit a travel website setting. In particular, this study added social value dimension to the existing scale to estimate other-oriented experiential value of travelers using a third-party travel website. Perceived network externality has been rarely tested in online settings. Although the scale exhibited adequate construct validity and reliability, future study should replicate the conceptual models proposed in this study. Future study may test applicability of the scale to other travel website settings (i.e., online travel agencies, meta-search websites, destination marketing organization websites, or mobile travel apps, etc.), other traveler segments or other cultural settings to compare different effects among constructs, thus to establish the validity of the findings of this study. Future studies may also identify the different interaction effects of these switching-related variables and examine how one construct affects website loyalty when the other two constructs are controlled.

While this study considered switching costs as a unidimensional construct, the existing literature (Burnham et al., 2003; Jones et al., 2007; Jones et al., 2002) showed that it is classified into multiple categories. Each dimension may have either a positive or negative effect on

consumer preference to a product or service. Future research may test individual direct and indirect effects of switching costs on traveler loyalty to the travel website.

In this study, the measure for attractiveness of alternatives assessed travelers' perception of the different service alternative websites provide compared to the current travel website. As presented in prior research, attractiveness of alternatives may include customer perception of service difference, alternative preference, as well as awareness of attractive alternatives (Balabanis et al., 2006; Jones et al., 2000; Ping, 1993; Sharma & Patterson, 2000). Therefore, future research might include additional dimensions to measure the moderating effects of attractiveness of alternatives on the relationship between satisfaction and loyalty.

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Appendix A – Cover Letter

TRAVEL WEBSITE EXPERIENCE

Thank you for taking part in our study on travel website experience.

The study aims to examine travelers' satisfaction with and loyalty to travel websites. The results of this study will provide the online travel industry with meaningful insights and strategies for customer retention.

The survey should take about 15 minutes. Your participation is strictly voluntary. No penalty is attached to refusing to participate or stopping at any time. Submitting a completed questionnaire indicates your willingness to participate. You must be at least 18 years old to participate. All responses will remain confidential. No individual responses will be shared. Only aggregate responses will be reported. A summary of results will be available at K-State research exchange (http://krex.k-state.edu/dspace/) when the study is finalized.

This study has been approved by the Committee for Research Involving Human Subjects (IRB # 7473) on December 16, 2014 at Kansas State University. If you have any question about this study, please contact me at (515) 230-8318 or Dr. Rebecca Gould at (785) 532-2298. For questions about your rights as a participant or the manner in which the study is conducted, you may contact Dr. Rick Scheidt, Chair of the Committee on Research Involving Human Subjects, (785) 532-3224, 203 Fairchild Hall, Kansas State University, Manhattan, KS 66506.

Your time and effort in participating is greatly appreciated.

Sincerely,

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Appendix B – Survey Questionnaire

Screening Questions

1. What is your age?
☐ 18 - 24
☐ 25 - 34
☐ 35 - 44
☐ 45 - 54
☐ 55 - 64
☐ 65 and older

Before you begin answering questions, please review the following features of a travel website and the description of what isn't a travel website.

TRAVEL WEBSITES are websites that:
1. provide **booking service** (hotel rooms or flight tickets) and **travel reviews service** (comments/ratings of any hotel, restaurant or travel attractions);
2. are **NOT** directly operated by any hotels, airlines, or official tourism marketing organizations;
3. are **NOT** price-comparison websites in which you can only compare prices from different providers and, for purchasing, you are redirected to other websites.

Travel websites include:
   o   Online travel agencies
       (e.g., Expedia, Travelocity, Priceline, Orbitz,, Hotels.com, Booking.com)
   o   Travel review websites (e.g., Tripadvisor)
   o
The following are NOT travel websites:
   o   Hotel brands websites (e.g., Marriott.com, Hilton.com, Fourseasons.com)
   o   Airline websites (e.g, American Airlines, United Airlines, Southwest Airlines)
   o   Price-comparison websites
       (e.g., Yahoo! Travel, Kayak.com, Hipmunk.com, Hotwire.com)
   o   Destination-promotion websites
       (e.g., Las Vegas Convention and Visitor Authority, Florida official tourism marketing website)
   o   Vacation rental websites (e.g., Airbnb.com, HomeAway.com)
   o   Social networking websites
       (e.g., Facebook, Instagram, Google+, MySpace, Twitter)
   o   Mobile apps for smartphones or tablets
       (e.g., TripIt, SkyScanner, Last Minute Travel, Hotel Tonight)

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2. **<u>WHEN</u>** was your *most recent visit* to <u>any travel website</u> **<u>that fits the description above</u>** for <u>*your last trip?*</u>
☐ Within the past 1 month
☐ Within the past 2 months
☐ Within the past 3 months
☐ Within the past 4 months
☐ More than 4 months ago

3. Please select the name of **<u>the travel website</u>** you visited for <u>your last trip</u>.
☐ Agoda.com
☐ Booking.com
☐ BookingBuddy.com
☐ BookIt.com
☐ CheapTicket.com
☐ Expedia.com
☐ Hotels.com
☐ Orbitz.com
☐ Priceline.com
☐ Travelocity.com
☐ Tripadvisor.com
☐ Other (please specify) (   )

SECTION 1: Your Website Experience with This Travel Website

Please indicate your level of agreement with the following statements regarding **your perception about _experience_ with _the travel website you named earlier_**.

	Strongly Disagree		Neutral			Strongly Agree	
The way this travel website displays products and information is attractive.	1	2	3	4	5	6	7
This travel website is aesthetically appealing.	1	2	3	4	5	6	7
I like the way this travel website looks.	1	2	3	4	5	6	7
The graphics and images used on this travel website are visually appealing.	1	2	3	4	5	6	7
The color and screen layout of this travel website are visually appealing.	1	2	3	4	5	6	7
This travel website is very entertaining.	1	2	3	4	5	6	7
This travel website is captivating. It picks me up.	1	2	3	4	5	6	7
This travel website doesn't just sell travel products, it is entertaining to use.	1	2	3	4	5	6	7
This travel information (e.g., photos, videos, reviews, forums) provided on this travel website is entertaining.	1	2	3	4	5	6	7

(Continued)

	Strongly Disagree			Neutral			Strongly Agree
Using or browsing this travel website "gets me away from it all."	1	2	3	4	5	6	7
Using or browsing this travel website makes me feel like I'm in another world.	1	2	3	4	5	6	7
I get so involved when using or browsing this travel website that I forget about my immediate surroundings.	1	2	3	4	5	6	7
When using or browsing this travel website, I become so involved that I lose track of time.	1	2	3	4	5	6	7
I use or browse this travel website for pure enjoyment.	1	2	3	4	5	6	7
I enjoy using or browsing this travel website for the total experience, not just for the tourism products or information I may have acquired.	1	2	3	4	5	6	7
The experience of using this travel website is enjoyable.	1	2	3	4	5	6	7
Using this website for my travel needs is an efficient way to manage my time.	1	2	3	4	5	6	7
Using this website for my travel needs fits with my schedule.	1	2	3	4	5	6	7
Using this website for my travel needs makes my life easier.	1	2	3	4	5	6	7
Using this website makes it easier to get what I need for my travel.	1	2	3	4	5	6	7

(Continued)

	Strongly Disagree			Neutral			Strongly Agree
This travel website provides good economic value.	1	2	3	4	5	6	7
Overall, I am happy with this travel website's prices.	1	2	3	4	5	6	7
The prices of the tourism products in this travel website are satisfactory.	1	2	3	4	5	6	7
When I think of this travel website, I think of excellence.	1	2	3	4	5	6	7
I consider this travel website an expert source for tourism products and travel information.	1	2	3	4	5	6	7
The features and customer services of this travel website are consistent and reliable.	1	2	3	4	5	6	7
My travel experience and reviews shared on this travel website help (would help) other travelers who need them.	1	2	3	4	5	6	7
My travel experience and reviews shared on this travel website satisfy (would satisfy) other travelers' needs.	1	2	3	4	5	6	7
Participating on writing reviews or posting my travel experience helps (would help) me build and keep good relationships with other members of this travel website.	1	2	3	4	5	6	7
Participating on writing reviews or posting my travel experience helps (would help) me gain recognition from other members of this travel website.	1	2	3	4	5	6	7
Participating on writing reviews or posting my travel experience helps (would help) me gain favorable responses from other members of this travel website.	1	2	3	4	5	6	7
Participating on writing reviews or posting my travel experience helps (would help) me make a positive impression on other members of this travel website.	1	2	3	4	5	6	7

Please indicate your level of agreement with the following statements regarding *level of satisfaction with and loyalty* to *the travel website you named earlier*.

	Strongly Disagree		Neutral			Strongly Agree	
Overall, I have been pleased when I use this travel website.	1	2	3	4	5	6	7
My choice to use this travel website was a wise one.	1	2	3	4	5	6	7
I feel good about my decision to use this travel website.	1	2	3	4	5	6	7
Using this travel website has been a satisfying experience.	1	2	3	4	5	6	7
Overall, I am satisfied with this travel website.	1	2	3	4	5	6	7
I prefer this travel website to other travel websites.	1	2	3	4	5	6	7
This travel website is my primary source of tourism products and travel information.	1	2	3	4	5	6	7
When I need tourism products and travel information, this travel website is my first choice.	1	2	3	4	5	6	7
I like using this travel website for my travel needs.	1	2	3	4	5	6	7
This is my favorite travel website.	1	2	3	4	5	6	7
I say positive things about this travel website to other people.	1	2	3	4	5	6	7
I use or visit this travel website more frequently than other travel websites.	1	2	3	4	5	6	7
I purchase tourism products from this travel website more often than other travel websites.	1	2	3	4	5	6	7
I will recommend this travel website if anyone asks for tourism products and travel information.	1	2	3	4	5	6	7
I intend to continue using this travel website in the future.	1	2	3	4	5	6	7

SECTION 2: Your Perception about Switching Travel Website

Please indicate your level of agreement with the following statements regarding **your perception about _experience_ with _the travel website "in general_."**

	Strongly Disagree		Neutral			Strongly Agree	
Being a member or a customer of this travel website has some benefits I would not receive elsewhere.	1	2	3	4	5	6	7
I have accumulated points, credits, mileages, etc. with this travel website that I might lose if I switched.	1	2	3	4	5	6	7
I occasionally receive special rewards, deals, or discounts from this travel website that I would not receive if I switched.	1	2	3	4	5	6	7
This travel website sometimes offers privileges I would not receive if I switched.	1	2	3	4	5	6	7
I feel safer using this travel website for tourism products and travel information than other travel websites.	1	2	3	4	5	6	7
Switching to another travel website would result in some unexpected problems.	1	2	3	4	5	6	7
I worry the offerings and service I would receive might lessen if I switched.	1	2	3	4	5	6	7
Searching for other alternative travel websites takes a great deal of time and effort.	1	2	3	4	5	6	7
I cannot afford the time and effort to fully evaluate alternative travel websites.	1	2	3	4	5	6	7
It is difficult to find a good alternative travel website that meets my travel needs.	1	2	3	4	5	6	7

(Continued)

	Strongly Disagree			Neutral			Strongly Agree
It would take time and effort to learn how things work at a new travel website if I switched.	1	2	3	4	5	6	7
Even after I switch, I would find it hard to become familiar with a new travel website.	1	2	3	4	5	6	7
I am reluctant to change travel websites because I am familiar with "how the system works" at this travel website.	1	2	3	4	5	6	7
Changing travel websites would take much time and effort to set up a new travel website the way I want and like.	1	2	3	4	5	6	7
I have put time and effort into adapting this travel website to meet my needs.	1	2	3	4	5	6	7
If I switched, I might lose good relationships I have developed through this travel website.	1	2	3	4	5	6	7
I value interacting with other travelers on this travel website more than on other travel websites.	1	2	3	4	5	6	7
I feel a sense of belonging and attachment on this travel website.	1	2	3	4	5	6	7
I like the public image of this travel website.	1	2	3	4	5	6	7
I value the brand/company name of this travel website more than other travel websites.	1	2	3	4	5	6	7
If I had to change travel websites, I know of other good ones.	1	2	3	4	5	6	7
Many travel websites provide similar quality of tourism products/information and services than this travel website.	1	2	3	4	5	6	7
I would be equally satisfied with other travel websites compared to this travel website.	1	2	3	4	5	6	7
I don't see much difference between travel websites. They provide similar services and features.	1	2	3	4	5	6	7
It does not matter which travel website I use. They are about the same.	1	2	3	4	5	6	7

Please indicate your level of agreement with the following statements regarding your perceptions to ***the travel website you named earlier***.

	Strongly Disagree		Neutral			Strongly Agree	
I think more people use this travel website for their travel needs than other travel websites.	1	2	3	4	5	6	7
I hear from many people talking about their experiences with this travel website.	1	2	3	4	5	6	7
I value this travel website because I think more and more people are using this travel website over other travel websites.	1	2	3	4	5	6	7
As more and more people use this travel website, it becomes more valuable to me.	1	2	3	4	5	6	7

SECTION 3: Your Travel in General

The following statements ask about **your travels in general**.

1. In general, **when** do you use travel websites? Select all that apply.
☐ Before the trip, to get ideas
☐ Before the trip, to narrow down choices
☐ Before the trip, to confirm decisions
☐ During the trip, to search for what to do/where to eat at destination
☐ After the trip, to leave reviews and/or share your experiences

2. In general, what is the **primary purpose** of your travel?
☐ Leisure
☐ Business

3. On average, how **often** do you travel?
☐ Once a month or more
☐ 5 - 11 times a year
☐ 2 - 4 times a year
☐ Once a year
☐ Less than once a year

SECTION 4: Information About Yourself

The following questions ask **basic demographic information**.
All answers will be kept **confidential** and **anonymous,** and will be used for **research purposes only**.
Please indicate your response by selecting in each question.

1. What is your gender?
☐ Male
☐ Female

3. What is the highest level of education you have completed?
☐ Less than high school
☐ High School
☐ 2-year College (e.g., junior college, community college, etc.)
☐ 4-year College or University
☐ Postgraduate (i.e., Master's or Doctoral degree)

4. What is your annual household income level?
☐ Less than $15,000
☐ $15,000 - $19,999
☐ $20,000 - $24,999
☐ $25,000 - $29,999
☐ $30,000 - $49,999
☐ $50,000 or more
☐ I would prefer not to respond to this question.

End of Survey