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Impact of Swiss Consumers' Product Involvement on Brand Loyalty

Carmen Hochgraefe University Centre Cesar Ritz, Carmen.Hochgraefe@ritz.edu

Saskia Faulk University Centre Cesar Ritz, saskia.faulk@ritz.edu

Michael Vieregge University Centre IMI Lucerne, mvieregge@western.edu

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Hochgraefe et al.: Swiss consumers' product involvement IMPACT OF SWISS CONSUMERS' PRODUCT INVOLVEMENT ON BRAND LOYALTY

Carmen Hochgraefe University Centre "César Ritz" Brig, Switzerland

> Saskia Faulk University of Lausanne Lausanne, Switzerland

> > and

Michael Vieregge University Centre IMI Lucerne, Switzerland

ABSTRACT

Product involvement has been studied for 30 years, but studies connecting it to brand loyalty in Swiss hotels are missing. This study examines how Swiss leisure travellers' product involvement with a hotel relates with loyalty to the hotel brand. Results show moderately high involvement and antecedents 'pleasure' and 'sign value' show strong relationships. Correlation scores suggest overall weak brand loyalty, impacted by desire to visit different locations. Despite medium-high interest in hotels, only small differences among hotel brands resulted.

Keywords: Hotel involvement, Brand loyalty, Swiss tourists

INTRODUCTION

Companies benefit from enhanced consumer involvement, as it improves the consumer-product relationship, and customers process information based on values (Peter and Olsen, 2008). Involvement is identified as enthusiasm to assimilate information, caused by a person, object or a situation (Solomon, 2004) and may be moderated by demographic factors (Skogland and Siguaw, 2004). Previous research has found a strong connection between repurchasing and involvement (Olsen, 2007). To enhance loyalty, involvement needs to be increased (Olsen, 2007). Apart from Skogland and Siguaw (2004) no studies have been conducted on the link between involvement and loyalty among hotel guests. This study fills a gap in the literature from a Swiss perspective.

BACKGROUND

Various researchers (Bloch and Richins, 1983; Zaichkowsky, 1985; Kapferer and Laurent, 1985; Celsi and Olsen, 1988; Jain and Srinivasan, 1990; Quester and Lim, 2003; and Solomon, 2004, among others) have contributed to involvement concepts. The multi-dimensional construct and measurement scale established by Kapferer and Laurent (1985, 1993) with the antecedents importance/interest, pleasure, sign value, risk importance and risk probability shows how behaviours differ, when involvement is triggered through different antecedents. A comparison has shown that product involvement has strong prediction power on product use (Mittal, 1995). Similarly, loyalty concepts have been widely discussed including contributions by Day (1969), Aaker (1991), Dick and Basu (1994), Chaudhuri and Holbrook (2001), Evanschitzky and Wunderlich (2006), among others. Early work by Jacoby and Chestnut, as cited in Evanschitzky and Wunderlich (2006) includes values and goals. Oliver's (1999) four-stage model assumes cognitive, affective, conative and action steps. Product involvement may be a prerequisite for brand loyalty due to its influence on consumers' decision-making processes (Celsi and Olsen, 1988; Varki and Wong, 2003). This was also supported by the work of Dick and Basu, 1994; De Wulf, Odekerken-Schroeder and Iacobucci, 2001; Back and Parks, 2003; Quester and Lim, 2003; Varki and Wong, 2003, Skogland and Siguaw, 2004; Punniyamoorthy and Raj, 2007.

The first objective is to add to the understanding of the consumer in the hotel industry in relation to both discussed concepts. Hence, this research studies product involvement and its impact on brand loyalty among Swiss travellers. The overall concepts as well as the involvement antecedents and loyalty components were measured separately. Based on the literature the following hypotheses are posited: HypothesisblishPitodactoiavWorksachivisspositivelgorelated to brand loyalty; 1

Hypothesis 1a: Product interest is positively linked to the levels of brand loyalty: International CHRIE Conference - Refereed Track, Event 4 [2009] Hypothesis 1b: Pleasure is positively related with the three levels of brand loyalty;

Hypothesis 1c: Sign value is positively associated with the levels of brand loyalty;

Hypothesis 1d: Risk importance is positively linked with the levels of brand loyalty;

Hypothesis 1e: Risk probability is positively related with the levels of brand loyalty.

Studies confirm that personal characteristics moderate the development of customer loyalty (Evanschitzky and Wunderlich, 2006) leading to the following hypotheses:

Hypothesis 2: Product involvement differs across demographic backgrounds;

Hypothesis 2a: Gender and education are positively related to the antecedents of product involvement;

Hypothesis 2b: Age and life stage are positively linked to the antecedents of product involvement; and

Hypothesis 2c: Income and occupation are positively related to the antecedents of product involvement.

METHODOLOGY

This study adopts a positivist philosophy combined with a deductive approach (Saunders, Lewis and Thornhill, 2007). Self-administered electronic mail questionnaires were chosen, and the questions were adapted from Quester and Lim (2003) for brand loyalty and Kapferer and Laurent (1993) for product involvement using a five-point attitudinal scale. Interpretive validation by a focus group (Tashakkori and Teddlie, 2003) and expert review were utilized to develop the questionnaire. Translation/back-translation procedures were followed for the German version.

The final draft of the questionnaire consists of three parts. In part one, 16 questions measure involvement for five antecedents (Kapferer and Laurent, 1985; 1993). In part two, participants identified a previous four or five star hotel experience to use when completing the questions. Seven questions sought background information. In addition, 17 brand loyalty questions measure brand loyalty and loyalty components (Quester and Lim, 2003) as well as the influence of loyalty programs (Skogland and Siguaw 2004). The third part contains demographic questions. Involvement and Loyalty were measured on five-point Likert-style scales. Additionally, involvement was measured on a seven-point semantic scale. Instructions for the hotel-stay background were given for the "Last leisure hotel stay" and open questions were selected.

Swiss travellers have the disposable income needed to stay in upscale hotels and travel extensively (Bundesamt für Statistik, 2007). Switzerland has an estimated German speaking population of 4,927,988 (Central Intelligence Agency, 2008). Of 558 social clubs, 80 gave permission to survey their members. A total of 2400 participants received the questionnaire.

DATA ANALYSIS AND DISCUSSION

A total of n=174 questionnaires were received. Seven questionnaires were eliminated resulting in n=167 (7.0% response rate). Kolmogorov-Smirnov tests showed non-significant results suggesting normal distribution for parametric tests. With a Cronbach alpha coefficient of 0.91 for internal consistency of both concepts, the scale can be considered reliable. The individual product involvement scale score of 0.68 is acceptable (Hair et al., 1998). The brand loyalty scale has a high reliability of 0.96.

Of the 167 participants 127 were male (76.0%) and 40 (23.4%) were female. The typical participant is male, between 46–55 years of age and married with adult children. He completed vocational school or has a Diploma degree and is in an executive position with a monthly income of 10,001 to 20,000 CHF. Product involvement is positively correlated at the .001 significance level to all antecedents (n=161): interest (0.601), pleasure (0.656), sign (0.583), risk importance (0.544), and risk probability (0.445).

Following Laurent and Kapferer (1985) and Sridhar (2007) three involvement groups were classified: participants scoring 'below 49' are low involved (27% of respondents), '50-57' are moderately involved (30.2% of respondents) and '58 and above' are highly involved (42.8% of respondents). In the high involvement group, the antecedents interest (0.30), pleasure (0.36) and risk probability (0.35) showed medium strength correlations with involvement, all significant at the 0.05 level (n=48). In the low involvement group moderate correlations of interest (0.46) and pleasure (0.43) are significant at the 0.01 level, while sign (0.34) is correlated at the 0.05 significance level (n=45). In contrast, in the moderate involved group, only pleasure (0.28) and risk importance (0.31) show somewhat weaker correlations with involvement significant at the 0.05 level and sign value (0.32) at the 0.01 level. Results sheeps://scholegy.or/thesesanted/cefentsd/freedom/frameday/affect high or low-involved participants. The higher

interest correlation in the low involvement group compared to high is counter-intuitive. Possible explanation is that Hochgraef et al.: Swiss consumers product involvement overall low-level antecedents appear more significant. However, on a general high level the difference is smaller.

Overall product involvement with a mean of 3.35 seems to be relatively low. However, some researchers (Mittal and Lee, 1989) consider interest as a better measure of involvement. With a mean of 4.02, hotel services show medium high interest. The means according to involvement groups are summarized in Table 1 on a scale from 1=strongly disagree to 5=strongly agree.

Antecedents/ Concepts	Product Involvement Groups			
	High inv.	Moderate inv.	Low inv.	Overall inv.
T interest	4.49	4.00	3.45	4.02
T product involvement	3.81	3.32	2.88	3.35
T Brand Loyalty	2.75	2.75	2.33	2.64

Table 1 – Mean scores for antecedents and overall brand loyalty for each involvement group

Brand loyalty is measured with three components. Participants have a low brand loyalty (overall mean 2.6). As in Quester and Lim's (2003) study, the similar mean between 2.05 and 3.12 of the three components in all groups suggests that participants did not distinguish between them. Prerequisites for brand loyalty are attitudinal and behavioural loyalty, both of which were low with 53.2% of respondents having their first stay in the hotel they last stayed in. A possible reason is that hotel brands are not available in every possible location, so travellers must stay with different brands. Respondents considered themselves loyal guests already after the first visit and loyalty declined with each additional stay, suggesting that the service quality experience is not as satisfying as before. Switching cost is low as guests perceived little difference among brands, confirming findings of Gursoy and Gavcar (2003). Participants with a perceived difference amongst the brands as a pre-requisite to be product involved and/ or brand loyal were only shown in the correlation to product involvement. A significant relationship of 0.228 at the 0.01 level (n=154) was found and reconfirms previous studies.

To test the different hypotheses the following sections indicate the strength and direction of relationship between the variables (Bryman and Cramer, 2005). Hypothesis 1: Product involvement is positively related to brand loyalty. Pearson's product moment correlation coefficient was used to assess the strength of the relationship between the two variables and determine the direction and percentage of variation (Davis, 2005). A significant relationship of 0.228 (N= 154) at the 0.01 level suggests that when product involvement increases so does brand loyalty. The hypothesis is therefore accepted. Hypothesis 1a: Product interest is positively linked to the three levels of brand loyalty. As involvement is positively correlated with 0.297 at the 0.01 level to cognitive level of loyalty, it also significantly correlates with brand loyalty (0.169 at the 0.05 level, n=158). The hypothesis is only partly accepted (see Table 2).

Antecedent	edent Brand loyalty and components				
		Cognitive	Affective	Conative	Brand Loyalty
Interest	Pearson Correlation	0.297**	0.143	0.144	0.169*
	Sig. (2-tailed)	0.01	0.069	0.067	0.034
	Ν	160	162	162	158
Pleasure	Pearson Correlation	0.351**	0.246**	0.205**	0.256**
	Sig. (2-tailed)	0.01	0.002	0.008	0.001
	Ν	160	162	164	158
Sign	Pearson Correlation	0.277**	0.199**	0.186*	0.217**
	Sig. (2-tailed)	0.01	0.010	0.016	0.006
	Ν	162	165	166	161
Risk Importance	Pearson Correlation	0.183**	0.123	0.86	0.133
	Sig. (2-tailed)	0.020	0.117	0.271	0.093
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Table 2 Correlation between	involvement antecedents and	l components of brand lovalty

Risk Probability	Pearson Correlation	HRIE Conference-	Refereed Track, Ev	ent 4 072	-0.091
	Sig. (2-tailed)	0.146	0.226	0.357	0.252
	Ν	162	164	166	160

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed)

Hypothesis 1b: Pleasure is positively related with the three levels of brand loyalty. Pleasure affects all stages of loyalty at .001 significant level. The hypothesis is accepted. For Hypothesis 1c: Sign value is positively associated with the three levels of brand loyalty. Brand loyalty and its components increase when sign increases. The hypothesis is accepted. Hypothesis 1d: Risk Importance is positively linked with the three levels of brand loyalty. Risk importance shows significant correlation (.183) to the cognitive stage, hence the hypothesis is only partly accepted. Hypothesis 1e: Risk probability is positively related with the three levels of brand loyalty. Risk probability is the only antecedent with no significant correlation to any loyalty stage. This hypothesis is rejected.

To test Hypothesis 2, one-way analysis of variance (ANOVA) was used. For Hypothesis 2: Product Involvement differs across demographic backgrounds. ANOVA results show significant difference (0.17) between the age groups 18-25 (n=3) and 26-35 (n=14). The mean scores showed that the younger age group seems less involved with hotels. Hypothesis 2 is partly rejected. Hypothesis 2a: To compare the product involvement scores for males (M=3.66, SD=0.72) and females (M=4.14, SD=0.64), an independent-samples t-test resulted in a significant difference (0.00) for the pleasure antecedent, whereby females receive more pleasure from hotel stays. Differences in the means remain small (eta squared=0.09) and other antecedents were unaffected. Education showed no significance. Therefore, the hypothesis is partly rejected. Hypothesis 2b: Age and life stage are positively linked to the antecedents of product involvement. The ANOVA test between age groups and the antecedents showed a statistically significant difference score of 0.014 (n=158) for risk importance. The actual difference in mean scores between the groups is medium (eta squared=0.84). Life stages and the pleasure antecedents showed a significance at the 0.05 level. Separated, divorced and widowed respondents combined in one group experienced more pleasure than others. The hypothesis is therefore partly accepted. Hypothesis 2c: Income and occupation are positively related to the antecedents of product involvement. Using ANOVA, income groups resulted in a small significance score with the pleasure and sign antecedent. Pleasure, with a small significant difference of 0.008 and a mean difference between two income groups is (-) 1.06667 at the 0.05 level. The mean plots indicate the highest score for the group of 'CHF 5,000 and below', while 'CHF 20,001 and above' has the lowest score. At the 0.05 level, except for the 'CHF 5,001–7,500' group all groups are significantly different from the 'CHF 5,000 and below group'. Results suggest pleasure decreases as income increases. Leisure hotel stays per year and income are correlated with a small relationship of 0.221 at the significance level 0.01 (n=151).

The ANOVA between occupation level and the antecedents showed significance with interest 0.31 (n=157) and risk importance with 0.17 (n=159). However, the multiple comparison and mean scores detected no significant difference between or within the groups of interest. After removing the category 'other' to display the multiple comparisons for risk importance with a medium difference in the mean scores of 0.08 (eta squared). Professional employees had the lowest mean of 2.71. Thus, a tendency for professional employees to perceive less risk importance is the result, while the occupations with scores between 0.58 and 0.964 showed no significance. Therefore, the hypothesis is partly rejected. Comparing demographics for the three levels of involvement, tendencies suggest that the age of participants plays a role in the high product involvement category, as does education. Majority of the low involved respondents had a vocational education with occupations at a professional level. While moderate involved mostly had Bachelor degrees and were working at management level, and for the high-involved guests, Bachelor or Master's was most common with occupation at a Director/Executive level as shown in Table 3.

Demographic	Categories High involved	Categories Moderately involved	Categories Low involved
Age	36-55	46-65	46-55
Life stage	Married, with children older than 20 years plarworks.umass.edu/refereed/Sessio	Married, with children older than 20 years ns/Saturday/4	Married, with children older than 20 years

Table 3 – Involvement profiles

Education	Bachelor/ Master Hochgraefe et a	Bachelor/Diploma	Vocational
Income	10,001-20,000CHF	10,001-20,000	10,001-20,000CHF
Occupation Level	Financial Service/Acc.	Self-employed, Director/ Executive	Director/Executive/ Self-employed
Occupation	Director/Executive	Management	Other professionals
Antecedents	Interest, pleasure, risk probability	Pleasure, risk importance, sign value	Interest, pleasure, sign value

Note: Establishment of demographic profiles are only tendencies, which are insignificant in this study.

In summary, the researchers analyzed background information and tested two hypotheses. The first examined the relationship between product involvement and loyalty and resulted in coherence with previous literature. Product involvement showed significant connection to brand loyalty, but overall brand loyalty was low in the study. The second hypotheses concerned with the demographic influence on product involvement suggest that characteristics of the individual hardly effect product involvement, and those hypotheses were rejected.

CONCLUSIONS AND RECOMMENDATIONS

This research contributed new insights about the link between product involvement and brand loyalty of Swiss consumers' perceptions and a first step to establishing profiles of high and low involved guests. Switzerland as a travel intensive nation and major travel origin market is a bright spot for outbound travel in the near future.

Overall, the Swiss respondents show a relatively high interest in hotel stays during leisure trips, which show an opportunity for hotels targeting Swiss citizens in the four and five star segment. In literature, hotels as a service are suggested to be more involving than products. The question established from the literature, if involvement varies when triggered by different antecedents answer distinguished involvement levels.) High and low involvement guests were distinguished by their demographics, but no significant correlations could be identified. However, results suggest certain tendencies between the groups. Participants 46 years of age and younger tend to be higher involved. They also have an overall higher education level, with occupations in the financial sector. Sridhar (2007) suggested similar influences, although, with a significant correlation, which varies with the object.

Analysis of the loyalty section led to valuable results in respect to loyalty as perceived by guests. Location and service were the most common factors on how guests differentiate hotels and possibly explain some relationships with loyalty. Brand loyalty for an individual hotel is weak, as guests want to visit different locations. The longer a guest stays in a hotel, the deeper is the relationship with the hotel and also the loyalty. This suggests that attitudes play a significant role, which is in line with reports by Dick and Basu (1994). Guests perceived themselves as loyal after their first visit, which decreased with every following one. However, as they return after presumably a great first experience, other variables influence the stay. The reason for a loss in the early established and probably 'light' loyalty can be dissatisfactory expectations. These findings correspond with suggestions by Varki and Wong (2003) that high-involvement guests have a greater need for solution handling and satisfactory treatment.

The first hypothesis investigated the effect of product involvement on brand loyalty including the potential influence of each antecedent on the three loyalty components. A positive correlation between both concepts has shown that one impacts the other consistent with Quester and Lim (2003). However, product involvement is part of the decision making process relevant to guests, agreeing with previous literature (Bauer, Sauer and Becker, 2006). The interest, pleasure and sign antecedents were positively correlated to brand loyalty and its components at statistically significant levels. Especially strong were the pleasure and sign antecedents, which play a possible key role as they affect all three components. Different antecedents trigger consumers' product involvement which influences brand loyalty. Hence, interest signifies hotel stays as a medium-high involvement service. Pleasure and sign value are the antecedents predicting why interest is high. It suggests the main purpose of a hotel stay is to give pleasure to the guest. The high sign value proposes that guests make their choice as per their own self-concept and the image they want to communicate to their environment. Risk importance only showed a significant correlation with the cognitive component, while risk probability did not have any influence contrasting with results reported by Gabbott and Hogg (1999) which showed high sign value, but low interest and risk importance. Differences in the segment **priservices san bay the results**. Also₅ the

probability of making the wrong choice is considered non-significant in all the loyalty components. In Quester and Lim's (2003) study, both risk antecedents played only a role for the low-involvement product, which is a possible explanation why it resulted in a significant role for one loyalty component. The antecedents of involvement affect especially the cognitive component, which also attributes to the rational decision-making of the rather low uncertainty avoidance culture.

The second hypothesis investigated the effect of demographics on product involvement. The weak influence of demographics on product involvement compared favourably to previous studies (Skogland and Siguaw, 2004; Evanschitzky and Wunderlich, 2006; Sridhar, 2007) and might be due to the limited number of participants in each category, and the many male participants. Compared to the study by Sridhar (2007), the high involvement products did show differentiation while low involvement was only moderately influenced. Hotels on the medium high involvement scale appear to have a different effect, maybe because of the service character. Tendencies with significance are shown in the age group of 18-25 old with the lowest and the 26-35 olds with the highest score. Possible reasons are that the lifestyle of younger respondents especially during their education is not necessarily focused on hotels. Pleasure has significance on the overall product involvement, brand loyalty and stays in connection to certain demographics. Females especially scored significantly on pleasure received by hotel stays, with an albeit small difference. A possible connection exists to the masculine cultural dimension in Switzerland. Also, the life stage 'separated, divorced or widowed' scored with a medium strong difference experience pleasure stronger. Their independence of choice is a possible explanation. Risk importance had a significantly weak impact on professionals, the lowest category of occupation levels. The possible negative consequences of poor choice effects more high designations, which are important as status rises. This goes along with the result that income correlated to pleasure and sign value, even though with higher incomes the pleasure decreases but the sign value rises. Higher income often means higher status, thereby increasing brand matches between self-image and perceptions of others. However, demographics do not constantly affect the relationship, possibly due to additional variables.

During the research process, the authors faced some limitations in the data collection. Using emails as a communication medium led to difficulties that slightly reduced the response rate. Furthermore, gaining access to suitable respondents led to the moderate sample size. In addition, sampling service clubs potentially led to patterns of characteristics. Analysis in regards to the demographics established limited results and no assumptions based on gender are possible. Future research should try to overcome these sampling limitations.

Based on this study the following recommendations can be given for the marketing managers of Swiss hotels. The findings suggest that hotels are important to the Swiss respondents. For leisure holidays the rewarding nature (pleasure) received during a stay along with the personal meaning and self-concepts of the hotel brand are the main focus of the hotel guest. To increase involvement, the personal relevance has to rise with providing personal benefits differentiated from the competition. The increase in involvement leads to the increase in brand loyalty. However, it has to be noted, that involvement is not the only factor to influence the loyalty concept. Overall brand loyalty is suggested to be low. An opportunity for managers to manage product involvement is to pay attention to the level of involvement by establishing high-involvement – low involvement profiles including the antecedents and demographic tendencies in order to increase the potential consumer-product relationship and process important information on marketing activities. The necessary information could possibly be obtained through guest feedback forms or histories. For instance, a mailing could be sent to the high-profile guests focussing on the pleasure received during a stay at a specific hotel or with a certain brand mentioning that this is a safe choice for a great vacation. The same can be applied to the other groups. Moving guests from low to a higher involved group was outside the scope of this research. Age groups from 26 only should be targeted. Females can be specially targeted with focus on the pleasure antecedent, which could involve special 'pleasure packages'. Maybe in a combination with the life cycle of separation, divorced or widowed as these guests perceive pleasure even stronger. An increase in income for higherranking professionals increases the sign value, which has to be suitable to the target market and its focus on selfexpression and image. Hence, focused marketing can improve the effectiveness for both concepts measured when guests are segmented across demographics. Hotels can identify their low-involvement customers, who have limited information processing and a different focus, and increase their product involvement and brand loyalty. The highinvolved customers need individual service and well-structured complaint handling to prevent decrease in loyalty. An increase in involvement does presumably lead to a strengthened relationship with a positive effect on service loyalty. Tourism operators could use these concepts to better target Swiss travellers for their international journeys. https://scholarworks.umass.edu/refereed/Sessions/Saturday/4 6

Sales and marketing managers should be aware of and anticipate the requirements for a stronger loyalty effect. The results suggest other implications for managers by the high, moderate and low involvement groups. The high involvement guests with their antecedents' pleasure and risk probability should be targeted with marketing tools accordingly. While for the low involvement guests, pleasure and sign should be the main focus. Risk probability for the high-involved group is important, as is sign value for the low involved group. In the moderate involved group, however, risk importance and sign value were significant. Establishing these kinds of profiles with clues for market segmentation can be part of an effective strategy of a hotel. Results further suggest that prediction of specific behaviour linked with service consumption depends to some degree on antecedents of involvement. Marketing managers should acknowledge the influence of service characteristics on antecedents and integrate these into their marketing concepts.

Loyalty is essential for businesses in the service industry, as it secures future profits at a reduced cost factor. The fact that loyalty is perceived by many respondents after their first visit recognizes that repeat visits are not required to be loyal. It also demonstrates the attitudinal side of loyalty and the importance of emotions. Also, the key criteria for guests to return and to differentiate among hotels are suggested by the results to be location and service. The benefits of these factors are assumed to be an opportunity to increase the involvement level. Furthermore, since guests feel a certain degree of service loyalty after their first visit, treating them like loyal guests from their first visit can be beneficial. In order to reinforce their behaviour and increase the possibility of a return visit, procedures like using the name of the guests and taking note of preferences are important. Since this is standard in most five star properties, it can be an explanation of the early loyalty perception. Service was the second highest criterion to be considered for return visits. Differentiation among hotels should be receiving more attention.

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