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Customer relationship management (CRM) of hotels in the context of variety-seeking behaviour (VSB)

Maduka Udunuwara
Edith Cowan University

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**Customer relationship management (CRM) of hotels in the context of
variety-seeking behaviour (VSB)**

Maduka Udunuwara

This thesis submitted in fulfilment of the requirements for the award of Doctor of Philosophy

School of Business
Faculty of Business and Law
Edith Cowan University

2015

USE OF THESIS

The Use of Thesis statement is not included in this version of the thesis.

Abstract

This study combined two significant areas in marketing, customer relationship management (CRM) and variety-seeking behaviour (VSB), which are paradoxical constructs due to their contradictory intentions. While organisations implement various customer relationship management practices with an intention of retaining customers and generating loyalty, a preference for variety-seeking behaviour can make customers switch. This study investigated the impact of variety-seeking behaviour on generating outcomes of customer relationship management practices in the hotel context, by focusing exclusively on leisure travellers.

Even though customer relationship management is widely adopted in the hotel domain, much of its discussions are on implementation related aspects, rather than on the practices that manifest due to CRM implementations. Thus, only a few studies have investigated the effectiveness of CRM from a customer point of view. Numerous factors affecting customer switching behaviour have also been discussed in the hotel literature. Variety-seeking behaviour is identified as a key factor influencing customer loyalty and switching in numerous other services in the tourism domain. However, variety-seeking behaviour in the hotel domain has not received scholarly attention.

This study investigated the customer relationship management practices experienced by leisure travellers in their hotel visits. Based on the observations from the literature, and also from studies on variety-seeking behaviour in other contexts, this study explored whether leisure travellers seek variety in the hotel context. Combining the two domains, it then investigated the impact of variety-seeking behaviour on the effectiveness of customer relationship management to generate its outcomes. In turn, it also determined the impact of customer relationship management on influencing the variety-seeking behaviour of leisure travellers.

This study adopted a sequential mixed method design. The initial qualitative stage explored the concepts in-depth, and addressed four exploratory research questions. It also generated items to initiate the subsequent quantitative phase, and to generate hypotheses. The quantitative phase involved pilot testing, validating a new measurement scale, testing the hypotheses and making generalisations to a larger population.

The qualitative phase involved five focus groups which consisted of 22 participants in total. The quantitative stage involved a survey which consisted of 400 responses. Prior to

the survey a pilot test was conducted with a sample of 100 respondents. The samples for both qualitative and quantitative stages were selected based on the criterion 'leisure travellers who have been to the same international destination two or more times' This criterion was important in identifying hotel selection patterns which in turn provides grounds to understand variety-seeking behaviour of leisure travellers.

The qualitative findings identified numerous customer relationship management practices experienced by leisure travellers. They were categorised as: pre-encounter, encounter and post-encounter practices. It was also found that while some seek familiarity many leisure travellers do seek variety in the hotel context. The data revealed that leisure travellers can be categorised into three groups based on their degree of variety-seeking behaviour, those who visit: 1) the same location and the same hotel 2) the same location and different hotels, and 3) different locations and different hotels. They were named the familiarity/familiarity seeking group (FF), the familiarity/variety seeking group (FV), and the variety/variety seeking group (VV) respectively.

The quantitative stage commenced with validating a new measurement scale. The findings indicated that even though customer relationship management leads to word-of-mouth recommendation, it does not lead to repeat visitation. Through multi-group moderation analysis it was further identified that the outcomes of customer relationship management do not vary based on the degree of variety-seeking behaviour of travellers. The relationship between CRM and VSB was found to be two fold—while on the one hand customer relationship management leading to repeat visitation is fully mediated by the intrinsic factors affecting variety-seeking behaviour, on the other hand customer-relationship management does have a significant influence on variety-seeking behaviour.

This study contributes to the body of knowledge on customer relationship management and variety-seeking behaviour. The theoretical contribution includes the identification of the impact of customer relationship practices on generating repeat visitation and word-of-mouth and the extension of the theory of VSB to the hotel context. This study pointed to some effective segmentation dimensions and methods to improve targeted communication that can be used by hotel practitioners. The mixed method approach enhanced the methodological rigor used in realising the above contributions.

The declaration page
is not included in this version of the thesis

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Chapter One-Introduction

1.1 Introduction

This study investigates the effectiveness of customer relationship management (CRM) practices carried out by hotels in the context of variety-seeking behaviour (VSB). Adopting a sequential mixed method design, the study focuses on Australian leisure travellers who have visited the same international destination two or more times.

While the literature tends to discuss customer relationship management and variety-seeking behaviour separately, this research investigated the two areas in combination, addressing the question: What is the impact of hotel customer relationship management in achieving repeat visitation and word-of-mouth recommendation in the context of variety seeking? Such a combined approach contributes substantially to the knowledge of customer relationship management, variety-seeking behaviour and leisure traveller hotel selection.

The purpose of this chapter is to provide an overall picture of the research. It begins with the background to the research, followed by a statement of the research problem, a brief outline of the methodology adopted to investigate the problem, the research purpose, the research questions, the scope of the research and its significance. The chapter also provides definitions of key terms and expected outcomes, before concluding with the thesis outline and a brief summary.

1.2 Background to the research

This section provides the background to the key concepts of customer relationship management and variety-seeking behaviour by explaining the constructs in general, and then in relation to the hotel context.

1.2.1 Customer relationship management (CRM)

CRM is gaining increasing attention of both researchers and practitioners particularly in the services domain (Shamma, 2015). It has become an essential customer focused business practice (Buttle, 2004). While the term 'CRM' first emerged in the 1990s (Öztaysi, Sezgin, & Özok, 2011), its importance in the twenty first century is continuing to grow (Kim, Suh, & Hwang, 2003; Nairn, 2002). Going beyond the importance of attracting customers, CRM emphasises the role of retaining customers (Zikmund, McLeod, & Gilbert, 2003). Thus, CRM goes beyond a transaction, to maintain long-term relationships. As pointed out by Armstrong, Adam, Denize, and Kotler (2010), CRM is the most important concept in modern marketing, and a key ingredient in building customer value and satisfaction.

CRM is built on the conceptual foundations of relationship marketing (Battor & Battor, 2010; Reinartz, Krafft, & Hoyer, 2004), which also focuses not only on getting customers but also on keeping and growing them (Berry, 1983). Due to the common grounds between relationship marketing and CRM they have been referred to interchangeably in the literature (Parvatiyar & Sheth, 2000; Parvatiyar & Sheth, 2001). They also have common elements including one-to-one relationship with customers, an interactive process rather than a transactional process, value added activity with mutual interdependence, and collaboration between the supplier and the customer (Parvatiyar & Sheth, 2001). Acknowledging the differences, Gummesson (2008) stated that relationship marketing is the attitude of the organisation, whereas CRM is the tool used to implement that attitude. As pointed out by Mitussis, O'Malley, and Patterson (2006), while relationship marketing focuses on all parties including suppliers, competitors and intermediaries, CRM exclusively focuses on managing end customer relationships. Consequently, CRM has become a separate field of marketing.

CRM has gained attention from both practitioners and scholars (Parvatiyar & Sheth, 2001; Payne & Frow, 2013). The importance placed on CRM by practitioners is evident from the estimations of global expenditure on CRM implementations and related services amounting to over USD 100 billion (Payne and Frow, 2013). While numerous software vendors such as Siebel, PeopleSoft, Pivotal, Oracle, SalesLogix, and Salesforce.com (Buttle, 2004) are involved in extensive discussions on CRM and its related benefits, a plethora of CRM software systems are also being marketed. The scholarly interest in CRM is evident from the increasing number of publications. A simple word search in ProQuest Social Science Journals indicates that there are 232,990 full text and peer reviewed articles related to the acronym CRM (on 22/11/2014).

CRM has been defined in numerous ways. The definitions are largely framed by the forms of CRM (Reinartz et al., 2004). For the purpose of explaining CRM, this study adapts the definition of Dyché (2002). Dyché (2002, p. 4) defines CRM as: *“the infrastructure that enable the delineation of an increase in customer value, and the correct means by which to motivate valuable customers to remain loyal—indeed, to buy again”*. Dyché’s definition brings out the key elements of CRM such as infrastructure, customer value and loyalty.

The key infrastructure of CRM is emphasised as people, process and information technology (IT) (Chen & Popovich, 2003; Kim, Choi, Qualls, & Park, 2004; Mendoza, Marius, Pérez, & Grimán, 2007). People contribute to CRM through their involvement in key tasks, such as designing and implementing CRM software, and customer interactions. Peoples’ interactions with the customer also play a significant role in customer perception of service quality (Petrillose & Brewer, 2012). The process of CRM determines the way the service is delivered to the customer (Lovelock, Patterson, & Wirtz, 2011). IT is assigned the task of supporting people and processes. It is acknowledged as the key infrastructure that can be used to effectively manage relationships (Bohling et al., 2006). For example, a technology-assisted CRM system contributes to efficient and effective data collection, collation, storage, updating and mining (Luck & Stephenson, 2009), and assists in making effective decisions when serving the customer. In combination with people and processes, IT plays a significant role particularly in building better relationships, and also for CRM implementations (Chen & Popovich, 2003). With the assistance of people, processes and IT, CRM focuses on retaining existing customers.

Numerous concepts guide CRM to achieve its objectives. The concept 'value' plays a significant role in customer retention (Harwood & Garry, 2006; Veloutsou, Saren, & Tzokas, 2002). Value can be explained from both the perspective of the customer and the organisation, with customers perceiving value *when the benefits of staying with one service firm significantly exceeds the associated costs*, whereas the firms perceive value *based on the economic deliverables* (Lovelock et al., 2011, p. 366). The concept 'customer centricity' (Parvatiyar & Sheth, 2001), which is also referred to as customer orientation (Akroush, Dahiyat, Gharaibeh, & Abu-Lail, 2011; Morgan & Hunt, 1994), is identified as a key determinant of value creation as it facilitates delivery according to customer requirements. Focusing on the above concepts, marketers attempt to provide an offer beyond customer expectations, and focus on a win-win situation for both parties in the exchange (Gummesson, 2008).

The potential to generate benefits to both organisations and customers provides strong grounds for adopting CRM (Osman, Hemmington, & Bowie, 2009). CRM systems are used to get to know the consumers, their likes and dislikes (Randal & Kurt, 2013) and facilitates customisation according to needs, which lead to customer satisfaction, customer retention, loyalty, customer lifetime value, increased business performance, sales growth, and even employee satisfaction (Amoako, Arthur, Bandoh, & Katah, 2012; Davids, 1999; Law, Ennew, & Mitussis, 2013; Vogt, 2010; Zikmund et al., 2003). In addition, through the maintenance of long-term relationships with the organisation customers receive confidence benefits such as knowing what to expect from the service encounter and less service anxiety, and the social benefits such as being recognised by employees, special treatment, price discounts, faster customer service and added services (Gwinner, Gremler, & Bitner, 1998).

CRM practices are elicited in numerous ways. They can vary from a simple thank you (Duboff & Sherer, 1997), remembering the names of the customers (Bowen & Shoemaker, 1998) to sophisticated software solutions (Ku, 2014). The breadth of CRM can be narrowed down through understanding the forms of CRM—strategic, analytical, and operational CRM (Buttle, 2004; Iriana & Buttle, 2007). Strategic CRM is defined as *“a top-down perspective on CRM which reviews CRM as a core customer-centric business strategy that aims at winning and keeping profitable customers”* (Buttle, 2004, p. 3). Strategic CRM reflects the philosophy of the organisation and its customer centric approach. Strategic CRM is aimed at deepening the knowledge about the customers

through four main components: customer management orientation, implementation and alignment of organisational process, information capture and alignment of technology and CRM strategy implementation (Buttle, 2004; Iriana & Buttle, 2007; Kumar & Reinartz, 2006).

Analytical CRM is defined as “*a bottom-up perspective on CRM which focuses on the intelligent mining of customer data for strategic or tactical purposes*” (Buttle, 2004, p. 3). The key component of analytical CRM is customer information. Along with IT, analytical CRM is assigned the task of accumulating, storing, organising, interpreting, and distributing customer data (Iriana & Buttle, 2007). Analytical CRM is designed for analysts to use customer data, captured at numerous touch points to make decisions about the customers. The information is also distributed to the customer contact staff to use in effective and efficient customer interactions. Furthermore, analysis of data on the characteristics and behaviour of the customer can be used to predict customer behaviour, initiate proactive communication with the customer, and to optimise communication (Doyle, 2002).

Operational CRM is defined as “*a perspective on CRM which focuses on major automation, sales force or marketing automation*” (Buttle, 2004, p. 3). Operational CRM is concerned with the automation of tasks related to the customer-facing level which focus on the total customer experience (Kumar & Reinartz, 2006). While operational CRM collects customer data through numerous touch points such as contact management systems, mail, fax, sales force, and web it also uses the data for efficient and effective interactions (Xu & Walton, 2005). Buttle (2004) discusses a number of software solutions under operational CRM such as marketing automation (market segmentation, campaign management and event based marketing), sales force automation (lead management, contact management and product configuration) and service automation (which includes contact and call centre operations, web-based service and field service) (Buttle, 2004, p. 5). Due to the involvement of a number of software solutions, operational CRM mainly includes the technological adaptation.

Emphasising exclusively on customer interactions in CRM, Reinartz et al. (2004) also refer to operational CRM as customer-facing CRM and define it as “*a systematic process to manage customer relationship initiation, maintenance, and termination across all contact points to maximize the value of the relationship portfolio*” (Reinartz et al., 2004, pp. 294-295). Customer-facing CRM consists of three stages—initiation, maintenance

and termination. The main purpose of the initiation stage is to gain and retain relationships with the customer and to attract prospective customers. The maintenance stage deals with different strategies such as cross selling and customisation, with the intention of retaining customers. At the termination stage, unprofitable customers have been evaluated and found not worthy of retaining (Reinartz et al., 2004). Even though Reinartz, et al. (2004) investigated customer-facing CRM, their focus was mainly on CRM implementations. This study takes an interest in CRM practices experienced by customers which may manifest due to such implementations.

Emphasising the importance of CRM practices experienced by the customer, in this study the existing research on CRM is divided into two categories. The CRM implementations related aspects are referred to as back-stage CRM, whereas the practices experienced by the customers due to such implementations are referred to as customer-facing CRM. Focusing on CRM practices experienced by the customer, CRM in this study is defined as: *“all practices related to the CRM mind-set of an organisation, experienced by the customers, through the three purchase time zones, pre-encounter, encounter, and post-encounter”*

1.2.2 CRM and the hotel industry

The hotel sector has attributed significant importance to CRM (Akroush et al., 2011; Lo, Stalcup, & Lee, 2010; Luck & Lancaster, 2003; Sarmaniotis, Assimakopoulos, & Papaioannou, 2013; Sim, Mak, & Jones, 2006; Sin, Alan, & Yim, 2005). Several factors have accounted for the requirement to adopt CRM in hotels, such as the changes prominent in the modern business environment including the availability of a large number of options to the customers (Nasution & Moavondo, 2008; Shirazi & Som, 2011), and consequently the customer being in charge of selecting the supplier (Gilbert, Powell-Perry, & Widijoso, 1999). The homogeneous nature of the hotel core product also necessitates differentiating one hotel from its competitors, which accentuates the adoption of CRM as a differentiation strategy (Kandampully & Suhartanto, 2000; Luck & Lancaster, 2003).

Numerous customer-facing CRM practices have contributed to generating loyalty in the hotel domain. Among them Uncles, Dowling, and Hammond (2003) states that loyalty programs are the key manifestation of CRM. Many other practices that manifest due to

CRM implementations are also been widely quoted as examples in the hotel sector. Some such practices are listed in table 1.1.

Table 1.1 Examples of hotel CRM practices

Service encounter stage CRM practices
<ul style="list-style-type: none"> • special guest programs, services and promotions based on hotel guest preferences (Poulis & Poulis, 2011)
<ul style="list-style-type: none"> • constantly keep in touch with the customers • personalised messages • praises • extra frequent flyer miles or discounts on other products • special deals • due recognition • addressing the customers by their names (Adams, 2001; Vogt, 2010)
<ul style="list-style-type: none"> • websites and personalised emails • other efforts in building and maintaining profitable customer relationships by identifying and satisfying customer needs and expectations (Akroush et al., 2011)
<ul style="list-style-type: none"> • customer service at every customer touch point • customisation • reward programs and community building as the key components of a relationship program (Winer, 2001)
<ul style="list-style-type: none"> • get to know best customers personally • reward them with special services and attention • notifying about special offers, giving them a free drink and special desserts were highlighted as more effective strategies (O'Brien & Jones, 1995)
<ul style="list-style-type: none"> • sending birthday cards • discounts for long term customers (Chen and Chen, 2014)

Despite numerous customer-facing CRM practices adopted by the hotel sector, unlike loyalty programs, the effectiveness of many other practices has not been subject to empirical investigation. Among the few studies that have empirically tested alternative customer-facing CRM in the hotel context were Bowen and Shoemaker (1998); Kim, Han, and Lee (2001); Tideswell and Fredline (2004) and Wu and Li (2011). Their operationalisations of customer-facing CRM practices are listed in table 1.2.

Table 1.2 Hotel CRM practices at the encounter stage

CRM dimensions
<p>Loyalty: A strategic commitment (Bowen & Shoemaker, 1998)*</p> <ul style="list-style-type: none"> • The hotel provides upgrades when available • You can check in and out at a time that suits you • The hotel uses information from your prior stays to customise services for you • You can request a specific room • Employees communicate the attitude that your problems are important to them. • When you return to this hotel your registration process is expedited • The staff recognise you by name • The staff recognise you when you arrive • The hotel offers technology equipped guest rooms so the room can become an office • The hotel has a 24-hour business centre • The hotel has a frequent-guest program that allows you to earn points toward free accommodation • The hotel provides you with occasional gifts • When you make a room reservation, the hotel helps you with all other reservations • The hotel has a credit card that allows you to accumulate points toward the hotel's frequent-guest program each time you use it • The hotel has connections with individuals or organisations that help you enjoy your stay or be more productive • The hotel provides programs for children • The hotel sends out news letters
<p>Effects of relationship marketing on repeat purchase and WOM (Kim et al., 2001)</p> <ul style="list-style-type: none"> • Confidence service • Reliability of employees • Reliability of hotel programs • Employee puts customers' needs and interests first • Employee makes an extra effort to handle guests' requests • Guest contact • Employee handles guests' complaints actively • Employee deals with guests' inquiries accurately • Employee knows guests' needs and wants well • Employee deals with guests' inquiries speedily • Employee counsels and compensates unsatisfied guests • Communication • Consistent communication through newsletters or direct mail • Telemarketing services • Sending thank-you letters and birthday cards • Treating guests as special and valued

The relationship between CRM,RQ, and CLV based on different hotel preferences
(Wu and Li, 2011)

- The company has provided a customised service
- The company has a privacy protection policy
- Searching for information about the company is easy
- The company provides detailed maps and transportation guides
- The service times of the company meet customer requirements
- The company provides convenient room reservation services
- The company provides a convenient payment process
- The company provides convenient and easy to use facilities
- The company cares for the customer's needs eagerly
- The company replies to customer opinions
- The company has a membership program
- The company has a website
- The company has a convenient interactive communication channel
- The company has a questionnaire survey policy for customers

*Tideswell and Fredline (2004) also adopted the scale of from Bowen & Shoemaker, (1998).

The scant attention directed towards the above practices accentuates the importance to investigate alternative CRM practices in addition to loyalty programs (Shanshan, Wilco, & Eric, 2011). In this study it is argued that such CRM practices are important in evaluating the effectiveness of CRM to generate loyalty. While emphasising the importance of customer-facing CRM, this study also combines variety-seeking behaviour to further understand the effectiveness of CRM.

The rationale for combining variety-seeking behaviour with CRM in hotel contexts can be explained numerously. While discussions on the importance of CRM to generate loyalty (Zikmund et al., 2003) are ongoing, the literature has raised concerns on the adverse effects of variety-seeking behaviour on customer loyalty (Jung & Yoon, 2011; Sánchez-García, Pieters, Zeelenberg, & Bigné, 2012; Shirin & Puth, 2011). It is apparent that while some customers have a preference to be loyal, through routinising their consumption patterns (Menon & Kahn, 1995), others may engage in variety-seeking behaviour to seek pleasure by switching (Ratner, Kahn, & Kahneman, 1999). Despite the extensive discussions on hotel loyalty, the customer option to seek variety and the resulting impact on practices implemented with a long-term perspective such as CRM has not yet been discussed in the hotel domain. Based on this observation, this study takes an interest in combining knowledge on CRM and variety-seeking behaviour by observing the hotel selection patters of leisure travellers, and emphasises the importance of

determining the effectiveness of CRM in the context of customers seeking different degrees of variety.

1.2.3 Variety-seeking behaviour (VSB)

It can be argued that consumers are left with two options when it comes to their consumption choices. While some may prefer no variation in their consumption choices related to a certain product category, others may prefer to add variety to their choices. The avoidance of variety can be rationalised as evading the cumbersome task of repeating the customer decision-making process to save time and effort and reducing the risk of consuming a new option, which results in repeat purchasing and loyalty (Van Trijp, 1995). Contrarily some customers may show a preference for adding variety to their consumption choices to avoid the boredom of buying the same product, seek relief of satiation and show curiosity in sampling the alternatives (Van Trijp, 1995). This is referred to as variety-seeking behaviour (herein referred to as VSB). VSB can also be referred to as non-purposeful behaviour, vicarious behaviour, exploratory purchase behaviour and use innovativeness (Van Trijp, Hoyer, & Inman, 1996)

Variety-seeking behaviour can be considered as a personal preference undertaken to exploit freedom of consumption choices (Van Trijp, 1995). Besides individual inclination influenced by satiation, boredom, novelty (Van Trijp, 1995) and even intellectual curiosity (Kahn, 1998) environmental and market conditions such as competition and the homogeneous nature of products also provide conducive grounds to seek variety (Van Trijp, 1995). Numerous product characteristics such as level of involvement, frequency of purchase and also the hedonic nature of the products also contributes to VSB (Van Trijp et al., 1996). While many attribute VSB to numerous factors, as emphasised by Faison (1977), VSB is common in daily life and some people seek variety just for the hell of it.

The customer inclination for VSB is reflected in many ways. For example, the variety-seekers in their next purchase could choose a completely new brand (Menon & Kahn, 1995), a brand different from that immediate purchasing (Faison, 1977; Givon, 1984), or alternate among familiar brands (Ratner & Kahn, 2002; Steenkamp & Baumgartner, 1992). The tendency for variety can be defined as *“the motivational factor that aims at providing variation in stimulation through varied product consumption, irrespective of*

the instrumental or functional value of the product alternatives” (Van Trijp, 1995, p. 9).

In addition to the above definition Van Trijp (1995, p. 9) also defined VSB as:

the biased behavioural response by some decision making unit to a specific item relative to previous responses within the same behavioural category, or to a set of items consumed simultaneously, due to the utility inherent in variation per se, independent of the instrument of functional value of the alternatives or items, and is a function of psychological process.

Indicating the rationale for VSB, Givon (1984, pp. 2-3) defined it in a simpler manner as the: *“phenomenon of an individual consumer switching brands (or repeat buying) induced by the utility (or disutility) she derives from the change itself, irrespective of the brands she switches from”*.

Understanding true VSB requires identifying the factors affecting VSB. They can be separated into intrinsic and extrinsic (Van Trijp, 1995) factors also known as direct and derived motivations respectively (McAlister & Pessemier, 1982). Whereas satiation, boredom, and curiosity are considered as the main intrinsic factors affecting VSB quality, price, store conditions, advertising and brand are the main extrinsic factors affecting VSB (Van Trijp, 1995). Even though both intrinsic and extrinsic factors lead to switching, the underlying causes are different (Van Trijp et al., 1996). While the intrinsic factors indicate the true desire for variety, the extrinsic factors cause customers to switch due to external factors other than the true desire to change. Thus the extrinsic factors are not considered as causes of true VSB. This distinction is important to determine appropriate marketing strategies based on the underlying causes of switching (Givon, 1984; Van Trijp, 1995).

Variety-seeking behaviour is acknowledged to occur in both goods and services contexts (Kahn, 1995). Even though a large amount of research has been conducted on VSB, much of it is in the goods domain (Berné, Múgica, & Jesús, 2001; Desai & Trivedi, 2012). However, in the recent past, VSB has been extended into the services domain, including some sectors in the tourism and hospitality industries. Among the research on VSB in the tourism and hospitality domain, restaurants have been much researched (Choi, Kim, Choi, & Yi, 2006; Ha & Jang, 2013; Kim, Lee, & Yoo, 2006). In addition, theme parks (Kemperman, Borgers, Oppewal, & Timmermans, 2000), museums (Siu, Zhang, Dong, & Kwan, 2013), visiting friends and relatives market (Hu, Morrison, & O'Leary, 2002) and

destination VSB (Legohérel, Daucé, & Hsu, 2012; Woratschek & Horbel, 2006) have been subject to research. Thus far, no study has investigated VSB exclusively in the hotel domain.

However, there is some indication that VSB takes place in the hotel context, as VSB in the hotel context is provided as examples by some researchers. For example, Dioko, So, and Harrill (2013) and Godbey and Graefe (1991) have explained that travellers seek variety by changing between hotel categories such as, from a tourist hotel to a bed and breakfast one. It has also been discussed that people travel to different destinations, rather than stick to the same, due to an inclination for VSB (Legohérel et al., 2012; Woratschek & Horbel, 2006), due to which travellers select a different hotel. Bowen and Shoemaker (1998) suggest that VSB in hotels could take place even when travellers visit the same destination. They also stated that a preference for variety may result in travellers visiting different locations even when they visit the same country, which leads to the selection of different hotels. Bowen and Shoemaker (1998) have also explained that due to VSB travellers may prefer to visit different hotels even when they visit the same location. Nevertheless, the above observations in the literature have not been subject to empirical investigations.

Even though it is not clear why scholarly interests have not yet been directed towards VSB in the hotel context, the above information provides preliminary grounds to explore the significance of VSB in the hotel selections. This study investigates the attempts of hotels to retain customers and generate loyalty in the context of VSB. If leisure travellers were found to be seeking variety in their hotel selections, the CRM activities intending to retain the customer may be less effective (Legohérel et al., 2012). Therefore, while this study emphasises the significance of investigating CRM and VSB in combination, such an approach has already been suggested by Li and Petrick (2008): *“it would be intriguing to compare the role of relationship building and novelty seeking¹ in tourists’ purchase decisions”* (Li & Petrick, 2008, p. 241).

Based on the above observations it was identified that leisure travellers may seek variety in the hotel context even when they visit the same destination and the study defines VSB in this context as: *“switching to a new hotel chain or different brand of hotel from the last visited, when visiting the same destination or a different location at the same destination”*

¹ Novelty-seeking behaviour and VSB share the same conceptual grounds which is optimum stimulation levels (OSL). Despite the differences between the two concepts, NSB has been identified as a key determinant of VSB. The differences between the concepts are discussed in the literature review in detail.

1.3 The research problem

CRM is identified as an important practice for the hotel sector (Lo et al., 2010; Luck & Lancaster, 2003). Even though the importance placed on CRM by the hotel sector is evident from the growing amount of literature, there appears to be potential for further research (Luck & Stephenson, 2009; Wu & Lu, 2012). The extant literature on hotel CRM has been more focused on back-stage CRM activities such as implementation (Lo et al., 2010) and the technological aspects of CRM (Orfila-Sintes, Crespi-Cladera, & Martinez-Ros, 2005; Orfila-Sintes & Mattsson, 2009; Singala, 2005). Evidence suggests that research investigating CRM practices experienced by the customer, which is referred to as customer-facing CRM, has been given limited attention. While this study also takes an interest in investigating customer-facing CRM, the presence of customer-facing-CRM can also be considered as a reflection of CRM implementations.

Despite the preference of organisations to maintain long-term customer relationships, not all customers want to initiate relationships with organisations (Buttle, 2009; Lovelock, Patterson, & Walker, 2007; Palmer & Mayer, 1996). For example, customers may not initiate relationships, due to their resistance to being 'locked in' to one organisation (Buttle, 2004), and preference for VSB (Danaher, Conroy, & McColl-Kennedy, 2008). The customer preference to engage in relationships may also vary according to the service providers (Danaher et al., 2008). Thus, even though CRM practices may be an effective tool in certain service sectors such as banks, insurance companies, and membership companies, it may be a less effective tool in other industries (Lovelock et al., 2011). This may be the case in a context where leisure travellers seek variety.

Variety-seeking behaviour is a matter of degree of familiarity versus variety (Van Trijp, 1995). While some customers prefer familiarity with the services providers, others may prefer variety in their consumption choices (Pearson, 1970). VSB occurs in fulfilling needs that are hedonistic in nature rather than utilitarian (Van Trijp et al., 1996). Tourism in general is considered as a hedonistic need rather than an utilitarian one (Hirschman & Holbrook, 1982). While Bowie and Buttle (2004) emphasise that VSB may occur in leisure travel in general, Legohérel et al. (2012) and Ratner et al. (1999) consider that tourists may be one of the key sectors that explains VSB. Despite these contentions, as pointed out by Hoyer and Ridgway (1984), VSB, being a product category specific phenomenon, requires its applicability to be investigated in individual tourism contexts. For example, even though travellers may prefer familiarity in some tourism-related

products, such as airlines and travel agents even when they visit the same country, they may prefer variety in other consumption choices (Li & Petrick, 2008).

Hotels are a unique service sector (Laws, 2004) and this study determines the importance and the influence of VSB on leisure travellers in their hotel selections. While researchers have discussed numerous reasons for customer switching in the hotel sector (Tanford, Raab, & Kim, 2012), no study was found to have investigated the influence of VSB exclusively in the hotel sector. Nevertheless, a few studies that discussed novelty-seeking behaviour in the hotel domain were found (Basala & Klenosky, 2001; Cohen, 1972; Legohérel et al., 2012). In the literature while novelty-seeking behaviour and VSB seem to have been used interchangeably, in this study the differences between novelty-seeking behaviour and VSB is considered as important (discussed in literature review).

Basala & Klenosky (2001), Cohen (1972), and Legohérel et al. (2012) have extended the understanding of novelty to micro level consumption choices at the particular destination, such as hotel selection. However, due to their perspective on novelty such discussions have primarily taken the perspective of risk taking behaviour, by observing the characteristics of the hotels selected, rather than observing from the perspective of a change in consumption choices. For example, novelty-seeking behaviour has been operationalised through the characteristics of hotels based on the following: locally owned facilities with few amenities or comforts, locally owned facilities with many amenities and comforts, international chain hotels and all-inclusive resort complexes (Basala & Klenosky, 2001; Cohen, 1972; Legohérel et al., 2012). Distinguishing novelty-seeking behaviour (NSB) from VSB, this study focuses exclusively on the changes in consumption choices rather than on the specific characteristics of the choices.

Variety-seeking behaviour is an integral part of consumer decision-making (Van Trijp, 1995). Nevertheless, modern consumer behaviour models have not placed emphasis on variety-seeking as a factor influencing consumption choices. While text books on marketing in hospitality and tourism (such as Kotler, Bowen, & Makens, 2014) discuss numerous factors influencing consumer behaviour such as the cultural, social, personal and psychological, VSB is not mentioned under any of these categories. Highlighting the importance of consumer behaviour, King and Burgess (2008) state that an effective CRM system should enable organisations to gain a comprehensive view of consumer behaviour and preferences. Thus, this study will enhance the understanding of VSB through CRM and also emphasise the role of CRM in influencing the VSB of leisure travellers.

To summarise, this study identifies several gaps in the existing body of knowledge. Firstly, despite the extensive scholarly interest in CRM, the research on CRM in the hotel context remains scant. Secondly, other than loyalty programs, many important customer-facing CRM practices have not been used to measure the effectiveness of CRM in generating loyalty. Thirdly, even though many studies have investigated the factors affecting switching, no study so far looked at customer inclination in entering into long-term relationships with hotels, and the impact of VSB on customer switching. Fourthly, research on marketing has largely neglected the perspectives of buyers, and has focused mainly on the sellers' perspective (Shirazi & Som, 2011; Wu & Li, 2011). Fifthly, since the literature on CRM and VSB has been discussed dichotomously, the opportunities to obtain a comprehensive view on the effectiveness of CRM in the hotel sector may have been neglected.

To address the above mentioned gaps in the literature, this study combines the two disciplines CRM and VSB. This combined approach was expected to generate a more holistic understanding of the CRM practices of the hotel industry, particularly in the context of the degree of VSB.

1.4 The methodology of the research

This study intends to broaden the understanding of CRM and VSB in the hotel context. It identifies numerous gaps related to both domains separately and in combination. The identified gaps are addressed through a mixed method approach that commences with the qualitative phase. The main purposes of the qualitative phase are to obtain an in-depth understanding of the key constructs, to address the qualitative research questions, and to identify items to develop a new measurement scale to be used in the quantitative phase. This stage also contributes to develop hypotheses.

After completing the qualitative phase the quantitative stage was implemented. The main intention of this phase is to make generalisations. Through this, the impact of CRM on VSB, and the impact of VSB on the effectiveness of CRM to generate repeat visitation and WOM are investigated. Altogether twelve hypotheses are tested. For this purpose a measurement scale for customer-facing CRM, its outcomes and VSB in the hotel context is developed and validated.

1.5 The research purpose and the research questions

In light of the purposes highlighted in previous sections the overarching objectives of this study are to:

1. explore the concept of VSB in the hotel sector
2. explore customer-facing CRM practices in the hotel sector
3. explore the perception of leisure travellers on hotel CRM practices undertaken by hotels
4. explore the hotel selection patterns of leisure travellers
5. determine the influence of VSB on the effectiveness CRM practices, to generate repeat visitation and word-of-mouth amongst leisure travellers
6. determine whether CRM can mitigate the VSB of leisure travellers
7. determine the role of CRM in the context of variety seeking
8. develop and validate a measurement scale for CRM and VSB in the hotel context.

From the gaps found in the literature, the overarching question addressed in this study is:

What is the impact of hotel CRM in achieving repeat visitation and word-of-mouth recommendation in the context of variety seeking?

In addition, the following research questions were explored:

1. do leisure travellers seek variety in a hotel experience?
2. what factors influence the degree of VSB in hotel purchasing of leisure travellers?
3. what hotel CRM practices are experienced by leisure travellers and what do they think of such practices
4. what are the differences among leisure travellers who seek different degrees of variety?
5. to what extent can CRM influence repeat visitation and word-of-mouth of leisure travellers?
6. to what extent can CRM influence VSB of leisure travellers?
7. to what extent does the degree of VSB mediate the relationship between CRM and repeat visitation?

The above research questions posed are investigated in two phases: the qualitative and the quantitative phases. The research questions 1, 2 and 3 were explored through the qualitative phase, whereas the research questions 5, 6, 7 and 8 were determined during the quantitative phase. Research question 4 was explored both in the quantitative and the qualitative phase.

1.6 The scope of the research

This study deals with two research areas that are both complex and highly fragmented. For example, CRM is a broad area of research. Even though the gamut of CRM can be narrowed down through the classification presented earlier from Buttle (2004) and Iriana and Buttle (2007), the focus of their classification is on the implementation-related aspects. Since this study takes an interest on the CRM practices which manifest due to CRM implementation, in this study CRM is divided into back-stage CRM and the front-stage CRM. Based on this classification, this study takes an interest in front-stage CRM practices experienced by the customer, and refers to them as ‘customer-facing CRM’.

The travel and tourism industry in general is divided into the demand area and the supply area. Broadly, the supply side consists of the hospitality sector, attraction and events sector, transport sector, travel organisers and intermediaries sector, and the destination organisation sector (Middleton, Fyall, & Morgan, 2009). Within this broad field of research, the focus of this study is the hospitality sector, which is further narrowed down to hotels. The classification of hotels has been done in numerous ways. This has led to a lack of a commonly agreed classification. For the purpose of this study the hotels were categorised as: economy/budget hotels, middle-range hotels, first class hotels and luxury hotels. Economy/budget hotels are referred to as hotels that provide basic needs, such as a comfortable and clean room. The mid-market hotels are considered as one or two star hotels, whereas the first class hotel are three to five star, and the luxury hotels are five star and above.

Looking at the demand side of tourism, it was identified that travel can be divided into three aspects, namely, inbound tourism, outbound tourism, and domestic tourism. According to the definitions of United Nations World Tourism Organisation (UNWTO),

inbound tourism “*comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip*” (UNWTO, 2014). Outbound tourism “*comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip*” (UNWTO, 2014). Domestic tourism “*comprises the activities of a resident visitor within the country of reference, either as part of a domestic tourism trip or part of an outbound tourism trip*” (UNWTO, 2014). Out of these categories this study looks at the outbound tourist of Australia. Moreover, whereas the reason for travel can be divided into business or personal, this study focuses mainly on personal travel for leisure purposes.

The scope of the study was further narrowed down to focus on outbound Australian leisure travellers. According to World Tourism Organisation statistics (2014), Australians are among the top ten spenders in international tourism accounting for USD 27.6 billion in 2012. The National Visitor Survey conducted by Tourism Research Australia between 2009 and 2014 revealed that holiday trips abroad have increased by 6% across all age groups. Due to sample selection criteria it was required to access leisure travellers who had been to the same international destination two or more times for leisure. While this criterion was challenging, it required a sample who had travelled extensively. Australian leisure travellers were therefore considered the most suitable sample to contribute to of knowledge creation of this study through their extensive travel experiences.

The sample selection of this study was based on the criterion—Australian leisure travellers who have been to the same international destination two or more times during the last five years. The selection of the samples (qualitative and the quantitative stages separately) were based on the actual behaviour rather than the intention. This criterion was considered a necessary condition as it is required to observe the hotel selection patterns of leisure travellers to determine their degree of VSB in hotel selections. Due to the identification of leisure travellers based on their past hotel selections the grouping of customers was expected to be more accurate, rather than determined through their intentions.

1.7 Significance of the research

The significance of the study is explained in three ways. Firstly, it highlights the scant attention given to the key areas of concern of the study of CRM and VSB. Secondly, it

shows the significance of the research context of leisure travel and hotels. Thirdly, it elaborates the contribution of the study to both the body of knowledge, and the practitioners.

Yoo, Lee, and Bai (2011) synthesised the topics, methods, and trends in the broader field of hospitality marketing articles published between 2000-2009. According to their synthesis the research related to CRM/loyalty/retention comprised of 9.1% of articles. Moreover, while there have been many articles on the hospitality industry in general (35.9%), among them 31.1% were related to the hotel/lodging industry. An analysis of the methodology of the articles revealed that the majority of research on hospitality marketing has used a quantitative research design (71.2%), followed by a lesser fraction that used a qualitative (26%) design, and only a few studies have used the mixed method approach (2.6%) (Yoo et al., 2011). The analyses reveal that only a handful of studies have been conducted in the area of CRM/loyalty and retention and adopted the methodology proposed for this study—which is the mixed method.

The scant attention directed to the area of concern of this study on the one hand reveals the importance of exploratory research for theory building. On the other hand, since this study looks at two domains CRM and VSB and their relationships it requires quantitative methods for theory testing through hypotheses. While the requirement adopts both qualitative and quantitative methods accentuated to adopt mixed methods, the remaining scant focus on contribution to knowledge in the area of this study through mixed methods makes this research more significant.

According to Tourism Research Australia, the National Visitor Survey for the year ending June 2014, the outbound tourists of Australia accounted for 8,005,000 visitors. Among them, 4,591,000 have travelled on holiday or leisure, 1,991,000 visits had been made for visiting friends and relatives, and business and other purposes accounted for 1,207,000 and 217,000 respectively. According to these statistics, the most frequently cited reason for outbound travel was holiday (57.3%), visiting friends and relatives (24.9%), and business (15.1%). Based on these figures it is evident that the main reason for international travel for Australians was holidaying. Thus, this segment under study provides a significant market in tourism for the destination. While furthering the understanding of this market contributes significantly to both theory and practices, it will also enhance marketing practices directed towards leisure travellers, ultimately contributing to their satisfaction.

According to the UNWTO World Tourism Barometer, in 2013, the receipts in destinations worldwide from the expenditure on accommodation, food and drink, entertainment, shopping and other services and goods, reached an estimated US\$ 1,159 billion. Signifying the importance of the accommodation sector, Page (2007) stated that among the many expenditures related to travel, undoubtedly the highest expenditures of a tourist is allocated to accommodation. Therefore, research on leisure travel combined with an investigation related to accommodation is considered a significant contribution to the body of knowledge.

This study contributes to the theory of VSB by extending it to the hotel context. It investigates whether VSB takes place in the hotel context, and identifies unique factors contributing to VSB of leisure travellers. This study was also involved in a detailed investigation of customer-facing CRM and its effectiveness. Moreover, by combining the two theories CRM and VSB, this study provides a holistic understanding of the CRM practices adopted by the hotel industry at the customer-facing stage in the context of leisure travellers seeking different degrees of variety. It also investigates the influence of CRM practices in influencing VSB of leisure travellers, and the influence of VSB on the effectiveness of CRM to generate loyalty. While the benefits of CRM have been subject to numerous debates, the findings of this study expect to contribute to the understanding of CRM, particularly in the context of VSB.

The methodological rigor of this study could also be considered as a significant contributory factor to the development of knowledge. The proposed study adopts a sequential mixed method design. By adopting both qualitative and quantitative approaches it expects to generate a comprehensive view of the problem under investigation. Covering both the depth and the breadth of the research problem on the one hand, facilitates the exploration of the concepts in detail whereas on the other hand it generalises the findings to a larger population. Further, contributing to the methodological rigor, this study develops and validates a scale for measuring CRM and VSB in the hotel context which could be further used by researchers and practitioners in the hotel industry.

The practical contribution of this study is focused mainly on the hotel managers. Based on the findings, management could gain a perspective on the most effective customer-facing CRM practices for leisure travellers in general and also for different leisure traveller groups that seek different degrees of variety. Moreover, the findings of this study

may be useful as a segmentation dimension for more targeted communications, to determine who the most profitable customers are.

To summarise, this study is important because no study so far has combined the two bodies of knowledge on CRM and VSB in general and the hotel industry in particular.

1.8 Definitions of the key terms

Customer relationship management: The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction (Armstrong et al., 2010, p. 19).

Customer-facing CRM: All practices related to the CRM mind-set, experienced by the customers, through the three purchase time zones, pre-encounter, encounter and the post-encounter. (researcher's construction)

Destination: The country/island visited for the holiday. (researcher's construction).

Hospitality: the friendly and generous reception and entertainment of guests, visitors, or strangers (oxforddictionaries.com, n.d).

Hotel: An establishment providing accommodation, meals, and other services for travellers and tourists, by the night (oxforddictionaries.com, n.d.).

Holiday: This is also referred to as something undertaken for leisure and recreational purposes, including vacation, rest and relaxation, pleasure and holiday (Weaver & Lawton, 2010). An extended period of leisure and recreation, especially one spent away from home or in travelling (oxforddictionaries.com, n.d.).

Leisure traveller: A person travelling for the purpose of holiday other than business (researcher's construction).

Location: City, town, village or area of a country (researcher's construction).

Loyalty: Continuous patronage and buying (Buttle, 2009, p.44).

Novelty seeking behaviour: Degree of contrast between present perception and past experience (Pearson, 1970, p. 199).

Variety seeking behaviour- the tendency of individuals to seek diversity in their choice of goods and services (Kahn, 1995, p. 139). The researcher defines VSB as switching to a new hotel chain or different brand of hotel from the last visited, when visiting the same destination or a different location at the same destination

Word-of-mouth (WOM)- an exchange, flow of information, communication, or conversation between two individuals which may take place formally or informally which occasionally takes place in the post purchase behaviour (Goyette, Ricard, Bergeron, & Marticotte, 2010, p. 8).

1.9 Expected outcomes

The main outcomes of this research are both theoretical and practical knowledge. Theoretically, the study contributes to the existing body of knowledge by expanding the understanding of CRM at the customer-facing level. It also extends the concept of VSB to the hotel context. This study is also expected to broaden the understanding of leisure travellers by exploring their hotel selections. It also expects to develop an item scale for measuring customer-facing CRM practices, VSB and for measuring the expected outcomes of CRM, repeat visitation and word-of-mouth.

1.10 Thesis outline

This introductory chapter sets the starting point for the research. It began with a detailed background to the research. Thereafter, the research problem, the research questions and the significance of the study were articulated. It also identifies the key expected outcomes, followed by a definition of key terms. After providing the foundation through the above sections the forthcoming chapters are outlined.

Chapter two provides the foundation for the research by investigating the key constructs of the study CRM, its outcomes, and VSB. Moreover, due to the common conceptual grounds, it includes an essential brief visit to the literature on relationship marketing (RM). This chapter also reviews the literature on novelty-seeking behaviour due to its common conceptual grounds with VSB. Finally, it moves on to explain the conceptual model.

Chapter three presents details of the methodology used in this study. It begins with an introduction to the research paradigm. Thereafter, the research approach, the research strategy and the time horizon is explained. Finally the research methods are discussed in two sections.

Chapter four presents the qualitative results generated through the first phase of the data collection.

Chapter five provides a discussion on the data presented in the previous chapter, which is guided by the exploratory questions. It also outlines the identification of items for the quantitative stage and is involved in hypothesis development.

Chapter six presents the quantitative data collected through the second phase of data collection and its analysis. The analysis commenced with the validation of the measurement scale. Thereafter, hypothesis testing was conducted.

Chapter seven provides the discussion related to the previous chapter. This chapter is based predominantly on the quantitative results of the previous chapter. The findings are framed by the quantitative research questions.

Chapter eight elaborates the outcome of all the previous chapters. It highlights the contribution of this research and its limitations. Additionally, it presents the conclusions derived on each research question of the study.

1.11 Summary of chapter one

To conclude, this chapter has provided a snapshot of the research. Firstly, it set the background to the research by introducing the main research constructs, namely CRM and VSB. Secondly, it identified the research gap in the literature to be addressed in this study. Thirdly, it explained the research questions. Finally, the significance of the research in terms of its theoretical contribution to knowledge and its practical contribution to the hotel industry was also highlighted, and will be elaborated on in the concluding chapter.

Chapter Two-Literature Review

2.1 Introduction

Numerous authors emphasise the importance of maintaining long-term relationships to generate loyalty. Among loyalty generating practices, customer relationship management (CRM) is widely researched. While discussions on CRM are continuing to grow, another stream of literature discusses the variety-seeking behaviour (VSB) of customers that results in customer switching which is contrary to the behaviour intended by CRM. While changes in the business environment have triggered the need to adopt CRM, the same environmental conditions have also provided grounds for customers to seek variety. In the literature while CRM and VSB have been discussed dichotomously, this study is designed to combine the body of knowledge on the two streams with the expectation of generating a holistic view on the effectiveness of CRM. Combining the two domains this chapter reviews the literature on customer CRM, loyalty, repeat visitation, word of mouth (WOM), and VSB with a focus on the hotel sector.

This chapter begins with a brief outline of the historical development of CRM, which includes a review of the literature on marketing, including the evolution from transactional marketing to relationship marketing. Moving on to the context under investigation—the hotel sector—an examination of the literature on hotel CRM, and its outcomes, such as, loyalty, repeat visitation, and WOM are presented. This chapter then reviews the literature on VSB in the broader context of hospitality and tourism to provide the background for the discussion of the hotel context, since no study has explicitly discussed VSB in the hotel domain. Due to the common conceptual grounds between VSB and novelty-seeking behaviour (NSB), a brief overview of the literature on novelty-seeking behaviour is also provided. The chapter also provides a rationale for discussing the constructs CRM and VSB in combination. It concludes by outlining the conceptual framework and the conclusion derived from the review of literature.

2.2 CRM

2.2.1 The foundation of CRM

CRM centres the dyad² between the customer and the supplier (Gummesson, 2008). Thus, this review of the literature begins with an outline of the central premise of marketing, the 'exchange' (Gronroos, 1991; Kotler, 2003). Exchange is defined as "the process of obtaining a desired product from someone by offering something by return" (Kotler, 2003, p. 12). Discussions on successful exchanges have evolved through many paradigms. Initially, the exchange was conceived as a transaction, with the main concern of increasing the market and growth in terms of customer numbers (Christopher, Ballantyne, & Payne, 2002). This orientation is referred to as transactional marketing. It is grounded on the 'marketing mix' of product, price, place and promotion; which was identified by McCarthy in 1960, from Borden's (1954) 12 variables (Baker, Buttery, & Richter-Buttery, 1998; Gronroos, 1991).

As explained by Egan (2011) TM is the traditional view of making profits by designing the marketing mix elements to satisfy the customer. The practitioners of transactional marketing were not concerned with keeping in touch with the customer consequent to a sale. Even though this approach was the focus of business organisations for decades (Gronroos, 1991), changes in the business environment have imposed challenges on the effectiveness of transactional-oriented business practices (Christopher, Payne, & Ballantyne, 1991; Harwood & Garry, 2006). The limited focus of the marketing mix on the long-term relationship between the buyer and the seller (Arndt, 1980; Gronroos, 1991; Möller & Halinen, 2000), the emphasis on attracting customers rather than retaining them (Berry, 1983; Christopher et al., 1991), ignoring the customer once the sale has been made, and the lack of post-purchase service (Arndt, 1980) were among the main criticisms levelled against the transactional oriented business practice.

Due to the limitations of TM, the importance of looking at the exchange from a relational, and a long-term perspective was identified. This resulted in the establishment of relationship marketing (Möller & Halinen, 2000). Berry (1983, p. 25) defined relationship

² As explained by Gummesson (2008) 'dyad' refers to the two party relationships between the buyer and seller. Dyad is considered as the parent relationship in marketing. Thus, Gummesson also refers to it as 'the classic dyad'.

marketing as “*attracting, maintaining and—in multi-service organisations—enhancing customer relationships.*” Elaborating further, Berry (1983) indicated five key relationship marketing activities: developing a core service, customising the relationship to individual customers, augmenting the core service with extra benefits, pricing the service to encourage loyalty, and looking after the employees in anticipation that they would do the same for the customers. Importantly, a company that adopts relationship marketing reflects its relationship orientation through maintaining long-term relationships, in addition to the importance placed on satisfying the customer (Choi & Chu, 2001; Wu & Chen, 2012).

Whereas some scholars consider the change in the approach from transactional marketing to relationship marketing as a paradigm shift in the field of marketing (Baker et al., 1998; Berry, 1995; Gummesson, 2008; Payne & Frow, 2013; Veloutsou et al., 2002), others assert that RM is not a new concept (Möller & Halinen, 2000; Parvatiyar & Sheth, 2000). It is also considered as a rediscovery rather than a discovery of a new marketing practice (Palmer & Mayer, 1996). The contention that ‘relationship marketing is not a new concept’ is further reinforced by Peter Drucker’s definition of marketing which dates back to over half a century: “*It is the whole business seen from the point of view of its final result, that is, from the customer’s point of view*” (Drucker, 1954, p. 36). Therefore, even though the term relationship marketing was first coined by Berry in 1983 (Berry, 2002), Drucker’s definition of marketing, traces the importance placed on relational exchanges back to 1950s (Akroush et al., 2011; Coltman, 2007; Kim et al., 2004). Consequently, while the importance of relational exchanges has been acknowledged for a prolonged period of time, the changes in the business environment have made RM a more naturally evolving phenomenon (Gronroos, 1991).

Thus there appears to be two viewpoints regarding transactional marketing and relationship marketing. Respecting both schools of thought, Berry (1995) contends that relationship marketing is a new-old concept. In addition, scholars such as Dwyer, Schurr, and Oh (1987), and Osman, Hemmington, and Bowie (2009) emphasise that the foundation of any relationship is a transaction and that transactional marketing plays a vital first step for relationship marketing, by providing a platform on which to build relationships. Consolidating both views, Day (2000) places transactional marketing and relationship marketing side by side and regards them as a continuum. While transactional

marketing cannot be considered less effective, the relationship paradigm incorporates the transactional paradigm rather than invalidating it (Day, 2000). Thus transactional marketing and relationship marketing are two different approaches to the mind-set towards a customer in an exchange. Their characteristics are compared in table 2.1.

Table 2.1: Comparison of transactional-marketing (TM) with relationship marketing (RM)

Transactional marketing	Relationship marketing
Focus on single sale	Focus on customer relationships
Orientation on product features	Orientation on product benefits
Short-term scale	Long-term scale
Little emphasis on customer service	High emphasis on customer service
Limited customer commitment	High customer commitment
Moderate customer contact	High customer contact

Prepared from Christopher et al. (1991, pp. 8-9)

The decision to adopt either relationship marketing or transactional marketing may be decided based on the nature of the product or service, and the nature of the customers (Gronroos, 1994). Nevertheless, today, the importance of relationship marketing is recognised regardless of the size, the type of organisation (such as product or service), or the nature of the relationship—business to business (B2B) or business to customer (B2C) (Egan, 2011; Gummesson, 2008). It is now believed that building a strong relationship with the customer provides good grounds to understand customer requirements better and to fulfil their needs better than the one’s competitors, which leads to better profits (Day, 2000).

2.2.2 Customer relationship management (CRM)

Relationship marketing is acknowledged to be the foundation stone of CRM (Battor & Battor, 2010; Reinartz et al., 2004). They are often referred to interchangeably in the literature (Parvatiyar & Sheth, 2000; Parvatiyar & Sheth, 2001; Payne & Frow, 2006). Nevertheless, as discussed in chapter one, there are numerous differences between relationship marketing and CRM. While Gummesson (2008) identifies 32 relationships under the umbrella of RM, CRM concerns the specific relationship between the buyer and the seller. In addition, while the philosophical groundings of relationship orientation are

much discussed in relationship marketing literature, its related practices are discussed in CRM.

CRM plays an important role particularly in an era that constantly emphasises the benefits of retaining current customers rather than attracting new ones (Reinartz et al., 2004). It is concerned with the relationships between the organisation and both potential and current customers (Cao & Gruca, 2005). According to Swift (2001) CRM is assigned the role of finding customers, getting to know customers and keeping in communication with them. Much of the literature discussing CRM emphasises the importance of ‘profitable customers’ rather than all customers (Buttle, 2009; Cao & Gruca, 2005). While organisations that adopt CRM intend to determine the profitability of their customers prior to CRM efforts, the profitable customers can be identified through customer information, which is gathered through different transactions, and by tracking their behaviour (Mithas, Krishnan, & Fornell, 2005).

The first step in the relationship process is getting to know your consumers, their likes and dislikes (Rosman & Stuhura, 2013). While customer information plays a significant role in CRM, an effective CRM system enables the management of customer information effectively and the delivery of customised offers (Bose & Sugumaran, 2003). Consequently, customer information is used for various objectives, such as 1) to identify the customer 2) to differentiate among them from the most profitable to the least profitable 3) to interact with the customer and 4) to customise offers to fit customer needs through mass customisation or individual tailoring (Peppers, Rogers, & Dorf, 1999). Based on an understanding of the customers, numerous CRM practices are implemented.

The discussions of CRM were observed to range from the simple practice of saying thank you to implementing sophisticated software solutions. The diverse practices of CRM have resulted in numerous scholarly concerns such as apprehensions that CRM lacks common consensus (Iriana & Buttle, 2007; Payne & Frow, 2005; Winer, 2001) and also lack of clarity (Rigby, Reichheld, & Schefter, 2002). As identified by Payne and Frow (2005) CRM is perceived in numerous ways, such as direct mail, a loyalty scheme or a database, help desk or a call centre, data warehousing, data mining, and e-commerce solutions. In addition, scholars note that CRM is also referred to in alternative terms such as one-to-one marketing, customer-centric marketing, loyalty, and frequent marketing (Davids, 1999; Duffy, 1998; Kim, Suh, & Hwang, 2003b). Due to the above variations, CRM is viewed as a complex phenomenon (Buttle, 2009), that lacks clarity (Coltman, 2007), and

common understanding (Akroush et al., 2011; Coltman, 2007; Crosby, 2002; Reinartz et al., 2004).

These contentions can be resolved by classifying CRM into numerous groups. Zablah, Bellenger, and Johnston (2004) have classified conceptualisations of CRM into five groups: process, strategy, philosophy, capability, and technological tools. The research related to CRM as a 'process' discusses the activities pertaining to relationship development and maintenance. The research related to CRM as a 'strategy' focussed on building profitable relationships. The research on CRM as a 'philosophy' has concentrated on delivering value to the customer and implementing the relational mind-set; CRM as a 'capability' has been concerned with the ability of CRM to achieve the expected tasks with the help of resources. Finally, CRM as a 'technology' has focused on the importance of technology in CRM initiatives.

Another classification that explains numerous forms of CRM were presented by Buttle (2009) and Iriana and Buttle (2007). They categorised CRM into three levels: strategic, analytical, and operational CRM (Buttle, 2009; Iriana & Buttle, 2007). Strategic CRM concerns the decision-making related to CRM. Operational CRM involves Information Technology (IT) related implementations such as sales force automation and campaign management which involves the automation of the customer facing level. Analytical CRM deals with decisions related to the customer, based on the information collected from different customer interactions (Buttle, 2009; Iriana & Buttle, 2007).

Reinartz et al. (2004) studied operational CRM in depth. They refer to it as customer-facing CRM and define it as *"a systematic process to manage customer relationship initiation, maintenance, and termination across all contact points to maximise the value of the relationship portfolio"* (Reinartz et al., 2004, pp. 294-295). The main focus of the initiation stage is on gaining and regaining the relationships with the customer, and attracting prospective customers. The maintenance stage deals with different strategies such as cross selling and customisation with the intention of retaining customers. At the termination stage, the unprofitable customers are evaluated to decide whether they are worth retaining (Kumar & Reinartz, 2006; Reinartz et al., 2004).

The contribution of the above forms of CRM can be interpreted in numerous ways. While they reflect the diversity and the breadth of CRM research, they also simplify the

complexity of CRM by breaking it down into numerous forms. Thus, despite the concerns raised about the inconsistencies of the constituents of CRM (Payne & Frow, 2005), such inconsistencies can be considered unavoidable. Even though the numerous forms of CRM have resulted in diverse definitions which focus on numerous aspects (Buttle, 2009; Reinartz et al., 2004; Zablah et al., 2004), it reflects the breadth of scholarly concerns and practices of CRM.

As a point of elaboration, CRM practices differ based on numerous factors such as the size, strategy, maturity, and information systems of organisations (Bertilsson & Persson, 2011). Thus while major hotel chains may use sophisticated CRM systems, the smaller hotels may employ a simple comment card to practise CRM (Stringam & Gerdes Jr, 2010). This indicates that the manner in which CRM is constructed may differ based on the size of the organisation. Thus the multi-facedness of CRM become unavoidable as CRM is constructed in diverse ways due to practices at numerous levels.

2.2.3 Research on customer relationship management (CRM)

Research on CRM has been conducted in various service industries. To name a few, banking and finance (Akroush et al., 2011; Chiu, Hsieh, Li, & Lee, 2005; Vella, Caruana, & Pitt, 2012), health care (Chahal, 2010; Chahal & Kumari, 2011), tourism (Siu et al., 2013; Vogt, 2010) and numerous subsections of tourism, such as destination marketing organisations (Fyall, Callod, & Edwards, 2003), airlines (Chiang, 2014; Wang, 2014), restaurants (Kim et al., 2006), hotels (Akroush et al., 2011; Lo et al., 2010; Luck & Lancaster, 2013; Sigala, 2005; Sim et al., 2006; Sin et al., 2005), and casinos (Prentice & King, 2011). In addition to the services context, CRM research is also gaining popularity in the fast moving consumer goods domain (FMCG) (Leahy, 2011; Poulis & Poulis, 2011).

Even though CRM is widely researched, it appears that much of it has focused on CRM implementations (Mendoza et al., 2007; Osarenkhoe & Bennani, 2007; Reinartz et al., 2004; Rodgers & Howlett, 2000). The key CRM implementations related concerns were the challenges (Bull, 2003), critical success factors (Bohling et al., 2006; King & Burgess, 2008; Mendoza et al., 2007; Osarenkhoe & Bennani, 2007), technological adaptations (Law et al., 2013) and the mistakes in CRM implementations (Davids, 1999). The remainder of the CRM research covered topics such as the best practices of CRM (Pal &

Toor, 2009), the conceptual foundation of CRM (Parvatiyar & Sheth, 2001; Pedron & Saccol, 2009) and clarifying the way forward for CRM (Boulding, Staelin, Ehret, & Johnston, 2005; Rigby & Ledingham, 2004). While much of the research was related to technological aspects, research addressing social CRM (Choudhury & Harrigan, 2014) is continuing to grow. In addition, Frow, Payne, Wilkinson, and Young (2011) have discussed the dark side of CRM practices.

Numerous scales have been developed to measure various aspects of CRM. Sin et al, (2005) developed and validated a scale measuring the state of CRM adaptation in financial firms through the dimensions of key customer focus, CRM organisation, knowledge management and technology based CRM. Akroush et al. (2011) looked at the generalisability of the scale developed by Sin et al. (2005) and extended the scale to the banking and insurance sector. Focusing on the services industry in general, Wang and Feng (2012) developed a scale to examine CRM capabilities: customer interaction management capability, customer relationship upgrading capability and customer win-back capability. Focusing on the numerous services industries Öztaysi et al. (2011) developed a measurement tool to understand the CRM process consisting of seven processes, namely, targeting management, customer information management, product/service customisation, expansion management, customer information management, termination management and win-back.

Reinartz et al. (2004) validated a scale for process implementation of customer-facing CRM. They looked at CRM process implementation during the three stages: initiation, maintenance and termination related to numerous service firms' financial services, hospitality, online retailing and power utilities. Similar to many other scales in CRM, Reinartz et al. (2004) also looked at back-stage CRM which involves implementation. Evidence suggests that front stage CRM practices which involve the practices experienced by the customer through numerous interactions have not been subject to a comprehensive scale development process. The importance of front-stage CRM can also be identified from the observations of Shirazi and Som (2011) and Wu and Li (2011) on the scant attention directed towards research evaluating the performance of CRM from the customer perspective.

According to the literature, CRM is expected to generate numerous benefits for the organisations. They can be categorised into two broad groups—the benefits related to CRM philosophy itself, and the benefits related to CRM systems. Regarding CRM philosophy, Parvatiyar and Sheth (2000) and Swift (2001) claim that customer attraction, customer acquisition, customer retention, customer development and customer equity growth are benefits of CRM philosophy as a whole. Seven core benefits of CRM systems have been identified by Richards and Jones (2008): improved ability to target profitable customers, provide preferred offerings across channels, improved sales force efficiency and effectiveness, individualised marketing messages, customised products and services and improved customer service efficiency as well as effectiveness and improved price. Despite the broad benefits attributed to CRM philosophy, much of the benefits of CRM are discussed based on an implementation related to a particular CRM system (Coltman, 2007; Coltman, Devinney, & Midgley, 2011; Mithas et al., 2005). The benefits acquired by the company due to the overall CRM experience have not been subject to much research.

The outcomes of CRM systems have been measured using numerous dimensions. For example, Ryals (2005) used customer lifetime value measurement (CLV) in the banking sector, whereas Mithas et al. (2005) identified the impact of CRM on customer knowledge and satisfaction in numerous firms. Chen and Chen (2014) measured the outcomes of CRM via the corporate image and service quality in the hotel sector. Taking a qualitative approach Richards and Jones (2008) recommended measuring the outcomes of CRM using the dimensions: value equity, brand equity and relationship equity (Richards & Jones, 2008). Several researchers have noted that CRM is also capable of generating loyal customers (Amoako et al., 2012; Davids, 1999; Zikmund et al., 2003). Even though researchers often point out that CRM generates loyalty, there are only a limited number of studies investigating the impact of CRM on loyalty.

The importance of CRM is also rationalised by emphasising its benefits to the customer. Among them, non-financial relational benefits such as confidence benefits, social benefits, and special treatment benefits have been widely discussed (Buttle, 2009; Danaher et al., 2008; Gwinner et al., 1998; Gwinner, Hennig-Thurau, & Gremler, 2002; Lovelock et al., 2011). The confidence benefits include knowing what to expect from the services encounter, reduced anxiety and trust in receiving the expected service. The social

benefits include being personally recognised (Buttle, 2009; Danaher et al., 2008; Gwinner et al., 1998; Gwinner et al., 2002; Lovelock et al., 2011). The special treatment benefits relate to price discounts, faster, and extra services. Among them Gwinner et al. (1998) pointed out that confidence benefits are the most effective.

Despite the above benefits to the parties involved in the relational dyad—the organisation and the customer—the previously mentioned benefits to both parties have been subject to much debate. Some researchers pointed that CRM leads to positive results in terms of firm performance (Battor & Battor, 2010; Mithas et al., 2005; Reinartz et al., 2004; Richards & Jones, 2008). Bendapudi and Berry (1997) pointed that CRM has generated mixed results. It has also been found that CRM is a huge investment with little measured pay back, with insufficient evidence of its ability to deliver results (Bohling et al., 2006; Homburg, Grozdanovic, & Klarmann, 2007; Uncles et al., 2003; Zablah et al., 2004). Moreover, scholars have also raised concerns about the anecdotal evidence of its performance (Reinartz & Kumar, 2000; Rigby et al., 2002).

Numerous studies have identified the failure of CRM systems. Evaluating many systems Rigby et al. (2002) pointed that 55% of CRM systems have not been successful. Mendoza et al. (2007, p. 914) listed same key reasons for CRM failure from a study done by Forsyth. It was stated here that organisational change (29%), company policies/inertia (22%), little understanding of CRM (20%), and poor CRM skills (6%) are the main reasons for CRM failure. Apart from the academics, the major market research companies like Gartner and Mckinsey have published a number of reports on the success and failure rates of CRM implementations. Much of the discussions on CRM failure are, however, related to CRM software rather than to the philosophy itself.

On the customer side, concerns have been raised on the effectiveness of relationship development efforts. Investigating the importance of relational exchanges, Danaher et al. (2008) studied consumer intention to engage in relationships in three types of services organisations: phone companies, banks and doctors. They found that customers are more interested in engaging in relationships with doctors, compared to the other two service sectors. Bendapudi and Berry (1997) studied customer motivations to maintain relationships with services providers. They revealed that customers may be more willing to maintain long-term relationships in circumstances where the service provider is perceived to be an expert, where social bonds with the provider exist and when the nature of the service requires frequent interactions with a service provider. Buttle (2009),

rationalised the disinclination of the customer to remain with one organisation as being due to concerns about missed opportunities and due to the desire to experience something new. Consequently, depending on the service context while some customers may prefer to maintain a long-term relationship with some service organisations, others may deliberately choose otherwise.

Consequently, before targeting customers for relational exchanges it is important to determine customer intention for relationship initiation. Kumar, Bohling, and Ladda (2003, p. 669) defined relationship initiation as “*an intention of a customer to build a relationship with a firm while buying a product or service attributed to a firm, a brand, and a channel*” Accordingly, the lack of customer interest in initiating relationships is referred to as a transactional intention. A relational approach such as CRM is considered to be more suitable when customers possess relational initiation, which is an important parameter that helps marketers determine the applicability of the relational approach (Kumar et al., 2003). The relationship development efforts may be context specific. CRM may be effective in high risk and high involvement purchase contexts as a risk reduction strategy and guarantee of a consistent service (Riley & de Chernatony, 2000; Sheth & Paravatiyar, 1995).

2.2.4 Customer relationship management (CRM) in the hotel sector

CRM is significant to hotels (Luck & Lancaster, 2013; Singala, 2005). Numerous factors have contributed to the adoption of CRM in hotels. The homogeneity of the hotel product and the need to differentiate its core offer from the competitors (Bowen & Shoemaker, 1998; Kandampully & Suhartanto, 2000; Zineldin, 1999) and modern market conditions (Banga, Kumar, & Goyal, 2013) are among them. Whereas globalisation and the resulting competition have accentuated the importance of adopting CRM (Kandampully & Suhartanto, 2000; Nasution & Moavondo, 2008; Özgener & İraz, 2006; Wu & Li, 2011), some conditions such as the developments in IT infrastructure have assisted in implementing CRM effectively (Özgener & İraz, 2006). Thus environmental conditions have made CRM important as well as convenient to adopt.

The hotel sector is an information sensitive industry (Piccoli, Connor, Capaccioli, & Alvarez, 2003). The availability of information has influenced both hotels and their visitors numerously. From the hotel’s point of view, customer information plays a crucial

role in practicing CRM. From the customer's point of view, however, convenient access to a plethora of information available through user generated content has created numerous challenges to hotels (Rosman & Stuhura, 2013). While information is freely available to customers with no restrictions, this creates a wider choice for travellers. As a result, switching becomes a more convenient and appealing option for the travellers (Gilbert et al., 1999). Consequently, hotels are experiencing high customer turnover, and growing customer acquisition costs (Nasution & Moavondo, 2008; Shirazi & Som, 2011). CRM has been recommended to overcome the adverse effects created in such a context (Sigala, 2005).

Information Technology (IT) has been given a vital role in the practice of CRM in the hotel context (Sarmaniotis et al., 2013). Numerous studies have discussed incorporating IT capabilities into CRM implementations (Sigala, 2005) and on building online relationship management applications (Louvieris, Driver, & Powell-Perry, 2003; Luck & Lancaster, 2003). Gilbert et al. (1999) acknowledged the key role attributed to hotel websites to build customer relations. Bang and Kim (2013) have identified the significant influence of CRM practices and internet usage on customer satisfaction and loyalty, commitment, and on establishing and maintaining quality relationships with customers. Moreover, Sarmaniotis et al. (2013) discuss the assistance of IT to facilitate data collection at different touch points such as reservations, check-in and check-out encounters and during the stay at the hotel. This allows hoteliers to tailor special guest programs, services and promotions based on hotel guest preferences (Poulis & Poulis, 2011).

Similar to the mainstream research, CRM research in the hotel context has focused mainly on implementation-related aspects. Given the limited success of CRM implementations in the hotel sector (Lo et al., 2010; Luck & Lancaster, 2003) this tendency to concentrate on CRM implementation seems justified. The focus of CRM implementations research was on enhancing the implementations (Padilla-Meléndez & Garrido-Moreno, 2013; Sarmaniotis et al., 2013; Singala, 2005). Padilla-Meléndez and Garrido-Moreno (2013) identified the importance of top management support, employee training and motivation along with organisational structure and processes in CRM implementations. Sarmaniotis et al. (2013) identified effective customer communication strategy, profitable marketing strategy and IT infrastructure, suitable organizational

strategy, and administrative support as the key factors affecting CRM implementations. Sigala (2005) mainly emphasised IT capabilities in CRM implementations.

The effectiveness of CRM in the hotel context has been determined using diverse measures. These include, loyalty (Amoako et al., 2012), business performance (Josiassen, Assaf, & Cvelbar, 2014; Sin et al., 2005; Wu & Chen, 2012; Wu & Lu, 2012; Yim, Anderson, & Swaminathan, 2004), relationship quality and customer life-time value (CLV) (Wu & Li, 2011), commitment, repeat purchase and word-of-mouth (WOM) (Kim et al., 2001). Broadly, evaluations of CRM performance is mainly based on CRM implementations (Akroush et al., 2011; Josiassen et al., 2014; Sin et al., 2005; Wu & Chen, 2012; Wu & Lu, 2012; Yim et al., 2004) which discuss the back-stage dimensions of CRM, rather than the practices experienced by the customer. As a result, only scant attention has been given to measuring CRM performance based practices experienced by customers in the hotel industry (See Bowen & Shoemaker, 1998; Kim et al., 2001; Tideswell & Fredline, 2004; Wu & Li, 2011).

Researchers have listed numerous practices related to customer-facing CRM in the hotel context. For example, Fletcher (2001) contends that in the past, CRM was practiced in simple ways, such as remembering the customers, knowledge of the customers' needs and habits, conversational patterns and interpersonal skills. Despite the extensive use of technology, modern-day customer-facing CRM has similar practices such as constantly keeping in touch with customers, personalised messages, extra frequent flyer miles or discounts on other products, special deals, due recognition (Zikmund et al., 2003), addressing the customer by name (Adams, 2001; Vogt, 2010), loyalty programs, websites and personalised emails, and other efforts to build and maintain profitable customer relationships by identifying and satisfying customer needs and expectations (Akroush et al., 2011).

Despite the plethora of practices quoted as CRM in the hotel domain, except loyalty programs, the other practices have been subject to limited empirical research. The studies that operationalized CRM through customer-facing dimensions were listed in table 1.2. Bowen & Shoemaker (1998) studied luxury hotel guests in New York with a sample consisting a mix of leisure and business travellers. Bowen and Shoemaker (1998) identified the most important CRM practices influencing loyalty in the hotel sector as receiving upgrades, the ability to check in and out at any time, using past information to customise service, ability to request a preferred room number, employees' attitudes that

demonstrates the problems of customers are important to them, and expediting the registration process for return customers.

Kim et al. (2001) determined the effectiveness of customer-facing practices on relationship quality, and the impact of relationship quality on commitment, repeat visitation and word-of-mouth using a sample consisting of luxury hotel guests in Korea. They identified that effective use of relationship marketing can positively influence repeat visitation and word-of-mouth. Wu and Li (2011) investigated the strength of relationships among CRM, relationship quality and customer life time value. They found that CRM has a positive influence on relationship quality, while relationship quality has a positive influence on customer life-time value. They determined the impact of relationship quality on customer lifetime value based on customer-facing CRM practices in the hotel industry using a sample consisting of hotel guests in Taiwan.

Kim et al. (2001) and Wu and Li (2011) determined the causal relationship between CRM and its outcomes through relationship quality, whereas Bowen & Shoemaker (1998) determined the relationship through trust and commitment. Moreover, all the researchers determined the effectiveness of CRM through a mix of behavioural and attitudinal dimensions. All three studies investigated travellers who visit a particular place. Thus, the sample compositions were a mix of people travelling both for leisure and business.

In contrast to the above studies which sampled a combination of business and leisure travellers to a particular destination, this study investigates the impact of CRM exclusively in the leisure travel market. Since the objective of this study is to investigate hotel selections in general when visiting an international destination, this study was not restricted to a country or a particular hotel. The relationships between CRM and its outcomes were determined directly. The outcomes of CRM were measured based on behavioural loyalty—repeat visitation and word-of-mouth. (Discussed in section 2.4.) The rationale for selecting behavioural loyalty is the need to understand the direct impact of CRM on repeat visitation and word-of-mouth. This method was expected to generate a comprehensive evaluation of CRM in the customer-facing stage.

2.2.5 Loyalty programs as a customer relationship management (CRM) practice

Loyalty programs are a key manifestations of CRM (Lewis, 2004; Uncles et al., 2003). According to Xie and Chen (2013) loyalty programs incorporate the essence of CRM which is customer acquisition, customer management, and customer retention. According to Uncles et al. (2003) the key outcomes of loyalty programs are an increase in revenue through repeat purchasing and retention of the customer through building closer relationships. Loyalty programs have also been found to be profitable due to the lower cost involved in serving loyal customers as they are considered to be less price sensitive, and spend more money, and spread positive WOM (Dowling & Uncles, 1997). This seems to be the case in the hotel sector and also in other related industries such as airlines, casino, retail and merchandising sectors (Shanshan et al., 2011).

A proliferation of loyalty programs has been noted by many scholars (Lee, Capella, Taylor, Luo, & Gabler, 2014; Lewis, 2004; O'Brien & Jones, 1995). Lewis (2004) noted that loyalty programs are particularly effective in travel related industries such as airlines, hotels and rental cars. The practice of loyalty programs in the hospitality and tourism industry first began in the airline industry, with the introduction of the frequent flyer program in 1981 (DeKay, Toh, & Raven, 2009). Loyalty programs have also become significantly popular in the hotel sector (Palmer, McMahon-Beattie, & Beggs, 2000). According to Xie and Chen (2013) loyalty programs in the hotel sector were first introduced by Holiday Inn and Marriott in 1984 and the authors refer to them as 'frequent stay programs' or 'frequent guest programs'. To date loyalty programs have become a significant strategy in the hotel context (Xie & Chen, 2013), both in small and major hotels (Tanford, Raab, & Kim, 2011).

Loyalty programs have been widely used (Xie & Chen, 2013) and researched in hotel context (DeKay et al., 2009; McCleary & Weaver, 1992; Palmer et al., 2000; Tanford et al., 2012). The implementation of loyalty programs in the hotel sector can be justified through their contribution to overcoming competition, and to improving the market share (Morais, Dorsch, & Backman, 2011). Furthermore, it has been found to persuade customers to repurchase and also used to track their usage patterns (Palmer et al., 2000). Lee et al. (2014) identified the fact that in the hotel domain loyalty programs have resulted in increasing occupancy rates and profitability. Notably, loyalty programs have gained more popularity in the upscale business sector than in the consumer market (McCleary & Weaver, 1992). DeKay et al. (2009) identified the fact that loyalty programs

are more popular among business travellers and high income and high frequency travellers. Focusing on the business context, Xie and Chen (2013) examined the differences between members and non-members in loyalty programs. It was found that loyalty program members were willing to pay higher rates than non-members.

Despite the significance attributed to loyalty programs in the hospitality industry (McCall & Voorhees, 2010), Skogland and Siguaw (2004) identified the failure of loyalty programs to achieve the expected benefits. DeKay et al. (2009) identified the main reason for the failure in loyalty in the leisure context as less frequent travel and less opportunities to redeem points compared to business travellers. In addition, the cost benefits of loyalty programs also remain ambiguous, largely due to the inadequacy of management tools to assess them (Shanshan et al., 2011). Thus, Shanshan et al. (2011) assert the importance of investing in alternative CRM practices, rather than in loyalty programs. Shanshan et al.'s (2011) contentions further strengthen the previously discussed importance of empirical research on CRM practices at the customer-facing level.

2.3 Other loyalty generating stimuli in the hotel context

In addition to CRM, numerous other stimuli are discussed for their ability to generate repeat visitation and word-of-mouth (Kim et al., 2003a; Tanford et al., 2011; Wilkins, Merrilees, & Herington, 2009). They include service quality (Kandampully & Hu, 2007) and hospitality (Ariffin & Maghzi, 2012). While the expected outcomes of such stimuli are the same, the boundaries between them and CRM seem to be rather hazy. For example, while people resource is one of the key dimension of CRM (Chen & Popovich, 2003; Kim et al., 2004; Mendoza et al., 2007), people were also found to be among the key conceptualisations of concepts such as hospitality, (Sin et al., 2005), customer service (Petrillose & Brewer, 2012) and service quality (Wilkins, et al., 2009).

The relationship between CRM and quality is evident from the studies combining total quality management (TQM) and total CRM (TCRM) (Su, Tsai, & Hsu, 2010; Zineldin, 1999). Relationship quality has become one of the key dimensions of measuring service quality (Chen & Chen, 2014; Jones, Mak, & Sim, 2007). Sim et al. (2006) conceptualised relationship quality in a hotel service environment through dimensions such as perceived value to price, facilities and timeliness. Chen and Chen (2014) conceptualised relationship quality through a combination of CRM and non-CRM dimensions: reliable

and earnest service, physical equipment, decoration and environment, personal connection and response to customers. Among them some dimensions do not directly relate to the CRM efforts of organisations.

As stated in early sections, Berry (2002) asserted five key activities that are involved in the practice of CRM: developing a core service, customising the relationship to individual customers, augmenting the core service with extra benefits, pricing the service to encourage loyalty and looking after the employees in anticipation that they would do the same to the customers. Comprehending from Berry, it is apparent that many dimensions that may not relate to the CRM efforts of organisation are also important in building relationship with the customers.

CRM is generally regarded as a practice that generates loyalty (Evans & Laskin, 1994). Nevertheless, empirical discussions on loyalty generating practices had often been discussed with respect to numerous other stimuli such as service quality, rather than CRM. As a consequence, the contribution of CRM dimensions in generating loyalty have not been given due recognition under the domain of CRM. This necessitates the importance of defining the domain of CRM practices. Contributing to the domain of CRM in this study, customer-facing CRM is defined as “*all practices related to the CRM mind-set, experienced by the customers, through the three purchase time zones, pre-encounter, encounter and the post-encounter*”.

2.4 CRM outcomes: Loyalty, repeat visitation and word-of-mouth

Loyalty can be considered a significant outcome of CRM. Oliver (1999, p. 34) defined loyalty as “*a deeply held commitment to rebuy or re-patronise 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 behaviour*”. Customer loyalty has become one of the significant research areas in the field of marketing (Buttle, 2009). It is considered a key determinant of long-term business success (Shirin & Puth, 2011). The loyalty of the customer is evident when the consumer continues to purchase the same brand, and does not consider purchasing any other brand (Hong, Lee, Lee, & Jang, 2009). Research highlights numerous benefits of loyal customers such as repeat purchasing, increasing the

number of purchases (Malthouse & Blattberg, 2005) and customer retention (Hallowell, 1996; Kandampully & Suhartanto, 2000).

Behavioural and attitudinal dimensions are the two key measures of loyalty (Dick & Basu, 1994). Shirin & Puth (2011) considered behavioural loyalty to be a predictor of attitudinal loyalty. However, they also recommend that attitudinal and behavioural loyalty be treated separately. Baloglu (2002) contends that behavioural loyalty is measured by repeat visitation, word-of-mouth, and voluntary partnerships, whereas attitudinal loyalty comprises of emotional attachment, trust, and commitment. Shirin & Puth (2011) assert that customer satisfaction, perceived value, and brand trust is strongly linked in with the concept of attitudinal loyalty.

Combining the attitudinal and behavioural dimensions, Dick and Basu (1994) classified customers into four groups: true loyalty, spurious loyalty, latent loyalty, and no loyalty. True loyals reflect a high repeat patronage and high level of attitude towards the organisation. Even though spurious loyals have a high level of repeat patronage, their relative attitude towards the organisation remains low. Latent loyals have a high relative attitude but a low patronising rate. Those who have low relative attitude and low repeat patronage are referred to as no loyals. Repeat patrons who lack the attitudinal component are also referred to as inertial loyals (Zikmund et al., 2003).

As pointed out by Bowie and Buttle (2004), generating repeat visitation and word-of-mouth (they refer to it as referral sales) is crucial for most hospitality marketers. In the hotel industry, researchers have measured behavioural loyalty exclusively through repeat visitation and word-of-mouth to determine the effectiveness of numerous stimuli (Choi & Chu, 2001; Clemes, Gan, & Ren, 2010; Matzler, Renzl, & Rothenberger, 2006; Wilkins et al., 2009). Considering its wide adaptation and the importance, in this study the outcomes of CRM were measured through repeat visitation and word-of-mouth.

Repeat visitation and loyalty is often referred to interchangeably. However, it is only a surface level reference rather than a conceptual one (Shirin & Puth, 2011). Bowie and Buttle (2004) pointed out the numerous benefits of repeat visitors to a hotel. According to Bowie and Buttle (2004) repeat customers are familiar with the booking systems and know what to expect from the service and are even familiar with the location of the hotel. Thus, repeat customers are expected to be less costly than new customers due to their

familiarity with the service operations. Repeat customers are regarded as influential in making other people visit through WOM (Bowie and Buttle, 2004).

Repeat visitation is extensively discussed at the destination level (See Alegre & Cladera, 2009; Gitelson & Crompton, 1984; Oppermann, 1998; Wang, 2004). Gitelson and Crompton (1984) identified numerous factors that motivate repeat visitation, such as: reduction of the risk of an unsatisfactory experience, assurance of finding the type of people the travellers prefer, an emotional childhood attachment, experiencing some aspect of the destination that could not be experienced in previous visits, and to introduce others to the experience. Wang (2004) studied visitors to Hong Kong. They identified that repeat visitors spend more time shopping, having meals outside and hotel and using local transport and hotels compared to first time visitors. Despite wide scholarly interest in the repeat visit phenomenon in the destination context, hotel consumption choices of repeat visitors seem to receive scant attention.

The common convention implies that customer satisfaction leads to repeat visitation. Nevertheless, the relationship between the two constructs still remains subject to much discussion. Some studies have shown a positive relationship to satisfaction, and repeat visit intention (Choi & Chu, 2001; Kozak, 2001), while others have shown that satisfaction does not necessarily result in repeat visit intention (Rittichainuwat, Qu, & Leong, 2003; Um, Chon, & Ro, 2006; Weaver, Weber, & McCleary, 2007). Therefore, the question as to “why satisfied customers switch” has been discussed in the literature extensively (Jones & Sasser, 1995; Jung & Yoon, 2011; Sánchez-García et al., 2012; Skogland & Siguaw, 2004).

Word-of-mouth is also used to determine behavioural loyalty (Duhan, Johnson, Wilcox, & Harrell, 1997). It is considered the oldest way of communicating opinion on purchases made by consumers (Goyette et al., 2010). Word-of-mouth can be defined as “*tourists telling their friends about the wonderful time they had*” (Prentice, 2004, pp. 923-924): “. Word- of-mouth is considered the most cost effective form of customer acquisition (Bowie & Buttle, 2004; Duhan et al., 1997). Bowie and Buttle (2004) attribute the trust worthiness of word-of-mouth due to the recommendation being generated from a known party.

In modern days, word-of-mouth is more viral in nature. For example, travellers communicate among their circle of friends and family and with the entire world through

social media (Goyette et al., 2010). Therefore, most travel decisions are now influenced by e-WOM, which has now developed into a separate field called ‘viral marketing’ which can be defined as “*a rapidly spreading informal online communication between individuals regarding a service or a good*” (Goyette et al. , 2010, p. 9). Due to the importance of both conventional word-of-mouth, and viral marketing, word-of-mouth in this study is measured through both dimensions.

Word-of-mouth is considered particularly important for hotels (Litvin, Goldsmith, & Pan, 2008). Its importance to hotels is mainly due to the intangible nature of the hotel product and the difficulty in evaluating it prior to purchasing (Lu, Ye, & Law, 2014). The highly competitive nature of the market and the plethora of options available to the customer also make word-of-mouth more important, because in such situations customers tend to rely more on recommendations of known parties (Sparks & Browning, 2011).

Due to the popularity of social media, much of the research on word-of-mouth in the hotel domain focuses online word-of-mouth (See Lu et al., 2014; Ye, Law, Gu, & Chen, 2011). Adding to this increasing interest, Litvine et al. (2008) investigated online hotel reviews and business performance and found that online reviews have a significant impact on online hotel sales, since reviews reduce uncertainty and risk.

2.5 Customer switching

Although repeat visitation seems to be the most desired outcome for any organisation, some customers show a preference for switching. Numerous factors affecting switching have been subject to research. Tanford, Raab, and Kim (2013) noted that despite the huge investments made towards on generating loyalty, insufficient attention has been given to the causes of customer switching in hotels. Zikmund et al. (2003) pointed out that the deficiencies of a company inhibit loyalty. More specifically according to Keaveney (1995), price, inconvenience, core service failures, service encounter failures, poor employee response to service failures, competitive issues, ethical problems and involuntary factors inhibit loyalty.

While much concern has been placed on switching due to issues related to the company, customer related factors causing switching have received scant attention. People may select different hotels due to travelling for diverse reasons, which results in their selecting

different accommodation from that selected on a previous visit (Bowie and Buttle, 2004). Moreover, the preference of travellers for exploring the world results in their visiting new destinations rather than returning to the same tourist resort, in the same destination and this also causes customers to select different accommodation rather than returning to the same. While this behaviour is referred to as VSB (Bowen & Shoemaker, 1998; Bowie & Buttle, 2004; Legohérel et al., 2012; Woratschek & Horbel, 2006) thus far no study has investigated VSB as a factor affecting customer switching in the hotel sector.

Uncles et al. (2003) claim that many researchers have neglected the third conceptualisation of loyalty—‘no loyalty’—which moderates the behaviour between customer attitude to loyalty and behaviour. Uncles et al. (2003) associated the third conceptualisation of loyalty with factors such as purchase situation, usage occasion, variety seeking, and individual circumstances. Among these factors, this study takes an interest in VSB. Despite a few researchers’ findings of VSB as a factor affecting loyalty and switching in tourism related contexts (Jung & Yoon, 2011; Sánchez-García et al., 2012; Shirin & Puth, 2011; Woratschek & Horbel, 2006), surprisingly, VSB has been given scant attention in the hotel sector.

VSB is distinct from the other factors affecting switching. Distinguishing switching and VSB, Shirin and Puth (2011) stated that VSB is about switching for diversity itself rather than for other reasons. In fact, to identify VSB the underlying mechanisms of customer switching have to be identified (Raju, 1980). While Raju (1984) raised concerns about the ignorance of researchers on the underlying mechanisms of brand switching, he emphasised that the reasons for brand switching are twofold: 1) dissatisfaction with the previous or existing brand which is also referred to as instrumental brand switching and 2) intrinsic desire for novelty which is also referred to as exploratory brand switching. He also points out the possibility of both types of switching occurring at the same time.

Raju (1984) contends that exploratory brand switching can be active or passive. Active switchers are highly motivated to seek change or variety whereas passive switchers do not seek active advantage by switching. Passive exploratory switching is caused by environmental influences rather than the individual need for change or variety. Going by Raju’s classification it can be seen that even though researchers in the hotel context have looked at instrumental switching, exploratory switching has not been widely discussed.

In this study it is hypothesised that hotel attempts to hold out to their customers for a long period may be less effective in the context of VSB. Therefore, as asserted by O'Brien and Jones (1995) it is important to make a distinction between variety and non-variety seekers, and particularly to make marketing efforts directed at generating loyalty more effective. Legohérel et al. (2012), pointed that variety and loyalty have an inverse relationship. VSB is also considered as a factor that could assist in predicting loyalty (Shirin & Puth, 2011). Even though it may sound obvious that VSB is the opposite of loyalty and VSB results in customer switching, it may explain numerous scholarly concerns as to the reason 'why satisfied customers switch'.

2.6 Variety-seeking behaviour (VSB)

This section reviews the literature on VSB in a broader context. The literature on VSB in the tourism related context is discussed separately. The review of literature in general tourism contexts was essential as no study so far has been conducted on VSB exclusively in the hotel context.

2.6.1 Background to variety-seeking behaviour (VSB)

Faison (1977) identified that we all need variety in our daily life. He further explained that even though consumers may be completely satisfied, occasionally they show a preference for another brand at least for the sake of a change. Even though some customers may opt for being loyal through a routinisation, such behaviour is claimed to lead to monotony and boredom which leads them to seek diversity in choices of goods and services over time (Givon, 1984; Kahn, 1995; Kahn, Kalwani, & Morrison, 1986; Menon & Kahn, 1995). In addition intellectual curiosity (Kahn, 1998), the desire for unique stimuli (Van Trijp & Steenkamp, 1992) also causes VSB. It is also considered a natural survival instinct to adapt to the changing environment which results in personal growth and improvement (Kahn, 1998). The opposite of variety is referred to as a deliberate tendency to stay with the brand (Kahn et al., 1986) or variety avoiding (Givon, 1984).

Variety is explained in numerous ways. It is be categorised differently by two schools of thoughts. One school of thought explains VSB as purchasing a completely new option of

brand that has not been chosen before (Menon & Kahn, 1995). The other school of thought explains it as purchasing an option tried in shopping history and explains that variety is a choice different to the regular choice (Givon, 1985; Johnson, Herrmann, & Gutsche, 1995). Combining the above schools of thoughts, Ha and Jang (2013) explained variety as alternating between both familiar choices and seeking new alternatives.

VSB is extensively researched in the discipline of marketing (Kahn, 1995; McAlister & Pessemier, 1982; Van Trijp et al., 1996). Even though the fundamental work on VSB commenced in the consumer goods sector, research on variety is gradually spreading into the services domain. Research in the goods domain relates to food (such as Bass, Pessemier, & Lehmann, 1972; Desai & Trivedi, 2012; Goukens, Dewitte, Pendelaere, & Warlop, 2006; McAlister, 1982; Menon & Kahn, 1995; Van Trijp, 1995; Van Trijp & Steenkamp, 1992; Wu & Kao, 2011). Comparatively, while research on VSB in the services context remain scant (Berné et al., 2001; Desai & Trivedi, 2012), knowledge creation on VSB seems to be predominantly grounded on research in the consumer goods context.

Even though VSB causes customer switching, previous research has not seen VSB as a complete threat to organisations. For example, Van Trijp (1995) highlights the opportunity open to organisations to attract customers who switch from other brands in order to seek variety. Woratschek & Horbel, (2006) found that variety-seeking customers are not bad customers due to their contribution to word-of-mouth advertising. The contribution to word-of-mouth becomes particularly important with the growth of social media, where consumers control information by posting information based on the actual experience (Rosman & Stuhura, 2013). Given this context, as highlighted by Woratschek & Horbel, (2006) depending on service quality, variety-seeking customers will deliver justice to the organisation by spreading WOM, instead of by repeat visitation.

Consequently, researchers do not advocate completely giving up on variety seekers. They contend that variety-seekers can be attracted to the same organisation by introducing variety in the purchase options, and through innovative advertising (Faison, 1977; Kahn, 1998; Menon & Kahn, 1995; Van Trijp, 1995). Advocating marketing strategies that work more strategically to suit different groups, Givon (1984) suggests the launch of short-term promotional activities such as coupons and deals for variety seekers and the launch of key marketing strategies for familiarity seekers. Givon (1984) further suggests that introducing new brands could be easier for product classes that attract variety

seekers. Price discounts have also been found as an effective way to attract variety seeking customers (Kahn 1998).

Factors affecting variety are intrinsic and extrinsic (McAlister & Pessemier, 1982; Van Trijp et al., 1996), and these are also known as direct and derived motivations respectively (McAlister & Pessemier, 1982). Key intrinsic factors are relief from boredom, satiation and curiosity (Van Trijp, 1995). Intrinsic factors also includes intellectual curiosity to learn to adapt to the changing environment and to grow and improve (Kahn, 1998). Quality, price, store conditions, advertising, and brand are the main extrinsic factors affecting variety. Intrinsic factors are the main causes of true VSB, whilst the extrinsic factors are not considered to be causes of true VSB (Van Trijp, 1995).

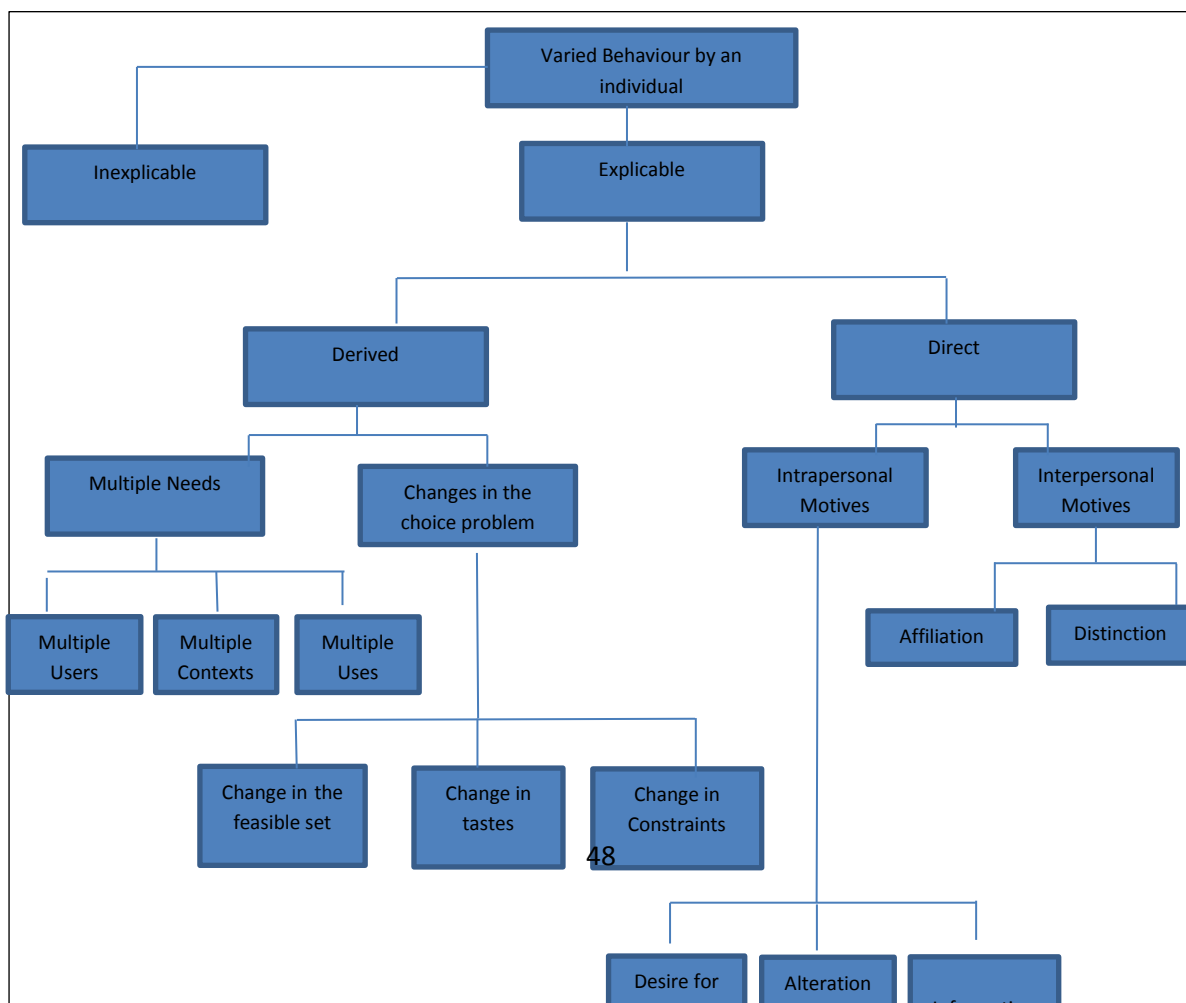
Despite the contention that true VSB is caused only by intrinsic factors, Van Trijp et al. (1996) raise concerns that many scholars addressing VSB have not separated switching caused by intrinsic factors from that caused by extrinsic factors. Further elaborating, Van Trijp et al. (1996) state that such a distinction is essential as marketing implications vary based on the underlying causes of variety (Van Trijp et al., 1996). Further emphasising this aspect, Van Trijp and Steenkamp (1992) have pointed out that when the underlying causes of consumption histories are not evident, it is referred to as variation in behaviour rather than VSB.

Due to the inconsistent use of the term VSB, McAlister & Pessemier (1982) propose 'varied behaviour' as a more appropriate term rather than the use of the term 'VSB'. McAlister & Pessemier (1982), noted that while one school of thought takes the stand that VSB cannot be explained and refers to as inexplicable, the other school of thought takes the standing that it can be explained or is explicable. Taking the stand that VSB can be explained, McAlister & Pessemier (1982) identified two causes of VSB, out of which which is direct and the other derived. Direct motivation is also referred to as intrinsic VSB can be explained under two categories: interpersonal and intrapersonal factors. While interpersonal factors comprise of affiliation and distinction, intrapersonal factors consist of desire for the unfamiliar or alternating among the familiar. The availability of information is also considered as a cause of direct motivation. According to McAlister and Pessemier (1982), derived motivation can be explained by multiple needs and changes in the choice context. While multiple need comprises of multiple users, multiple uses, and multiple contexts, the changes in the choice context comprises of changes in feasible set, changes in taste, and changes in constraints. Derived motivational factors are

not considered as factors affecting true VSB. The taxonomy of McAlister & Pessemier (1982) is shown in figure 2.1.

Despite the wide-spread discussions on separating intrinsic and extrinsic factors to determine VSB, both intrinsic and extrinsic factors seem to have a combined influence. Van Trijp et al. (1996), assert that consumers with a high intrinsic desire for variety are more likely to engage in VSB unless it is mitigated by the presences of a strong extrinsic motivation. Nevertheless, some important considerations of intrinsic and extrinsic factors have not been subject to discussion. For example, even though VSB is undoubtedly caused by intrinsic factors, the choice of the purchase is determined by extrinsic factors. This is necessarily true as rational consumers make consumption choices based on an evaluation of alternatives which are mostly based on extrinsic factors. Thus, the intrinsic and extrinsic factors are neither completely independent nor mutually exclusive. For example, even though a leisure traveller may have a preference for variety due to an intrinsic motivation, and tries out different options, travellers may also consider extrinsic factors such as value for money, safety, and recommendations of previous visitors prior to making their decision. Therefore, in this study, even though the impact of intrinsic and the extrinsic factors are separately evaluated, they are not considered totally independent of each other.

Figure 2.1: Varied behaviour



Hedonic and utilitarian needs can be used to enhance the understanding of VSB. According to Solomon, Previte, and Russell-Bennett (2013, pp. 141-142) hedonic needs are subjective and experiential. Therefore, the consumers with hedonic needs look for more excitement, self-confidence, and fantasy, whereas the consumers with utilitarian needs look for objective, tangible attributes of products. VSB is thought to be explained by experiential and hedonic motives, rather than by utilitarian aspects of consumption (Hirschman & Holbrook, 1982; Van Trijp, 1995; Van Trijp et al., 1996). Furthermore, Van Trijp et al. (1996) pointed out that consumers seek more variety when the perceived difference between the brands is low. The hotel core offer being a homogeneous product (Kandampully & Suhartanto, 2000) and tourism in general being experiential and hedonic (Hirschman & Holbrook, 1982) provides conducive grounds to investigate travellers seeking variety in the hotel context.

It is also important to note that VSB is widely discussed in the consumer behaviour domain involving numerous theories in psychology. In this study attention is drawn only to the behavioural aspects of VSB and the consequent marketing implications rather than extending the scope to underlying psychological theories. Such an understanding is considered important due to the challenges that may be posed by VSB to hotel efforts to hold out to customers for a life time. Even though (like many other factors) VSB also causes customer switching, since the marketing implications of VSB may differ from other factors causing switching, this study explores VSB exclusively.

2.6.2 Variety-seeking behaviour (VSB) in tourism related contexts

There has been a significant scholarly interest in VSB in tourism related encounters in the recent past. This includes holiday markets (Goukens et al., 2006), service providers at destinations such as theme parks (Kemperman et al., 2000), restaurants (Choi et al., 2006; Ha & Jang, 2013), and other destinations (Woratschek & Horbel, 2006; Sánchez_García, et al., 2012). While much of the research on VSB has been conducted using the international or domestic travellers who travel for business, leisure or a combination of both, Hu et al. (2002) studied VSB in the 'visiting friends and relatives' market. VSB has been acknowledged as a product category specific phenomenon (Hoyer & Ridgway, 1984; Van Trijp et al., 1996). Thus, its understanding can be enhanced by research on VSB in diverse contexts.

Woratschek & Horbel, (2006) discussed VSB at the destination stage. They identified the moderating influence of VSB on the relationship between customer satisfaction, and loyalty at the destination level. They conceptualised VSB through a single dimension: 'I travel to different places each time I go on holiday', and identified that even the satisfaction obtained from a high quality offer is not enough to retain variety seeking customers. However, they identified that the positive influence of variety seekers are higher than their negative influence due to the high generation of WOM.

Sánchez_García, et al. (2012) also investigated the extent to which the relationship between satisfaction and loyalty is influenced by the time interval between repeat visits (e.g. now or later) and VSB. They found that variety seeking tendencies have a high influence on short-term revisit intentions, whereas satisfaction or regret about the choices made have an impact on long-term destination revisit intentions. According to them, the visitors with high variety-seeking tendencies have a low short-term repeat visit intention than ones with lower variety seeking tendencies.

Jung and Yoon (2011) also studied VSB of customers of family restaurants. They identified a positive relationship between customer satisfaction and loyalty. However, they found that participants with a high level of satisfaction are more likely to switch. Moreover, VSB was found to have a significant moderating effect on customer satisfaction and switching intent. Similarly, Berne, Mugica and Rivera (2005) investigated the effect of VSB on customer retention in the services context using food

service users in three universities and identified that VSB does have an impact on reducing customer intention to revisit.

Ha and Jang (2013) studied how factors such as perceived quality, customer satisfaction, overall boredom and boredom with the restaurant influence variety seeking intentions of restaurant customers. They identified that the quality of the atmosphere, overall boredom and boredom with the atmosphere all contribute significantly to VSB in the restaurant context. In their study they also determined the moderating role of personality characteristics and VSB on customer satisfaction and switching at the destination context, and reported that personality has an influence on VSB, on customer satisfaction and on switching intent.

In addition to the above studies, Kemperman et al. (2000) investigated the seasonality and VSB of four different types of theme parks namely: amusement parks, zoos, cultural education for children and cultural education for adults. They found that while some visitors were loyal, some sort variety in their theme park selection. They found that the selection of theme parks was affected by VSB, whereas visitors to the cultural and educational parks reflected more loyal behaviour.

VSB is considered an effective segmentation dimension in the international travel context (Legohérel, Hsu, & Daucé, 2015). In an era where segmentation is predominantly conducted through demographic dimensions such as nationality, country of origin and characteristics of the holiday, Legohérel et al. (2015) found the effectiveness of VSB as another segmentation dimension in the international market. Hu et al. (2002) investigated VSB in the 'visiting friends and relatives' market and segmented the 'visiting friends and relatives' market based on the degree of VSB. They identified four groups of travellers based on travel patterns and trip purpose: single destination/single purpose, multi destination, multi-purpose and multi destination/multi-purpose. They identified that these groups were significantly different in terms of travel distance, length of trip and nights spent in commercial accommodation.

Even though, thus far, VSB in the hotel context has not been discussed, examples have been provided for circumstances where VSB may occur in the hotel context, such as switching among hotel categories (Dioko et al., 2013) or abandoning the tourist hotel for a bed and breakfasts motel (Godbey & Graefe, 1991).

Numerous evidence from tourism literature was also gathered to research VSB in the hotel context. VSB is more likely to occur for choices associated with hedonic needs (Hirschman & Holbrook, 1982). Van Trijp et al. (1996) found that consumers seek variety when the core offer appears homogeneous. The hotel offer being a homogeneous offer (Luck & Lancaster, 2003), it provides reasonable grounds to investigate VSB in the hotel context. However, as remarked by Li and Petrick (2008) travellers may seek variety in some services but may not do so across all services (Li & Petrick, 2008). Thus, determining whether leisure travellers seek variety in hotel contexts needs to be explored.

The argument for leisure travellers may seek in the hotel context was further established through three observations. Firstly, travellers may visit different countries each time they go on international holiday due to a desire for variety (Woratschek & Horbel, 2006). Secondly, VSB could take place even when travellers visit the same country, when they visit different locations within the same country (Bowen & Shoemaker, 1998). Thirdly, VSB could take place due to the selection of different hotels even when travellers visit the same location in the same country (Bowen & Shoemaker, 1998). Based on the above three points, it was noted that the VSB of leisure travellers in the hotel context can be defined as *“switching to a new hotel chain or different brand of hotel from the last visited, when visiting the same destination or a different location at the same destination”*

In addition to extending VSB to the hotel domain, this study also points out the importance of developing a new scale to measure VSB. Despite studies on VSB carried out in numerous contexts, it was apparent that many researchers have been reapplying the existing understanding of VSB in diverse contexts. For example, Jung and Yoon (2011) adopted the scale taken from Kahn et al. (1986) and Van Trijp and Steenkamp (1992) to the food domain. While much of the scales on VSB have been developed in the consumer goods domain, the researcher contends that extending such scales to the hotel context may not be suitable due to its unique characteristics. For example, Van Trijp and Steenkamp (1992) identified that their VARSEEK scale is specifically constructed for the food domain, and therefore that it is not generalizable across all products, and pointed out that VSB may change with the product category. Even though the common practice is to adopt a scale from existing scales, it was identified that such extensions to the domain of hotels would not be realistic due to the unique nature of the hotel product.

2.8 Novelty-seeking behaviour (NSB)

Even though the purpose of this study is not to investigate novelty-seeking behaviour *per se*, it has importance to this study. The opposite of novelty-seeking behaviour is considered to be familiarity-seeking behaviour. This study concerns travellers who have been to the same international destination and who are generally referred to as familiarity seekers in destination literature (See Assaker, Vinzi, & O'Connor, 2010). Clearly, based on destination marketing literature, this study extends the understanding of familiarity-seekers at the destination level by investigating hotel selection patterns of leisure travellers. Moreover, the literature reveals that novelty-seeking behaviour and VSB is often referred to interchangeably. Since this study intends to distinguish between the two constructs, a review of literature on novelty was considered essential.

Novelty-seeking behaviour is defined in numerous ways. Pearson (1970) explained novelty as a degree of contrast between present perception and past experience. Novelty seeking is also referred to as a curiosity drive, sensation seeking, and an exploratory drive (Jang & Feng, 2007). While novelty and familiarity are considered opposite constructs (Lee & Crompton, 1992; Pearson, 1970), the degree of novelty and familiarity also vary on a continuum (Lee & Crompton, 1992). Novelty and familiarity are considered a key dimensions in classifying international tourists (Lepp & Gibson, 2008).

A plethora of studies in tourism have investigated novelty at the destination level. Novelty has been explained as a key travel motive (Ariffin, 2008; Cohen, 1972; Lee & Crompton, 1992), a factor influencing destination selection (Lee & Crompton, 1992), a key determinant of travel behaviour (Cohen, 1972), and a factor influencing the level of risk involved in travel (Lepp & Gibson, 2003). While much of the research on novelty is conducted in leisure markets, novelty is also found to be important in the business context. For example, Ariffin (2008) identified the importance of novelty-seeking behaviour in the meeting tourism sector. Based on three dimensions—destination familiarity, destination uniqueness, and destination excitement Ariffin (2008) found the importance of unique and exciting meeting experience.

Many have contributed to the theory of novelty-seeking behaviour by developing scales which explain the key characteristics, choices and the behaviour of the novelty seekers. Among them the novelty seeking scale in the pleasure travel market (Lee and Crompton, 1992), international tourist role scale (Mo, Howard, & Havitz, 1993), novelty of trip scale

(Bello & Etzel, 1985), novelty at meeting tourism (Ariffin, 2008), the arousal seeking scale (Mehrabian & Russell, 1973) and the sensation seeking scale (Zuckerman, 1979) are prominent.

Wahlers and Etzel (1985) acknowledged that novelty seeking travellers prefer destinations perceived as being different, unusual, impressive, adventuresome, refreshing, a change of place and exciting. Novelty seekers show high risk taking behaviour associated with international tourism (Gitelson & Crompton, 1984; Lepp & Gibson, 2003). According to Lepp and Gibson (2003) conditions such as health, political instability, terrorism, strange food, cultural barriers, political and religious dogma and crime are no obstacles for novelty seekers. Bello and Etzel (1985) found that travellers seeking a high degree of novelty are unlikely to visit familiar destinations.

Novelty avoiding or in other words familiarity seeking travellers are likely to have a greater preference for familiar, responsible and planned experience. According to Lepp and Gibson (2003) familiarity seekers avoid factors such as health, political instability, terrorism, strange food, cultural barriers, political and religious dogma, and crime. According to Gitelson and Crompton (1984) familiarity seeking travellers visit familiar destinations in order to reduce risk, and look for assurance, recall an emotional childhood attachment, experience the unexperienced during previous visits, and intend to expose others to such an experiences. Novelty seekers on the other hand are inclined to take risks in new destinations. Assaker et al. (2010) found that those seeking a high degree of familiarity tend to return to the same places often.

Numerous scholars have studied traveller behaviour through various typologies in the international travel context and have identified diverse segments of travellers based on their degree of novelty-seeking behaviour during international travel (such as Cohen, 1972; Plog, 1974). Cohen (1972) identified four classes of tourists, based on their novelty and familiarity seeking behaviour during international travel, namely: organised mass tourists, individual mass tourists, explorers, and drifters. Cohen explained traveller behaviour through the term 'environmental bubble', which refers to travellers who prefer to maintain the same conditions as the home environment.

The organised mass tourists prefer a holiday close to the environmental bubble and prefer packaged holidays and therefore are the least adventurous. The individual mass tourists also prefer elements of the environmental bubble; however, compared to organised mass

tourists, the individual mass tourists have their own preferences rather than being limited to the packaged tour. Explorers, however, show a preference for the local culture, as well as factors similar to their home environment to a certain extent. Drifters show an extreme preference to experience local cultures and move away from the environmental bubble. Among the four types, the drifters seek a high level of novelty, while the organised mass tourists avoid novelty and are inclined towards familiarity. Individual mass tourists prefer more familiar elements, whereas explorers prefer more novelty elements (Cohen, 1972).

Plog (1974) classified travellers in an international context based on three dimensions: allocentrism, psychocentrism, and midcentric. Plog (2002) refers to allocentrics as venturers, and psychocentrics as dependable. Plog asserts that allocentrics/venturers seek new destinations before other travellers, and that they steep themselves in local culture, food and language, and do not seek comfortable accommodation such as luxury hotels. Conversely, the psychocentric/dependables are the less adventurous, less confident, and more insecure travellers, and therefore choose holiday destination which are similar to their home environment. Psychocentric/dependables select popular destinations, and once they discover the destination that suits them, they stick to it. Moreover, they tend to choose accommodation with popular brand names.

Therefore, the allocentrics/venturers can be referred to as novelty seekers, while the psychocentric/dependables travellers can be referred to as familiarity seekers. The midcentric category comprises of both groups and form the largest group among the three categories. The midcentric travellers seek well known established destinations, and are likely to visit the destinations populated by allocentrics/venturers travellers (Plog, 1974, 2002). In comparison with Cohen's (1972) concept of the environmental bubble, while psychocentric/dependable maintain their choices within their environmental bubble, the allocentrics/venturers make their choices away from the environmental bubble.

Based on the above characteristics novelty-seeking behaviour has been extended to numerous levels. Mo et al. (1993) divided novelty into three categories: the macro level, micro level, and social contact dimensions. Novelty at the macro level relates to the culture, people, language, and tourist establishment. Novelty at the micro level refers to the different services provided at the international context such as transportation, hotels, and food. The social contact level refers to the extent to which travellers prefer to have social contact with local people. Cohen (1972) studied travellers in an international context and incorporates all three levels pointed out by Mo et al. (1993), namely:

accommodation, the type of travel companions and the language of the host community in order to understand the extent of the novelty-seeking behaviour. Moreover, Plog (2002) has also pointed out the importance of extending his typology to other products and services.

Adapting Cohen's (1972) conceptualisation, Basala and Klenosky (2001) extended the theory of NSB to the accommodation context. They explained the concept of novelty by referring to the types of accommodation selected which explains the risk taking behaviour of travellers in an international context. The same conceptualisation of novelty-seeking behaviour with regard to accommodation has been used by Legohérel et al. (2012) to determine VSB in the hotel context. Their conceptualisation of VSB was focused mainly on the nature of hotel selections, risk taking behaviour, and the characteristics of the choices (see table 2.4). Thus in this study the study of Legohérel et al., (2012) is not regarded as a study on VSB but rather as a study on novelty-seeking behaviour. While this reveals the interchangeable reference to novelty-seeking behaviour and VSB by some researchers, it necessitates an investigation of the similarities and differences between novelty-seeking behaviour and VSB. The following section attempts to distinguish between them through the literature.

Four researchers who extended the theory of novelty-seeking behaviour in the accommodation context are summarised in Table 2.2

Table 2.2: Conceptualisations of NSB at the hotel context

Study/Author	Context	Conceptualisation	Comments
Toward a sociology of international tourism Cohen (1972)	Novelty seeking at the destination	locally owned facilities with few amenities, or comforts locally owned facilities with many amenities and comforts international chain hotels all inclusive resort complexes.	Mainly focused to understand the behaviour of novelty and familiarity seekers
Travel-style for	Novelty seeking	locally owned facilities	Mainly focused on

visiting a novel destination: A conjoint investigation across the novelty-familiarity continuum (Basala & Klenosky, 2001)	through the types of: accommodation, travel companions, and language	with few amenities or comforts Locally owned facilities with many amenities.	understanding the behaviour of novelty and familiarity seekers
Divergence in variety seeking: An exploratory study among international travellers in Asia (Legohérel et al., 2012)	VSB in restaurants, food and accommodation	international hotel chain with standardised products local hotel with local characteristics No preference.	Mainly focused on understanding the behaviour of novelty and familiarity seekers

2.9 Novelty-seeking behaviour (NSB) versus variety-seeking behaviour (VSB)

Novelty-seeking behaviour and VSB have both similarities and differences. These are listed in table 2.5. They can be explained by the theory of ‘optimum stimulation level’ (OSL) (Jang & Feng, 2007; McAlister & Pessemier, 1982; Raju, 1980). The optimum stimulation level theory was first introduced by Hebb (1955), and Luba (1955) (Raju 1980). According to Fisk and Maddi (1961) optimum stimulations influence humans to seek satisfactory stimulation for a given environmental stimulus (Raju, 1980; Steenkamp & Baumgartner, 1992). Based on the optimum stimulation level theory, a person seeks stimulation when the actual stimulation is below the optimum (Raju 1980). Optimum stimulations are highly individualistic (McReynolds 1971, as cited in Steenkamp & Baumgartner, 1992). Individuals with high optimum stimulations are more likely to engage in exploratory behaviour (Raju, 1980; Zuckerman, 1979). The rationale for consumer variety or novelty seeking is the customer’s attempt to restore the actual stimulation level to the optimum level.

Nevertheless, novelty-seeking behaviour and VSB can be considered as different constructs. The scholarly contention to date is that VSB explains switching behaviour for general products (Bello & Etzel, 1985; McAlister & Pessemier, 1982), while destination choice behaviour has been explained using the theoretical foundations of novelty-seeking behaviour (Bello & Etzel, 1985). Even though this may have been the situation in the recent past, VSB has been extended to many other contexts related to tourism such as restaurants.

While VSB explains the act of switching, novelty-seeking behaviour explains the nature and characteristics of the choices. Cohen (1972) explained the characteristics of the choices through: the country, the culture, the language, and the ethnicity. Lee and Crompton (1972) asserted that novelty at the destination is related to dimensions such as historical landmarks, novelty environment such as local culture and atmosphere, and people such as residents or visitors. Therefore, the rationale for novelty at the destination is arousal, which can be explained by the dimensions: change from routine, escape, thrill, adventure, surprise and boredom elevation (Lee & Crompton, 1992). While novelty-seekers in the international context seek for their optimum stimulation level through the characteristics of the stimuli, variety seekers may seek divergence through a mere change. Novelty-seeking behaviour could therefore be a factor affecting VSB (Ha & Jang, 2013).

Table 2.3: Comparison of NSB and VSB

	Variety Seeking	Novelty Seeking
Similarities	Both constructs are: <ul style="list-style-type: none"> • based on the optimum stimulation levels (OSL) • highly individualistic (Bello and Etzel, 1985) • affecting switching behaviour • pointed out to be effective segmentation dimensions 	

Differences	<ul style="list-style-type: none"> • Main influencing factors are intrinsic and extrinsic factors. • Discussed in the goods and services domain (Bello & Etzel, 1985; McAlister & Pessemier, 1982) • The opposite constructs are considered as reinforcement behaviour, deliberate tendency to stay with the brand, inertia and variety avoiding • Mainly about a mere change rather than extreme risk taking behaviour and has less familiar characteristics 	<ul style="list-style-type: none"> • Main influencing factors are considered push and pull motivation (Crompton, 1979) • Discussed at the destination level (Bello & Etzel, 1985) • The opposite term is often referred to as familiarity • Mainly about the nature of the choices • Has an influence on seeking variety (Ha & Jang, 2013)
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2.10 Customer relationship management (CRM) and variety-seeking behaviour (VSB)

Due to opposite expectations, CRM and VSB are juxtaposed constructs. After a review of the literature, some common aspects of CRM and VSB were identified. Both CRM and VSB lack a commonly accepted definition, and are inconsistently understood. Competition has influenced the development of both constructs. CRM adaptation is recommended due to extensive competition in the modern business environment, where competition has provided conducive grounds for customers to seek variety. Both VSB and CRM can be considered continuums. As pointed out by Van Trijp (1995), VSB is a matter of degree of familiarity with variety. Similarly, while the opposite of the relational approach is transactional marketing they are in fact two ends of a spectrum (Day, 2000).

Theoretically, CRM and VSB have many differences. CRM is within the control of the organisation, whereas VSB is within the control of the customers. While CRM has a close relationship with customer loyalty and lifetime value, VSB has a closer relationship with the constructs satiation, boredom, curiosity, novelty, change and stimulation (Ha & Jang, 2013). While CRM consider lifetime-value to be rewarding, variety seekers consider change to be rewarding.

This study takes an interest in combining CRM and VSB. This combined approach on the one hand will enhance the understanding of the effectiveness of CRM in influencing VSB and on the other hand, the impact of VSB on the relationship between CRM and its

outcomes can also be determined. It also investigates how the results differ based on leisure traveller groups that have different degrees of variety.

The variation of CRM effectiveness has been determined in numerous ways. For example, the effectiveness of CRM has been found to vary based on numerous factors, such as the type of the hotel, the culture and even the hotel selection process of the consumer. Wu and Li (2011) found that the impact of relationship quality differs based on the three types of hotels, namely: tourist hotels, general hotels and guesthouses. O'Mahony, Sophonsiri, and Turner (2013) studied how relationship quality expectations vary across the cultures of Australia and Thailand, and identified that Australians value more special treatment, and social benefits, whereas the Thai were more concerned with communication and engaged in opportunistic behaviour. While it was found from studying Lee and Crompton (1992) that variety and familiarity vary on a continuum, in this study the researcher emphasises the importance of investigating whether the effectiveness of CRM varies depending on the varying degrees of VSB.

As pointed out by Osman et al. (2009), the choice between transactional or relational approaches differs based on different customer groups. They identified that depending on the type of customers not only relational orientation but also transactional orientation generates loyal customers. Emphasising similar concerns, Ganesan (1994) points out the drawbacks of insufficient knowledge on customer preference to engage in relationships, and the drawbacks of attempting relationship marketing when transactional marketing is more appropriate. Based on the above premise, prior to relationship development efforts it is important to determine customer interest in relationship initiation. This can be facilitated through an understanding of the degree of VSB of travellers.

Based on an understanding of VSB hotels could adopt a more customised service for familiarity-seeking customers, and a more standardised approach for variety-seeking customers. Sandoff (2005) identified a number of benefits of providing a standardised service in the hotel sector such as regulating service delivery, maintaining cost, and to minimising risk. Jung and Yoon (2011) proposed that relationship marketing activities should be adopted in the context of VSB in the restaurant context. They proposed that VSB can be addressed through improving the interior and exterior of the service encounter, by using a variety of menus, special events and gifts. They also emphasised the importance of relationship marketing activities such as customer memberships and discounts.

As can be seen this combined approach will enhance the understanding of CRM and also the influence of CRM on VSB and vice-versa.

2.11 Research approaches

Even though CRM and VSB have been extensively researched, the specific areas of concern in this study have been given limited attention. While customer-facing CRM has not been subject to much research, VSB has not been discussed in the hotel domain. This scant attention requires the adaptation of a constructivist paradigm implemented through qualitative methods. To further test the causal relationships between the constructs requires the adaptation of a post positivist paradigm. Thus this study adopts a mixed method design.

Much of the studies discussing VSB have been quantitative in nature. While studies on VSB have applied mathematical models and are experimental in nature, some have used mainly structural equation modelling (Berné et al., 2001; Ha & Jang, 2013; Jung & Yoon, 2011) and other statistical methods (Hu et al., 2002; Kemperman et al., 2000; Legohérel et al., 2012). Many have also used multi-group moderation based on the degree of VSB (Jung and Yoon, 2011), personality characteristics and levels of loyalty (Ha and Jang, 2013).

Research on VSB has adopted numerous approaches when collecting data. Meixner and Knoll (2012) identified VSB is measured in three ways: self-reported methods which focus on subjective measurements of VSB, experiments, and actual data. Moreover, VSB can be studied from two points of view. From the point of view of the consumer, which is referred to as the ‘consumer-based method’ and from the measures developed by managers and researchers which is referred to as the ‘other based method’ (Desai & Trivedi, 2012). Going by the above options, this study collected data using a consumer-based method.

Structural and temporal variations are also key aspects considered by researchers undertaking studies related to VSB. According to Van Trijp (1995, p.7-8) structural variation considers the variation inherent in one particular consumption occasion, without the time dimensions being considered, whereas temporal variation considers variation over time and is defined relative to one or more previous consumptions within the same

behavioural category. Since this study investigated leisure traveller hotel selections over a period of time, the data was mainly related to temporal variations.

Moreover, the majority of the research on VSB has been conducted by looking at planned behaviour or the intention to revisit —assuming that there is a direct predictive correlation between intention and actual repeat visitation (Fishbein & Ajzen, 1975). However, McKercher and Tony (2012) in their research on destinations found that there is no statistically significant correlation between intention and actual repeat visitation rates. Armstrong, Morwitz, and Kumar (2000) stated that both intention and past behaviour are useful for forecasting future behaviour. Kumar et al. (2003) combined actual behaviour and behavioural intentions utilising the data related to both past behaviour and future intention of the customer.

Adopting a similar approach to Kumar et al. (2003), in this study the data was related to both the past and future behaviour. Therefore, participant selection and identification of numerous leisure travellers groups were done based on past behaviour. Past experience with CRM was combined with the future intention for repeat visitation, WOM and VSB. This was facilitated through the criteria used to select participants for the study—‘Australian leisure travellers who have visited the same international destination two or more times’

This criterion was an important due to the requirement to investigate the hotel selection patterns of leisure travellers and to determine whether they have selected the same hotel each time they visited the same destination. Advocating a similar approach Kahn (1995) stated that VSB can be identified through investigating brand selection patterns. If consumers have alternated between two brands over time rather than purchasing the same brand, it is considered that customers seek variety (Kahn, 1995). Utilising this approach in this study it was identified that the leisure travellers broadly regarded as familiarity seekers at the destination due to their repeat visits can be further clustered based on their hotel selections.

2.12 Conceptual framework

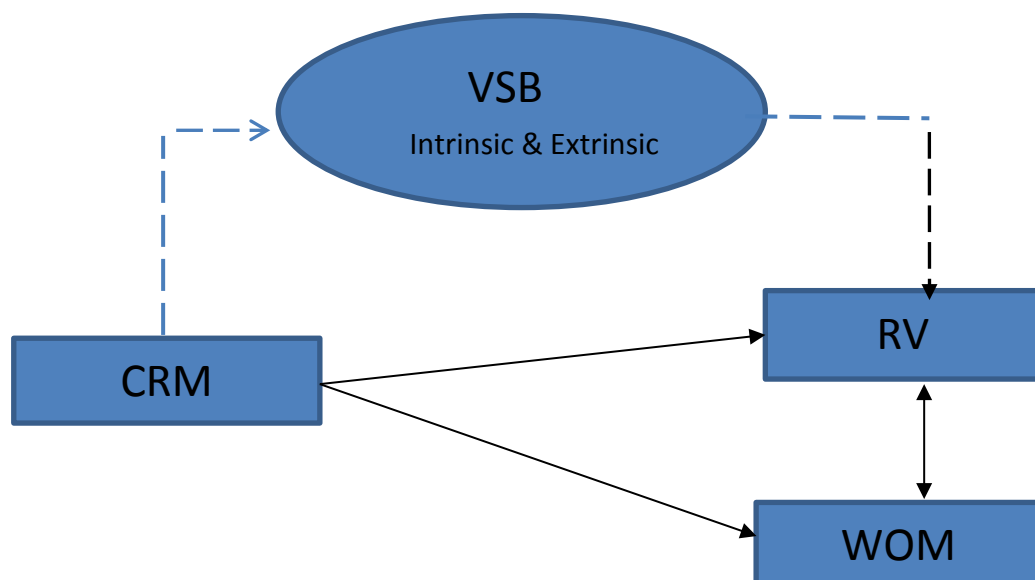
It consists of the key constructs of the study CRM and VSB (measured through both intrinsic and the extrinsic factors). The outcomes of CRM are measured through two dimensions, repeat visitation (RV) and word-of-mouth (WOM).

As reflected in the model, CRM has a direct influence on both repeat visitation and word-of-mouth. It also reflects the fact that VSB has a mediating effect on the relationship between CRM and repeat visitation. However, it does not reflect a mediating effect between CRM and word-of-mouth.

Conceptualising the above relationships the model was further explored in the qualitative phase. This was to determine whether leisure travellers seek variety in the hotel context and to discuss the numerous CRM practices experienced by the customers in the hotel domain. After exploring the concepts, hypothesis development was conducted in the qualitative discussion.

The conceptual framework of the study is shown in figure 2.2.

Figure 2.2: Conceptual framework



2.13 Conclusion

This chapter reviewed the literature on the paradoxical theories of CRM and VSB. They are considered paradoxical for the reason: while CRM is expected to generate loyalty, customers may prefer variety which is contrary to the behaviour expected from the implementations of CRM. Even though researchers confidently recommend adopting CRM to generate loyalty in the hotel sector, this study points out that many such claims have not been made through empirical investigations made from the customer's point of view. Thus, this study investigated the effectiveness of CRM through customer-facing CRM practices. It further questioned the effectiveness of CRM in the context of the leisure traveller seeking different degrees of variety.

Through a review of the extant body of literature on CRM, it was observed that the roots of CRM occurred with Peter Drucker's emphasis on relational exchanges in the 1950s. The importance of relational exchange is attributed to changes taking place in the modern business environment. These changes have made an impact, not only on the way marketers think, but also on the way consumers behave. The extant body of literature suggests that while the changes have influenced marketers to adopt CRM with the intention of generating customer loyalty; customers are experiencing a plethora of options, and therefore show an inclination to seek variety, rather than being loyal to one services provider.

While CRM research can be identified based on the three levels labelled strategic, analytical, and operational, all these forms of CRM have looked at implementation related aspects. Even though researchers have identified the importance of customer-facing CRM, it has been undertaken from an implementation point of view, rather than from the perspective of customer experience. Thus, scholarly discussions on CRM are related to back-stage activities which have been given much attention, while front-stage practices have only been given scant attention.

Even though the literature provides a plethora of examples of customer-facing level CRM, many such practices (other than loyalty programs) have not been researched empirically. However, it was found that some scholars investigating loyalty have discussed customer-facing level CRM practices, referring to them as loyalty generating practices. Therefore, while customer-facing CRM needs to define its domain, it also

needs to identify the practices that are attributed to the CRM efforts. Contributing to defining the domain of CRM, this study defined customer-facing level CRM as “*all practices related to the CRM mind-set of the organisation, other than those related to product, price, place and promotion which are experienced by the customers through the three purchase time zones: pre-encounter, encounter and the post-encounter*”.

Despite discussions on numerous loyalty generating practices, the literature points to numerous loyalty inhibiting factors as well. Among such factors VSB can be considered significant. Much of the research on VSB has been conducted in the goods domain when compared to the services domain. However, in the recent past a few researchers have shown interest in studying VSB in tourism related contexts such as the destination and restaurant contexts. Even though a few studies have described variety in the accommodation setting they have not concentrated on discussing variety exclusively in the hotel context. Highlighting the importance of discovering the concept of VSB from a behavioural perspective this study defines VSB in hotel context as: “*switching to a new hotel chain or different brand of hotel from the last visited, when visiting the same destination, or a different location at the same destination.*”

The literature has also provided some evidence of the relationship between CRM and VSB. Sigala (2005) stated that CRM is an effective strategy for preventing customer switching. Jung and Yoon (2011) suggested that CRM practices can be used to prevent the VSB of visitors in a restaurant setting. Combining CRM and VSB this study identified the importance of determining whether VSB has an impact on the relationship between CRM and repeat visitation. Going by Woratschek & Horbel, (2006) this study did not propose that VSB has an impact on WOM. Thereafter, the study also investigated whether CRM has an impact in mitigating the VSB of leisure travellers in a hotel context. This impact was determined for numerous leisure traveller groups based on their degree of VSB.

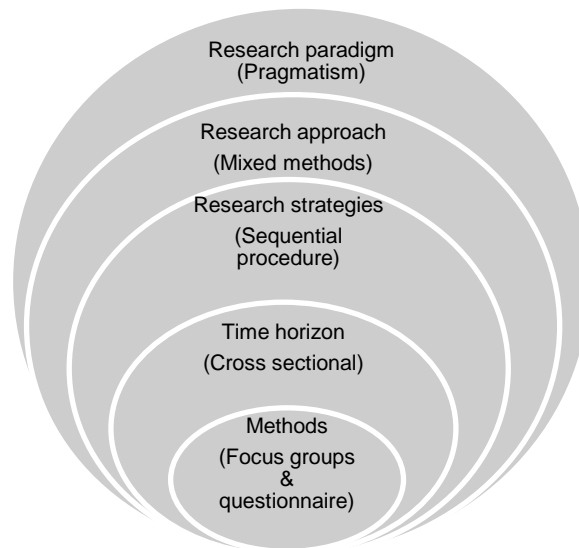
Chapter Three-Research Design

3.1 Introduction

This chapter provides an outline of the research design of this study. It explains the research process incorporated to address the primary research question: “What is the impact of hotel customer relationship management (CRM) in achieving repeat visitation and word-of-mouth recommendation in the context of variety-seeking”. Adopting from Saunders, Lewis, and Thronhill (2003) the research process is explained by five elements: research paradigm, research approach, research strategies, time horizon and research methods.

First, this chapter provides a brief overview on the overall research paradigms and a comprehensive view on the paradigm underpinning the research, which is pragmatism. Thereafter, it elaborates the alternative research approaches and the particular approach adopted in this study which is the mixed method approach. This is followed by the research strategies which provide the grounds to select the research methods. Thereafter, the time horizon of the study is also explained. Finally, this chapter elaborates the research methods and explains them in detail. The research methods are presented in two sections—qualitative and quantitative. A snapshot of the above research process is shown in figure 3.1.

Figure 3.1: Research process



3.2 Research paradigm

This section provides a detailed discussion on the paradigm underpinning this research which is pragmatism.

The construct ‘paradigm’ dates back to Thomas Kuhn’s inaugural discussions in the 1970s (Guba, 1990). In the preface of Thomas Kuhn’s book (1970, p. viii) ‘the structure of scientific revolution’ paradigm is defined as: “*universally recognized scientific achievements that for a time provide model problems and solutions to a community of practitioners*” Kuhn also stated that (1970, p. 176) “*a paradigm is what the members of a scientific community share, and, conversely, a scientific community consists of men who share a paradigm*” Since Thomas Kuhn’s inaugural work, ‘research philosophy’ is now widely referred to as ‘research paradigm’ (Guba, 1990; Tashakkori & Teddlie, 1998). It is also referred to in numerous other terms such as: ‘world views’ (Creswell & Clark, 2007), ‘philosophical assumptions’ (Crotty, 1998) and ‘knowledge claims’ (Creswell, 2003; Creswell & Clark, 2007). Researchers are guided by the assumptions of the paradigms when conducting research including key decisions such as the research approach, research strategy, and the research methods.

Research paradigms have evolved over the decades with the key paradigms being post-positivism, constructivism, and pragmatism (Creswell, 2003)³. Each paradigm can be explained based on ontology, epistemology, axiology and methodology. Ontology is

³ Creswell (2003) explain four key paradigms, which also includes advocacy/participatory. For the purpose of this study only three are explained as the three paradigms explained were important for the study.

mainly about knowledge that is to be discovered, and its nature. For the most part, knowledge is referred to as reality and truth. Therefore, ontology is referred to as conversations on reality (Creswell & Clark, 2007; Jennings, 2010). Guba (1990, p. 18) defined ontology with a question: “*what is the nature of the ‘knowable’? Or, what is the nature of reality?*” The ontological position of the post-positivist paradigm is of a single reality and is therefore involved in accepting or rejecting hypotheses, whereas in the constructivist paradigm researchers believe in multiple realities and understand a phenomenon through the participants’ viewpoints. In pragmatism, the researcher is permitted to take both positions, and therefore believe in both singular and multiple realities in single study (Creswell and Clark, 2007).

Epistemology provides guidance in identifying the body of knowledge in spite of the researcher’s assumptions about the relationship between the researcher and what is being researched which may be the participants, the subjects or even objects (Jennings, 2010). Epistemology guides the researcher to the most suitable ways to discover reality. Therefore, in simple terms epistemology can be explained as “*how we know what we know*” (Neuman, 2011, p. 93). Guba, (1990, p. 18) defined epistemology as: “*what is the nature of the relationship between the knower (the inquirer) and the known (or knowable)*” The epistemological stance of the post-positivist paradigm is that the researcher has a distant relationship with the phenomenon under investigation and the researcher objectively evaluates the phenomenon based on the data. However, in the constructivists’ paradigm the researcher is not separate from the phenomenon being investigated. In a study directed by pragmatism both stances can be maintained depending on what best addresses the problem under investigation (Creswell and Clark, 2007).

Axiology deals with value, ethics, and associated ethical practices (Jennings, 2010, p. 36). In the post-positivist paradigm the researcher is unbiased in knowledge creation whereas in the constructivist paradigm the researcher’s biases are not considered an issue in interpretation. In a study directed by pragmatism the researcher is free to adopt both stances (Creswell and Clark, 2007).

Methodology refers to how the inquirer should go about finding out knowledge (Guba, 1990, p. 18) or “*a set of guidelines*” (Jennings, 2010, p. 36), or the process of conducting research (Creswell & Clark, 2007). In simple terms, methodology refers to the process of the research. In the post-positivist paradigm the researcher adopts a deductive approach that involves theory testing, whereas in the constructivist paradigm the researcher is

involved in theory building. In pragmatism, theory testing and building both could take place in a single study by collecting both quantitative and qualitative data (Creswell and Clark, 2007).

The paradigm underpinning this study is pragmatism. It is premised on the basis of 'what works' (Creswell & Clark, 2007). The philosophical assumptions of pragmatism facilitate the adoption of multiple paradigms, assumptions, data collection and analysis methods (Creswell, 2003). This study requires the incorporation of both qualitative and quantitative methods in order to address the primary research question. Thus, pragmatism was identified as the most suitable paradigm to guide the study. Adopting pragmatism, this study adhered to the rules and procedures stipulated by both constructivist and post-positivist paradigms. The pragmatist paradigm was selected based on the nature of the study, in order to provide justice to the problem under investigation.

This study combines two theoretical areas in the marketing domain CRM and VSB. Even though CRM has been extensively researched, the area of concern of the study which is customer-facing CRM, has not received sufficient scholarly attention. Similarly, previous studies have not explored VSB in the hotel context. The scant empirical evidence on CRM and the lack of studies on VSB in the hotel domain accentuated the need for textual data which is governed by the constructivist paradigm. While this stage was the preliminary stage to commence the study, next, incorporating qualitative results and the literature, the items for the new measurement scale and the hypotheses of the study were developed. Thereafter, combining the two areas CRM and VSB, the causal relationships with the constructs were tested to make generalisations to a larger population. This involved quantitative data. Since this stage involved theory testing the assumptions of the post-positivist paradigm was incorporated.

The scientific community do not equally agree on mixing paradigms. For example, the purists claim for an 'incompatibility thesis' by strongly opposing mixing paradigms to address a single problem (Greene, Caracelli, & Graham, 1989). However, the pragmatists' schools of thought now have crossed the boundaries between the two main paradigms, and advocates using a mix of both paradigms, if required for the nature of the research problem. Notably, pragmatism have established their position as a new paradigm (Creswell & Clark, 2007; Johnson & Onwuegbuzie, 2004). It is also referred to as the third methodological movement (Teddlie & Tashakkori, 2009).

Strongly advocating pragmatism Morse (1991, p. 157) stated:

who support to subscribe to the philosophical underpinnings of only one research approach have lost sight of the fact that research methodologies are merely tools, instruments to be used to facilitate understanding. Smart researchers are versatile and have a balanced and extensive repertoire of methods at disposal.

3.3 Research approaches

Research approaches are determined by the research paradigms. This section presents the alternative research approaches and also a detailed discussion of the research approach of the study. Qualitative, quantitative, and mixed methods are the three main research approaches (Creswell, 2003, Jennings, 2010). The post-positivist paradigm is associated mainly with the quantitative approach, which involves numeric measures. The constructivist paradigm is associated with the qualitative approach, which involves textual data collected through the individual's experiences, or the meanings attached to the phenomenon under investigation. The pragmatic paradigm combines both qualitative, and quantitative methods and is therefore, referred to as the mixed method (Creswell, 2003; Creswell & Clark, 2007).

The qualitative approach is considered more suitable when little is known about the subject under investigation. It facilitates the researcher to become familiar with the problem under investigation in such contexts and also to develop hypotheses. It also signals the feasibility of conducting the research and also helps to identify the items for measurement scales. Thus, it is an inductive method which involves in theory building (Neuman, 2011). Conversely, quantitative research involves theory testing through numeric data. It involves larger samples and facilitates the researcher to make generalisations (Neuman, 2011). Thus, qualitative and quantitative methods differ in their approach to data collection analysis and interpretation.

The mixed method is also referred to as methodological triangulation (Morse, 1991) and mixed methodology (Tashakkori & Teddlie, 1998). It is defined in numerous ways. Four definitions emphasising numerous aspects such as philosophy, research methods, features, and tasks of mixed methods research are discussed in this section. Emphasising the philosophical domain Tashakkori and Teddlie (1998, p.19), defined the mixed method as

“...studies that are products of the pragmatist paradigm and that combine qualitative and quantitative approaches within different phases of the research process” The use of research methods in a mixed method study was defined by Morse and Niehaus (2009, p. 9) as *“two (or more) research methods in a single study, when one (or more) of the methods is not complete in itself”*. The features of a mixed method design can be explained through the definition of Greene, et al. (1989, p. 256): *“those that include at least one quantitative method (designed to collect numbers) and one qualitative method (designed to collect words) where neither type of method is inherently linked to any particular inquiry paradigm”* A more comprehensive view of mixed methods was provided by Tashakkori and Creswell (2007, p. 4), who emphasised the tasks of the investigators: *“collects and analyses data, integrates the findings, and draws inferences using both qualitative and quantitative approaches or methods in a single study or program of inquiry”*.

The concept of mixing methods dates back to 1959, when Campbell and Fisk incorporated multiple quantitative methods in a study on psychological traits (Tashakkori & Teddlie, 1998). The approach used by Campbell and Fisk (1959) is referred to as multi-methods, due to the use of several methods in the same paradigm. Building on Campbell and Fisk (1959), Denzin (1978) developed the concept of ‘triangulation’ which combines four elements: methods, theories, investigators, and methodologies (Creswell & Clark, 2007; Tashakkori & Teddlie, 1998). Triangulation of measures facilitates the use of multiple measures to investigate the same phenomenon within or across the two paradigms. Triangulation of observers facilitates the use of multiple investigators, and their multiple theoretical perspectives to study the same phenomenon. Triangulation of theory uses multiple perspectives to plan a study or interpret the data. Triangulation of methods advocates combining multiple methods for richer, accurate and more comprehensive study, as it helps to investigate a phenomenon from multiple perspectives (Neuman, 2011). Going by the components of Denzin’s (1978) elements of triangulation, this study adopts a triangulation of methods.

There are three key decisions related to a mixed method study: the timing, weight and mixing of data (Creswell & Clark, 2007). The timing refers to the sequence in which the data is collected, analysed, and interpreted. Timing could be broadly divided into sequential, and simultaneous/parallel/concurrent (Creswell, 2003; Morse, 1991; Tashakkori & Tiddlie, 1998). This study was carried out in a sequential manner by

completing the qualitative phase of data collection, analysis, and interpretation before commencing the quantitative stage.

In a mixed method study it is also important to determine how the data analysis and interpretations are integrated. Synthesising previous studies, Greene et al. (1989) identified three options: 1) no integration—conducting both analysis and interpretation separately, 2) conducting analysis separately but using some integration during interpretation, and 3) integration during both analysis and interpretation. Due to the sequential mixed method design, qualitative data was first collected, analysed and discussed. This was followed by quantitative data collection, analysis and discussion. Therefore, no integration between qualitative and the quantitative phases took place.

The next important decision was the weight attributed to the qualitative, and the quantitative stages (Creswell, 2003; Creswell and Clark, 2007). Whereas Morse (1991) emphasised that there could be only one dominant method during a single research study, Tashakkori and Teddlie, (1998) emphasised the option of attributing equal weights. However, concerns have been raised about equal weight mixed methods, due to the time consumption in data collection and analysis, and it is considered more applicable for research programs rather than a single study (Creswell, Clark, Gutmann, & Hanson, 2003). Nevertheless Tashakkori and Teddlie (1998) support the adaptation of an equal weight mixed method design.

In this study both qualitative and quantitative stages were attributed substantial roles. However, the qualitative phase of this study was more than a stepping stone to the quantitative stage. It had multiple objectives. Out of the eight research questions, four were related to qualitative data. The qualitative phase was essential to further confirm the hypotheses developed through the literature review. This was particularly important as VSB has not been researched in the hotel context before. In addition, the limited empirical evidence on customer relationship management (CRM) practices at the customer-facing stage indicated the importance of exploring the key constructs further and in depth. Adopting an inductive approach, this stage involved collecting textual data from leisure travellers and then generating theoretical constructs. In addition, it was used to generate items for the new measurement scale. After launching the quantitative stage it was involved in validating the item scale and hypothesis testing which were related to four research questions. It also involved testing of the causal relationships among the constructs, and making generalisations to a larger population. Both qualitative and the

quantitative stages were complete by themselves and the rigor of each method was not compromised (Morse, 1991; Morse & Niehaus, 2009).

3.4 Research strategies

Guided by the research approaches, a suitable research strategy was determined thereafter. In a mixed method study both qualitative and the quantitative strategies are used. As classified by Creswell (2003), the main strategies belonging to the qualitative approach are narratives, phenomenology, ethnography, grounded theory and case studies. The main strategies belonging to the quantitative research approach are experimental design and non-experimental design. Survey is the key strategy of a non-experimental design.

In the qualitative phase the researcher did not subscribe to a particular research strategy. She adopted the procedures of the focus groups, which is a key method in qualitative research (Discussed in section 3.5). However, when reporting the data generated through the focus groups, a phenomenological approach was used. The research strategy used in the quantitative stage was the survey.

3.5 Time horizon

The time horizon of a study could be either cross-sectional or longitudinal. Whereas the longitudinal approach collects data at several occasions through a period of time, the cross sectional method facilitated data collection at a particular time period (Saunders et al., 2003). Even though this study collected information based on past travel experiences related over a period of time, since the data was collected at one particular instance the time horizon of this study is considered as being cross-sectional (Saunders et al., 2003). Based on this approach, data was collected using a specific sample frame.

3.6 Research methods

Research methods include the specific ways of data collection and analysis. The methods of data collection and analysis under qualitative and quantitative approaches differ

significantly. Qualitative methods of data collection include interviews, such as unstructured or in-depth interviews, semi-structured interviews, participant observation, focus groups, longitudinal studies, the delphi technique, case studies, action research, documentary methods and visual methods. The quantitative methods include surveys and questionnaires such as mail surveys, telephone surveys, e-surveys (on-line survey), self-completion questionnaires and interviewer-completed questionnaires as well as and other types of surveys such as on site surveys, en-route surveys, household surveys and omnibus surveys (Jennings, 2010). Out of these methods one method under each qualitative and quantitative strategy was selected. The qualitative phase incorporated focus groups while the quantitative stage used the on-line questionnaire. Each method and the rationale for its selection are explained in section 3.7.

Adopting a sequential mixed method design commencing with the qualitative stage, the methods used for both the qualitative (section 3.7) and quantitative (section 3.8) phases are explained in two parts.

3.7 Part one- qualitative methods

This section outlines the methods adopted in addressing the exploratory research questions. It elaborates on data collection, sampling, data analysis, data reporting, validity and reliability and ethics.

3.7.1 The method of data collection

This section explains sample selection, recruitment of participants, the method of recording and transcribing pertaining to the qualitative stage. Data collection in the qualitative phase was carried out through focus groups. This is a method which involves interviews with several participants together, rather than individually (Jennings, 2010). This method is acknowledged as a widely adopted qualitative data collection method (Barbour & Kitzinger, 1999; Silverman, 2011; Stewart, Shamdasani, & Rook, 2007). Focus groups are particularly recommended for studies using a mixed-method research design (Silverman, 2011; Stewart et al., 2007) and at the very early stages of the research projects where qualitative data collection will be followed by quantitative data from a larger sample of respondents (Silverman, 2011, P. 41). Stewart et al. (2007) recommends

focus groups as a good starting point when little is known about the concepts and the researcher intends to design a survey questionnaire.

This study exploited many advantages of focus groups. The focus groups facilitated in-depth exploration on the concepts under discussion which resulted in richer data. It provided an opportunity to obtain clarification on the data which is required during FG discussions. The interaction among participants also assured that all participants contributed. This helped participants recall their travel experiences when they heard the travel experiences of other focus group members. Compared to interviews, focus groups are also considered to be cost effective and less time consuming (Jennings, 2010; Silverman, 2011; Stewart et al., 2007).

Nevertheless, focus groups also have limitations. Jennings (2010) highlights having one strong personality among the group, diverging from the focus group attention, biased perspectives and not reflecting a variety of views as being the main limitations of focus groups. The difficulty in finding a commonly agreed time for all the participants, and last minute cancellations were also seen to be among the challenges of conducting focus groups. To overcome the above limitations the moderator saw to it that all participants were given an equal opportunity to contribute to the discussions. Divergence from the discussions were controlled by employing probing questions. There were less room for biases since the discussions were based on actual experiences. To overcome the difficulty in identifying a common time the participants were given the option of a few time slots. When there was a minimum of three participants for a time slot, the focus groups were conducted.

At the start of each focus group, a brief questionnaire was distributed (please see appendix 2). It collected the information related to the country visited by the participants three or more times, the hotels selected for accommodation, and the future preference to stay at the same hotel. The main intention of distributing this brief questionnaire was to facilitate the grouping of the participants in later analysis based on their degree of VSB. The overall data collection through focus groups was assisted by a semi-structured interview guide (please see appendix 1) which was formed by the qualitative research questions. The sequence of the questions varied from focus group to focus group determined by the flow of information provided by the respondents. To generate a detailed discussion on the concepts additional questions were asked as deemed necessary.

The focus group discussions lasted between 50-60 minutes. The discussions also proceeded efficiently as the study did not involve any technical topics which may have wearied the participants (Stewart et al., 2007). The nature of the topic—their experience of hotel selections also created enthusiasm among the respondents and led them to contribute to the discussion.

All focus group discussions were digitally recorded. Transcribing the data commenced by following the first focus group. Prior to transcribing, the interviews were heard several times by the researcher in order to become familiar with the data. All interviews were transcribed verbatim. In accordance with Saldaña (2011), even though recruiting a professional transcriber is an option, transcription by the researcher provides cognitive ownership, and helps her gain an insight into the data. Therefore the transcription was carried out by the researcher herself.

3.7.2 The sample

The participants were recruited through purposive sampling. Since participant selection in purposive sampling is based on the judgement of the researcher, it is also referred to as judgemental sampling (Jennings, 2010). Purposive sampling is a non-probability sampling method, where each member in the population do not have an equal chance of getting selected for the study (Jennings, 2010). It was considered the most suitable method since it was not the intention to make generalisations to a larger population (Kitzinger & Barbour, 1999; Stewart et al., 2007). The sample of this phase was selected based on the criteria—travellers who have been to the same international destination three or more times⁴. This method of sampling was identified to be economical in terms of saving time and money (Jennings, 2010).

The recruitments were done via an invitation sent out through Edith Cowan University Google groups and through personal contacts. After generating a list of travellers who expressed their interest in participating in the focus group discussions, the respondents were contacted formally with an invitation to participate. The first three focus groups were held in the Edith Cowan University, whereas focus group four and five were held at

⁴ The criteria for participant selection in the qualitative stage is little different to that of the quantitative stage. The criteria used in the quantitative stage: the travel experience within the last five years was not applied in the qualitative stage. This decision was made due to the requirement to generate a larger sample and the difficulty to identify such a big sample with a strict criterion.

Joondalup Primary School and at an elders' village respectively. The participants were provided with refreshments prior to the commencement of discussions. The researcher experienced the fact that providing refreshments at the start built a good rapport among the participants and between the participants and the moderator, who was the researcher herself.

There is no general consensus in the literature on the number of participants suitable for a focus group. According to Barbour (2007) early consensus was that 10-12 was the ideal size for focus groups in marketing research. Silverman (2011) stated that 6-12 individuals are suitable for a focus group discussion. Providing numerous reasons, Kitzinger and Barbour (1999) advocated that focus groups of 3-4 participants is 'perfectly possible'. Kitzinger and Barbour (1999) pointed out particularly that the number of participants suitable for a focus group depends on the nature of the study.

Numerous factors provide conducive grounds to use smaller focus groups. According to Barbour (2007) the skill of the moderator, the complexity of the dimensions and the extent of transcription determine the number of participants to be included in a focus group. For example, verbatim transcribing and the pre-requisite to identify individual participants' voices to clarify views, also makes smaller focus groups more effective. From a practical perspective Carey (1994) stated that smaller groups are easier to manage. Due to requirements similar to the ones stated above, this study also involved smaller groups with a minimum of 3 and a maximum of 6 participants.

Overall, the study involved 5 focus groups which consisted of 22 participants in total. Even though there is also no general consensus on the number of focus groups to be held, the number of focus groups were determined based on data saturation (McLafferty, 2004). The focus group discussions were conducted from June to July 2012. The focus groups were numbered based on the sequence in which they were conducted and the participants are named fictitiously. The participant composition is given in table 3.1. (The participant composition is further described in chapter four.)

Table 3.1: The participant composition

Group	Group composition and coding	Number of participants
1	Two females and one male	3

2	Two males and three females	5
3	Four females	4
4	Three females and one male	4
5	Six females	6

3.7.3 The method of data analysis

The analysis of qualitative data began with coding (Miles, Huberman, & Saldaña, 2014), which is the main categorising strategy in qualitative research (Maxwell, 2013; Miles et al., 2014). The inductive method of coding (or in other words open coding) was adopted (Corbin & Strauss, 2008). Open coding facilitated the categorisation of data under important themes and helped to identify important paragraphs, sentences and words that were of importance for the study under investigation (Corbin and Strauss, 2008). Even though the researcher had an a priori notion of the themes by means of the literature review, the coding was not restricted to a predetermined list of codes.

The qualitative data analysis involved the following steps.

- First, each focus group interview was transcribed verbatim from the audio records.
- Thereafter, the transcripts were imported to NVivo 10, developed by QRS International, which is a software tool for qualitative data management and analysis (Bazeley, 2007).
- The transcripts were read a few times to get a feel for the data. While reading, the concepts and questions that were reflected from the data were noted (Maxwell, 2013).
- The formal identification of the codes was done through NVivo 10. The code identification was expanded one focus group at a time.
- Thereafter, the codes were organised under theoretical categories which were the main constructs investigated during the exploratory stage, CRM and variety-seeking behaviour. Finally the organisational categories were aligned with the exploratory research questions of the study.

3.7.4 The method of reporting focus group data

The approach used to report focus group data depends on the epistemological orientation of the focus groups (Stewart et al, 2007). Citing from Sayres (2001), Stewart et al. (2007) state that the analysis of qualitative data has three perspectives, namely, social constructivism, phenomenology and interpretivism. Focus group analysis that is based on social constructivism tends to emphasise collaborative group construction of meaning regarding an issue. Phenomenology takes a different approach by emphasising the perspectives of the individual respondents (Creswell, 2003). The phenomenological approach therefore has been recommended particularly for focus groups in the field of marketing, where managers are interested in identifying the reasons why one customer may prefer a product, and why other may not like it. Interpretivism which emphasises individual words at face value, also attempts to understand nonverbal communication.

To report focus group data, this study adopted the method stipulated in phenomenology. Even though this study did not subscribe to phenomenology per se, it involved a key feature of phenomenology, which is the real life experience of leisure travellers. Numerous other reasons also accentuated the need to report focus group data based on the individual respondents. For example, the main intention of this qualitative phase was to gain an in-depth understanding of the main constructs which were to identify the hotel selection behaviour of the participants, gather numerous CRM practices experienced in the hotel context and to understand whether VSB is an important concept in the hotel domain. The focus groups were considered important in enhancing the recallability of the experiences of a participant when listening to other participants. Therefore, rather than identifying group consensus on a particular matter, individual experiences were deemed more important. Therefore, the focus group data was reported based on the ideas, perceptions, experiences, and motivations (Stewart et al., 2007) of individual respondents rather than the collective data of the group.

Reporting focus group data corresponding to an individual was a difficult task, due to the requirement of tracking the respondents. The focus groups being smaller and the researcher being the transcriber, eliminated the difficulty of identifying individual respondents' voices in a group setting. Nevertheless, as a backup plan, the researcher recruited a third party to note down the names in the order of discussion.

3.7.5 Validity and reliability

Validity makes an assurance that the qualitative results are trustworthy. As highlighted by Jennings (2010), since perfect validity entails perfect reliability, in this study the validity of the data was assured. Validity determines whether the findings are accurate from the stand point of the researcher, the participant and the readers (Creswell & Miller, 2000). This was assured through frequent debriefing (Creswell, 2003) which involved the supervisors of the study. The supervisors reviewed and asked questions about the qualitative data, interpretation and findings.

3.7.6 Ethical issues of qualitative data

Prior to any communication with prospective participants, ethics approval was obtained. The focus groups discussions were conducted according to the ethical guidelines stipulated by the research ethics committee of Edith Cowan University (ECU). Accordingly, the consent to participate was obtained from each participant prior to the commencement of the discussions. One of the main ethical issues of focus group discussions is the inability to guarantee confidentiality to a participant as it is difficult to prevent other participants' unethical actions as such as gossip behaviour (Barbour & Kitzinger, 1999). Since the study did not deal with a sensitive topic, measures were not required to prevent such actions.

3.8 Part two-quantitative methods

After completing the qualitative data collection and analysis, the quantitative phase was launched. This section begins with an outline of the method of data collection. Thereafter, it elaborates the process of instrument development. This is followed by data analysis which commences with data preparation. Subsequently, the procedure of scale confirmation through exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) and also the hypothesis testing procedure are explained.

3.8.1 The method of data collection

Quantitative data was collected through a structured questionnaire, distributed online. This method is also referred to as the method of online questionnaires. Online questionnaires have gained a significant boost due to advances in technology (Evans & Mathur, 2005; Jennings, 2010). It is free from many disadvantages encountered by other survey methods, such as mail surveys and telephone surveys, particularly due to cost and convenience in distribution (Jennings, 2010). There are numerous benefits of online questionnaires, including: the potential to access a larger audience globally, flexibility, speed, convenience, ease of data entry and analysis, ability to incorporate question diversity, low administration cost, ease of follow up, ease of obtaining a larger sample and control of answer order (Evans and Mathur, 2005).

The online questionnaire was developed and distributed through Qualtrics survey software. Thus, in addition to the general advantages, the researcher experienced a number of advantages by using Qualtrics survey software. One of them was the time saved on coding as it was automatically done by the online survey software. Since there was no requirement for manual entry, the data was free from data entry and coding errors. Furthermore, the qualtrics software also records the time taken to answer the questionnaire by each respondent. This was used as a partial requirement to determine the quality of the responses and to determine whether a particular response could be considered for analytical purposes.

Prior to the final survey a pilot test was conducted. The data collection in the pilot stage was conducted by the researcher, whereas the final survey was conducted through a market research company called MyOpinions, who manages research through online customer panels in Australia (<http://www.myopinions.com/research/About.aspx>). The main advantages of collecting data through a market research company was data bases with valid email addresses and a proven online panel (Evans and Mathur, 2005). In addition, recruiting the market research company was important due to an intention to reach a broader audience spread throughout Australia for diversity, to collect a larger sample, and to collect the required number of responses within a shorter time period.

3.8.2 Instrument development

Developing a new measurement scale was significant for this study. As far as the knowledge of the researcher is concerned, no prior study has discussed variety-seeking behaviour (VSB) exclusively in the hotel context. Moreover, only scant attention has been paid to customer-facing CRM in the hotel sector. Most importantly, previous studies have not combined CRM and VSB in the hotel context. The process of instrument development was conducted in several stages including item generation, an expert panel, and pilot testing. Each of these tasks is explained below.

3.8.2.1 Generation of items

The first stage of scale development is generating items for the constructs subject to measurement. The items related to the key constructs of the study, customer-facing CRM and VSB were drawn from the literature and the qualitative findings. Even though the number of items for scale construction is not bound to strict rules (Hinkin, 1998), guided by the recommendations of DeVellis (2012), more items than the number of items expected to be included in the final survey were developed initially. Guided by the statistical results, the final survey contained the most significant items screened through the statistical process.

3.8.2.2 Expert panel

After generating the initial items for the questionnaire, it was presented to an expert panel on June 19, 2013 at Edith Cowan University. The panel consisted of 7 senior academics in the disciplines of Marketing, Hospitality and Tourism, and 4 postgraduate research students from the same disciplines. First, the questionnaire was distributed among the panel that were then given time to answer the questionnaire. While answering the questionnaire the researcher requested the panel to provide written feedback on any problem they identified in the items. At the conclusion of this process, the panel presented their suggestions to improve the questionnaire. The feedback from the expert panel was mainly related to improving the clarity in the way items were worded in order to improve the psychometric properties of the questionnaire. Suggestions were also received to improve the demographic information. The questionnaire was revised based on the feedback generated by the expert panel. The face validity of the items were established by

the expert panel by carefully looking at the items using the operational definitions of the study.

3.8.2.3 Pilot testing

Following the inclusion of the feedback from the expert panel, the questionnaire was pilot tested between July 17, 2013 and September 19, 2013. Invitations to participate in the pilot study were sent through emails with a link to the survey URL (Evans & Mathur, 2005). The list of participants was accessed through Edith Cowan University Google groups, and through known parties. When selecting the sample for the pilot test, it was assured that the respondent selection for the pilot study was consistent with the sample frame, and the population under the study (Hair, Black, Babin, Anderson, & Tatham, 2006). The sample selection was done based on the selection criteria “the Australian travellers who have been to the same international destination three or more times within the past five years for leisure⁵”. Due to this criteria, the sample selection for the pilot testing stage was also selected based on the purposive sampling technique (further explained previously in the qualitative phase). While 147 people responded to the survey, the researcher received 111 completed questionnaires.

The data collected from the pilot study was analysed in two stages. First, the principal component analysis (PCA) was conducted. This process was facilitated as the sample consisted of more than 100 respondents (Hair et al., 2006). Factor extraction was based on the direct oblimin method. It was considered most suitable due to the requirement of gathering an understanding of the component structure of the items related to each construct. The items that should be included in the final questionnaire were identified based on factor loadings. All items containing factor loadings above .5 were included in the final survey. The items that did not contain a significant factor loading ($< .5$) were refined through rewording or removed. New items were also added as found appropriate (Hair et al., 2006). This exercise also enabled the reduction of the questionnaire to a more manageable size (Field, 2009). Table 5.1 presents a summary of the changes made to the survey based on the pilot test results.

Secondly, the factor structure generated through PCA also provided an indication of the clarity of the questions and how well the respondents understood the questions (Collins,

⁵ The criteria used at the pilot stage was slightly different from the criteria used in the qualitative stage. In the qualitative stage the number of times visited were not restricted to within five years.

2003). It also further confirmed the psychological properties of the items that were designed exclusively for this study (Hinkin, Tracey, & Enz, 1997). This process also enabled the researchers to identify the questions causing ambiguity and confusion due to the terminology used in the study (Hunt, Sparkman Jr, & Wilcox, 1982). Moreover, since this study entailed the retrieval of information based on past behaviour which was mainly factual (Collins, 2003), this process enabled the researcher to determine the effectiveness of such questions and their inclusion in the final survey questionnaire. In addition an open ended question was included to enable respondents to provide suggestions on how to improve the questionnaire (question 28 in Annexure X).

The above process contributed to improving the questionnaire in terms of question phrasing and the length of the questionnaire (Collins, 2003).

Table 3.2: Summary of changes

Item in the pilot survey (Appendix 5)	Changes made in the final questionnaire (Appendix 6)
With whom have you mostly visited this destination (Q. 7)	Items “family with children” and “extended family” were elaborated through three options <ul style="list-style-type: none"> ● Immediate family members ● Other close family members ● Children only
What types of hotels have you mostly visited at this destination (Q. 8)	Options were narrowed down to 4 main categories. <ul style="list-style-type: none"> ● Economy/budget hotels ● Middle range hotels ● Luxury hotels ● Deluxe hotels
What were the main activities you were involved in when you were at this hotel (Q. 9)	List was expanded from 8 items to 11 items <ol style="list-style-type: none"> 1. Relaxing at the hotel 2. Visiting family/friends <p>The other items were reworded</p>
Please indicate why you stayed at the same hotel branch/chain each time you visited the destination (Q. 11)	All the items were reworded The items the convenience and the convenient location was merged into one item the convenient location 2 new items were added <ul style="list-style-type: none"> ● The accommodation was of good quality and ● there was no alternative accommodation available <p>The option of “other” was deleted</p>
Please indicate why you stayed at different hotels when you visited this destination (Q. 12)	One item was added <ul style="list-style-type: none"> ● I opted for better quality accommodation <p>The option of “other “was deleted</p>

<p>Please rank the following factors base on the importance you gave them when you were planning your holiday at this destination using 1=most important 2=important and 3=least important (Q. 13)</p>	<p>The ranking question was made a scale question to be consistent with the other scale items.</p>
<p>Please indicate the extent to which the following statements describe your hotel experience when you were at this destination (Q. 14)</p>	<p>The 4 items measuring the hotel experience were reduced to 3 items. The items were reworded and revised as follows:</p> <ul style="list-style-type: none"> • Relaxing outside the hotel • Using the facilities at the hotel • Outside the hotel
<p>Please indicate how you will select your hotel in future visits to the same destination (Q.16)</p>	<p>The items measuring repeat visitation were not changed due to the high reliability scores.</p>
<p>Please indicate the extent to which the following statements best describe you further hotel selection (Q.17)</p>	<p>The items measure variety/familiarity were increased from 8 items to 12 items Some items were reworded The new items added were:</p> <ul style="list-style-type: none"> • Of its good recommendations • The previous one being full or unavailable • I am travelling for different purposes • I have experienced only a limited number of hotels • There is a range of hotels
<p>Items measuring CRM (Q.19)</p>	<p>All the items were reworded to a great extent. The items staff make you feel special and catering according to your needs were combined.</p>
<p>Items measuring WOM (Q.20)</p>	<p>The questionnaire measuring repeat visitation and WOM were based on the same question as the items measuring CRM was used to measure the corresponding RV ad WOM for each item. However due to the low response rate of this method items measuring WOM were designed separately as 3 items and the 14. Previous items that measured WOM were deleted The new items measuring WOM</p> <ul style="list-style-type: none"> • Encourage other people to stay at the hotel • Talk about good practices of the hotel with family/friends • Post positive comments on social media (e.g. trip advisor) (Q. 29)

3.8.2.4 The final survey

After finalising the questionnaire through the above mentioned processes, as previously mentioned, the final survey was distributed online through the market research company.

The questionnaire was open for responses from November 6 to November 15, 2013. Although there were 4,998 leisure travellers in the sample frame, only 1142 fitted the selection criteria. Altogether, 424 completed responses were gathered at a response rate of 22.85%. The average time taken to respond to the survey was 12.59 minutes. The average time expected to complete the questionnaire was 15 minutes.

The quality of the above responses was further tested by the researcher. The respondents who did not provide an answer to the key question: the country visited two or more times (question 5 in annexure X) were eliminated first. Thereafter, the responses that were not engaged in the questionnaire were identified in two ways. First the responses below approximately 50% of the average time which was below 6 minutes were detected and deleted. Secondly, the standard deviations for each respondent were detected. The responses with small standard deviations were detected and removed. This resulted in the removal of 24 responses. The balance 400 responses were used for further analysis.

3.8.3 Data analysis

The data analysis of the quantitative phase commenced with data preparation, including: missing data, reverse coding, normality and outliers. Thereafter, validating the instrument was done through EFA and CFA. The hypotheses testing was conducted through CFA, multi-group CFA, moderation and moderated-mediation methods.

3.8.3.1 Data preparation

The data preparation was carried out by determining the sample adequacy, treatment of missing values, reverse coding and testing of normality and outliers. Data preparation at the preliminary stages was expected to contribute to the quality and the integrity of the data.

3.8.3.2 The sample adequacy

Sample adequacy for both EFA and CFA was determined. EFA and CFA were carried out by splitting the total sample of 400 into two groups. The sample splitting was conducted through a random selection using the Statistical Package for the Social Sciences (SPSS). A total of 192 cases were utilised for EFA whereas the remainder of 202 were used for

the measurement models of CFA. This split sample was important to validate the new measurement scale developed for this study (Hair et al, 2006). After scale validation, the structural models for hypothesis testing were carried out for the total sample of 400. Prior to any analysis, the sample adequacy was determined.

The sample sizes required for Exploratory Factor Analysis (EFA) lack common consensus. The recommended sample size varies from 100 (Hair et al, 2006) to 300 (Tabachnick & Fidell, 2007), whereas Nunnally (1978) recommended 10 participants per variable. It is also widely accepted that the suitable sample size for EFA depends on a number of factors such as the number of items, factor loadings and communalities (Field, 2009; Hair et al., 2006). The EFA was conducted with a sample size of 192 and meets recommendations (Hair et al., 2006).

The sample size for SEM is determined by factors including multivariate distribution of data, estimation technique, the complexity of the model, amount of missing data and amount of error variance among the reflective indicators (Hair et al., 2006). The sample size for SEM also depends on the data normality, the estimation method, the model complexity, the missing data, the communalities, the number of items and the number of factors individually or in combination and multivariate normality (Hair et al. 2006). When maximum likelihood estimation method is used a sample size of 100-150 is considered adequate (Hair et al., 2006). Since this study incorporated maximum likelihood estimation, complying to Hair et al. the sample size 202 was considered suitable for the measurement models through CFA. The structural models for hypotheses testing was carried out thorough the total sample, 400.

3.8.3.3 Treating missing data

The following section outlines the process adopted for treating missing data. Missing data results in respondents not fully completing the survey (Allen & Bennett, 2010, p. 12). The researcher may contribute to missing data by data entry omissions or through a weak research design (Hair et al, 2006). Therefore, prior to data analysis, the data was carefully observed to detect missing values. However, since the survey was launched online through Qualtrics, the data was much cleaner than when collected through other survey questionnaire methods, with only a very small number of missing values. For example,

the forced response option in Qualtrics software kept reminding the respondents to complete one question before going on to another.

The missing values were analysed using Little's MCAR (missing completely at random) test with an expectation maximisation technique (Hair et al, 2006). The MCAR test resulted in $\chi^2=415.625$ (DF=471; $P < .968$). This indicated that data was completely missing at random and did not have any identifiable pattern. The MCAR test consists of 4 imputation methods: mean substitution, all-variable, regression and expectation maximisation (EM). Since all these methods produce generally consistent results (Hair et al., 2006), EM was used for missing data estimation and for replacing missing values in SPSS.

3.8.3.4 Reverse coding

Reverse coding involves altering the item wording to minimise the extreme responses acquiescence bias⁶(Sauro & Lewis, 2011). The construct repeat visitation was measured through five items. Among them three items were negatively worded. The positively worded items appealed to respondents who show a preference for familiarity in their hotel selection whereas the negatively worded items appealed to respondents who prefer variety in their hotel selections. Therefore, the questions explaining the repeat visitation behaviour of variety-seekers were reverse coded prior to the analysis. Three items measuring repeat visit intention of variety-seekers: a hotel I have not been to before (16.2), a different one from the last visited one (16.3), a different type of accommodation altogether (e.g. B&B's, resorts etc.) (16.4) were reverse coded.

3.8.3.5 Normality and outliers

Normality is the *“degree to which the distribution of the sample data corresponds to a normal distribution”* Hair, et al (2006, p. 40). Outliers *“represent the cases whose scores are substantially deviating from all the others in a particular set of data”* (Byrne, 2010, p. 105). The normality of the data can be observed by the skewness and kurtosis values and determining the normality of the data commenced with graphical observation of the

⁶ Acquiescence response bias is the tendency for survey respondents to agree with statements regardless of their content (Villar, 2008).

distribution curve (Allen & Bennett, 2010; Blunch, 2013; Field, 2009; Hair et al., 2006). The normality of the data was further established statistically. The items with univariate skewness (Z_s) and kurtosis (Z_k) in the range of ± 2.58 were considered normal. According to Hair et al. (2006) a sample size of 200 or more will not have substantial impact of non-normality on results as per smaller samples such as 50 or less. Given the sample size of 400, based on the law of statistical regularity and the central limit theorem, it was assumed that a large sample can help to estimate parameters properly and leads to a normal distribution of data.

Nevertheless, to carry out this decision the researcher ensured that the regression model is free from heteroscedasticity—in other words, it is homoscedastic. While homoscedasticity is defined as *the assumption that dependent variable(s) exhibit equal levels of variance across the range of predictor variable(s)*, homoscedasticity is desirable since *due to the variance of the dependent variable being explained in the dependence relationship should not be concentrated in only a limited range of the independent values* (Hair et al., 2006, p. 83). The scatter plot indicted that the results are homoscedastic. Therefore, the variance of the residuals are constant and there was no systematic pattern of residuals. This indicated that the data was normal (Hair et al. 2006).

Thereafter, the univariate outliers were checked using boxplots. SPSS highlighted a number of cases as outliers. Observing carefully, it was found that the cases indicated as outliers were not due to common causes such as data entry errors or mistakes in coding (Field, 2009; Hair et al., 2006; Holmes-Smith, 2012), which were further assured due to the auto generation of data sheets by the Qualtrics software. Thus, the cases which were detected as outliers were considered a valid group of the population (Hair et al, 2006), those indicating a genuine opinion which may point to extreme behaviour (Field, 2009). Considering these factors the outliers were not removed for analysis.

When using maximum likelihood estimation (MLE) for structural equation modelling (SEM) multivariate normality is essential (Blunch, 2013; Byrne, 2010). Multivariate normality was first examined by looking at the values for skewness and kurtosis generated through AMOS. The items with skewness > 2 and kurtosis > 7 were considered as non-normal (Holmes-Smith, 2012). In addition, Mardia's multivariate kurtosis values were observed (Blunch, 2013; Byrne, 2010; Holmes-Smith, 2012). Mardia's kurtosis values between 3 and 30 were considered as signs of multivariate kurtosis (Newsom, 2005; Walker, 2010). Thereafter, the outliers were detected based on Mahalanobis

distance through AMOS (Hair et al., 2006; Holmes-Smith, 2012; Tabachnick & Fidell, 2007). The Mahalanobis test indicated a number of cases as outliers observed through the AMOS Mahalanobis distance (D^2) for each case. Any case that significantly deviated from other cases based on Mahalanobis distance D^2 was identified as a significant contributor to multivariate non-normality (Holmes-Smith, 2012). However, these cases were not removed since the removal of the cases did not result in significantly improved results. Similarly it has been identified that statistically significant results may not be delivered by the correction methods suggested to rectify non-normal data (Byrne, 2010; Gao, Mokhtarian, & Johnston, 2008).

3.8.4 Exploratory factor analysis (EFA)

The primary focus of factor analysis is to define the underlining structure among the variables in an analysis (Hair et al., 2006, p. 104). EFA was conducted using SPSS (version 22) software. The sample adequacy for EFA was tested by a Kaiser-Meyer-Olkin measure of sampling adequacy (KMO). KMO values $>.5$ are recommended as the minimum requirement as an to explanation of at least 50% of variance by the factor is required. Bartlett's test of sphericity was used to determine the adequacy of correlation among the variables (Hair et al., 2006). Bartlett's test $<.001$ was considered good (Allen & Bennett, 2010, Field, 2009) as that value is a good indication that the variables correlate. Values less than the cut-off point were considered to reflect lack of correlation between items and lack of cluster when forming a factor (Field, 2009).

The factor extraction for EFA was based on the common factor model which is principal axis factoring (PAF) (Conway & Huffcutt, 2003; Hair et al., 2006; Tabachnick & Fidell, 2007). At this stage common factor analysis was more suitable rather than component analysis since the researcher had a comprehensive idea of the factor structure gained from the literature, qualitative data analysis and pilot testing (Costello & Osborne, 2005). Along with PAF, oblique rotation through direct oblimin rotation was adopted. Oblique rotation represents the clustering of variables more accurately and provides information about the extent to which the factors are actually correlated with each other (Hair et al., 2006, p. 125-126). Factor analysis of items related to the independent, dependent and moderating variables were carried out in three different stages. Therefore, the factors generated under each analysis were expected to correlate with each other theoretically,

rather than being independent (Hair et al, 2006), which further strengthened the use of oblique rotation.

The number of extracted factors was based on the total variance explained through the Eigen values. Eigenvalues reflect the amount of variance extracted by each factor, and as factors should account for at least a single variable, the factors that contribute to an eigenvalue value >1 were retained (Allen & Bennett, 2010; Field, 2009; Hair et al., 2006). Factor loadings provide a significant role in determining the factor structure and interpreting the factor matrix. Generally $\pm .3$ to $.4$ is considered the minimum for interpretation purposes; however, $\pm .5$ or greater is practically significant and greater than $\pm .7$ is considered a well-defined structure (Hair, et al., 2006). However, once again determination of the cut off points were subject to a number of other factors such as sample size. Going by Hair et al., for a sample of 192, factor loadings of $.4$ is sufficient. However, with the intention of selecting the best items that represent the constructs, only the items with standardised factor loadings of $>.5$ were retained to assure solid factor solution (Costello & Osborne, 2005).

Items were retained based on the pattern matrix (Field, 2009). This is preferable for interpretive purposes because it contains information about the unique variance of a variable of a factor (Field, 2009, p. 667). To reach an optimum factor structure the researcher eliminated all items that cross load on more than one factor. Thereafter, the factors were named based on the items that load on each factor (Hair et al., 2006). When items were retained both statistical and conceptual assumptions were ensured.

After forming the factors, the reliability of the items belonging to each factor was determined. While reliability is the degree to which scores in a particular sample are free from random measurement errors (Kline, 2011, p. 69), it reflects the degree of consistency among multiple measures of a variable (Hair et al. 2006, p. 137). Reliability is also referred to as the internal consistency of items and is widely reported through Cronbach's alpha (Kline, 2011). Through this statistic measure the researcher assured the unidimensionality of the scale (Allen & Bennett, 2010; Conway & Huffcutt, 2003; Hair et al., 2006). Scale reliability is assured when Cronbach's alpha is above $.7$ (Allen & Bennett, 2010) although a level of $.6$ is acceptable for exploratory studies which deal with new scale development (Robinson, Shaver and Wrightsman (1991) as cited in Hair et al. 2006).

3.8.5 Confirmatory factor analysis (CFA)

First, through EFA the items needed to represent the key constructs were determined (Hair et al., 2006). CFA was considered essential to validate the measurement scale. All CFA's were analysed through AMOS (Analysis of Moment Structure) graphics 22.0 using the data stored in SPSS 22.0. CFA was carried out in two stages, namely, the measurement model and the structural model. The measurement models were used to determine how well the indicator variables determined through CFA are related to one another. The measurement model of CRM, the outcomes of CRM (repeat visitation and word-of-mouth) and variety-seeking behaviour were measured separately. The scales were validated through this process.

The model that was deemed fit for instrument validation and hypothesis testing was determined by standardised regression weights ($>.5$) (Hair et al, 2006; Holms-Smith 2010), squared multiple correlations ($>.5$), standardised residual covariance (between 2.5 to 4) and standardised effects, and the critical ratio (>1.96). The models that do not contain these criteria were improved based on the modification indices (Holmes-Smith, 2012). The model improvement due to specification was calculated with the chi square difference (Δx^2). In addition to statistical criteria, the model specification was guided by the theoretical rationale (Hair et al, 2006; Kline, 2011). For example the items that were essential in representing the constructs were not removed despite their statistical cut off points.

Secondly, the structural models were used to determine the causal relationships necessary for hypotheses testing. The structural CFA models for hypothesis testing involved multi-group CFA, moderation and moderated mediation models. The groups for multi-group analysis were identified through the data collected by a categorical variable (please refer to Q.10). According to Hair et al. (2006) non-metric variables are often hypothesised as moderators. For example, the respondents belonging to each group were identified through a number. The survey respondents were categorised into four groups. Those who:

1. visited the same location and same hotel each time (112, 28%)
2. visited the same location and different hotels (158, 39.5%)
3. mostly visited different locations and different hotels (110, 27.5%)
4. mostly visited different locations and the same brand of hotel/chain (20, 5%)

Among them group four was not used for multi-group analysis due to an insufficient number of respondents compared to the other groups.

The mediating effect of VSB on the relationship between repeat visitation and word-of-mouth was evaluated. As the mediating effect varies across the three groups, the method adopted is referred to as moderated mediation (Baron & Kenny, 1986). The most popular approaches to determine indirect effects are causal steps strategy, distribution of the product strategies, resampling or bootstrapping or various products of coefficient strategies (Preacher, Rucker, & Hayes, 2007). Considering its popularity, this study used bootstrapping to assess the indirect effects, and resampling strategy for hypothesis testing (as cited in Kenny, 2013 from Bollen & Stine (1990) and Shrout & Bolger (2002)). In AMOS, 2000 bootstrap samples and 95% biased correlated confidence intervals were set up. Both the direct (without the mediating effect) and indirect (with the mediating effect) effects were determined. This enabled the researcher to determine the existence of a mediating effect and whether mediation is stronger for variety seekers than for familiarity seekers.

3.8.5.1 Model goodness-of-fit criteria

Fit indexes were selected based on the criteria stipulated by Hair et al. (2006). Considering the sample size, model complexity and degree of error in model specification (Hair et al., 2006), the fit statistics used to determine the model fit are shown in Figure 3.4.

Table 3.3: Goodness-of-fit indices

Goodness-of-fit indices	Ideal cut-off value	Sources
Chi-square (X^2)	P > 0.05	Holmes-Smith, 2012
X^2/df (Normed Chi-square)	>1 to <2	Holmes-Smith, 2012
GFI (Goodness-of-Fit)	>.95	Holmes-Smith, 2012
CFI (Comparative Fit Index)	>.95	Holmes-Smith, 2012
RMSEA (Root Mean-Square Error of Approximation)	<.05 to <.8	Byrne, 2013

Even though the cut-off values given above were considered ideal for the measurement models since the sample size used for CFA was <250 (Hair et al. (2006), the cut off points: X^2/df (Normed Chi-square) <5 and CFI>.80 were also considered permissible (Hu & Bentler, 1999).

3.8.5.2 The item reliability for CFA

Reliability is an assessment of the degree of consistency between multiple measures of a variable (Hair et al, 2006, p. 137). The item reliability of each latent variable was observed through the squared multiple correlations (Blunch, 2013, Hair et al, 2006, Holmes-Smith, 2012). According to Holmes-Smith (2012), item reliability between .3 and .5 was considered adequate. The rationale for this cut off has been explained by the level of variance exhibited by the items. Based on the variance exhibited by the items accounting for 50% of the variance are considered more reliable. Therefore >.5 is usually acknowledged as the cut-off point to determine validity of an item (Blunch 2013; Hair et al, 2006). However, items with squared multiple correlations <.5 were retained based on the model fit and depending on whether the item was a new one and developed through the qualitative data, since such items could be reformulated during future research.

3.8.5.3 The item validity for CFA

Validity is the extent to which a scale or set of measures accurately represents the concept of interest (Hair et al, 2006, p. 137). According to Hair et al. validity is categorised as convergent validity, discriminant validity and nomological validity. Broadly, the different categories of validities can be classified under the concept of construct validity (Kline, 2011). Convergent validity assesses the degree to which two measures of the same concept are correlated (Hair et al., 2006, p. 137). Discriminant validity is the degree to which two conceptually similar concepts are distinct (Hair et al., 2006, p. 137) and evaluates whether the two constructs are separate (Holmes-Smith, 2012). Nomological validity refers to the degree to which the summated scale makes accurate predictions of other concepts in a theoretically based model (Hair et al., 2006, p. 138).

Convergent validity is measured by standardised factor loadings or by average squared factor loadings (Hair et al., 2006). Both methods use the cut-off point >.5 or higher to

determine convergent validity. The convergent validity of the constructs involved in this study was determined through the standardised factor loadings of each item.

This study consisted of multiple factors that represent the same construct. In fact, CRM was measured both by purchase stage CRM and pre/post purchase stage CRM. The outcomes of CRM were measured through repeat visitation and word-of-mouth, whereas variety-seeking behaviour was measured through intrinsic factors and extrinsic factors. Therefore, determining the discriminant validity of the factors of each construct was important since the factors measuring the same construct were interrelated. Discriminant validity can be calculated through the average variance extracted method suggested by Fornell and Larcker, in 1981 (Hair et al., 2006; Holmes-Smith, 2012). To determine discriminant validity the variance extracted for the pairs of constructs was first calculated through the following formula:

$$\rho_{vc(\eta)} = \frac{\sum \lambda_i^2}{\sum \lambda_i^2 + \sum \theta_i}$$

Thereafter, the variance extracted by the two constructs was compared with the square of the correlation between the constructs. If the average variance extracted between the two constructs were greater than the square of the correlation between the constructs, the discriminant validity was assured (Hair et al., 2006; Holmes-Smith, 2012). This way the researcher ensured the distinctiveness between the constructs and also the unidimensionality of the individual items under a latent construct (Hair et al., 2006).

3.8.6 The key constructs and the related variables

The key constructs of this study are CRM, VSB, and the outcomes of CRM, repeat visitation and word-of-mouth. The key constructs were categorised into four types of variables: independent, dependent, moderator and mediating variables.

Independent variable: “*Variable (s) selected as predictors and potential explanatory variables of the dependent variable*” (Hair, 2006, 172). The independent variable of this study is ‘encounter stage CRM’

Dependent variable: “*Variable being predicted or explained by the set of independent variables*” (Hair, 2006, p. 171). The dependent variable of this study is loyalty, which is measured through repeat visitation and word-of-mouth.

Moderator effect: “*Effect in which a third variable or construct changing the relationship between two related variables/constructs*” (Hair, 2006, p. 844). In this study the moderator variable is the categorical variable which classifies leisure travellers into groups based on their degree of VSB. The moderator variable was used to determine whether the models are consistent across the groups. The researcher expects the strength of the causal relationship between the independent and the dependent variables to vary based on the moderator variable (Baron & Kenny, 1986).

Mediating effect: According to Baron and Kenny, 1986 (p. 1173) “*the mediator functions as a third variable, which represents the generative mechanism through which the focal independent variable is able to influence the dependent variable of interest*”. Baron and Kenny further explain mediation through Woodworth’s (1928) stimulus, and response model, and asserts that the effect of stimuli on behaviour are mediated by various transformative processes internal to the organism (Baron and Kenny, 1986, P. 1176). The mediating variable in this study is the variety-seeking behaviour of the customer which is measured through items scales related to intrinsic and extrinsic factors.

This study also determines the moderated mediation effect. Preacher et al. (2007) explained that moderated mediation investigates the influence of mediation that occurs when the strength of an indirect effect depends on the level of another variable. Incorporating the above identified variables, this study first determined the strength of the influence of CRM (independent variable) on repeat visitation and word-of-mouth (measures of the dependent variable-loyalty). This study proposes an indirect effect of CRM on repeat visitation, rather than a direct effect and hypothesises that CRM leading to repeat visitation is mediated by the variety-seeking behaviour of leisure travellers. In addition this study conceptualises that the indirect effect varies based on the degree of variety-seeking behaviour of leisure travellers, which is a moderating effect.

3.8.7 Follow up of qualitative data

Numerous differences between the leisure travellers who seek different degrees of variety⁷ were further tested statistically. Three items measuring the importance given when selecting a holiday and another three items that determine the involvement in the hotel environment during the holiday were further tested statistically. The purpose was to determine whether such considerations vary based on the degree of VSB. This was determined through ANOVA which determines whether there is a statistically significant difference between the three groups (Allen and Bennett, 2010). The assumption of homogeneity of variance was first established by ensuring that Levene's test of homogeneity of variance was not significant ($P > .05$). Thereafter, the group differences were determined through the significance test where $p < .05$.

3.9 Summary of the overall research design

This study adopted a sequential mixed method design (figure 3.2). The main purpose of this study was to determine the influence of VSB on the relationship between CRM and its outcomes, namely repeat visitation, and word-of-mouth. Due to the scarcity of research on customer-facing CRM and VSB of leisure travellers in the hotel context, the study commenced with the qualitative phase, followed by the quantitative phase. In the qualitative phase multiple realities of the phenomenon were collected through empirical, text and written data from the participants of the study (Creswell & Clark, 2007; Jennings, 2010; Neuman, 2011). Through the knowledge constructed by the participants, the key constructs of the study were explored in detail. The main objectives of the exploratory stage were 1) to gain an in-depth understanding of the key constructs of the study—variety-seeking behaviour (VSB), and customer relationship management (CRM) practices experienced by leisure travellers in the hotel context, 2) address the research questions 3) to develop items for inclusion in the measurement scale for the quantitative phase of the study and 4) for hypothesis development.

After deriving the main objectives of the qualitative phase, the quantitative phase was launched. This phase consisted of two steps, the pilot testing phase and the final survey phase. The causal relationships between the main constructs of the study were tested

⁷ According to qualitative and quantitative data, the leisure travellers were classified in three groups. They were named FF, FV and VV. They are explained in chapter four.

during this stage through hypothesis testing. In addition, during this phase some qualitative findings were cross validated. At this stage the intention was to identify a single reality through numeric data and statistical analysis, and to make generalisations of the findings to the larger population of international leisure travellers.

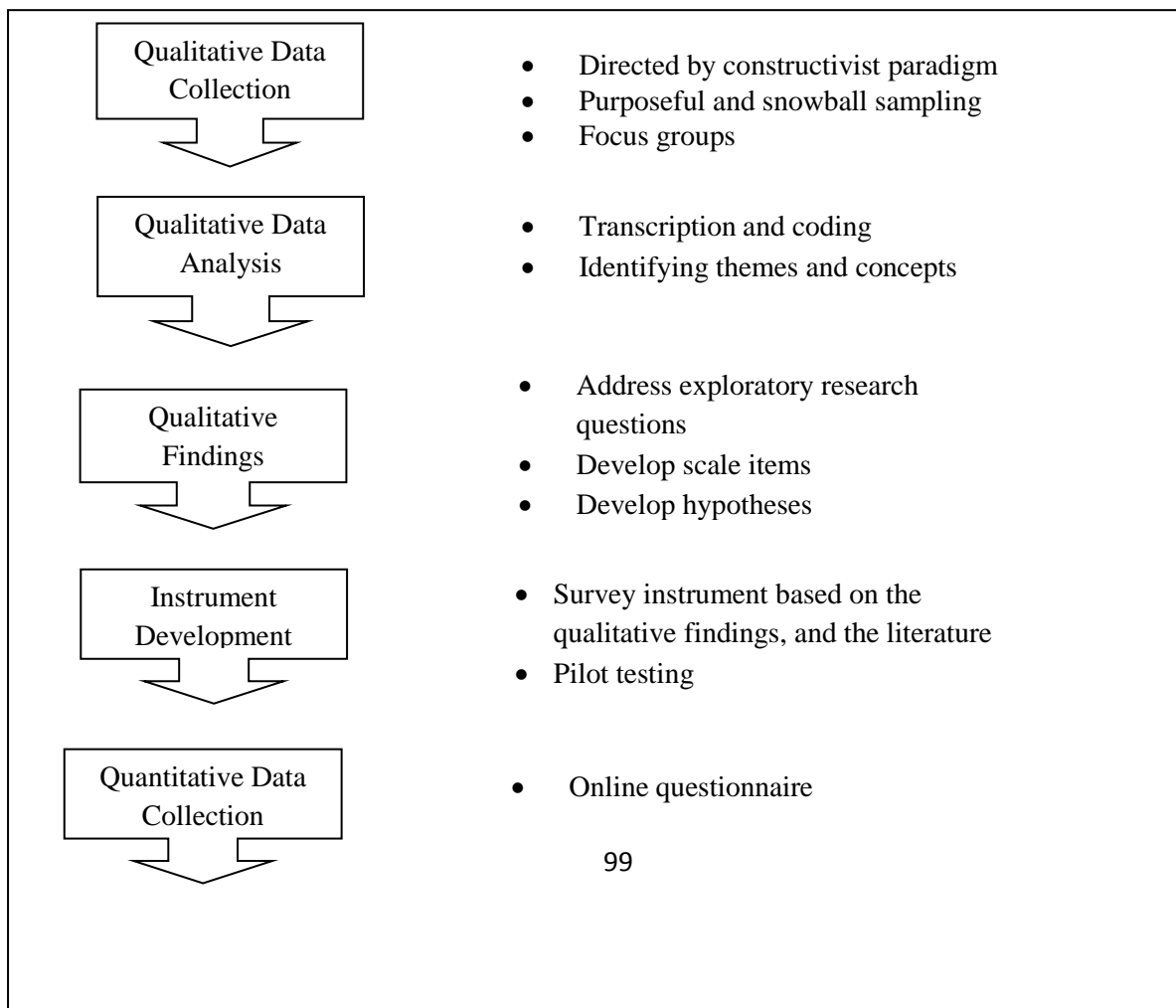
The research design adopted in the study is provided in figure 3.2. It is referred to as sequential mixed method design

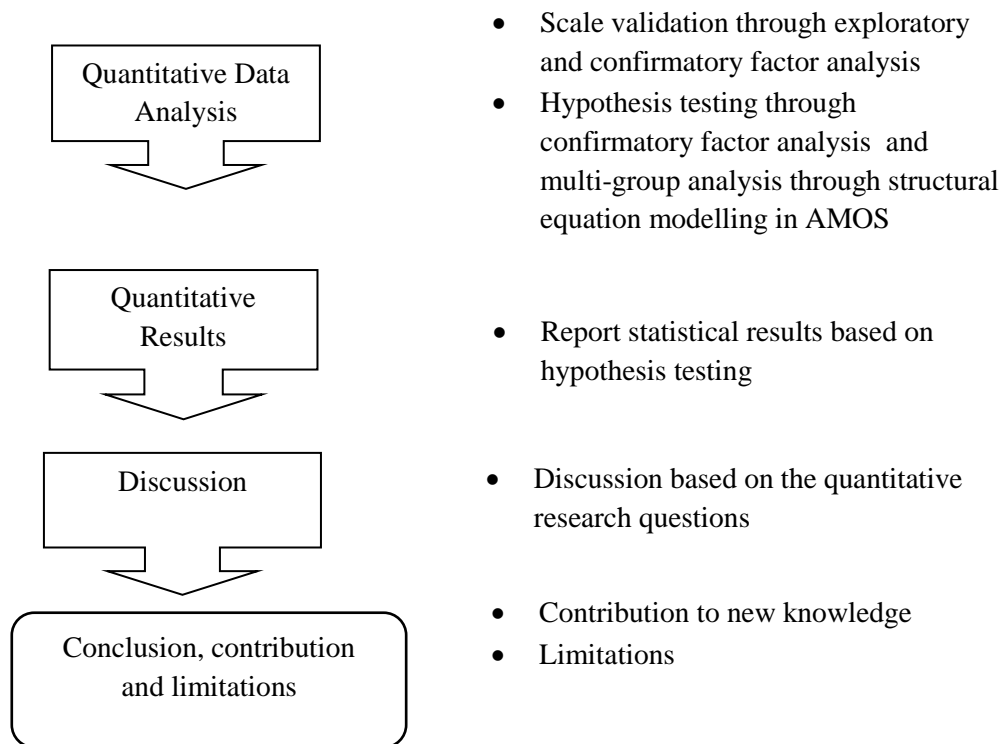
In summary, the rationale for adopting mixed method in this study was the inability to answer the main research question satisfactorily through a single research method. By this approach, the researcher was able to obtain a comprehensive view of the research problem. While mixed methods contributed to the understanding of both the breadth and the depth of the research problem, personally, the researcher gained a comprehensive understanding on both dominant research paradigms. Most importantly, the mixed methods governed by pragmatism made a rigorous contribution to knowledge creation (Creswell and Clark, 2007; Morse, 1991; Neuman, 2011).

3. 10 Chapter summary

Directed by pragmatism this study adopted a sequential mixed method approach. Both qualitative and quantitative methods were deemed equally important. The research process was carried out in two phases. It commenced with an exploratory phase followed by a quantitative phase. While the overall research was governed by pragmatism, when carrying out both the qualitative, and the quantitative stages the researcher adhered to the rules and procedures stipulated by the constructivist and post-positivist paradigms. Each stage was carried out separately and was complete in itself.

Figure 3.2: Sequential mixed method design





Chapter Four-Qualitative Results

4.1 Introduction

This chapter presents the data collected through the focus groups that explored the main constructs of the study—customer relationship management (CRM) and variety-seeking behaviour (VSB). The participants for this phase were selected based on the criterion—‘Australian leisure travellers who have been to the same international destination three or more times’.

The format used to present the results related to CRM is different to that used to present the results relating to VSB. The main intention of exploring the construct of CRM was to capture its practices experienced by the participants in a hotel context, as well as to understand what they think about such practices. The intention of exploring the construct VSB was to explore the degree to which leisure travellers seek variety in a hotel context and its influencing factors. This necessitated clustering of participants based on their degree of VSB determined by their hotel selection patterns. Consequently, when

presenting the results related to CRM, the participants were not clustered as was done in presenting the results of VSB.

Guided by the coding process the results of CRM are presented based on the three purchase time zones: pre-encounter, encounter and post-encounter. The factors that do not directly relate to the three purchase time zones are presented separately. They are referred to as factors affecting hotel selection in general. Thereafter, the result related to VSB is presented based on the three clusters identified from the data. Finally, the factors influencing VSB in general are listed.

4.2 Customer relationship management (CRM)

This section presents the results related to hotel CRM based on the three purchase zones identified through the coding process. Factors that affect hotel selection in general are presented separately.

4.2.1 Pre-encounter stage CRM experiences

CRM practices at the pre-encounter stage were least experienced by the participants. Participant Sonya explained her experience with hotel websites. She specifically discussed '*virtual trips*' and expressed her interest in such practices due to the tangible and detailed information received through them. She explained:

...sometimes when you book they ask you to view the room before you actually take the rooms. We did that on our last trip to New Zealand. You are just put into a town to have a look around at what is available; and you would go and have a look at how the rooms look like before you actually book. [FG: 4]

A few respondents also stated their experiences with hotel websites. Web sites were identified as an important tool with which to form relationships with the customer. However, many participants indicated their preference for using booking sites as opposed to hotel websites. The participants expressed their concern about the high prices charged when booking through hotel sites when compared to booking sites. A few indicated the advantages of gaining information from the people who share information through booking sites compared to hotel websites. Elaborating his experience with booking sites Sam stated: *“we book our hotels through booking sites rather than hotel sites...so we book through hotel club and we would get dollars off next time we book through hotel club”* [FG:4]. Gloria from the same focus group added: *“You never go through the hotel websites because that’s too expensive”*. Adding to this conversation Bella from the same focus group presented a different experience of booking sites compared to hotel websites.

Yes absolutely. That’s easy. There is an online chat. If you need to speak to someone you can straight away do that. They are right there to take your call and they will help you out, and they are very friendly. [FG: 4]

The statements of the above participants indicate the important role of pre-encounter CRM practices in generating a relationship with customers. At this stage CRM provides information to facilitate relationship building with the participants when they plan their holidays. As evident from the data customer experience of pre-encounter CRM in the hotel context is limited.

4.2.2 Encounter-stage CRM experiences

Several CRM practices experienced by the participants were related to the service encounter stage. Customer service, the personal touch, people, additional services and cross selling were among these practices. Customer service was the most experienced and discussed CRM practice. Stella explained her views on customer service. *“It’s really important; otherwise it ruins your holiday”* [FG: 1]. Ben also presented his views on customer service.

Oh customer service should be very high...of the top I think definitely ... if I started getting bad service with a hotel that I’ve used for a long time, I would first of all tell them that I am not happy with what’s happening here, and if there’s no change, that

will be the end of it. I will be looking for somewhere else...So I think if you don't get good service they can't redeem themselves from that very quickly; so it's very important. [FG:1]

Beth also explained her priority and her experience of customer service.

Customer service should be very high. Every time we've been to Bali we've been to different hotels. Westin is fantastic. You can tell, because you can see that the staff has been trained probably by international people. You see they have been trained in the hotel industry. The service is very professional and you expect that standard because it is very expensive. [FG: 3]

Ramona explained her experience of customer service and generalised it to hotels in India: "*Well customer service was very good. It's just something that Indians do very well and I suppose our expectation is don't waited to be handed everything on a plate, common courtesy is good*" [FG: 3]

Customer service was elaborated on more specifically by some participants. For example, Joyce explained her reasons for visiting the same hotel three times due to her experience of exceptional customer service. "*Someone would be at your door the minute you rang the bell you know, I like it, and they recognise you around the grounds 'how you are going' that sort of thing*" [FG:5]. Sue stated her view of customer service—on receiving valuable information. "*I think with customer service they are really keen to take and pass on the information, they are approachable, and willing to share their knowledge*" [FG: 1] Nadene emphasised the same point by explaining her experience of the hotels interest in giving a good service by providing "*local advice, and sharing information such as taxi charges, good roads to take to places*" [FG: 3].

Numerous benefits occurred to hotels by delivering a good customer service were also indicated by the participants. For example, Stella indicated customer service as a good differentiating factor among hotels. She stated:

How you differentiate hotels is customer service not facilities. In Bali the hotels are almost all the same. So if you go to Bali gardens it still got a swimming pool, it still got the same bar, it still got a big breakfast. Bali Rani has the same thing. How you

differentiate among hotels is customer service not facilities, because they all have the same facilities more or less. [FG: 1]

As evident from the statements above, customer service is an important determinant of intention to revisit. The influence of customer service in generating repeat visitation was particularly evident from Stella's statement:

Customer service is more or less an important thing that bring you back, and if they treat you badly you just go there and see there's enough hotels in Bali or any other country you go somewhere else. So I think it is the service you get there as well as the facilities. Sometimes the facilities are horrible but the people are nice. If they got facilities but customer service is really bad you can't get around that a bit because it just ruins your holiday. [FG: 1]

The personal touch was identified as another aspect that is related to customer service. Some respondents recalled their experiences related to the personal touch. Gloria stated: *"They remembered me every time I went". "They are just lovely people they do things specially for you."* [FG: 4]. Jelena recalled her experience of how she was given individual consideration.

Personal touch ... I lost my conference bag once and someone had found it in a shopping centre, and they [the hotel] rang me since they had my business card; they rang me in Australia and said they would like to post it back... [FG: 5].

People were identified as the key factor in determining the success of customer service and the personal touch. For example, Mary stated her interest in going to the same hotel on her visits to Bali and expressed her delight with the people *"I would go to that hotel again, it was beautiful. The people were the nicest thing of them all"* [FG: 5]. In response to Mary, Lucy who has also visited Bali made a general comment. *"they are a lovely nation they are just lovely"* [FG: 5].

Some of the respondents recalled their experiences regarding additional services such as the ability to request room numbers. Gloria stated *"it's pretty nice when you can request your room number"* [FG: 4]. Airport pickups were also mentioned as a good CRM practice. Bella stated: *"Airport pickups are nice. We did that in New Zealand. We selected a hotel that had a pick up because it was the middle of the night"* [FG: 4]

Cross selling was also identified as an influential CRM practice. This was highlighted by Ben, who had visited the same hotel many times. Ben recalled his experience with an offer made by the hotel, where the hotel had offered a stay at one of their newly built hotels. Ben explained:

They built a new hotel in Jomtien which is down the coast, and they made an offer. They take you down to the new hotel and you could stay at a reduced rate... You know, they organise it. I just have to put the bags in and they drove me down there. I spent a week down there. It was really nice and I came back. [FG: 1]

Out of the CRM practices at the service encounter stage, the majority of the respondents considered customer service as the most important factor in their holiday. Ben stated: *“I think if you don’t get good service, they can’t redeem themselves from that very quickly. So, it is very important”* [FG: 1]. Responding to Ben, Stella explained how the lack of customer service will influence her such as: *“it will put me off from going there.”* [FG: 1]

Some respondents also expressed their level of expectations of customer services. For example Sam stated *“I think as long as the service is good and the people are warm and friendly we don’t really expect a red carpet”* [FG:4]. Beth expressed her expectations as: *“I don’t want people stuck in to me and all I want is the service I pay for”* [FG: 3]. These statements reveal that leisure travellers do expect customer service to a level that assures a pleasant experience.

The overall experience of hotel service encounter CRM was indicated by some participants. For example, Gloria stated that:

Everything about it is friendly. How can I explain it? I get off the plane and walk in the door and I feel completely and utterly relaxed and safe and welcome and it’s like I am home. It’s always clean its quiet, the setting is great, it’s not directly in Kuta but it’s out and yeh its small enough to be lovely but big enough that you do not feel you are living in someone’s house. [FG: 4]

Despite the importance attributed to encounter stage CRM, some participants had negative experiences. Sam explained his limited experience of encounter stage CRM practices in a hotel he visited. He expressed his concerns about not getting due recognition by a hotel they visited twice to a destination other than that selected for the discussion. Sam indicated his disappointing experience as:

It would be nice in their computer system to somehow, if your name comes in to flag up. I think that if you have been with them several times they might upgrade you or I mean you are not necessarily getting extra money off but Um... dear Mr. Sam, you have been with us two times this year what about we send you such and such, maybe they do not give us something extra special but they recognise you. [FG: 5]

Similarly, even though staff is attributed a bigger role in CRM, all respondents did not have a positive experience with people in some hotels. Ramona shared a negative service encounter:

...Wow they were rude, they were that rude or was that me? Oh no they were rude... You know if we asked a question like a direction, where is the restaurant for breakfast for example, would it hurt you to smile! [FG: 3]

In response to Ramona's statement Beth explained the importance of people and explained a possible reason for poor employee behaviour.

it's just a job for them and they should not really be in that job. They need to be friendly and courteous if they are in the hospitality industry. Unfortunately we do not come across a lot of people like that [who are friendly and courteous] sometimes. [FG: 2]

Service encounter stage CRM is experienced through customer service, personal touch, and special privileges such as the ability to request a room number and special services such as airport pickups and these were experienced by the participants. Cross selling was also among them. The participants in general placed a high importance on encounter stage CRM. Comparing all these factors the staff seem to play a key role in the delivery of CRM. The influence of such practices to differentiate hotel offers from their competitors and also to generate repeat visits was pointed out by some participants. However, a few also mentioned their negative experiences with CRM and expressed their dissatisfaction with the shortcomings of encounter stage CRM.

4.2.3 Post-purchase stage CRM experiences

A few CRM practices experienced by the participants were identified as post-encounter stage practices. One of them was periodic emails containing information, such as special promotions. This was explained by Sue: *“I do get periodic emails from them [the hotel] you know special offers or the redemption of points”* [FG: 1]. Loyalty programs were also identified as a post-encounter stage CRM practice. Loyalty programs were known to participants as loyalty/reward/priority cards. Loyalty programs seem to be a familiar term among all respondents. Marshal stated his experience as: *“You do get given them. I have so many in my wallet”* [FG: 2]

Nevertheless, the participants seem to be more aware of loyalty programs in other encounters such as coffee shops compared to the hotel context. Lucy stated the ineffectiveness of loyalty programs in the hotel context compared to coffee shops. *“I’ve got coffee shop and other ones but it would not certainly make me go to the hotel. I mean hotel ones, loyalty cards would be nowhere”* Joana also explained that there was more value in loyalty programs in other contexts compared to hotels: *“Individual shop loyalty really does well, I think. When I use my coffee shop loyalty card they give a bit more for loyalty. Others I don’t think they do so. It does not make me go back”* [FG: 3].

The ineffectiveness of loyalty programs particularly in the leisure travel market was identified by many participants. Joana explained the lack of effectiveness of loyalty programs (often referred to as loyalty cards) in the leisure travel context, particularly due to infrequent visits:

We don’t travel often enough to get value... I doubt a loyalty card would do that specially because we can’t travel many many times. If you travel 5 times you get one free or something like that. It would not work for us” [FG: 3].

In addition, Ben explained the limited practice of loyalty programs in general as: *“they are quite up market chains aren’t they? Small hotels do not bother with that”* He further added:

If its for business you do go back a lot. I know I’ve stopped travelling very much on business. Those top end hotels are a bit too expensive I think. I personally don’t see a benefit. I think the smaller chains of hotels or smaller hotels look after you for more than the big ones. It’s very personal, big ones don’t worry about it much. [FG: 1]

Ben's statement indicated that even though loyalty programs are commonly practised by the bigger hotels, visitors expect more personal engagement than loyalty programs. Although smaller hotels may not have the capacity to manage large loyalty programs their personal touch seems to be far more effective than loyalty programs.

Bella highlighted her dissatisfaction with loyalty programs and pointed out an interesting aspect. *"There are some hotel groups that actually charge for the loyalty card. So you don't always get a loyalty card free, you have to pay for some of them, which I find bizarre"* [laugh]. [FG: 4].

Indicating some pointers to improve hotel loyalty Beth stated the importance of prioritising loyalty schemes and stated that: *"If they issue loyalty schemes there should be upgrades or re upgrades something like that. A good reward system rather than this token stuff. It's just pointless"* [FG: 3]

Another practice that can be categorised under post-encounter CRM is hotel communication including feedback-generating mechanism such as emails and questionnaires. The majority of participants expressed their inclination to provide feedback. Ben expressed his concerns about hotel feedback forms in the following manner:

I've just been to Hong Kong. The hotel sent the questionnaire at the end asking how I enjoyed the stay, whether I was happy and everything. I filled it in. But by sending them [questionnaires and information letters] if they start annoying me that would be another point against them. I don't mind filling in a questionnaire but I don't need to know what they are doing and all unless I am ready to go personally. But if something starts annoying me it will be a negative. I don't need that. [FG: 1]

Beth also stated "I don't mind the email, because you can always unsubscribe. I don't want people calling [FG: 3]. Responding to Beth, Ramona stated:

I don't mind filling the forms you know, I mean that is fair enough that's their job. You know if we are particularly disappointed and we can tell them, then we feel better about it and we feel really happy with the positive aspects of the services. I am sure they don't want to make us uncomfortable you know, their intention is to be hospitable. I am quite happy for them to contact me via email. I won't talk to them, though. [FG: 2]

Many participants have not experienced post encounter practices. Stella expressed her lack of experience of hotel post-purchase communications. *“I don’t think they really do that”* [FG: 1]. Stella further added:

I’ve stayed in top-end hotels but no one has ever sent me an email. We went to Sun City in South Africa. They are quite exclusive but they didn’t send us emails. All the places I’ve been to have not sent emails asking whether I enjoyed my stay. [FG: 4]

Notably, even though loyalty programs were familiar to the participants, the majority did not consider the loyalty programs in the hotel context an effective practice for leisure travel. However, CRM practices in general were found to be very effective in generating word-of-mouth. Sam stated how Gloria’s word-of-mouth recommendation will influence him to go to the same hotel in the future.

After Gloria told me about the five times she has been to Bali, if we go to Bali I would like to know where it is and go there. And also we keep a diary almost like a travel log of what we do. You know Mr. County was talking about going to Vietnam at Christmas time, and I was ah... we can show you the places to go and where to stay in Vietnam. So I think if customer service is fantastic I think that hotel would get business. [FG: 4]

Sonya also explained how an acceptable standard of CRM could satisfy her and the benefits the hotel could obtain from such activities such as WOM:

We don’t expect red carpet treatment, but you just expect people to be friendly and polite. Because it is usually what you get, and when you don’t get, if it really stands out and you tell other people and then you would not recommend it. So it’s in hotels and any person’s best interest to have the stuff that meets those requirements. If you get a bad report you just would not recommend it and sometimes you just turn away. [FG: 4]

The influence of CRM in generating repeat visitation revealed mixed results. For example Ben, Stanley, Joanna, Gloria, Joyce, and Mary stated that their overall experience has influenced them to repeat visit the same hotel and they would continue to do so in the future. However, some participants like Lucy explained the lack of overall influence of CRM to generate repeat visitation: *“If they take notice of me it’s really lovely, but it wouldn’t be a criterion”* [to repeat visit] She further added: *It [CRM] doesn’t interest me*

[to repeat visit]” I like the fact that it is done. It would not have influenced me to go back again because of that. But it is a courteous thing too” [FG: 2]. Similarly Jena stated the lack of influence of CRM practices in general on repeat visits.

It would make no difference to me whether they were fantastic I might tell other people. If Juliet ask me if I have stayed in a really grand place in Kolkata or somewhere, if it’s fantastic, I would mention it based on my experience. [FG: 2]

Indicating an interest to visit different hotels, Nadene stated her lack of interest in hotel loyalty programs. *“We like variety so much that we would find that a restriction”* [FG: 3]. As evident, while CRM has an influence on some customers to repeat visit, it has no impact on some travellers due to their preference for variety. Also some may consider factors other than CRM such as price, value for money, and location when selecting hotels due to their diminishing involvement in the hotel environment during their holiday. (see section 4.5.3.1).

To summarise, this section identified numerous CRM practices experienced by the travellers in the hotel context. They were categorised into three stages related to the purchase time zones. The majority of respondents have experienced more CRM practices related to the encounter stage compared to the pre and the post encounter stage. While some participants indicated that CRM has influenced them to repeat visit some indicated that CRM would have no influence on them to repeat visit, but would generate positive word-of-mouth advertising.

4.2.4 Factors affecting hotel selection

Other than CRM, hotel selections also have been influenced by many other factors. Many participants indicated a combination of factors. For example, Joanna stated her influencing factors as:

...It’s also a bit about luxury. I am not going to stay somewhere terrible just because of the location. It is also about my activity, so it’s getting a blend of what you can afford versus something nice, close to where you want, walking distance—at least where you can get into a taxi. Now since my sister has several kids, it has to be a safe place for kids, with somewhere nice to eat, and we got to get all those things in one package. Once you find one that does we tend to keep going back to that. [FG: 3]

Marshal also stated the collection of factors that concerned him. *“For me price is important, but most important is the position. Value for money and location— is it near a railway station is it near the sights I want to visit? I bear in mind the sort of transportation I have. [FG: 2]*

The most important factors for the majority of the participants were: location, safety and security, word-of-mouth, brand, price and cleanliness. Even though CRM experiences have had an influence on repeat visitation, these factors were related to hotel selections in general.

Participants placed a great importance on location. It was also expressed in alternative terms such as accessibility, position, placement city and area. Indicating that location is among the most important factors considered in the selection of accommodation, Ramona said:

Well, for me, location is very important. If I am in a city where I want to see places the hotel is just the stop. You know a clean comfortable stop where I can stop and rest. But location is important, it would need to be somewhere central, and easy to get to; if particularly we don't have transport then we have to be accessible to public transport. [FG: 3]

Some revealed their concerns about safety and security when selecting their accommodation. This was particularly important to parties who travel with children and those who travel on their own. Their concerns about safety and security were expressed in various ways. Stanley who has extensive travel experience stated that: *“I think now I am looking at security. When my kids go to play I can forget about it and not have to worry about it...[FG: 2]”*

Concerns about safety were also indicated when leisure travellers were not familiar with the country concerned, compared to countries where they had more experience through their extensive travels. Jena stated:

Safety, I think that's really important to me, that's at the top of my list and I don't have children. Um...that's certainly one of the things I am looking at whereas when I was young I would have stayed in backpackers. I am not saying I am not safe now, but now I would not stay in backpackers. But I certainly think safety is a really important issue

for me specially. If I am going somewhere I would think about it even more, so I would think more about it when I go to India than to Great Britain, only because I am more familiar with GB compared to India. But safety is a really big issue. [FG: 2]

According to many respondents one of the safety assurances was past experience conveyed by word-of-mouth through family and friends. The importance of word-of-mouth for leisure travel rather than for business travel was highlighted by Stanley. “*Word-of-mouth is very important. That’s important for leisure*” [FG: 2]. Several participants explained how their family and friends influenced them in their hotel selections. For example, Jane stated the importance of personal contacts as: “*friendship contacts or colleague contacts*” In response Juliet stated that”

yes me going [name of the country], it’s invaluable knowing someone there because the hotel I chose was so inappropriate, it didn’t look inappropriate but it was. I think I may ask people if they’ve been, what did they like, which area they liked.

The majority expressed their reliance on electronic word-of-mouth such as on TripAdvisor and other sites such as Agoda for their hotel selection. Marshal stated that: “*WOM to me is the TripAdvisor*” [FG: 2]. Some participants also mentioned the mechanisms they adopted to identify the most reliable post in electronic media. Jane explained:

My husband used TripAdvisor and Agoda as his two main advisors to look out for hotels that we did not know about. He takes advice from frequent posters on these sites, but not from people who have only posted a few times; he ignores whatever they say. And if people have followed their advice, I guess he is more likely to follow that person in the future. So if people on these websites highlighted good customer service then we would probably consider that. [FG: 4]

While the majority of respondents revealed their reliance on WOM, some respondents expressed their distrust in advertising. Gloria said:

We see a beautiful place with a beautiful swimming pool close to the beach and when we got there— there was a swimming pool but it must have been down really low to

take that beautiful photo across [laugh] It has been taken 10 years ago with the beautiful sunset and now it's not there. They are some creative photo shoots yes! I think some of them are taken on a ladder from one corner of the room that makes it look spacious [laugh]. [FG: 4]

Though brand is not among the factors that are general concerns, under certain circumstances the brand has been influential in accommodation selection. Jena expressed her concerns about brands. *"I guess brand for me when you talk about hotels would be 5 star hotels but I think if I am really nervous about place I would look at more established internationally recognised labels"*

Gloria stated her concerns about known brands in certain circumstances, particularly when she travels to a non-English speaking country.

I think the other thing is if it is not a place where your first language is not the language they speak, or you don't feel confident with the language you tend to go for a known hotel. For example, when I was in England I am quite happy to stay in B&Bs because I can speak English very well. Whereas in places like France and Belgium, I mean I can make myself understood, and I can understand, but to actually have a conversation? I go for a known brand of hotel or a chain. [FG: 4]

Price is also one of the main concerns for the majority of the respondents to select accommodation. For example Nadene stated that *"Price is the most important factor for us because we are on a limited income and we are always looking for cheap holidays"* [FG: 3]. Sam and Sonya stated their concerns about price and rationalised their concern for avoiding expensive star class hotels. *"We can travel more. The extra bit we put is wasted"* they also added that *"because we seek value for money we do a lot of our choosing on the internet, and you know we see what's special there don't we"* [FG: 4]. Joanna expressed her concerns about prices and rationalised her selection of Bali for her holiday. *"[We visit] Bali with family cousins you know. We all end up going to Bali, it's kind of easy, it was cheap, and it is still cheap"* [FG: 3].

Even though Ben during the early stages of the discussions, stated his concerns about quality along with his concerns about location and customer service, later he also stated that: *"price is always one of my major considerations. I don't like paying a lot of money"*

for something like a hotel” Despite concerns about prices of accommodation, the majority of respondents expressed their concern about cleanliness. Though price is a main factor when selecting accommodation, cleanliness and other basic facilities are factors that travellers would not like to compromise even though they may prioritise selecting less costly accommodation. Jane stated that:

I think because I tend to go for the self-catering kind of low level motel more than hotels, I think what would discourage me would be the lack of cleanliness, and facilities available at the motel. Initially when we went to Vanuatu, we just took the cheapest but then we decided to go and pay a little bit more to assure that you’ve not got bed bugs, and the filth in the kitchen, and so on, if you are going to make yourself a meal. [FG: 2].

While almost all respondents expressed their concerns about price, a few respondents expressed their approval of the luxury experienced in high class hotels. Beth stated her views of comfort as: *“Luxury, I want to stay in the most luxurious hotel I can afford... [FG: 3]*. For a few respondents quality was found to be a key consideration. While Ben emphasised his concerns on the price of accommodation he also stated his concerns about quality. Even though Jena also prioritises price, her preference for star class hotels was evident. She stated that: *“My expectations of service are linked to how much the accommodation costs. I don’t expect 5 star hotel services when I stay in 3 star places”* [FG: 2]

As evident from the above statements, while leisure travellers are concerned about price they also consider certain standards in their hotel experience. These standards have been explained in terms of stars, luxury and quality. Respondents in various focus groups have explicitly expressed their interest in the standards mentioned above.

4.5 Variety-seeking behaviour

To report the data in this section the individual respondents were divided into three clusters based on their past hotel selection patterns. The groups were named based on their hotel selections. The *same location* or *same hotel* was substituted with the term

‘familiar’ (F), whereas *different location* or *different hotel* was substituted with the term ‘variety’ (V).

- 1) FF: leisure travellers who visited the same location, and same hotel
- 2) FV: leisure travellers who mostly visited the same location, but different hotels
- 3) VV: leisure travellers who mostly visited different locations and different hotels

Due to the identification of the above three clusters the participants belonging to each focus group were regrouped into the three clusters. They were used to facilitate an understanding of the characteristics of each cluster based on their hotel selection patterns. The regrouping of the respondents according to their hotel selection behaviour is explained in Table 4.1. The information related to each group is presented under the headings: the degree of variety-seeking, the influencing factors, and the key characteristics.

Table 4.1: Participant clustering

Focus group N= 22	Clusters		
	FF N=6	FV N=4	VV N=12
Group one (Ben, Sue, and Stella)	Ben	Stella	Sue
Group two (Jena, Juliet, Marshal, Jane, and Stanley)	Stanley	Jane	Jena, Juliet, and Marshal
Group three (Beth, Ramona, Joanna, and Nadene)	Joanna	Beth	Ramona, and Nadene
Group four (Bella, Gloria, Sam, and Sonya)	Gloria		Bella, Sam, and Sonya
Group five	Joyce, and Mary	Anne	Jelena, Lucy, and Kala

(Jelena, Joyce, Lucey, Anne, Kala, and Mary)			
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4.5.1 Cluster 1: Same location, same hotel (FF)

Six participants belonged to this cluster. They are listed in table 4.2, which includes their key travel characteristics. There were four female and two male participants. Those who belonged to this cluster had visited countries such as Bali, Thailand, Hong-Kong, China, South Africa, England, France, USA and Tunisia three or more times. Three participants had visited only one country three or more times, whereas the other three had visited a range of countries more than three times. The participants who have visited more than one country three times were asked to select one out of them for the discussion. The hotels they stayed at in their three or more visits were also listed. The main reason for travel of all the participants in this group was to relax with family or friends. Two participants have for the most part, travelled alone, whereas the other four participants travelled with family and friends.

Table 4.2: Characteristics: Cluster 1: Same location, same hotel (FF)

Respondent	Countries Visited	The county selected for the discussion	Hotel	Activities	Key travel party	Key factors
Ben (FG 1)	Thailand South Africa Hong Kong Korea	Thailand,	Dynasty* Nana Hotel	Seeing friends	Alone	Location Facilities around hotel Price Quality Customer service
Stanley (FG 2)	Bali Singapore Thailand China	Bali	Patra Bali** Holiday Inn	Relaxing holiday with family	Children	Safety Facilities for children Special

						Deals
Joana (FG 3)	Bali	Bali	Manidra	Relaxing holiday	Extended family with children	Location Safety Bit of luxury
Gloria (FG 4)	Bali England France USA	Bali	Bali Rani	Relaxing holiday	Alone	People customer service They recognise you Value for money
Joyce (FG 5)	Tunisia (North Africa)	Tunisia	Hammermet	Relaxing holiday	Family, spouse and friends	People Customer service Location
Mary (FG 5)	Bali	Bali	Kartika	Relaxing holiday	Spouse	People Customer service

* Ben alternates between the two hotels

** Stanley visited a different hotel the 6th time he visited the same location

4.5.1.1 Level of variety seeking

The participants in this cluster showed a preference for familiarity in their hotel selection. This was identified through the hotels listed by the participants and their statements. For example, Mary expressed her selection of hotels in her three visits as: *“we have stayed in the same hotel, all three times”* [FG: 5]. Gloria explained her repeated visits to the same hotel in Bali as: *“I’ve been to Bali 5 times, and stayed at the same hotel”* [FG: 4]. Ben has been visiting two hotels regularly. He stated *“In Thailand I tend to keep to the 2 hotels that I’ve used for the last 10 years I don’t tend to differentiate because they always looked after me and provided good service”*.

Indicating his future preference for familiarity, Ben expressed his interest in returning to the same hotel in the future. He stated: *“once I pick the hotel, I don’t tend to change, so I don’t think I’ll be flexible with my hotel. Once I find the one that suits me, I stay with it”* Further confirming his interest to visit the same hotel he stated: *“they [the other hotels] have to drag me out for a real reason”*. Similarly, Joanna, Gloria, Joyce and Mary also expressed their interest in visiting the same hotel in their future visits to the same destination. For example, Mary said: *“I would go to that hotel again, it was beautiful”* [FG: 5].

The participants, who have been to more than one destination three or more times also indicated a similar preference—a familiar hotel in the countries they have visited. For example, Gloria stated:

In London I want to stay at the same place. Apartments in London are very difficult to find, and I know the hotel and I know it is clean and close to the tourist station and so I will stay there [FG:4].

Similarly, Ben also stated his preference for a familiar hotel in the other countries he visits. He indicated his preference for staying at going to the same hotel in other countries such as South Africa and Hong Kong. He says: “*once I find the one that suits me, I stay with it*” [FG: 2]

Despite the consensus of the majority of the participants to visit the same hotel, Stanley explained his choice of a different hotel due to the boredom of visiting the same hotel repeatedly: “*some hotels in Bali, I’ve been to 5 times. We did not go the 6th time because we thought ‘lets go somewhere different’*” [FG: 2]. Stanley’s statement indicate that even though participants have an inclination to repeat visit, some may change hotels due to a preference for variety. Ben mentioned his visits to two hotels alternatively. Even though alternating among a few options can be considered as being due to an inclination to seek variety, Ben explained his reasons for having two hotels as the necessity to have a backup plan in case his regular hotel is full. Explaining his interest in staying in familiar hotels, Ben stated: “*I tend to be very conservative in my approach these days*”

4.5.1.2 Factors influencing the degree of VSB

The main reason for participants in this cluster to visit the same hotel is due to their overall impression of the hotel and specific CRM related factors. Stanley explained how his overall experience influenced him to visit the same hotel. “*If you go to a hotel, and you have a nice experience, you always go back there again because you know what’s happening and everything there*” [FG: 2]. Many CRM factors have also influenced the participants. Gloria highlighted the factors that influenced her to go to the same hotel many times. “*They remembered me every time I went. They are just lovely people. They do things specially for you*” [FG: 4]. Mary stated her reasons for repeat visitation as: “*the staff is absolutely wonderful, the food is fantastic*” [FG: 5]. Joyce responding to Mary’s statement stated that:

I went there over and over again...because the service was nice, someone would be at your door the minute you rang the bell. I like it. And they recognise you around, the grounds how you are doing, that sort of thing. [FG: 5]

Stanley explained the factors that influenced him to visit the first five times. *“The first five times were because they had really secure good standards nice and clean, and you know everything they said they did, so that’s another factor why you become a return customer—so they give you a special deal you know”* [FG: 2]. Stanley’s overall experience with CRM also seems to have provided him with an assurance for the safety of his children. He explained his reason for visiting the same hotel as: *“I think I am looking at security. When my kids go and play I can forget about it. I don’t have to worry about it”* [FG: 2].

Many non-CRM factors have also influenced the hotel selection of this group. Even though CRM is the main factor that influenced them to repeat visit, it has been often been combined with other factors such as location, value for money and safety.

4.5.1.3 Characteristics

The main motivation for travel of the respondents categorised under this cluster was relaxation. Gloria stated: *“[I go for a] relaxing holiday I don’t go to see 101 different things”, I am going for a simply sit down and relax and stay in one place holiday”* [FG: 4]. Joyce stated that: *“mine was sun-seeing and rest. When I went on holiday three times nothing else was important except the local culture and the beach and the sun...”* [FG: 5]. Megan stated that her main activities were *“watching the dances of various countries and taking part in that...we just enjoyed lying around and doing nothing”* [FG: 5]. Ben indicated a different reason for his holiday. He explained: *“I’ve got friends so I go back to see them. For me a holiday is part of seeing my friends and being to places I know”* [FG: 2]. He further added that the hotel is a meeting place to meet up with his friends.

As stated previously, the activities of many participants in this cluster were related to the hotel. They also seemed to enjoy the comforts of the hotel and also enjoyed staying at the hotel premises. This cluster places a very high importance on the quality of people serving at the hotel and the customer service, and seem to have given importance to

accommodation rather than activities outside the hotel. However, a few participants also tended to rely less on food served in the hotel. Ben stated:

I use restaurants. The whole point of being there is going to different restaurants. I wouldn't want to be stuck with what they provide in the hotel. But breakfast has always been exactly as Stella said. It is important since at the start of the day you don't want to go looking for something for breakfast. Breakfast in a hotel is important whereas other meals are not so important. [FG: 2]

Many highlighted the importance of the breakfast provided by the hotel and their experiences of it. For example Mary stated: “breakfast *at hotels in Bali is phenomenal. You have food from all parts of the world*”

Many participants in this cluster organise their holiday themselves. However Joyce expressed her preference for packaged tours. She explained “*I prefer to go on a completely arranged holiday*” [FG: 5], whereas Mary said “*I have never been on a packaged holiday*” [FG: 5]. Similarly the other respondents in this group had also not been on packaged tours.

4.5.2 Cluster 2: Same location different hotels

Four participants were categorised in this cluster. They are listed in Table 4.3, which includes their key travel characteristics. All were female. The countries visited three or more times by this group were limited to Bali and Vanuatu. Out of the four respondents, three had visited Bali. Even though they had travelled extensively in various other countries, no one had visited more than one country three or more times. The hotels they visited are also listed. The respondents in this cluster showed a preference for a relaxing holiday. The activities they were involved in were mainly confined to the hotel. However, they did indicate a preference for some activities outside such as shopping and the beach related activities. They also had travelled for the most part with the partner, family and/or friends.

Table 4.3: Characteristics: Cluster 2: Same location, different hotels (FV)

Respondent	Countries visited	The country	Hotels	Activities	Key travel party	Key factors
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		selected for the discussion				
Stella	Bali Sardinia France	Bali	Bali Garden Beach Resort Jayakarta Bali Rani	Relaxing	Friends Family members e.g. daughter	People Customer service
Jane	Vanuatu	Vanuatu	New Look Motel -Do- Tropicano	Mixed type of holiday with Volunteering and relaxation	Friends who did the same volunteering work	Cleanliness Facilities
Beth	Bali USA Portugal Singapore	Bali	Westin Grand Bali Coco Apartments	Relaxing holiday	Spouse	Luxury Customer service
Anne	Bali Canada	Bali	Dynasty Kartika Plaza Rama Baruna Hotel Santka	Relaxing holiday Shopping	Friends Spouse	Star class Comfort Security

4.5.2.1 Level of variety seeking

The participants in this cluster expressed their interest in visiting different hotels even when they visit the same location. Beth stated “*In Bali we do all different [hotels], “I like to see what all of them are like, I prefer a change”* [FG: 3]. She further added that preference of her main travel party was to visit a different hotel: “*I change, my husband does not like to go to the same place [hotel] twice”* Similarly, Anne who has visited Bali many times also mentioned the same interest, and said that she has visited different hotels in all her visits to Bali. She stated “*In Bali we do different things. I like to see what all of them are like. I prefer change* [FG: 5]” Similarly Stella said “*I have stayed in lots of different hotels”* [FG: 1]. Thus, unlike the previous cluster, this cluster show a passion to experience numerous hotels even if they had visit the same location.

4.5.2.2 Factors influencing the degree of VSB

The reason for changing hotels by some of the respondents in this cluster was an interest to experience a variety of hotels. They indicated their inclination to select a variety of hotels even when they visit the same location. They specifically stated their interest in seeing different hotels. It was explained in terms such as: “*I like to see what all of them are like”*. “*I prefer change”* [FG: 5]. In addition to the preference for change and a desire to experience a wide range of hotels there were also factors influencing the change of hotels. One such reason was identified as the availability of options of a range of hotels. While the competition between hotels has led to competitive pricing, some participants

had made use of this advantage to select the best deal. This had consequently led them to select different hotels. Stella indicated her interest in a range of hotels. “... *new hotels pop up and there are loads of hotels. I made a point of going round and having a look* [FG: 1]. She further added that:

I spend days and days and put much effort ... lot of effort in choosing my hotel...I've chosen one this time that is a villa with a plunge pool, so I am going for something quite different this time. So yeh I put a lot of effort in and research the hotel. I go through loads of them. I try to get the best deal, try to get one that's near the beach, near the shops ... I research thoroughly. [FG: 1]

Another reason for changing accommodation was highlighted as travelling with different parties. Beth explained further:

I'd rather go with my husband, or on my own, with girlfriends or with our family. So it has changed each time depending on whom I go with...with my husband we just want a pool and nice accommodation, so it changes whom you go with. [FG: 3]

Jane added a unique factor and stated:

Our reason for changing hotels has totally been for the people [of the country], you know, if we are going to a poor country we like to split the money around. If we stay in the same hotel we only support one person, but if we go to different hotels we are supporting more than one person in the island. [FG: 2]

4.5.2.3 Characteristics

Similar to cluster one, the main motivation for travel for many in this cluster was relaxation. Beth added: “*Luxury. I wanted to stay in the most luxurious hotel we could afford. I guess it is very different to be waited on but I do like it, yeh, so I want the most luxuries we can afford*” [FG: 3]. The same aspect was explained by Anne. She indicated her selection of only star class hotels as “*I go for four [star] and above, I like more comfort*”. The key features they enjoyed in the hotel were indicated by Ann: “*I like good service. I like a nice pool area, good food, balcony*” *prefer more hotel and the pool*” [FG: 5]. While this cluster seem to prefer more comfort, they also tended to spend more time in the hotel during their holiday. However in comparison to the previous cluster, this

cluster tended to be involved in a few activities outside the hotel such as shopping and beach related activities.

The participants in this cluster also tended to select their accommodation first when planning their holiday. Anne said *“I first select accommodation”* [FG: 5]. This was also evident from Stella’s statement about her extensive research on hotels when she is planning her holiday. All respondents in this cluster have arranged their holiday themselves rather than through travel agents.

4.5.3 Cluster 3: Different locations, different hotels

Twelve respondents were identified in this cluster. They are listed in Table 4.4 which included their key travel information. Among them many respondents had visited different locations more than once in their three or more. There were ten females and two males in this cluster. Among them, only one has visited Bali three or more times whereas all other respondents have visited a range of other countries. All have visited different hotels. Even though some participants recalled the hotels they’ve visited, some only stated that they went to different hotels in different locations and did not recall the names of the hotels. Moreover, except for one participant all other participants have visited multiple countries more than three or more times. Compared to both former clusters, this cluster reflected a preference for the activities outside the hotel, rather than being confined to enjoying the comforts of the hotel.

Table 4.4: Characteristics: Cluster 3: Different locations, different hotels (VV)

Respondent	Countries visited	The country selected for the discussion *	Hotels	Activities	Key travel party	Key factors
Sue	Bali	Bali	All different	Relaxing holiday with family	Family with children	Price Safety
Jena	India England	England	York Lake	See different	Alone Friends	Value for money

	New Zealand		District Islay	things, culture and different countries		Safety Cleanliness
Juliet	Canada Italy	Not stated clearly	All different	Experience different cultures, countries and various activities	Alone Friends	Safety Location Proximity to activities
Marshal	England Italy Germany	Not stated clearly	All different	Get involved in activities	Spouse	Value for money Location
Ramona	England India	India	A hotel in Rajasthan Udaipur Mumbai	Relaxation and to see things	Spouse	Comfort Cleanliness Location Customer service
Nadene	Thailand Vietnam	Thailand	All different	See different cultures Get involve in various activities	Spouse	Price Location
Bella	New Zealand Hong Kong Singapore England	New Zealand	Different holiday parks	Like to see various things Prefer to be on the move rather than being at the hotel	Family with children	Value for money Location
Sonya	Malaysia Indonesia Thailand Vietnam	Thailand	All different	To see different things of historical value	Family with children	Value for money Convenience
Sam	Malaysia Indonesia Thailand Vietnam	Not stated clearly	All different	To see different things of historical value	Family with children	Value for money Convenience
Jelena	Philippines Japan	Philippines	Dusit Thani Manila Bayview Park Hotel Continental	Mixed holiday with work and relaxation	Spouse With university students	Recommendation of others Location
Lucy	Bali, Canada Greece	Canada	Sheraton on the Falls	Like to see various things	Spouse Friends	Accessibility to places of interest

			The Lake House Inn Holiday Inn Toronto			
Kala	France Ibiza Mallorca	France	All different	See unique things	Friends	Location

*The participants in this group all stayed at different hotels in their three visits. Therefore they are not listed in this table.

4.5.3.1 Level of variety seeking

The participants categorised in this cluster have mostly visited different locations each time they visited the same country. Their main intention was to seek variety at the destination. They also indicated an interest in a variety of accommodation. Thus they tended to stay at different types of accommodation rather than being confined to one type of hotel. Bella explained her interest in visiting different accommodations, in addition to the interest in visiting the same location.

We never really go back to the same one [hotel] for what reason I don't know. I think to get a different experience, yes just check them all out. We probably stay in about 10 different places during the whole holiday, then next time we go back we might not go to those same places but we would just choose other accommodation in the same area. [FG:4]

Bella also added *"We tend to stay in different accommodation every time we travel; just to see what is best; just to see a bit of a range I guess"* [FG:4]. The same idea was highlighted by Nadene *"We would go one more time for some reason, more than twice would get a little bored I think"* [FG:3]. Strongly justifying his interest in visiting different hotels each time he visited the same destination, Sam stated that: *"I think if you are a bit nervous then you tend to go with your known hotels"* [FG:4]. Marshal expressed his interest in staying in different accommodation as:

I can see myself in a small place going back to the same place that I have gone to in fact this year. But for the most part when I go to a location like Singapore each time I want to stay in a new hotel. So it does not become a routine. It's all part of the experience as you've said staying in a different place, okay, may be a similar three or four star hotel, but it's a new one you know, let's try something different. [FG: 2]

Compared to the other two clusters the participants in this cluster sought higher levels of stimulation where they seek variety in both the location and also in the hotels they select. Marshal explained:

Oh I go to different places. I love to try something new I suppose. I've not been so many times as you guys to the same place, but 3 would be my maximum. I can imagine that after a few times I would then go—all right I've tried a few now I'm going to focus on a new one, that I've not tried and then go back to the same one because otherwise you get into a routine. I know a friend of mine who travels quite often on business to the same place and he goes to the same place each time. There is a pressing plan in his head, there's a script that he evokes. I haven't done that. I haven't travelled enough to get into that routine, I think. [FG: 2]

Jena supported Marshal's statement:

That's an interesting quote. I have friends who go to the same place and it is because they like to be recognised, you know, as a special customer. They made them feel special, that is one of the reasons they do go back to the same place. I have not been so much to the same place to build that sort of rapport. [FG: 2]

Based on the above premise this group can be identified as one seeking the highest degree of variety through visiting different locations and also different hotels.

4.5.3.2 Factors influencing the degree of VSB

The main reason for this cluster to select lots of different accommodation was due to their visits to different locations, which reflect their preference to seek variety even when they visit the same country. Sue stated her visits as: "*I hopped to different regions each time*" [FG: 1]. In addition participants in this cluster also showed an inclination for a variety of hotels and they also liked to try different types of hotels. Their selection of accommodation was mainly determined by their activities during their holiday. The accommodation selected was based on the proximity to the activities they would be involved in during their holiday.

4.5.3.3 Characteristics

The respondents in this cluster clearly indicated their interest in exploring the destination rather than experiencing the comforts of the hotels. The accommodation was the least

important factor for this group. They explained their reasons in numerous ways. Sonya explained: *“We will stay less in the hotel and spend more time in exploring the country”* [FG: 4]. Sam further added that *“it’s no use paying a lot of money and then being out exploring”* [FG: 4].

While the former groups explained that their holiday was related to the hotel atmosphere, many of the statements of this group were related to the country they visited. They showed an interest in understanding the other cultures, other histories and also in gaining knowledge about people’s lives all around the world. Nadine stated her interest in experiencing different cultures as: *“[I like] experiencing different cultures. I like to see things that are not here”* [FG: 3]. Lucy stated her interest in experiencing different aspects of cultures as: *“I like to go and see churches I like museums and churches and stuff like that I absolutely like doing.”* [FG: 5]. Some also indicated their interest in sports activities during their holiday. Jelena stated that *“my last two holidays have been golfing holidays”* [FG: 5]. Marshal also stated his keenness on activities such as scuba diving.

The participants belonging to this cluster seemed in general to be more active when they were on holiday. Juliet explained: *“I think I will be doing a lot of moving around and seeing stuff mainly the hotel is to um...sleep and shower and everything* [FG: 3]. Nadene also stated:

I don’t like to stay in a hotel I am you know like an action figure. I like to do lots of different things. If you stayed around the pool reading a book that is a really important factor but for me it’s somewhere to shower, so if it’s just clean, I am happy. [FG: 2]

While many participants in the former groups stated their interest in the beach and the sun many belonging to this group seemed to place less importance on the beach. For example Juliet explained:

I don’t worry too much about the beach and things because we’ve got the most beautiful beaches in the world. So I don’t think I look for that to fly to the other side of the world to sit on the beach. [FG: 2]

A similar idea was stated by Ramona:

I just don’t see the point I mean WA, Perth must have the most beautiful beaches on earth. Why would you want to go to a dirty syringe filled beach in ... from here? I just could not see the point. [FG: 3]

Due to the importance given to activities, the participants in this group also stated their priority in selecting the location and the activities rather than their accommodation. Juliet stated: *“I choose the location first, and then I choose the location for a change as I want to see something different”*. She further explained that:

accommodation is just one aspect of holiday, you know, I can't see that the accommodation is the heart. That's where we stay in, but then you know the location becomes your choice because you think you want to go and see this and that particular hotel [you choose] is largely to get to these places more easily. [FG: 2]

Jena further explained her selection of hotel as:

I don't do that for the sake of change. I choose the location first and then I choose the location for a change as I want to see something different. I go to somewhere different and then I choose the accommodation, not the accommodation first. [FG: 2]

The hotel selection of the respondents in this group was further understood by the statement of Bella: *“ how we do this is make a mud map of where we are going and then check in with your accommodation afterwards”* [FG: 4].

The cost of the accommodation seemed to be very important to the participants belonging to this cluster. This was mainly due to their keen interest in exploring the country rather than spending time at the hotel. Whereas the former groups expressed their interest in the comforts of the hotel, this was not a key concern for this group. Sonya explained: *“ Taking a sailing boat to see what is there, large 5 star hotels we don't really look at, because it's just so much money for a bed”* [FG:4]. Sam added *“it's no use paying a lot of money and then being out exploring”*.

While the previous groups indicated their preference for the comforts of the hotel this group mentioned their preference for basic accommodation, only for *“sleep and shower”*. This group was more concerned about the facilities around the hotel such as restaurants. Their expectation of the hotel facilities were basic aspects such as toasters, microwaves and refrigerators and Wi-Fi. However, there are exceptions to these findings due to some participants indicating their preference for well-known hotels as a safety prediction. For example, even though Juliet's main reason for the holiday was to see the country, she also seemed to enjoy some aspects of the hotel and she seemed to prefer star class hotels. Her interest in a good hotel however was due to her concerns about safety. She explained:

Probably no.1 for me is safety, and that encompasses your physical safety. I've had my passports stolen twice in my life so I am particular about safety. So safety and location are reasons. The proximity to where I am going [is a preference] and one of my criteria is actually to avoid tourist hotels and these great big chains. I just avoid them, I hate them. I go more for authentic boutique hotels which are owned by family and they are much smaller and they give me a different experience. I mean I can stay in you know western type hotels any time. I prefer to go more authentic and it depends on the type of the holiday. I think I will be doing a lot of moving around and seeing stuff. Mainly the hotel is to sleep and shower and everything. It is a very different experience for me [to sit] by the pool drinking cocktail or you know going to the spa or doing something like so that I don't worry too much about the beach and things because we've got the most beautiful beaches in the world. So I don't think I look for that to fly to the other side to sit on the beach. [FG: 4]

Juliet's statement summarises much of the findings concerning this cluster: the interest in exploring the country, minimum concern about spending time at hotel, preference for different types of accommodation other than luxury hotels and also a lack of preference for the beach.

The majority in this cluster arrange their holiday themselves rather than using packaged tours. Sam expressed their holiday arrangements as:

I mean, we go on Internet. If we are on Internet we choose what we want. We do not go through travel agents so we decide where we are going to go to. Yes we are going to go to um... KL [kuala Lumpur] you go on this site and have a look at some of the hotels in KL or you go to some of the booking sites Spedio, hotel club. [FG: 4]

To summarise, this section identified leisure travellers based on their degree of variety seeking in the hotel context. Based on the themes that emerged, it was identified that leisure travellers could be clustered as: FF, FV and VV. The characteristics of these clusters were probed in-depth through: the level of variety-seeking, factors influencing accommodation and the key characteristics.

4.6 Summary of the factors influencing variety seeking consumption patterns

Some participants indicated a preference for familiarity. They were mainly influenced by the CRM practices of the hotel. Others reflected a preference for variety in their hotel experience. Notably, even the familiarity seekers had opted for different accommodation after repeated visits. One factor that influenced some of them was boredom when visiting the same hotel. Some others stated an inclination to try different hotels due to the desire to experience a range of hotels, and to avoid getting into a routine. Other than these factors many other factors have also contributed in choosing a different hotel. Factors such as purpose of travel, the place of travel, the travel party and the stage of the product life cycle, access to information on alternative options, and upgrades better standards were also found to have a profound impact on VSB.

4.6.1 Purpose of travel

The purpose of travel was found to be one of the key factors affecting the selection of a variety of hotels. A few respondents said that their hotel selection varied due to various reasons such as activities involved in during the holiday and travelling for business and leisure. Gloria explained her preference to stay at more established brands in some countries than in others in numerous ways: *“I think it [the type of accommodation] varies on why you are going, and also where you are going. “I think the other thing is that the reason for the holiday determines where you stay”* [FG: 4]. Gloria explained how her expectations of the hotel varied in different countries.

It's funny, the only instance where I expect a real hotel experience is when I go to Asian countries. I have been to Hong- Kong, Singapore, and Malaysia and in Bali also. I expect the hotel experience. You go to be expecting a beautiful continental breakfast and the lovely shakes and the whole bit. And the other places, I expected them to be clean and if they provide the breakfast, the hotel experience does not bother me. It is not the reason I am travelling. When I go to Asia often the reason I am going is to have a sit down, relaxing and stay-in-one place holiday...The hotel experiences in somewhere like Las Vegas, the fleshier it was the better. I am not going back to Las Vegas, so the hotel experience is the whole part of the trip. So I think it varies depending on why you are going and also where you are going. [FG: 4]

Similarly, Sue explained how the purpose of travel influences the selection of different hotels.

[It is] also depends on what reason you go on holiday. If you are going sightseeing you just need a bed. If it is a more resort-style relaxation around the pool, relax during your stay then you would need a comfortable bed. [FG: 1]

It was found that participants were more inclined towards variety during leisure travel rather than during business travel. This difference was clearly explained by the participants who had experience in travelling for both business and leisure. Juliet stated: *“If it is for leisure I go to different hotels, if it is for work [I go to the] same place” because it’s set up and the services are what you expect*” [FG: 2]. In response to this statement Marshal stated that: *“When I am travelling purely for pleasure, I would not go back to the same place anyway”* [FG: 2]. Bella expressed her family’s experience: *“my husband travels a lot for business, you know, to Canada and America and he usually uses the same hotel”* [FG: 4].

Stanley who also has extensive travel experience for business stated:

Yeh that’s all interesting comment because when I am going to Singapore on my own I do exactly the same as you. When I go to Bali with my kids I always got to the same hotel. Yeh because when you have kids the prime consideration is your kids but when I go to Singapore I do like you. I just go and try something different. And all the hotels in Singapore are good usually because the competition is so fierce but when you have got children I think you think about it differently. [FG: 2]

4.6.2 Place of travel

The place of travel was also among the factors influencing the selection of a different hotel. Gloria explained her memories of staying at more established brands in some countries than in other countries. She particularly stated her interest in selecting well-known brands when she goes to a country that speaks a different language. She explained:

I think the other thing is, if it is not a place where your first language is the language [of the country] or you don’t feel confident with the language, you tend to go for known hotels. For example, when I was in England I was quite happy to stay in B&Bs

because I can speak English very well, whereas coming in to places in France and Belgium, I mean I can make myself understood, and I can understand, but to actually to have a conversation and make sure what I get in terms of that's when I go for a known brand of hotel or a chain [FG: 4].

Similarly, Jena explained how her hotel selections vary based on the country she visits. She indicated her preference to select well-known brands in certain countries.

Safety is a really important issue for me specially if I am going somewhere I would think about it even more. India, I would think about it more than when I am traveling to Great Britain. Only because I am more familiar with GB than India [FG: 2].

4.6.3 Travel party

The travel party also has an influence on the selection of different accommodation. In addition to travelling alone, the main travel parties were identified as the partner, children, extended family, and friends. Sue explained how her hotel selections vary depending on her travel party:

[It] depends on who I go with. If I go with family, then I go to something less expensive. If I go on my own, I go luxury. I can't afford to pay for four to five [people] for luxury accommodation. For one or two could afford to [Laugh]. [FG: 1]

Similarly Stella from the same focus group explained:

That depends on whom you're going with. When we travel with a girlfriend we will be where ever is cheaper. With the family, I probably want them to have certain facilities. We're still looking for value for money but it's more important that they have facilities. When I am going with a partner, I want a very nice place. So it changes depending on whom I am going with. [FG: 2]

4.6.4 Lifecycle stage

In this group Stanley and Ben, being the most experienced travellers, explained how their hotel selection behaviour has changed over the product life cycle. Similarly, Ben indicated that he has tried out different hotels in the past and now he has selected the ones

that suit him. He said: *“I’ve done my research in the past and I am happy with that at the moment”* [FG: 1] Stanley also explained similar idea.

It’s changed over the years. Because when I was a backpacker I was looking for good value. Now I’ve got 2 daughters, I look for safety and also some good facilities for kids...When my daughters were small I wanted to go to the same place because I could trust them with everything, you know. There was good security. When they are older I guess they would want to go to more adventurous places. [FG: 2]

It was apparent that travellers who had travelled extensively in the past tended to select a familiar hotel. They tended to select the best options they had experienced in the past and kept on visiting them. Travellers who are yet to acquire more travel experiences seem to keep experiencing a wider option of hotels. Marshal rationalised his preference to experience a range of options rather than visiting the same. *“I haven’t travelled enough to get in to that routine I think”* This may also imply that travellers may seek variety in their hotel experience until they are confident that they have found the best hotel.

4.6.5 Access to information and alternatives

The availability of information also plays a crucial role in influencing leisure travellers in their selection of different accommodation. Social media in particular seemed to play a key role in creating an interest in different accommodation. Stanley stated: *“I think TripAdvisor does play a role in this era”* The influence of available of information on the selection of accommodation can be identified from the following statement:

I spend days and days and put much effort ...a lot of effort into choosing my hotel...I’ve chosen one this time that is a villa with a plunge pool. So I am going for something quite different this time. So yeh I put a lot of effort in and research the hotel. I go through loads of them. I try to gather the best deal, try to get one that’s near the beach, near the shops. You drive over and do water sports and things like that. I research thoroughly. [FG: 1]

4.6.6 Upgrade to higher standards

Some travellers also tend to opt for better accommodation in their subsequent visits. Jane explained her option to visit a better accommodation in her subsequent visit.

Initially, when we went to Vanuatu, we just took the cheapest, but we decided to go, pay a little bit more[and stay at another hotel] to assure ourselves that we've not got bed bugs and filth in the kitchen and so on if we were going to make our own meals. [FG: 2]

4.6.7 Other

A unique factor as social concerns was also pointed out by Jane. This comes into play when travellers visit a country that suffers from economic constraints and when there are many small hotels that do not have many visitors. It was explained by Jane as follows:

Our reason for changing hotels has totally been from the point of view of the people [of the country] you know. If we are going to a poor country we like to spread the money around. If we stay in the same hotel we only support one person, but if we go to different hotels we are supporting more than one person in the island. [FG: 2]

4.8 Chapter summary

This chapter presented the results related to the key constructs of the research, CRM and VSB. It first generated an understanding of CRM from the point of view of leisure travellers. Based on their hotel experiences numerous CRM practices in a hotel setting were identified. These practices were categorised based on the three purchase time zones, the pre encounter stage, the encounter stage and the post encounter stage. Thereafter, the participants were categorised into three clusters according to their degree of VSB. They were named FF, FV and VV. Each cluster was further studied through the level of variety seeking, the factors influencing the level of VSB, and their characteristics. This facilitated an understanding of whether leisure travellers seek variety in their hotel selections and of the factors influencing VSB. This chapter leads to the qualitative discussion presented in the next chapter.

Chapter Five-Qualitative Discussion

5.1 Introduction

This chapter provides a discussion based on the qualitative results presented in the previous chapter. It is presented in sections related to the exploratory research questions:

1) what hotel CRM practices are experienced by leisure travellers and what do they think

of such practices? 2) do leisure travellers seek variety in a hotel experience? 3) what factors influence the degree of variety-seeking behaviour (VSB) in hotel purchasing of leisure travellers? and, 4) what are the differences among leisure travellers who seek different degrees of variety? This chapter shows how the qualitative findings relate to the existing body of knowledge on CRM and VSB. In addition, it also discusses the items to be included in the next quantitative phase of the study. Along with the literature, this chapter also provides the grounds for hypothesis development.

5.2 What hotel CRM practices are experienced by leisure travellers and what do they think of such practices?

Numerous CRM practices were experienced by the participants in a hotel setting. Guided by the data, the CRM practices were classified based on the three purchase time zones: pre-encounter, encounter and post-encounter stages. Reinartz et al. (2004) have also categorised customer-facing CRM into three groups: initiation, maintenance, and termination. However, their study took an interest in implementation, which concerns back-stage CRM rather than front stage CRM. The classification of this study therefore differs from that of Reinartz et al. (2004), as this study is concerned with practices that may manifest due to the CRM implementations.

Even though purchase time zones are discussed in the services marketing domain to explain the consumer decision-making process for services (Lovelock et al., 2011), thus far in the literature CRM practices have not been covered explicitly in relation to the purchase time zones. This categorisation is expected to enhance the understanding of CRM practices experienced at different stages of the purchase time zones. According to Cao and Gruca (2005), CRM concerns the relationship between both potential and current customers. This investigation on CRM practices at the customer facing stage will further enhance the understanding of the role played by CRM in both customer acquisition and retention.

Virtual trips included in hotel websites were identified as the first pre-encounter relationship building effort experienced by travellers prior to selecting a hotel. Even though researchers have not explicitly discussed virtual trips as a CRM practice, some researchers have indicated hotel websites are a CRM practice. Wu and Li (2011) investigated hotel websites through items such as 'ease of searching for information about

the company' and 'providing detailed maps and transportation guides'. Akroush et al. (2011) have also identified the importance of hotel websites in building relationships.

In this study, it was identified that popularity of booking sites have overtaken that of hotel websites and play a more effective role than the hotel sites. The booking sites were positively evaluated by the participants for their CRM such as presenting important information on a wide range of options. One participant also acknowledged online chat, and thus the interactive nature of booking sites. The ability to get better prices and also the discounts offered when continuing to book hotels through the same site were also pointed out by the participants. As is evident, at the pre-encounter stage hotels seem to have played a limited role compared to booking sites in developing a relationship with customers at the encounter stage. It can be identified that some hotels have lost numerous opportunities for relationship development at the pre-encounter stage. While this may be due to hotels giving over the pre-encounter stage arrangements to the booking sites, investigation of such business relationships are beyond the scope of this study.

This study also identified key encounter-stage CRM practices including: customer service, personal touch, and people. Special privileges such as the ability to request a room number, and additional services such as airport pick-ups, activities for children, providing upgrades and discounts were also found to be effective encounter-stage CRM practices. Many of the travellers who have experienced these encounter practices were repeat visitors to a hotel.

Winer (2001) stated that customer service at every touch point was an effective CRM practice during the encounter stage. Even though customer service has not been discussed under the umbrella of CRM, it has been widely discussed in the hotel domain (Chen & Popovich, 2003; Kim et al., 2003a; Mendoza et al., 2007; Petrillose & Brewer, 2012). The participants identified the fact that customer service is one of the key ways of generating effective relationships. All participants revealed the high importance they placed on customer service even if they did not intend to visit the same hotel again. Participants also expect different degrees of customer service. While some expect the highest degree of customer service, they also indicated the importance of personal space and their dissatisfaction with people talking to them all the time. This was explained by one participant. "*Just common courtesy. I don't want people stuck in to me and all that. I just want the service you pay for*" Essentially, getting to know the customer better would

enhance the hotel capability of customising such expectations according to the requirements.

A personal touch was considered important by all the participants. It was explained as a feeling that the hotel provides services specially for them. One participant indicated an effective example of personal touch and explained how the hotel made arrangements to send back the conference bag that she had lost in a shopping mall. She stated that the hotel called her in Australia to make the arrangements. Remembering the customers each time they visit, and making them feel special in which were also identified as ways in which hotels practice the 'personal touch'. Even though the literature has not discussed such practices by using the term 'personal touch' many such practices are explained in numerous ways. For example, Bowen and Shoemaker (1998) identified the importance placed by hotel visitors on practices such as the 'ability to check in and out any time' and 'expediting the registration process for repeat customers'. Bowen and Shoemaker (1998) also identified the importance placed by customers on hotel efforts to 'customise according to their needs based on past information'. While customers being recognised by name is identified as a CRM practice (Bowen & Shoemaker, 1998), it can also be identified as an effective way of delivering a personal touch.

The people (can also be referred to as staff) of the hotel were also given very high importance by the participants. Many authors have emphasised people as one of the three key aspects of CRM (Chen & Popovich, 2003; Kim et al., 2004; Mendoza et al., 2007). People were found to be the key determinant of customer service and the delivery of the personal touch. Bowen and Shoemaker (1998) have found that travellers place a high importance on employees communicating the attitude that customers are important. Thus, people can be identified as the key to delivering the organisation's attitude to its customers. Kim et al. (2001) also operationalized CRM through numerous dimensions related to people. Due to the importance of the people component, it has also been used to represent numerous other concepts such as service quality (Petrillose & Brewer, 2012; Wilkins et al., 2009).

The ability to request a preferred room number was also identified as a CRM practice that has been experienced by a participant who has visited the same hotel repeatedly. The literature also reveals the importance of such practices in the hotel context (Bowen and Shoemaker (1998) .

While special offers are also often quoted as an effective CRM practice (Adams, 2001; Vogt, 2010), it has also been experienced by participants who have visited the same hotel regularly. They have also expressed their satisfaction with such practices.

In the literature, cross-selling is emphasised as one benefit of practicing CRM (Buttle, 2009; Dyché, 2002). One participant who visited the same hotel regularly has also been rewarded with the practice of cross selling. The participant talked about his experience of being offered a stay at a newly built hotel at a reduced rate. He felt he was rewarded as a repeat customer and found the arrangement convenient since the hotel took care of the entire arrangements.

Some of the practices identified were categorised as post-encounter stage CRM. Among them were loyalty programs (in this study loyalty programs are categorised as a post purchase practice, due to the benefits of loyalty programs being experienced in subsequent visits rather than in the visit on which it was offered), and hotel communications experienced by the customer such as exit questionnaires. Loyalty programs and exit questionnaires have also been used in some studies to operationalise customer-facing CRM (Wu and Li, 2011; Bowen and Shoemaker, 1998). In addition, numerous communication methods such as information on special offers and offers on redemption points were identified as efforts of organisations to maintain customer relationships even when customers wind up their stay.

While frequent guest programs have become an indispensable practice in the hotel domain (Shanshan et al., 2011), they are also found to be widely used in the hotel industry (Xie & Chen, 2013). Hotel loyalty programs have also been subject to numerous criticisms. Much of the literature has also pointed to the lack of effectiveness of such programs in generating loyalty and profitability (Dowling & Uncles, 1997; Reinartz & Kumar, 2002; Skogland & Siguaw, 2004).

While many participants in this study also indicated the relative ineffectiveness of loyalty programs, some stated their lack of experience with loyalty programs. The participants who also have business travel experience indicated the effectiveness of loyalty programs in business travel rather than in leisure travel. This was explained due to their preference in visiting the same hotel when travelling for business whereas they prefer to visit different hotels when travelling for leisure. This was explained by a participant as *“if it’s for leisure we go to different places. If it’s for work, the same because it’s set up, the*

services, and we know what to expect” Since the participants tend to visit the same hotel when they travel for business, loyalty programs may generate better value for business travellers rather than leisure travellers. This may support the findings of McCleary and Weaver (1992) and DeKay et al. (2009) that loyalty programs play an effective role in the upscale business travel market.

One respondent also criticised loyalty programs due to the cost involved in becoming a member of such programs. They also indicated the lack of influence of loyalty programs on repeat visitation. In the literature, hotel loyalty programs have been criticised for being more transactional based rather than loyalty generating (Bowen and Shoemaker, 1998). The same aspect was pointed out by a participant who referred to the benefits of loyalty offers as *“token stuff”* Emphasising the need to improve loyalty programs in the leisure travel market the participant stated: *“If they issue loyalty scheme, there might be upgrades or re upgrades something like that, a good reward system rather than this token stuff. It’s just pointless”* [FG: 4]

The lack of influence of loyalty programs on the participants may be due to their less tangible benefits particularly for leisure travel. In addition, the lesser frequency of travel, and the benefits being received in subsequent visits rather than in the visit where the loyalty programs were introduced tend to make them less effective for leisure travel. This would make the encounter-stage CRM practices more effective than loyalty programs, as travellers experience them during their stay rather than having to wait for another visit. Despite the above findings, it is important to note that this study discussed CRM practices in general and did not involve a detailed discussion of loyalty programs. Shanshan et al. (2011) have also indicated the importance of empirical research on a wider range of CRM practices other than loyalty programs.

The hotel communications at the post-encounter stage were also discussed by the participants. Similar to their experience with loyalty programs, while some participants have experienced attempts by hotels to communicate with them after they end their stay, some have not experienced such attempts. In general, participants explained that they are happy to fill in questionnaires and rationalised that the intention of the hotels in obtaining feedback is to show their concern and to provide a better service in the future. It was also mentioned as an opportunity to express their concerns to the services providers. Nevertheless some participants said they did not like being pushed to fill in questionnaires, and preferred not to be contacted via phone to provide such feedback. In

addition to feedback, a few indicated their experience of communications after purchase such as special offers and redemption points. Such attempts can be identified as effective ways of keeping in touch with visitors.

This exploratory stage also identified numerous other factors that have influenced the participants to select hotels, such as location, safety, word-of-mouth and price. Even though brand was not a key consideration it becomes a key concern in some circumstances such as travelling to an unfamiliar country and in countries that do not use English as the first language. Even though price was a key consideration, many indicated their preference for standards and key aspects such as cleanliness and facilities. Thus rather than price, many mentioned value for money as a key concern. Since these factors do not directly relate to the CRM of hotels they were named 'other factors affecting hotel selection'. Similar factors such as location, image, price, service, convenience and amenities have also been found to be factors affecting hotel selection (Tanford et al., 2011).

The above factors affecting hotel selections were more related to the marketing mix—product, price, place and promotion. Chan and Wong (2006) have identified the importance of the marketing mix in attracting customers. They found that in the absence of price, location became a key determinant of hotel selection. The majority of respondents in this study also stated that the highest prominence was given to price and location. Those who were also concerned about comfort and standards stated that value for money is important. It was explained by a participant as '*money goes a long way*'. In addition, word-of mouth promotion has taken over the task of advertising.

In the literature the practices related to the marketing mix are regarded as transactional marketing, and this is not considered as having a long-term perspective (Christopher et al., 1991). In an era where relationship orientation is considered better than transactional orientation, this study identified the significance of transactional related practices. Even though elements related to the marketing mix may not be involved in a deliberate attempt to maintain relationships with customers, they have been playing a greater role in influencing visitors to select a hotel. Thus, such practices have provided a vital first step for relationship development. As highlighted by Dwyer, Schurr, and Oh (1987) and Osman et al. (2009) the foundation of relationships may begin with a transaction. According to Day (2000) transactional marketing therefore cannot be considered less

effective in the modern business world. In this study, while CRM seems to be more important factor in generating repeat visitation, non-CRM factors which relate to marketing mix were more relevant when selecting a hotel in general.

However, there is a difficulty in dichotomising CRM and non-CRM factors since some of them are interconnected. For example, encounter-stage CRM practices have also resulted in developing an assurance of safety for travellers. This was evident from the statement of a participant who explained that while an assurance of safety is important as he travels with his children, good CRM practices were stated as the key contributor for such assurance. On the one hand while participants relied heavily on word-of-mouth recommendation when selecting a hotel, they in turn also recommend it to other people to generate positive word-of-mouth recommendations.

The classification of CRM into three categories revealed that encounter-stage CRM practices are the most effective in generating repeat visitation. Many participants were less interested in engaging in long-term relationships with the hotels particularly due to their VSB in the hotel context (Buttle, 2009; Lovelock et al., 2007; Palmer & Mayer, 1996). Nevertheless, participants who prefer variety also considered such practices important and stated that such efforts would induce them to generate word-of-mouth recommendation (further discussed in section 5.3). Consequently, even though CRM may not be an effective tool in retaining customers, it is an important practice due to its ability to generate word-of-mouth.

CRM is also attributed the role of attracting, retaining and enhancing customer relationships (Swift, 2001). Linking the expectations of CRM and the three purchase time zones, this study proposes that pre-encounter CRM is more effective in acquiring new customers, while encounter-stage CRM has an influence on retaining customers. Similarly, the post purchase CRM may be capable of enhancing customer relationships. Even though much of the discussions on CRM emphasise the maintenance of profitable customer relationships (Buttle, 2009; Cao & Gruca, 2005) this study identified the importance of building relationships from the time the customer starts searching for options. Thus the pre- encounter stage, encounter stage and post encounter stage are vital for relationship development efforts involving both potential and current hotel customers.

Notably, all participants did not have positive experiences with the CRM practices of the

hotel industry. One participant stated that he did not receive due recognition by the hotel he had visited many times. Despite his lack of interest in financial gain, he stated the importance of receiving due recognition when he visited several times, and the need for acknowledgement of his repeated visits. A few participants also described circumstances where staff had not always been friendly. As a result, participants did express their concerns about not receiving an acceptable level of CRM.

The above findings are not sufficient to make generalisations. Thus, the impact of CRM to generate repeat visitation and word-of-mouth is further tested in the quantitative phase (Chapter six). These outcomes were identified based on the importance placed on CRM practices rather than participant satisfaction about all such practices. Also, some CRM practices may not have been experienced by all respondents.

5.3 Do leisure travellers seek variety in a hotel experience?

The data revealed that leisure travellers seek different degrees of variety in their hotel experience. The degree of VSB was identified by observing the hotel selected in visits to the same destination. Even though previous studies have investigated repeat visitors to particular hotels and have further clustered visitors based on their attitudinal loyalty (Tideswell & Fredline, 2004), to the knowledge of the researcher this is the first study that further clustered visitors to the same destination based on their hotel selections.

The data analysis revealed three clusters: 1) leisure travellers who visited the same location and same hotel (location in this study has been defined as the city, town, village or area visited by the participants) (6 respondents) 2) leisure travellers who mostly visited the same location but different hotels (4 respondents) 3) leisure travellers who mostly visited different locations and different hotels (12 respondents). Based on the visits to locations and hotels the groups were named FF, FV and VV respectively. Group FF seeks the highest degree of familiarity by visiting both familiar locations and selecting the same hotels; the group named FV sought both familiarity and variety by visiting a familiar location but a different hotel. The group VV sought the highest level of variety by visiting different locations and also different hotels.

Many participants in cluster FF indicated their preference for a familiar choice in their future visits to the same country and also their visits to other countries. Nevertheless, as

gathered from some participants even familiarity seeking travellers may prefer to visit different hotels after visiting the same hotel several times to avoid monotony and boredom. This supports the existing findings in numerous other domains that routinisation leads to monotony and boredom and satiation (Givon, 1984; Kahn, 1995; Kahn et al., 1986; Menon & Kahn, 1995). This influences even familiarity seekers to look for diversity in the purchase decisions (Beldona, Moreo, & Mundhra, 2010; Shirin & Puth, 2011), due to the decrease in utility of continuous use (Toyama & Yamada, 2012).

Another participant belonging to cluster FF also stated his preference to alternate between two hotels when he visits the same destination. According to McAlister and Pessemier (1982) alternating among a set of alternatives reflects VSB. However, this participant indicated that alternating between the hotels was mainly due to circumstances such as one hotel being full. He strongly stated his lack of interest in seeking variety in a hotel setting. Notably, this participant has travelled extensively in the past and has been to numerous hotels. After acquiring much experience he seems to have selected the best alternatives and now tends to alternate among the best hotels he has experienced in the past. This reveals that leisure travellers may seek variety until they are assured that they have found the best alternative.

Cluster two was named FV due to its participants' visits to different hotels even when they visited the same location. They preferred mainly to stay at different accommodations for variety. Even though the respondents in this cluster were satisfied with the hotels previously visited, they selected different hotels in their repeat visits. Participants expressed their desire to experience a variety of hotels, to see a range of hotels and to try them all out. This finding is consistent with the statement of Bowen & Shoemaker (1998) that even travellers who visit the same location may visit different hotels.

Cluster three was named VV. The participants in this cluster seek the highest level of variety by changing the location, and as a result, the hotel. Even though the selection of a different hotel when visiting a different location may sound obvious, their interest in seeking variety in the hotel domain was further tested by noting down their preference to stay in a known brand of hotel/chain if available. They clearly indicated a lack of interest in staying at the same brand and their preference for a different hotel. Bowen & Shoemaker (1998) have also indicated that even travellers who visit the same destination

may visit different locations due to VSB which ultimately results in the selection of a different hotel.

The VSB of cluster VV was also indicated by their inclination to visit different types of hotels. Many indicated their preference for smaller hotels, which are more 'authentic'. Some stated an interest in bed and breakfasts. They specifically indicated their desire to avoid tourist hotels. Their inclination for exclusive hotels was explained by a participant as their interest in '*more character*' in the accommodation. Although Dioko et al. (2013) and Godbey and Graefe (1991) stated that variety seekers may abandon tourist hotels for bed and breakfasts, their statements lack empirical evidence.

Based on the observations of the three clusters, it can be argued that VSB takes place during hotel selections. Some travellers seek familiarity in their hotel selection by visiting the same location and the same hotel. Some who seek familiarity at the destination by visiting the same location, seek variety in their hotel selections. The majority of the participants have sought a high level of variety by selecting both different locations and hotels. Supporting the statement of Kahn (1995), VSB was found to be a significant factor influencing leisure travel rather than business travel. However, since the findings of this stage cannot be used to generalise due to its exploratory nature, the degree of VSB is further tested in the next quantitative phase.

5.4 What factors influence the degree of VSB in hotel purchasing of leisure travellers?

Factors influencing the degree of VSB varied according to cluster. Cluster one (FF) consists of familiarity seekers. Many CRM practices of hotels have influenced their repeat visits. While cluster two (FV) participants seek familiarity in the destination by visiting the same locations, they seek variety in the hotel context. Many intrinsic and extrinsic factors have influenced the VSB of this cluster. Cluster three (VV) seeks the highest level of variety by visiting both different locations and different hotels. Similar to cluster FV, this cluster has also been influenced by numerous intrinsic and extrinsic factors.

The key reasons that motivate cluster FF to repeat visit were explained in terms such as: "*nice experience*" "*being recognised*" "*you are known as a special customer*", "*they*

made me feel special”, “*built sort of a rapport*”, “*everything they said they did*”. Another major factor that contributed to their repeat visits were people. This feature can be summarised through such statements as: “*staff were absolutely wonderful*”, “*they remembered me each time I went*”, “*they do things specially for you*”, “*personal touch*”, “*caring*”. Some also indicated the benefits they received by patronising the same hotel such as: “*special deals*”. Rather than attributing their reasons for repeat visitation to a single CRM dimension, some respondents explained their overall experience as a factor that influenced them to repeat visit. This group has been more influenced by encounter stage CRM practices rather than pre-encounter or post-encounter CRM. Despite their high satisfaction with CRM it was evident that even loyal customers may be influenced by boredom and satiation to seek variety after repeated visits.

The key reason for the cluster FV to visit different accommodation was their desire for VSB. They indicated their preference in various terms such as: “*I like to see what all of them are like*” “*I prefer a change*” The key reasons are inclination for curiosity and change stimulation which are considered causes of true variety seeking behaviour (McAlister & Pessimier, 1982; Van Trijp, 1995; Ha and Jang, 2013). In addition numerous extrinsic factors have also influenced the selection of different accommodation, such as: different purposes of travel, place of travel, travel party, life cycle stage, access to information, upgrading to higher standards and even social concerns such as visiting different hotels to ensure that many people receive the benefits of their visits.

The key reason for the VV cluster to vary their accommodation was their visits to different location due to their desire to seek variety at the destination. This cluster also indicated their interest in seeking variety in the hotel context. This group further reflected their VSB by their interest in staying at different types of accommodation rather than hotels. Dioko et al. (2013) have also stated that travellers may switch among hotel categories due to VSB. Explaining the same point Godbey and Graefe (1991) also state that variety seekers may abandon tourist hotels for bed and breakfasts. Thus novelty-seeking behaviour can be considered the key influencing factor for this cluster. Nevertheless the participants do tend to select star class hotels when an assurance of safety is required.

As discussed earlier, the literature suggests that true VSB is explained by intrinsic factors rather than the extrinsic factors. Van Trijp (1995) classified derived varied behaviour into

three categories: problem solving motives (dissatisfaction, new/specific consumption problem, price-based choice tactics and multi brand loyalty), situational/normative motives (change in the feasible set, out of stock, assortment of outlets chosen, group affiliation and social context consumption), and habit (reversion). Going by the above categorisations, it is evident that some of the factors which have influenced VSB are extrinsic and that they do not reflect true VSB. While many such contentions have been made in the consumer goods domain, in this study the importance and applicability of separating intrinsic and extrinsic factors are critically evaluated.

According to Van Trijp et al. (1996) consumers with a high intrinsic desire for variety are more likely to engage in VSB unless it is mitigated by the presence of strong extrinsic motivation in the choice context. The findings of this study indicate that the intrinsic desire for variety is positively supported by the extrinsic factors, whereas factors affecting true variety seeking are not independent of extrinsic factors. In this study it is argued that consumers make rational decisions in their selections. Although leisure travellers are intrinsically motivated to seek variety in their accommodation because they want to try out different options, these travellers may also consider some extrinsic factors such as value for money, safety, evaluations of previous visitors before they visit a different hotel.

Based on these premises in this study, it is concluded that in addition to curiosity, novelty and change stimulation (Ha & Jang, 2013), the availability of a number of options, travelling with different people, interest in upgrading accommodation and even social concerns also have an indirect influence on VSB. However, for analytical purposes they will be treated as intrinsic and extrinsic factors separately in the quantitative phase.

5.5 What are the differences among leisure travellers who seek different degrees of variety?

Based on the qualitative results numerous differences between the three clusters were identified. The analysis revealed that while travellers belonging to cluster one (FF) seek familiarity, those belonging to cluster two (FV) and cluster three (VV) seek variety in the hotel context. When visiting the same location and the same brand was also considered as a possibility, there were no participants found who opted to visit different locations and the same brand/ chain.

In addition to the above key differences, numerous other differences between the groups were also identified. The main purpose of the holiday for the cluster FF was relaxation. They enjoyed the comforts of the hotel and the purpose of their holiday was mostly to obtain a real hotel experience. This was evident from their holiday arrangements, where they first selected the hotel when planning their holiday. Due to their interest in the comforts of the hotels they can be identified as those who seek more hedonic values in hotel selections. They give very little importance to the activities outside the hotel. The participants belonging to this cluster have mostly visited Asian countries such as Thailand and Bali. Moreover, the proximity of the country also seems to be a common concern for this group. Actually, they tend to travel to countries that are closer. This cluster can be considered to be comprising of loyals who seek relaxation.

Cluster FV reflected similar interests to cluster FF. This cluster also indicated their preference for the hotel and a real hotel experience. They also are less concerned about the activities outside the hotel. However, they seemed to enjoy more beach-related activities than the first cluster. They expressed their interest in a luxurious hotel experience and indicated their interest in comfort, good food and features such as a balcony with a nice view, cocktails etc. Similar to the former cluster they also researched the hotels first. Many respondents belonging to this cluster have visited Bali and preferred countries in close proximity to their home country. Even though this cluster is similar to the first one, the respondents preferred to select different accommodation each time they visited the same destination. Nevertheless, this cluster also preferred more hedonic attributes in the hotel rather than utilitarian attributes. Based on this premise, this cluster has been named 'variety seekers who seek relaxation'.

The main intention of cluster VV was to see different locations at the same destination and as a result they selected different hotels. They reflected less interest in accommodation but were more concern about their activities during the holiday. They indicated that their main purpose of the accommodation was just for a 'sleep and shower'. This cluster expressed their interest in selecting clean, cheap and safe accommodation. Therefore, their hotel selections involve more utilitarian values rather than hedonic. The participants belonging to this cluster have visited various countries three or more times. They also seem to have travelled more extensively than travellers belonging to the other two clusters and also seem to have covered different types of countries compared to other two clusters. Their least preference has been for beach related activities. Their interest to

visit cultural and historical sites and reflected a desire to learn more about other countries. They seemed to seek variety in the hotel context by visiting numerous types of accommodation such as boutique hotels and bed and breakfasts. They avoided tourist hotels. Star class hotels are selected for assurances of safety rather than to enjoy their comforts like the former cluster. This cluster selects the hotel last after selecting all the activities for the holiday. Due to their interest in visiting different locations and their interest in exploring the chosen destination, this cluster was named ‘variety- seeking explorers’.

Table 5.1 lists the key characteristics of the three groups.

5.6 Themes generated from the discussion

The second major objective of this study was to identify the key themes that could be incorporated to develop the pilot questionnaire. Table 4.6 lists the key themes generated based on the qualitative discussion. It is important to note that these items were a preliminary list and they were therefore refined and modified after the pilot testing stage.

Table 5.1: Characteristics of focus group participants according to the grouping

Group	Characteristics	Key character
Same location, same hotel (Cluster 1)	<ul style="list-style-type: none"> Expects a more relaxing holiday Seeks more facilities related to the hotel Seeks a high standard experience Expects good customer service and proper treatment Looks for security e.g. for children Likes good food, facilities such as balcony, spa and pool Likes to be recognised as a repeat customer Hotel is selected first when organising the holiday Is involved in less activities outside the hotel Is concerned about the distance of the country 	Seeks a real hotel experience
Same location, different hotels (Cluster 2)	<ul style="list-style-type: none"> Expects a more relaxing holiday Seeks more facilities related to the hotel Seeks a more high standard experience Expects good customer service and proper treatment Looks for security e.g. for children Likes good food, facilities such as balcony, spa 	Seek a real hotel experience with a combination of a few activities mostly beach related and shopping

	<p>and pool Likes to be recognised Hotel is selected first when organising the holiday Is involved in a few activities in and outside the hotel such as going to the beach and enjoying the sun and shopping Is concerned about the distance to the country</p>	
<p>Different locations, different hotels (Cluster 3)</p>	<p>Prefers exploration rather than relaxation Seeks to explore the country very actively Prefers to explore the culture and history and has a keen interest in learning about the country Is not interested in the beach, instead admires the beaches in their own country Concerned about essential factors such as: cleanliness, Price, location Hotel is considered a place to ‘sleep and shower’ Prefers authentic resort style hotels Star class hotels are preferred only in countries where safety is a factor Selects accommodation last after selecting the activities during the holiday Is not concerned about the distance to the country visited</p>	<p>Prefers enjoying the country and places no importance on accommodation. Hotel is considered just a place to sleep and shower</p>

The above identified differences provide a profile of leisure travellers based on their hotel selection.

Table 5.2: Items generated through qualitative data

Construct	Key themes	Items generated from the qualitative data and the literature
Grouping variable	Degree of VSB	<ul style="list-style-type: none"> • I visited the same location and same hotel each time • I visited the same location and different hotels each time • I visited different locations and different hotels each time • I visited different locations and the same brand of hotel/hotel chain each time*
Factors that influenced the visit to the same hotel	CRM Non-CRM	<p>I went to the same hotel each time because of:</p> <ul style="list-style-type: none"> • Their exceptional customer service • Special offers (e.g. discounts) on repeat visit • Memberships in loyalty programs • Value for money • Convenient location
Factors that influenced the visit to different hotels	Intrinsic Extrinsic	<p>I went to different hotels because I:</p> <ul style="list-style-type: none"> • Was dissatisfied with the previous hotel • Found a cheaper hotel • Went with different parties each time • Visited different locations (town, city and village) • Like variety in my hotel selection
Factors considered when planning the hotel		<ul style="list-style-type: none"> • The season (whether it is peak or off peak) • Accommodation • Activities I will engage in when on holiday
The differences between clusters		<p>During my holiday I:</p> <ul style="list-style-type: none"> • Spent most of my time relaxing at the hotel • Spent most of my time relaxing outside the hotel • Spent most of my time using the facilities at the hotel (e.g. spa, gym and pool) • Spent most of my time experiencing the country rather than staying at the hotel
Factors affecting degree of VSB in		<p>In my future visits to this destination I will choose a different hotel:</p> <ul style="list-style-type: none"> • for a new experience

future hotel selections		<ul style="list-style-type: none"> • to avoid being bored visiting the same hotel • because I am curious about other hotels • only if my preferred hotel is full • if I am going with different people • a different hotel if it is less expensive • a different hotel to experience better quality accommodation
Future hotel selections		<p>In my future visits to this destination I will choose:</p> <ul style="list-style-type: none"> • A hotel I have not been to before • One of the hotels I have been to before • A different type of accommodation than a hotel (B & Bs, resorts etc.) • If I visit a different location/destination I will select the same brand of hotel/hotel chain
CRM practices	Pre-encounter stage	<p>Web sites were elaborated through three items:</p> <ul style="list-style-type: none"> • Online booking systems • Destination information available on websites • Personalised websites for repeat customers
	Encounter-stage	<ul style="list-style-type: none"> • Excellent customer service • Recognising you as a repeat customer • Knowledge of your needs and habits • Catering according to your needs • The staff make you feel special • Information stored on databases
		<ul style="list-style-type: none"> • special services (e.g. airport pick-ups) • special events (e.g. cultural shows, activities for children)
	Post-encounter stage	<ul style="list-style-type: none"> • Interest shown in your feedback when you finish your stay (e.g. questionnaires) • Regular communication with helpful information for your next visit • Special deals for the next visit
Repeat visitation		Corresponds to the CRM item
Word-of-mouth		Corresponds to the CRM item

*The qualitative data did not contain participants in this cluster. However, this group was also a possibility as travellers who visit different locations may seek familiarity by visiting the same brand/chain of hotel

5.7 Hypothesis development

A key objective of this qualitative phase was to develop the hypotheses to be tested in the quantitative phase. Twelve hypotheses were developed.

The literature that revealed CRM is among the key constructs discussed in the hotel context. CRM is recommended for the hotel industry for numerous reasons. Nevertheless, the benefits of CRM are subject to much controversy and seem to have generated mixed results (Bendapudi & Berry, 1997). Whereas some studies have that acknowledged CRM leads to firm performance (Battor & Battor, 2010; Mithas et al., 2005; Reinartz et al., 2004; Richards & Jones, 2008), other studies have pointed out that CRM is a huge investment with little measured pay back, due to a lack of sufficient evidence of its success or failure to deliver results, and that it could even damage customer relationships (Bohling et al., 2006; Homburg et al., 2007; Uncles et al., 2003; Zablah et al., 2004). Moreover, concerns have also been raised on the anecdotal evidence about its performance (Reinartz & Kumar, 2000; Rigby et al., 2002).

Alongside the above findings on performance, evaluations of CRM have been based on CRM systems implementations. Even though numerous authors have provided examples of customer-facing CRM in the hotel sector (as summarised in Table 1.1), except for loyalty programs many other practices have not been empirically tested. Only a handful of studies have investigated customer-facing CRM and its related outcomes (Bowen & Shoemaker, 1998; Kim et al., 2001; Wu & Li, 2011). In recognition of the limited attention given to other CRM practices, Shanshan et al. (2011) noted the importance in investigating the effectiveness of alternative CRM practices in addition to loyalty programs. Thus, in this research study, a broad range of customer-facing CRM practices were tested.

The performances of CRM have been discussed using numerous dimensions. Studies on the impact of CRM to generate loyalty remain scant. Among the studies that determined the impact of CRM on loyalty, many concentrated on back-stage CRM activities such as systems implementations (Amoako et al., 2012; Davids, 1999; Zikmund et al., 2003). Repeat visitation and word-of-mouth have been used to measure the impact of numerous other stimuli such as service quality, customer service and hospitality (Choi & Chu, 2001; Clemes et al., 2010; Lee & Back, 2010; Wilkins et al., 2009). In the domain of CRM,

Kim et al. (2001), and Wu and Li (2011) identified a positive relationship between CRM and its outcomes—repeat visitation and word-of-mouth.

This study takes the premise that the effectiveness of CRM can be best determined through the behavioural dimensions, repeat visitation and WOM.

The qualitative findings revealed that CRM leading to repeat visitation is not significant. However, CRM was identified to have a significant impact on generating word-of-mouth. Consequently, H₁, H₂ and H₃ were developed.

- H₁ CRM activities of hotels have a weak impact on generating repeat visitation of leisure travellers.
- H₂ CRM activities of hotels have a significant impact on generating WOM of leisure travellers.
- H₃ CRM activities of hotels have a greater impact on generating WOM than repeat visitation of leisure travellers.

Many participants indicated the lack of influence of CRM on repeat visitation as being due to their VSB caused by both intrinsic and the intrinsic factors. This leads to the hypothesis that CRM leading to repeat visitation may be transmitted through the degree of VSB of travellers. Therefore, it was determined next whether CRM that leads to repeat visitation is mediated by the level of variety seeking behaviour of leisure travellers. However, going by the qualitative data and the literature, this study does not propose that word-of-mouth recommendation has a mediating impact on the degree of VSB.

Literature indicates that VSB is twofold, depending on the factors influencing it. While the intrinsic factors are regarded as the causes of true VSB, the extrinsic factors are not considered as factors affecting true variety (Van Trijp, 1995). Even though the intention of this study is to understand the impact of VSB in general rather than to determine the causes of true variety, the mediating impact of VSB is determined separately. Based on the above premise this study hypothesises that intrinsic and extrinsic factors affecting VSB have a mediating effect on the relationship between CRM and its outcomes, as in hypotheses H₄ and H₅.

- H₄ CRM activities of hotels leading to repeat visitation is mediated by the intrinsic factors affecting VSB.
- H₅ CRM activities of hotels leading to repeat visitation is mediated by the extrinsic factors affecting VSB.

CRM is recommended to the hotel industry due to numerous reasons. For example, CRM is considered a good differentiation strategy due to the homogeneous nature of the hotel product (Bowen & Shoemaker, 1998; Kandampully & Suhartanto, 2000). In addition, the changes in the business environment have accentuated the importance of CRM in the hotel sector with hotels experiencing high customer turnover and growing customer acquisition cost (Nasution & Moavondo, 2008; Shirazi & Som, 2011). Given the above circumstances, CRM has been a widely recommended strategy, particularly to prevent customer switching in the hotel industry (Singala, 2005). In addition, many studies have highlighted the influence of VSB as a factor affecting loyal behaviour, particularly behavioural loyalty, and the intention to switch (Jung & Yoon, 2011; Sánchez-García et al., 2012; Shirin & Puth, 2011; Woratschek & Horbel, 2006).

Based on the above observations this study determines whether CRM has a positive influence on intrinsic and extrinsic factors affecting VSB. It determines the influence of CRM on VSB caused by both intrinsic factors and extrinsic factors. Hypotheses H₆ and H₇ were developed for this purpose.

- H₆ CRM activities of hotels have a positive influence on intrinsic factors affecting VSB of leisure travellers
- H₇ CRM activities of hotels have a positive influence on extrinsic factors affecting VSB of leisure travellers

While on the one hand, the discussions related to loyalty generation are ongoing, VSB is identified as a factor that inhibits loyalty (Jung & Yoon, 2011; Sánchez-García et al., 2012; Shirin & Puth, 2011). VSB is considered a moderator of numerous organisational outcomes particularly in tourism related contexts such as destinations (Sánchez-García et

al., 2012; Woratschek & Horbel, 2006) and restaurants (Ha & Jang, 2013; Jung & Yoon, 2011). As identified from the qualitative data the impact of CRM also tends to vary across numerous leisure travellers groups. CRM has been a significant in influencing to generate repeat visitation of the cluster FF. The other two clusters indicated that their experience with CRM would lead to word-of-mouth recommendation rather than repeat visitation. Due to the differences between the groups, a series of multi-group analyses were conducted. This study hypothesises that the impact of CRM leading to its outcomes, particularly repeat visitation, may vary based on the degree of VSB, and thus developed the hypothesis H₈.

H₈ The impact of CRM activities of hotels in generating repeat visitation varies across three leisure traveller groups.

In order to further understand how the mediating effect of VSB varies across groups, FF, FV and VV, moderated mediation was determined through H₉ and H₁₀.

H₉ The mediating effect of the intrinsic factors affecting VSB on the relationship between CRM and repeat visitation varies across groups

H₁₀ The mediating effect of the extrinsic factors affecting VSB on the relationship between CRM and repeat visitation varies across groups

Thereafter, the impact of CRM on intrinsic and extrinsic factors affecting VSB varies across the leisure traveller groups FF, FV and VV were tested through H₁₁ and H₁₂.

H₁₁ The impact of CRM activities of hotels on intrinsic VSB is moderated across groups

H₁₂ The impact of CRM activities of hotels on extrinsic VSB is moderated across groups

5.8 Chapter summary

Three key tasks were discussed in this chapter. Initially, they deepened the understanding of the key constructs of the study by addressing the qualitative research questions. They identified how the qualitative findings of the research support, deviate from or extend the existing body of literature. This chapter also contributed to the commencement of the quantitative phase by confirming the foundation of the study, that leisure travellers seek variety in the hotel context and by identifying customer-facing CRM practices of hotels. Thereafter, the items to be included in the survey questionnaire were identified. These items were used to develop the pilot questionnaire. Subsequently, combining material from the literature and the qualitative findings, the twelve hypotheses were formulated. Broadly this qualitative phase was not only a stepping stone for the quantitative phase but also a part of the main research, due to its significant role in addressing part of the research questions of this study.

Chapter Six-Quantitative Results

6.1 Introduction

This study adopted a sequential mixed methods approach, with a quantitative phase preceded by a qualitative phase. This chapter discusses the quantitative data and its analysis. The quantitative phase involved the development of a measurement scale to answer the primary research question: “what is the impact of hotel customer relationship management (CRM) in achieving repeat visitation and word of mouth (WOM) in the context of variety-seeking” Deriving the answer to this question involved testing twelve hypotheses.

This chapter first provides a detailed introduction to the questionnaire distributed to participants by explaining the main constructs through descriptive statistics such as frequencies, means, and standard deviations. Having explained the items contained in the questionnaire, the main analysis was conducted in three stages. First, the analysis related to the validation of the questionnaire—exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) are explained. Secondly, the hypotheses testings were conducted through CFA along with multi-group analysis, mediation, and moderated mediation. This chapter also provides a follow up on some of the qualitative findings made through a series of ANOVA tests.

6.2 Introduction to the questionnaire.

The survey questionnaire consisted of 4 sections, A-D (data is not presented in alphabetical order as appears in the questionnaire). Section A was designed to capture the past hotel selection behaviour, whereas Section B captured the future hotel selection behaviour. Section C captured the CRM practices of hotels and their outcome measurements. Section D was designed to collect demographic information. The scales used to collect data are outlined in table 5.1.

Table 6.1: Scale information

Questions	No. of questions	Scale
Basic travel information	8	Categorical/open
Grouping variables	1	Categorical
Factors influencing familiarity-seekers	9	Scale (five point Likert scale from strongly agree to strongly disagree)
Factors influencing variety-seekers	6	Scale (five point Likert scale from strongly agree to strongly disagree)
Important considerations in hotel selection	3	Scale (five point Likert scale from very important to not at all important)
Extent of involvement with hotel environment	3	Scale (five point Likert scale from strongly agree to strongly disagree)
Hotel repeat visitation	5	Scale (five point Likert scale from strongly agree to strongly disagree)
Factors affecting variety-seeking behaviour	13	Scale (five point Likert scale from strongly agree to strongly disagree)
Importance of CRM	14	Scale (five point Likert scale from very important to not at all important)
Experience with CRM	14	Dichotomous (yes/no)
Repeat visitation due to each CRM practice	14	Scale (five point Likert scale from major effect to no effect)
Word-of-mouth	03	Scale(five point Likert scale from major effect to no effect)
Demographic profile of the respondents	5	Categorical

6.2.1 Demographic profile

This section outlines the data collected in Section D of the questionnaire to provide information related to the demographic profile of the respondents. It is shown in table 6.2.

In total, there were slightly more female respondents (1%) than male respondents. The majority of the respondents belong to the income category: AU\$ 41,000-60 999 (20.5%). The next highest income groups were: AU\$ 121,000+ (18.5%) and AU\$ 61,000-80,999 (17.8%). When observing educational qualifications it was found that most of the respondents had a vocational qualification (28%) and high school qualifications (26%). Data related to occupation revealed that the majority of the respondents were also retired (32.3%). Apart from the retirees the second and third largest groups consisted of professionals (24.3%) and managers or administrators (17.8%) respectively.

Table 6.2: Demographic profile

Profile	Profile Categories	Total (n=400)
Gender	Male	198 (49.5%)
	Female	202 (50.5%)
Household income in AU\$	21 000–40 999	64 (16%)
	41 000–60 999	82 (20.5%)
	61 000–80 999	71 (17.8%)
	81 000–100 999	50 (12.5%)
	101 000–120 999	48 (12%)
	121 000 + Missing	74 (18.5%) 11 (2.8%)
Highest educational level	High school	104 (26%)
	Vocational qualification	112 (28%)
	Undergraduate degree	87 (21.8%)
	Postgraduate degree	94 (23.5%)
	Missing	02 (0.8%)
Occupation	Manager or administrator	71(17.8%)
	Professional	97 (24.3%)
	Trades person and related workers	27 (6.8%)
	Production related worker	06 (1.5%)
	Labourer and related worker	06 (1.5%)
	Domestic duties	28 (7%)
	Retired	129 (32.3%)
	Other (specified)	34 (8.5%)

6.2.2 The travel profile

The table 6.3 highlights the travel profile of the respondents, which was captured through section A of the questionnaire.

The majority of the respondents indicated that they take an international trip less than once a year (45.3%) or at least once a year (25.3%). Some (12.8%) respondents also indicated that they travel more than three times a year on international leisure travel. The main travel party of the majority (64.3%) of the respondents was their partner. When it came to the type of hotels, middle range hotels have been selected by the majority of the respondents (61%). Among the activities, the most popular were scenic/historical/interesting places and enjoying cultural activities (68.5%), enjoying a variety of food (67%), shopping (66%) and relaxing at the hotel (50.5%). The activity that was least popular was participating in and/or watching sports activities (6.5%).

Table 6.3: The travel profile data

Profile	Profile categories	Total (n=400)
Frequency of travel	Less than once a year	181(45.3%)
	once a year	101(25.3%)
	twice a year	43(10.8%)
	three times a year	24(6.0%)
	more than three times a year	51(12.8%)
Parties with whom they travelled most	alone	58(14.5%)
	partner	257(64.3%)
	immediate family members	72(18%)
	other close family members	13(3.3%)
	children only	9(2.3%)
	friends	49(12.3%)
Type of accommodation	economy/budget hotels	83(20.8%)
	middle range hotels	244(61%)
	first class hotels	115(28.8%)
	luxury hotels	18(4.5%)
Main activities during holiday	relaxing at the hotel	202(50.5%)
	shopping	264(66%)
	enjoying a variety of food	268(67%)
	visiting scenic/historical/interesting places	274(68.5%)
	enjoying cultural activities	187(46.8%)
	participating in adventure activities	58(14.5%)
	participating in or watching sports activities	26(6.5%)
	going to drama or musical concerts	43(10.8%)
	enjoying water/beach-related activities	104(26%)
	visiting family and friends	115(38.8%)

In addition to the above information, the questionnaire contained a special grouping variable. This was a self-identification question in which the respondents identified the statement that best describes their past hotel selection behaviour. This compulsory question revealed that the sample consisted of the following numbers of respondents in each category.

1. Those who visit the same location and the same hotel each time 112 (28%)
2. Those who mostly visited the same location and different hotels 158 (39.5%)
3. Those who mostly visited different locations and hotels 110 (27.5%)
4. Those who mostly visited different locations and the same brand of hotel 20 (5%)

6.3 Factors that influenced the selection of the same or a different hotel

This area is discussed in three sections: factors that influenced the selection of the same hotel, factors that influenced the selection of a different hotel and factors considered when planning a holiday. These questions were answered based on the past hotel selection behaviour of the travellers.

6.3.1 Factors that influenced the selection of the same hotel as in the past

All the respondents who selected options one and four for question ten were directed to this question (Q. 11), and did not answer question twelve. There were 132 respondents who answered this section⁸. The main factors that influenced this group to select the same hotel were identified through nine items, as shown in table 6.4. The mean scores for items that influenced the selection of same hotel ranged from 1.80 to 4.30. Among these items, convenient location (M=4.30, SD=.709), good quality (M=4.27, SD=.606), value for money (M=4.21, SD=.654), exceptional customer service (M=4.00, SD .801) and preference for a familiar hotel (M=3.90, SD=.890) scored the highest mean values. The item that scored the lowest mean value was non-availability of alternative accommodation (M=1.80, SD= .860).

Table 6.4: Factors that influenced the selection of the same hotel (Past behaviour)

Item	Mean	SD
I went to the same hotel because of:		
a preference for a familiar hotel	3.90	.890
exceptional customer service	4.00	.801
it was less risky than going to a different hotel brand/chain	3.30	1.077
good value for money	4.21	.654
the accommodation was of good quality	4.27	.606
the convenient location	4.30	.709
the special offers (e.g. discounts)	3.34	1.104
the loyalty programs	2.83	1.188
there was no alternative accommodation available	1.80	.860

⁸ In question 10 the respondents were asked to self-identify the statement that best described their hotel selection patterns. Those who described their hotel selections by selecting option one or four were directed to question ten due to their familiarity seeking behaviour in the hotel context. The respondents who selected option two and three were directed to question eleven due to their variety seeking behaviour in the hotel context.

6.3.2 Factors influenced the selection of a different hotel from that selected in the past

This question was answered by the respondents who selected options two and three for question ten. There were 268 respondents who answered this question. Items that influenced this group in their past hotel selection behaviour was identified through six items (Q. 12), as shown in table 6.5. The mean values of items measuring the factors that influenced the selection of a different hotel ranged from .806 to 1.297. Among them, preference to try out various accommodation (M=4.03, SD= .806), and visits to different locations (M=3.50, SD=1.222) scored the highest mean values. The item with the lowest mean value was found to be dissatisfaction with the previous hotels (M=2.20, SD=.906).

Table 6.5: Factors that influenced the selection of a different hotel (Past behaviour)

Item	Mean	SD
I went to different hotels because I:		
was dissatisfied with the previous hotel/s	2.20	.906
went to different hotels because I found a cheaper hotel	2.66	1.121
went to different hotels because I opted for a better quality hotel	3.16	1.074
went to different hotels because I like to try different hotels	4.03	.806
went to different hotels because I visited different locations (town, city, or village)	3.50	1.222
went to different hotels because I went with different people (e.g. friends, family, alone) each time	2.71	1.297

6.3.3 Factors that influenced the participants when planning their holiday

The factors considered when planning the holiday were further studied through 6 additional items, categorised using two broad headings: factors considered when planning the holiday (Q. 13), and the involvement with the hotel during the holiday (Q. 14). The participants were asked about the importance they placed on the weather, the accommodation and the activities planned when they were planning their holiday as shown in table 5.6. When considering the total number of respondents, the most important factor considered when planning their holiday was indicated as accommodation (M=4.01, SD=.862). The next was the activities (M=3.70, SD=1.083) and the least important was found to be the weather (M=3.33, SD=1.283).

Table 6.6: Factors considered when planning the holiday

Item	Mean	SD
Weather	3.33	1.283
Accommodation	4.01	.862
Activities	3.70	1.083

Thereafter, the involvement with the hotel environment during the holiday was identified through the three questions presented as in table 6.7. The majority of respondents indicate that they spent most of their time using the facilities at the hotel (M=2.84, SD=1.207), the second highest mean value was scored by the item ‘relaxing at the hotel’ (M=2.79, SD=1.231), and the lowest mean value was scored by the item ‘spent less time outside the hotel’ (M=1.72, SD=.792).

Table 6.7: Involvement with the hotel environment during the holiday

Item	Mean	SD
I spent most of my time relaxing at the hotel	2.79	1.231
I spent most of my time using the facilities at the hotel(e.g. spa, gym, pool)	2.84	1.207
I spent most of my time outside the hotel	1.72	.792

6.4 The factors affecting future hotel selections

The factors affecting future hotel selection was covered in section B, using 13 items (Q. 16) as shown in table 5.8. These items were important to determine the degree of VSB. The mean values of the items influencing future hotel selection range from 2.72 to 3.69. Based on the mean values, the main factors influencing variety were found to be the availability of a range of hotels (M=3.69, SD=.848), curiosity about other hotels (M=3.61, SD=.892), interest in experiencing a range of hotels (M=3.60, SD=.928), and wanting a new experience (M=3.58, SD= .923). The item that scored the lowest mean value was ‘I have experienced only a limited number of hotels’ (M=2.72, SD=1.101).

Table 6.8: Factors influencing future hotel selection behaviour

Item	Mean	SD
I want a new experience	3.58	.923
Don't want to visit the same hotel	2.90	1.010
I am curious about other hotels	3.61	.892
I like to experience a range of hotels	3.60	.928
I was dissatisfied with my last hotel	2.13	.972
Because of its good recommendations	3.52	.846
Because of the previous hotel being full or unavailable	3.02	1.001
I am travelling with different people (e.g. friends, family, alone)	2.77	1.134
I want a better price	3.40	1.021
I want to experience better quality accommodation	3.31	1.014
I am travelling for a different purpose (e.g. relaxation, adventure)	2.91	1.077
I have experienced only a limited number of hotels	2.72	1.101
there is a range of other hotels	3.69	.848

6.5 CRM of hotels

This section presents data related to the construct CRM. First, it includes data on the importance placed on CRM. Thereafter, it presents data related to the importance placed on CRM. This is followed by the data that shows the impact of each CRM practice in generating repeat visitation.

6.5.1 Importance of CRM to the participants

This study used 14 items measuring CRM practices in the hotel industry. Through this question, the importance placed on each CRM practice by the participants was investigated in section C (Q. 17). The results are shown in table 6.9. The mean scores for items measuring CRM range from 2.79 to 4.33. Among the items measuring CRM strategies 'excellent customer service' (M= 4.33, SD= .789), 'staff do their best to satisfy needs and expectations' (M= 4.22, SD, .767) and 'easy booking systems' (M= 4.07, SD= .965) scored the highest mean values. Except for the item that had the lowest mean value—provision of special activities (M=2.79, SD= 1.334), the remainder of items had fairly high values.

Table 6.9: Importance of CRM practices

Item	Mean	SD
Easy booking systems (e.g. online booking systems)	4.07	.965
Helpful information to organise your holiday	3.62	1.162
Personalised websites for repeat customers	3.04	1.285
Reward program memberships	3.14	1.298
Special benefits (e.g. being able to request a room number)	3.48	1.161
Staff do their best to satisfy your needs and expectations	4.22	.767
Using the information from your past visits to customise according to your needs	3.59	1.051
Staff makes you feel special (e.g. using your name to address you)	3.60	1.174
Excellent customer service	4.33	.789
Provision of special activities	2.79	1.334
Provision of additional services	3.76	1.186
Feedback when you finish your stay	3.55	1.175
Regular communication with helpful information for our next visit	3.21	1.245
Special deals for your next visit	3.80	1.083

6.5.2 Experience with CRM

In this section the researcher investigated whether the above mentioned CRM was experienced by the participants. This information was gathered through a dichotomous scale (Q.18) as shown in table 6.10.

Table 6.10: Experience with CRM

Item	Yes	No
Easy booking systems (e.g. online booking systems)	360	40
Helpful information to organise your holiday	298	102
Personalised websites for repeat customers	147	253
Reward program memberships	193	207
Special benefits (e.g. being able to request a room number)	176	224
Staff do their best to satisfy your needs and expectations	364	36
Using the information from your past visits to customise according to your needs	219	181
Staff make you feel special (e.g. using your name to address you)	281	119
Excellent customer service	359	41
Provision of special activities	158	242
Provision of additional services	277	123
Feedback when you finish your stay	260	140
Regular communication with helpful information for our next visit	189	211

Special deals for your next visit	214	186
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Among the 14 CRM practices, the CRM practice experienced by most participants was ‘staff do their best to satisfy needs and expectations’ (364/400). Thereafter, ‘easy booking systems’ (360/400) and ‘excellent customer service’ (359/400) have been experienced by the majority of the respondents. The practices that have not been experienced by the majority were ‘personalised websites for repeat customers’ (147/400) and ‘provision of special activities’ (158/400).

6.5.3 The ability of CRM to generate repeat visitation

Even though the data related to this question was not used to measure the repeat visitation in the causal model, it attempted to determine the extent to which each CRM practice leads to repeat visitation. The results are shown in table 6.11.

Table 6.11: Repeat visitation based on CRM practices of the hotel industry

Item	Mean	Standard Deviation
Easy booking systems (e.g. online booking systems)	4.02	1.051
Helpful information to organise your holiday	3.56	1.188
Personalised websites for repeat customers	3.16	1.273
Reward program memberships	3.37	1.291
Special benefits (e.g. being able to request a room number)	3.70	1.200
Staff do their best to satisfy your needs and expectations	4.18	.966
Using the information from your past visits to customise according to your needs	3.59	1.175
Staff make you feel special (e.g. using your name to address you)	3.75	1.202
Excellent customer service	4.41	.851
Provision of special activities	2.88	1.320
Provision of additional services	3.86	1.155
Feedback when you finish your stay	3.50	1.178
Regular communication with helpful information for your next visit	3.28	1.231
Special deals for your next visit	3.95	1.106

The mean scores of the items measuring repeat visitation range from 2.88 to 4.41. Based on the mean values the items that were most likely to generate repeat visitation were ‘excellent customer service’ (4.41, SD=.851), ‘staff do their best to satisfy customer

needs' (M=4.18, SD=.966) and 'easy booking systems' (M=4.02, SD=1.05). Other than the item 'provision of special activates' (M=2.88, SD=1.320), all other items had a fairly high influence on repeat visitation.

6.6 Repeat visitation and word-of-mouth

This section outlines the data related to the two dependent variables, repeat visitation and word-of-mouth.

6.6.1 Repeat visitation

In addition to the above mentioned of measuring repeat visitation, the survey included five other items to measure repeat visitation particularly in the hotel context (Q. 15) as shown in table 6.12.

Table 6.12: Repeat visitation

Item	Mean	Standard Deviation
Been to before	3.31	.895
Not been to before*	3.30	.933
Different to last*	2.76	1.074
Different type (B&Bs, resorts)*	3.09	.937
Same brand of hotel/hotel chain	3.56	.938

*reverse coded

The items measuring repeat visitation had mean scores ranging from 2.76 to 3.56. The highest mean value was scored by the item 'If I visit a different location I will select the same brand of hotel/hotel chain' (M=3.56, SD=.938) whereas the lowest mean value was scored by the item 'different from the last' (M=2.76, SD=1.074).

6.6.2 Word-of-mouth (WOM)

Word-of-mouth was measured through three items (Q. 19) as shown in table 6.13.

Table 6.13: Word-of-mouth

Item	Mean	Standard Deviation
Encourage other people to stay at the hotel	3.80	1.025
Talk about the hotel's good practices with family/friends	3.97	.930
Post positive comments on social media (e.g. TripAdvisor)	3.58	1.225

The item ‘talk about the hotel’s good practices with family/friends’ scored the highest mean (M=3.80, SD=1.025) value whereas ‘post positive comments on the social media’ scored the lowest mean value (M=3.58, SD=1.225). It was noteworthy that the mean values of the items measuring WOM were somewhat similar scores.

To summarise, this section presented an overall picture of the data, with an intention of providing a sound understanding of the data. While some of this data was used for further analysis through structural models, some was used to provide the background to the research and to elaborate the qualitative findings. Next, the section moves on to validate the measurement scale and to finalise the items that will be used to measure the key constructs of the study. This section includes both exploratory factor analysis (EFA) and confirmatory factor analysis (CFA).

6.7 Exploratory factor analysis (EFA)

Dividing the total sample into two groups, EFA was carried out with a sample of 198 (the remaining 202 was used for CFA). Through EFA, the underlying structure of the factors was determined. This analysis facilitated the retention of the most suitable items for measuring the constructs of the study—CRM, VSB, repeat visitation and word-of-mouth. CRM in this study was the independent variable whereas the outcomes of CRM—repeat visitation and WOM were the dependent variables. VSB was the mediating variable. The EFA results of each type of variable (independent, dependent and moderator) were determined separately due to the preliminary understanding gained about each variable in the exploratory stage.

The following section presents the EFA results of CRM, VSB, repeat visitation and word-of-mouth conducted through principal axis factoring (PAF) with oblique rotation. The items that did not load on a single factor structure, failed to meet the minimum criterion, and had factor loadings $<.5$ were deleted. In addition to statistical cut off points a theoretical perspective was also used to determine the retention of the items. Only one item was removed at a time and therefore items were removed after a fresh run. The number of components that needed to be extracted was determined by their Eigen values being above one.

6.7.1 Independent variable—CRM

The data related to the construct CRM was collected through 14 items which were adapted from the qualitative data and the literature. The initial solution for EFA extracted three factors. The initial factor structure was further improved by deleting six items. After the first run the item ‘provision of additional services’ was removed due to not having an item loading. Thereafter, in the next run, ‘easy booking systems’ was removed due to low loading. After deleting these two items the factor structure was clear without any cross loadings. However, it was decided to improve the factor structure further by removing the items that contain factor loadings $<.5$. This process resulted in removing the items ‘special deals for your next visit’ ‘provision of special activities’ ‘interest shown in your feedback when you finish your stay’ and ‘staff makes you feel special’. The final solution generated two factors by which CRM can be measured. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, $KMO = .824$ (great, Field, 2009). Bartlett’s test of sphericity $\chi^2(28) = 562.845$, $p < .001$. The two components extracted had Eigen values over 1, and the two factors in combination explained 52.14% of the variance. Based on the meanings of the item clusters, component one was named pre/post encounter stage CRM, and component two was named encounter stage CRM. The Cronbach’s alpha reliability for both factors were $>.7$. The factor solution is shown in table 6.14.

Table 6.14: EFA two factor solution for CRM

Item	Pre/post purchase CRM	Purchase CRM
Personalised websites for repeat customers	.879	
Reward program memberships	.741	
Helpful information to organise your holiday	.669	
Regular communication with helpful information for our next visit	.607	
Special benefits for repeat customers (e.g. being able to request a room number)	.561	
Using the information from your past visits to customise according to your needs	.559	
Staff do their best to satisfy your needs and expectations		.848
Excellent customer service		.652
Eigen values (unrotated)	3.860	1.241
% of variance explained	41.639	10.502
Cronbach's alpha reliability	.843	.739

6.7.2 Dependent variables— Repeat visitation and word-of-mouth

Data related to the outcomes of CRM: repeat visitation and word-of-mouth consisted of five and three items respectively. The items measuring repeat visitation were generated through the qualitative data. The initial factor solution for EFA extracted two factors for repeat visitation and word-of-mouth. To further improve the solution, the item with no loadings: 'if I visit a different location/destination I will select the same brand of hotel/hotel chain' was removed. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO = .697 (mediocre, Field, 2009). Bartlett's test of sphericity $\chi^2(21) = 558.672$, $p < .001$. The two components extracted had Eigen values over 1 and in combination explained 59.15% of the variance. The Cronbach's alpha reliability for both factors were $>.7$. The factor solution is shown in table 6.15.

Table 6.15: EFA-two factor solution for outcomes of CRM

Item	Repeat visitation	WOM
Different from the last visited (reverse coded)	.950	
A hotel I have not been to before (reverse coded)	.797	
Different type of accommodation(reverse coded)	.562	
Been to before	.523	
WOM-talk about the hotel's good practices with family/friends		.881
WOM-encourage other people to stay at the hotel		.813
WOM-post positive comments on social media (e.g. Trip advisor)		.694
Eigen values (unrotated)	2.229	1.912
% of variance explained	31.840	27.310
Cronbach's alpha reliability	.785	.817

6.7.3 Moderating variable—Variety-seeking behaviour (VSB)

The data related to VSB was collected through 13 items developed from the qualitative data and the literature. According to the literature understanding true VSB requires careful investigation of the factors influencing variety. Initially, EFA for VSB extracted three factors. To further improve the factor structure, the items with no loadings, low loadings and cross loadings were deleted. First, the item 'I have experienced only a limited number of hotels' was removed due to not having an item loading. Thereafter, factor structure was further improved by deleting four items due to their low values identified through four runs. 'Because of its good recommendations', 'I want a better price', 'I was dissatisfied with my last hotel', which resulted in a two factor solution. To further improve the factor structure it was decided to remove two more items as they don't share the same characteristics as the other items in the factor. Therefore, 'there is a range of other hotels' and 'I want better quality accommodation' were removed. The finalised factor structure consisted of two factors. They were named intrinsic factors and extrinsic factors. In order to improve the reliability of the extrinsic factor the item 'previous hotel being full or unavailable' was removed. This improved the reliability from .645 to .697, which is close to .7 which resulted in the following finalised factor structure. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the

analysis, KMO = .744 (good, Field, 2009) and Bartlett's test of sphericity χ^2 (21) =489.083, $p < .001$. The two components extracted had Eigen values over 1 and in combination explained 53.45% of the variance. The Cronbach's alpha reliability for intrinsic factors was $>.7$. However, the Cronbach's alpha reliability for extrinsic factor was slightly below .7 (.697), which was considered acceptable (Hair et al. 2006). The factor solution is shown in table 6.16.

Table 6.16: EFA-two factor solution for variety-seeking behaviour

Item	Intrinsic factors	Extrinsic factors
I am curious about other hotels	.898	
I like to experience a range of hotels	.880	
I want a new experience	.723	
I don't want to visit the same	.563	
I am travelling with different people (e.g. friends, family, alone)		.753
I am travelling for a different purpose (e.g. relaxation, adventure)		.612
Eigen values (unrotated)	3.027	1.597
% of variance explained	37.876	15.579
Cronbach's alpha reliability	.844	.697

6.8 Confirmatory factor analysis (CFA)

CFA was carried out with a different sample than was used for EFA, which consisted of 202 respondents. The factor structure generated from EFA was further strengthened through CFA. CFA consisted of two types of models, the measurement models and the structural models. The measurement models were carried out for each construct—CRM, VSB, repeat visitation and word-of-mouth separately. This step was considered important in validating the scale. The structural models were mainly used for hypothesis testing. While the estimation of all the models was done through the maximum likelihood estimation method (MLE), the model confirmation was done using multiple fit indexes.

6.8.1 Measurement model-CRM

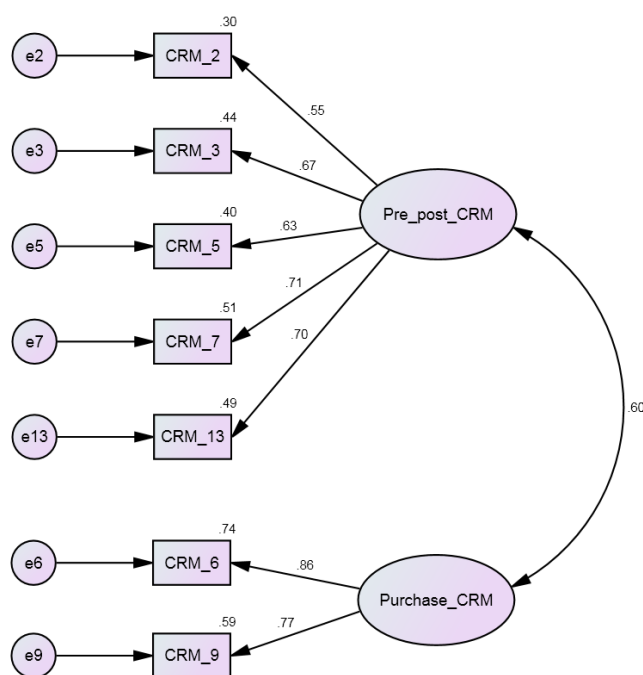
EFA had identified a two factor model, pre/purchase CRM which consisted of five items and purchase CRM which consisted of two items. As both these factors measure the same underlying construct, CRM, the CFA for both factors were carried out in one model and they were assumed to correlate. Although the general rule says that the minimum number of indicators per factor is three, the minimum number of indicators for the models with two factors is considered two indicators per construct (Blunch, 2013). All the items were given a code as shown in table 6.17.

Table 6.17: Item coding for CRM

Question number	Item	Item Code Pre/post CRM	Item Code Purchase CRM
19_1_2	Helpful information to organise your holiday	CRM_2	
19_1_3	Personalised websites for repeat customers	CRM_3	
19_1_4	Reward program memberships	CRM_4	
19_1_5	Special benefits for repeat customers (e.g. being able to request a room number)	CRM_5	
19_1_7	Using the information from your past visits to customise according to your needs	CRM_7	
19_1_13	Regular communication with helpful information for our next visit	CRM_13	
19_1_6	Staff do their best to satisfy your needs and expectations		CRM_6
19_1_9	Excellent customer service		CRM_9

CFA began with model specification (Hoyle, 2014) using the above coding. The association between the latent variables and the indicators were demonstrated using AMOS graphics 22.0. In addition to the above codes, one path from each latent variable to an item and all the error terms were fixed at unity (1) (Holmes-Smith, 2012). The factor model is shown in Figure 6.1.

Figure 6.1: Improved two factor model for CRM (after removing item: CRM_4)

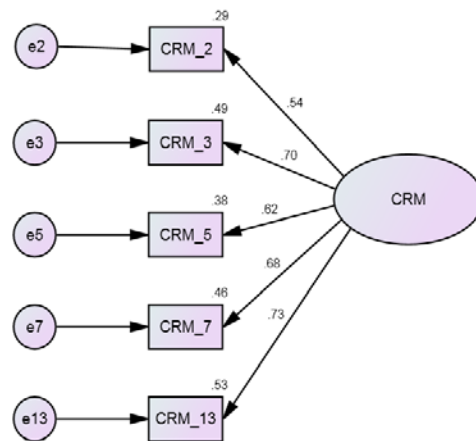


Based on the error covariance the researcher attempted to refine the model. However, the model could not be improved as items 6 and 9 measuring purchase stage CRM (‘staff do their best to satisfy your needs’ and ‘exceptional customer service’) were cross loading with many items belonging to pre/post purchase CRM. Since a valid confirmatory model would not contain manifest variables representing more than one factor nor correlated error terms among the factors (Hair et al., 2006) the model could not be improved further. The final result was a signal factor CRM structure. Essentially, a one factor model for CRM was hypothesised as shown in figure 6.2.

Table 6.18: Fit indices for two factor CRM model

Criterion	CMIN	DF	P	CMIN/DF	GFI	CFI	TLI	RMSEA
Initial model fit	94.696	19	.000	4.984	.903	.871	.811	.139
Final model fit	45.406	13	.000	3.493	.947	.927	.885	.110

Figure 6.2: One factor model of CRM



The initial model for CRM did not generate a fitting model. However, the model was further improved by removing item 4 (reward program membership) due to the low (<.05) standardised regression weights. The one factor model hypothesised is a better solution to measure CRM. The model indicated a good fit of the data as shown in table 6.19.

Table 6.19: Fit indices for the one factor CRM model

Criterion	CMIN	DF	P	CMIN/DF	GFI	CFI	TLI	RMSEA
Initial model fit	94.696	19	.000	4.984	.903	.871	.811	.139
Final model fit	45.406	13	.000	3.493	.947	.927	.885	.110

Initial model fit	45.489	9	.000	5.054	.932	.906	.844	.140
Final model fit	5.642	5	.343	1.128	.989	.998	.995	.025

The data related to reliability and convergent validity of the construct CRM is given in table 6.20.

Table 6.20: Reliability and convergent validity of CRM

Item Code	Item	Convergent validity	Item reliability
CRM_2	Helpful information to organise your holiday	.54	.29
CRM_3	Personalised websites for repeat customers	.70	.49
CRM_5	Special benefits for repeat customers (e.g. being able to request a room number)	.62	.38
CRM_7	Using the information from your past visits to customise according to your needs	.68	.46
CRM_13	Regular communication with helpful information for our next visit	.73	.53

The reliability of the items was determined by observing the squared multiple correlations. While 4 items out of 5 indicated good and adequate reliabilities, item 2 ('helpful information to organise your holiday') had a poor reliability. Considering the originality of the item and the good model fit, the researcher decided to retain the item for further analysis. The convergent validity was examined by looking at the standardised regression weights. All items indicated a good correlation between the items scoring a standardised regression weight $> .5$. Discriminant validity was not applicable as CRM was determined as a single factor solution.

6.8.2 Repeat visitation and word-of-mouth

EFA generated a two factor model for the dependent variables—repeat visitation and word-of-mouth. Repeat visitation was represented by four indicator variables, whereas word-of-mouth was represented by three indicator variables. The constructs representing

the outcomes were expected to correlate, all items were given a code as shown in table 6.21.

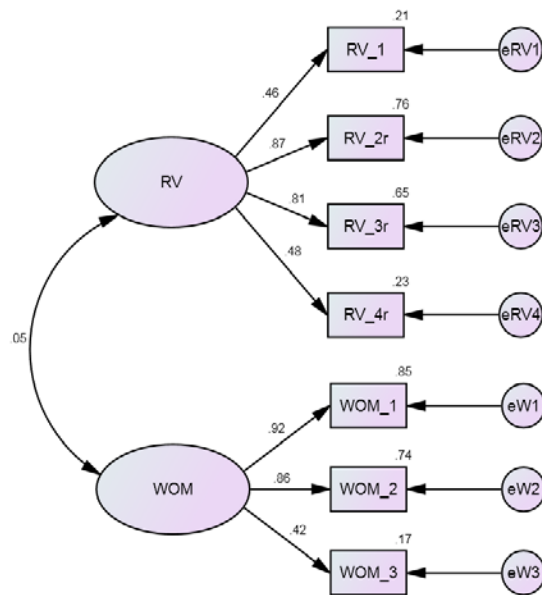
Table 6.21: Item coding for repeat visitation and word-of-mouth

Question number	Item	Item Code	
16_1	A hotel been to before	RV_1	
16_2	Not been to before*	RVr_2	
16_3	Different to last*	RVr_3	
16_4	Different type (B&Bs, resorts) *	RVr_4	
29_1	Talk about the hotel’s good practices with family/friends		WOM_1
29_2	Encourage other people to stay at the hotel		WOM_2
29_3	Post positive comments on social media (e.g. Trip advisor)		WOM_3

*reverse coded items

Using the above coding, the model specification was conducted using the same steps explained for the previous measurement model for CRM. The final model is shown in Figure 6.3.

Figure 6.3: Two Factor model for outcomes of CRM



Confirming a two factor model, the initial model itself generated a fitting model. The model fit indices are shown in table 6.22.

Table 6.22: Fit indices for two factor model-repeat visitation and word-of-mouth

Criterion	CMIN	DF	P	CMIN/DF	GFI	CFI	TLI	RMSEA
Initial model fit	20.819	13	.077	1.601	.973	.983	.973	.054

The data related to the reliability and the convergent validity of the above model is summarised in table 6.23.

Table 6.23: Reliability and convergent validity of the outcomes of CRM

Item Code	Item	Convergent validity	Item reliability
16_1	A hotel been to before	.46	.21
16_2	Not been to before *	.87	.76
16_3	Different to last *	.81	.65
16_4	Different type (B&Bs, resorts) *	.48	.23

29_1	Talk about the hotel's good practices with family/friends	.92	.85
29_2	Encourage other people to stay at the hotel	.86	.74
29_3	Post positive comments on social media (e.g. Trip advisor)	.42	.17

*reverse coded

The convergent validity of the items was measured through standardised regression weights. Except for three items, the standardised regression weights were $> .5$ indicating very high convergent validity. However, the items 'a hotel been to before', 'different type (B&Bs)' and 'post positive comments on social media' scored .46, .48 and .42 respectively, indicating marginal correlations. As these scores do not deviate significantly from recommended values the items were retained. The discriminant validity for repeat visitation and WOM were calculated using the data given in table 6.24.

Table 6.24 Discriminant validity-outcomes of CRM

Factor	Items	Standardised factor loadings (I)	I ²	Error Variance	Variance Extracted
RV	16_1	.46	.21	.711	
	16_2	.87	.76	.195	
	16_3	.81	.65	.277	
	16_4	.48	.23	.887	
	SUM		1.85	2.07	.471
WOM	29_1	.92	.85	.138	
	29_2	.86	.74	.217	
	29_3	.42	.17	1.131	
	SUM		1.76	1.486	.542

The average variance extracted $(.471+.542)/2 = .5065$

The correlation between the factors = .047

Correlation squared = .002

Since the average variance extracted (.5065) is greater than the square of the correlation between constructs (.002), the discriminant validity holds and repeat visitation and WOM can be treated as two different constructs.

6.8.3 Variety-seeking behaviour

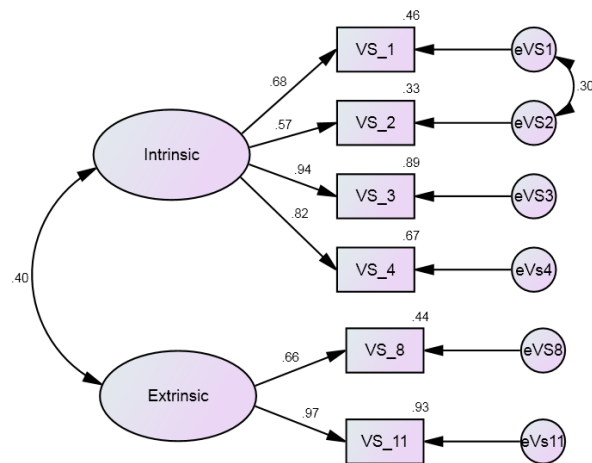
EFA produced a two component model for variety-seeking behaviour. The intrinsic factors were represented by four indicator variables, whereas the extrinsic factors were measured by two indicator variables. Similar to CRM, the construct ‘variety-seeking behaviour’ also consisted of a factor with only two indicator variables. According to Blunch (2013), this was considered appropriate as the factor containing the two indicator variables was part of a two factor solution. Moreover, based on the theoretical grounds, the factors correlated with each other. The item coding for the construct ‘variety-seeking behaviour’, is given in table 6.25.

Table 6.25: The item coding for variety-seeking behaviour

Question number in the questionnaire	Item	Code for CFA	
17_1	I want a new experience	VS_1	
17_2	I don't want to visit the same	VS_2	
17_3	I am curious about other hotels	VS_3	
17_4	I like to experience a range of hotels	VS_4	
17_8	I am travelling with different people (e.g. friends, family, alone)		VS_8
17_11	I am travelling for a different purpose (e.g. relaxation, adventure)		VS_11

Based on the above coding, the model specification was done using the same steps stipulated for the construct CRM. The model after modification is shown in Figure 6.4.

Figure 6.4: Two factor CFA model for variety-seeking-behaviour



The initial two factor solution generated indicated a poor fit. However, guided by the error covariences a new path was specified between item 1 and 2 ('I want a new experience' and 'I don't want to visit the same' was created). This change resulted in a better fitting model. The model fit is shown in Table 6.26.

Table 6.26: Fit Indices of variety-seeking behaviour

Criterion	CMIN	DF	P	CMIN/DF	GFI	CFI	TLI	RMSEA
Initial model fit	23.323	8	.003	2.915	.964	.971	.945	.096
Final model fit	7.448	7	.384	1.064	.988	.999	.998	.018

The data related to reliability and convergent validity of the two latent variables measuring variety seeking behaviour is given in table 6.27.

Table 6.27: Reliability and convergent validity of variety-seeking behaviour

Item Code	Item	Convergent validity	Item reliability
17_1	I want a new experience	.68	.46
17_2	I don't want to visit the same	.57	.33
17_3	I am curious about other hotels	.94	.89
17_4	I like to experience a range of hotels	.82	.67
17_8	I am travelling with different people (e.g. friends, family, alone)	.66	.44
17_11	I am travelling for a different purpose (e.g. relaxation, adventure)	.93	.93

Convergent validity was observed by looking at the standardised regression weights. Standardised regression weights indicated good for three items whereas the standardised regression weights for the items were less than .5. Discriminant validity of intrinsic factors and extrinsic factors were determined as follows:

Table 6.28: Discriminant validity of variety-seeking behaviour

Factor	Items	Standardised factor loadings (I)	I ²	Error Variance	Variance Extracted
Intrinsic	17_3	.94	.89	.093	
	17_4	.82	.67	.287	
	17_1	.68	.46	.460	
	17_2	.57	.33	.702	
	SUM		2.35	2.379	.497
Extrinsic	17_8	.66	.44	.727	
	17_11	.97	.93	.082	
	SUM		1.37	.809	.628

The average variance extracted $(.497 + .628)/2 = .5625$

The correlation between the factors = .395

Correlation squared = .156

Since the average variance extracted (.5625) is greater than the square of the correlation between constructs (.156) discriminant validity holds and intrinsic and extrinsic factors can be treated as two different constructs.

6.9 Items Generated from the scale development process

Through the above process 18 items were validated to be included in structural models for hypothesis testing. Among them 12 were new items generated through the qualitative data.

Table 6.29: Items generated from the scale development

Construct	Items generated from the scale development	Item Source
CRM	Helpful information to organise the holiday*	Qualitative data
	Personalised websites for repeat customers *	Qualitative data
	Special benefits for repeat customers (e.g. being able to request your room number)*	Qualitative data
	Using the information from your past visits to customise according to your needs	Bowen and shoemaker (1998) Tideswell and Fredline (2004)
	Regular communication with helpful information for your next visit*	Qualitative data
VSB-Intrinsic factors	I want a new experience	Adopted from: Raju (1980)
	I don't want to visit the same	
	I am curious about the other hotels	
	I like to experience a range of new hotels	
VSB-Extrinsic factors	I am travelling with different people (e.g. friends, family, alone)*	Qualitative data
	I am travelling for different purposes (e.g. relaxation and adventure)*	Qualitative data
RV	a hotel been to before*	Researchers conceptualisation with qualitative data and the literature
	a hotel not been to before (Reverse coded)*	
	different to last, (Reverse coded)*	
	different type (B&Bs resorts) (Reverse coded)*	
WOM	talk about the hotel's good practices with family/friends*	Tideswell and Fredline (2004)
	encourage other people to stay at the hotel	Tideswell and Fredline (2004)
	post positive comments on social media (e.g. Trip advisor)*	Qualitative data

Overall 18 items were confirmed through the scale development process. Among them, to the knowledge of the researcher, 12* are new scale items.

6.10 Hypothesis Testing

This study tested twelve hypotheses. Hypothesis testing was carried out through structural models for CFA, as well as multi-group CFA with moderation and moderated mediation methods. Hypothesised models were tested through the sample of 400. However, the sample used for multi-group analysis consisted of a total of 380. Even though there were four groups identified in this phase, the fourth group ‘mostly visited different locations and same brand of hotel/chain’ consisted of only 20 participants. Therefore, this group was excluded due to its small numbers. Thus multi-group analysis was carried out with the first three groups. In the qualitative analysis these three groups were named FF (112), FV (158) and VV (110).

Hypothesis testing involves four types of variables: an exogenous variable (CRM) two endogenous variables (repeat visitation and word-of-mouth) and also a third variable, which is the moderator variable (the groups FF, FV and VV). In addition, this study also includes a mediating variable which is VSB. VSB It includes two latent variables, intrinsic and extrinsic factors, measured through four and two items respectively. The variables related to each hypothesis are shown in table 5.29. The structural model for hypothesis testing is shown in Figure 6.5.

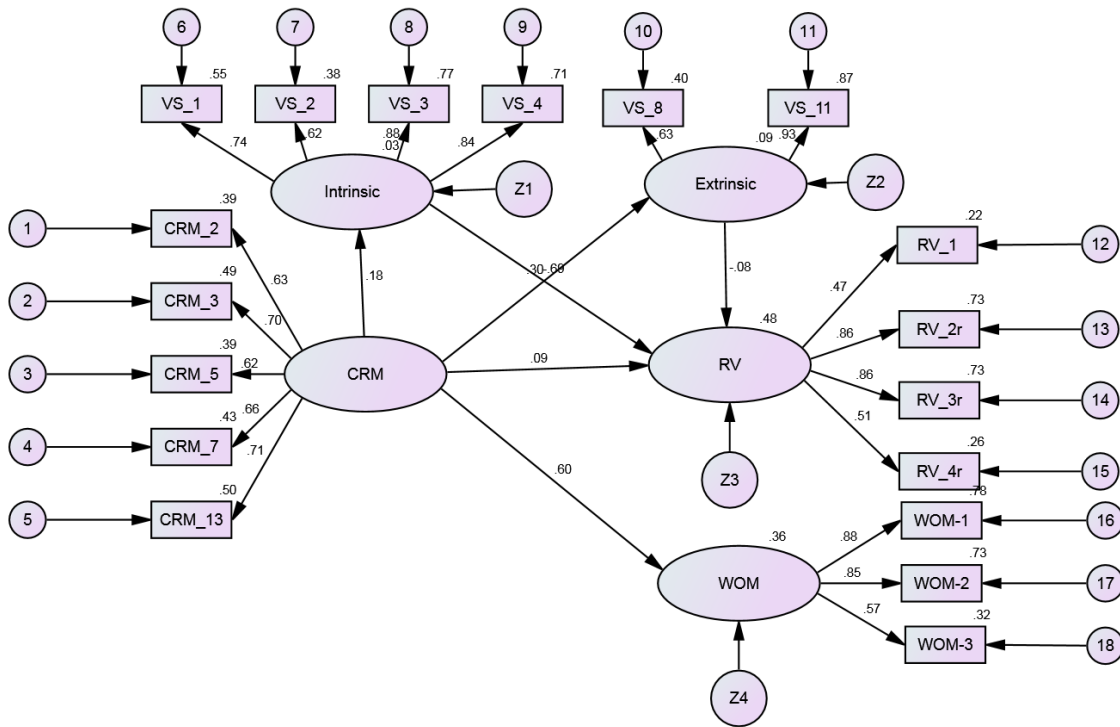
The CFA model related to each hypothesis was first demonstrated on AMOS graphics. The endogenous variable and the mediator variable contain a residual variable which was fixed for unity. For multi-group analysis the AMOS path diagrams for the three groups were established and named separately. Prior to multi-group analysis the model fit was determined.

Table 6.30: The variables related to the hypotheses

Hypothesis	Method	Variables			
		Exogenous variable	Endogenous variable	Mediator variable	Moderator variable
H ₁	CFA (CRM-RV)	√	√		
H ₂	CFA (CRM-WOM)	√	√		
H ₃	Comparison of H ₁ and H ₂				
H ₄	Mediation	√	√	√	

	(CRM-Intrinsic-RV)				
H ₅	Mediation (CRM-Extrinsic-RV)	√	√	√	
H ₆	CFA (CRM-Intrinsic)	√	√		
H ₇	CFA (CRM-Extrinsic)	√	√		
H ₈	Multi-group moderation (CRM- RV)	√	√		√
H ₉	Moderated mediation (CRM-Intrinsic-RV)	√	√	√	√
H ₁₀	Moderated mediation (CRM-Extrinsic-RV)	√	√	√	√
H ₁₁	Multi-group CFA (CRM-Intrinsic)	√	√		√
H ₁₂	Multi-group CFA (CRM-Extrinsic)	√	√		√

Figure 6.5: The structural model for hypotheses testing



The initial model itself generated an acceptable fitting model, as shown in table 6.31.

Table 6.31: Fit indices for structural model

Criterion	CMIN	DF	P	CMIN/DF	GFI	CFI	TLI	RMSEA
Initial model fit	333.71 7	129	.000	3.013	.896	.912	.896	.071

The above model related to hypotheses 1 to 7. The strength of the proposed paths were determined through the significance of the standardised regression weights.

H₁ CRM activities of hotels have a weak impact on generating repeat visitation of leisure travellers.

Guided by the literature and the qualitative data, this study proposed that the CRM practices of the hotels had a weak impact in generating repeat visitation of leisure travellers ($r=.09$; $p=.093$). Therefore, the null hypothesis was accepted.

H_2 CRM activities of hotels have a significant impact on generating WOM of leisure travellers.

As identified from the qualitative data in this study it was hypothesised that CRM practices of hotels have an impact on generating WOM recommendation of leisure travellers. It was found that CRM has a strong effect on generating WOM ($r=.60$; $p=.000$).

H_3 CRM activities of the hotels have a greater impact on generating WOM than repeat visitation of leisure travellers.

As evident through the qualitative data, CRM generates recommendations to travellers' family, friends and causes them to other people and to post positive comments about the hotel on social media, than generating repeat visitation. Combining the first two hypotheses H_1 and H_2 , it was found that even though the impact of CRM on repeat visitation is weak ($r=.09$; $p=.093$), CRM has a strong impact on generating WOM ($r=.60$; $p=.000$).

H_4 CRM activities of hotels leading to repeat visitation is mediated by the intrinsic factors affecting VSB

In this study it was hypothesised that CRM leading to repeat visitation is determined by the VSB of leisure travellers. Therefore, an indirect effect was expected rather than a direct effect (as tested in H_1) between CRM and repeat visitation. It was found that intrinsic factors affecting variety do have a significant influence on the relationship between CRM and RV ($r=.30$; $p=.000$).

H_5 CRM activities of hotels leading to repeat visitation is mediated by the extrinsic factors affecting VSB

Similar to the above hypothesis, the mediating effects of extrinsic factors were tested. It was found that extrinsic factors do not have a mediating effect on repeat visitation ($r = -.08$; $p = .117$). Therefore, CRM leading to repeat visitation is not transmitted through extrinsic factors affecting variety-seeking behaviour.

H₆ CRM activities of the hotels has an influence on intrinsic factors affecting VSB of leisure travellers

The literature advocates that CRM in the hotel context could prevent customer switching. Despite these advocations, no study has so far determined the extent to which CRM could prevent customer switching. This hypothesis tested the extent to which CRM could prevent the degree of VSB. It identified a significant influence of CRM on intrinsic factors affecting VSB ($r = .18$; $p = .003$).

H₇ CRM activities of hotels have a positive influence on extrinsic factors affecting VSB of leisure travellers

This hypothesis involved testing the extent to which CRM can influence the extrinsic factors affecting VSB. The results revealed that CRM has a strong influence on extrinsic factors causing VSB ($r = .30$; $p = .000$).

Having tested the hypotheses related to leisure travellers in general, the hypotheses related to multi-group analysis were tested next. The structural models related to the three groups (FF, FV and VV) are shown in figures 6.6, 6.7 and 6.8 respectively. Prior to analysis the model invariance was determined to ensure that the structural paths work similarly across the three groups by comparing the unconstrained ($\chi^2 = 667.287$; $df = 387$) and the fully constrained models ($\chi^2 = 679.681$; $df = 397$). By this it was identified that groups are not different at the model level ($\Delta\chi^2 = 2.394$ and $\Delta df = 10$). The fit indices for multi-group models were first determined. After ensuring the model fit, the hypothesis testing commenced.

Table 6.32: Model fit indices for hypotheses testing through multi-groups analysis

Criterion	CMIN	DF	P	CMIN/DF	GFI	CFI	TLI	RMSEA
Initial model fit	667.287	387	.000	1.724	.843	.879	.878	.044

Figure 6.6: Multi-group model for cluster FF

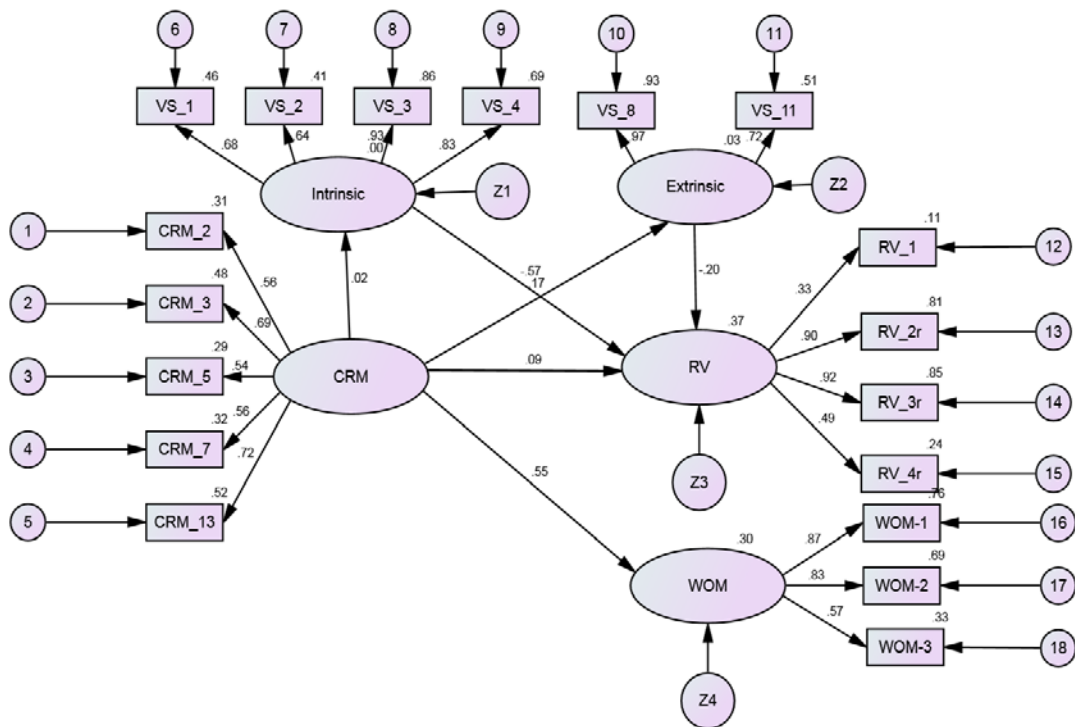


Figure 6.7: Multi-group model for cluster FV

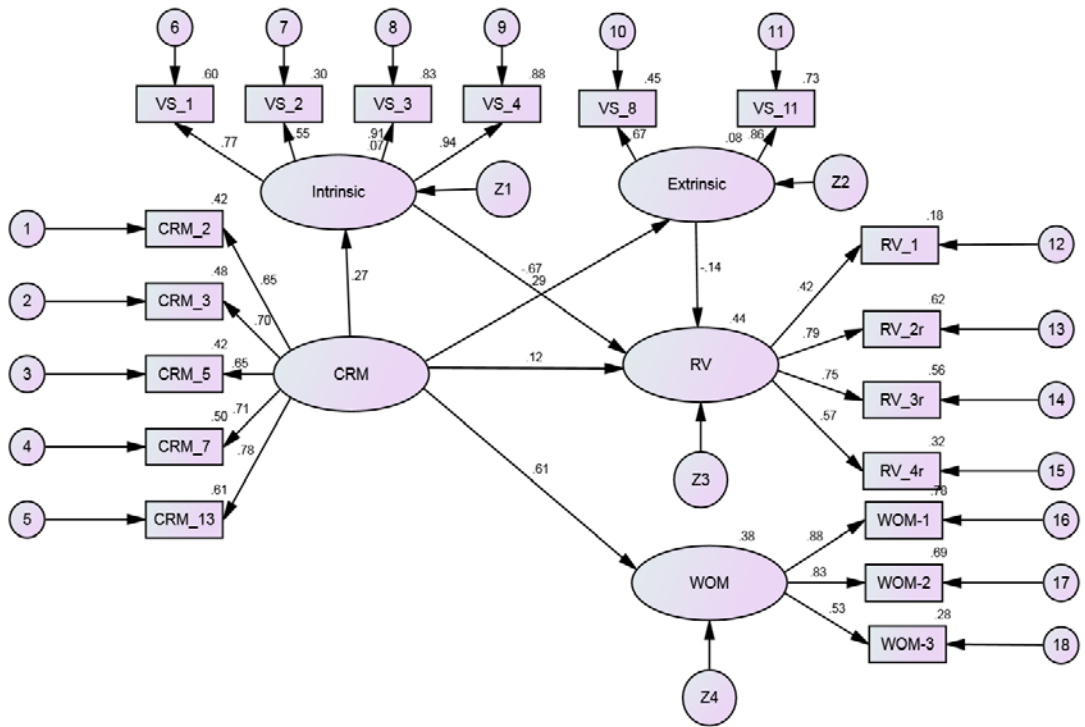
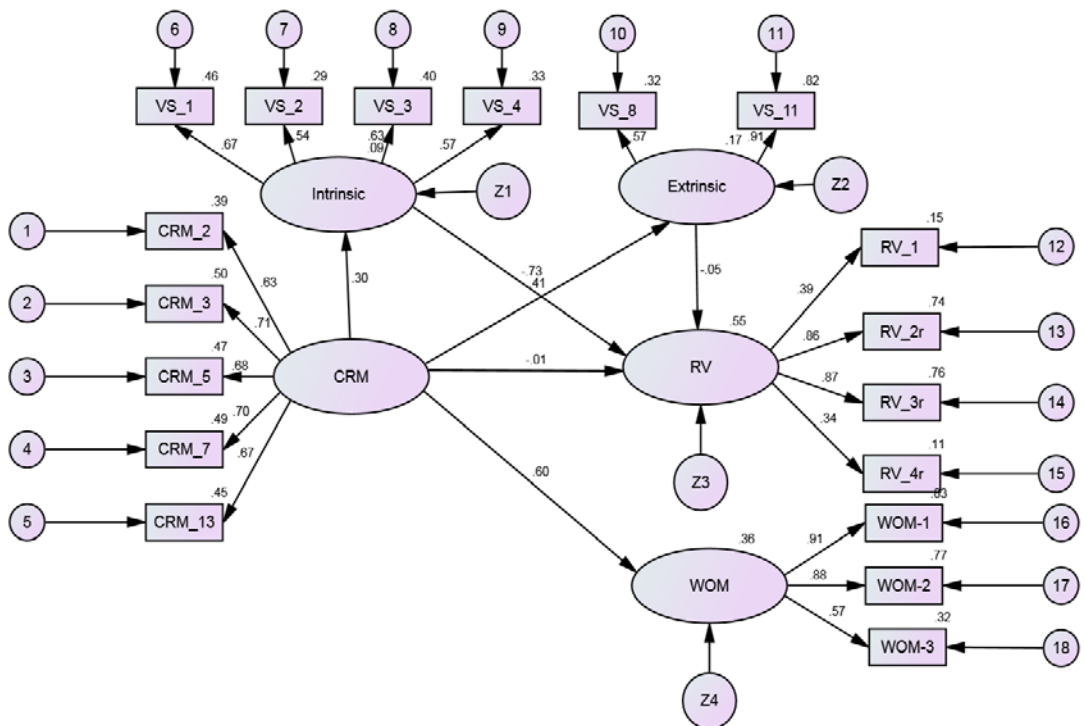


Figure 6.8: Multi-group model for cluster VV



H₈ The impact of CRM activities of hotels in generating repeat visitation vary across three leisure traveller groups.

H_{8a} CRM practices of hotels have a positive impact on generating repeat visitation of cluster FF

H_{8b} CRM practices of hotels have no impact on generating repeat visitation of cluster FV,

H_{8c} CRM practices of hotels have no impact on generating repeat visitation of cluster VV,

The above hypotheses were tested by observing the standardised regression weights and the significance for each group separately. As shown in table 6.30, the results revealed that the impact of CRM on generating repeat visitation was insignificant for all three groups. The critical ratios for differences revealed that all group comparisons had $t < 1.96$, which indicated that there is no significant difference among the groups.

Table 6.33: Mutli-group moderation for repeat visitation

	FF	FV	VV
Regression weights and significance	r=.09; p= .104	r=.12; p=.216	r=-.01; p=.945

H₉ The mediating effect of the intrinsic factors affecting VSB on the relationship between CRM and repeat visitation varies across groups

H_{9a} Intrinsic factors do have a mediating effect on cluster FF

H_{9b} Intrinsic factors do have a mediating effect on cluster FV

H_{9c} Intrinsic factors do have a mediating effect on cluster VV

The above hypotheses tested the mediating effects of intrinsic factors on individual groups, as shown in table 6.34. The results revealed that the mediating effect of intrinsic factors were significant for all three groups. The critical ratios for differences revealed that all group comparisons had $t < 1.96$, revealing that there is no significant difference among the groups.

Table 6.34: Mediation for intrinsic factors affecting VSB

	FF	FV	VV
Regression weights and significance	r=-.57; p= .003	r=-.67; p=.000	r=-.73; p=.001

H₁₀ The mediating effect of the extrinsic factors affecting VSB on the relationship between CRM and repeat visitation varies across groups

H_{10a} Extrinsic factors do have a mediating effect on cluster FF

H_{10b} Extrinsic factors do have a mediating effect on cluster FV

H_{10c} Extrinsic factors do have a mediating effect on cluster VV

Similar to the previous hypothesis in these hypotheses the mediating effects of extrinsic factors on individual groups were identified. As shown in table 6.35, there was no mediating effect of extrinsic factors on all three groups.

Table 6.35: Mediation for extrinsic factors affecting VSB

	FF	FV	VV
Regression weights and significance	r=-.27; p= .104	r=-.14; p=.128	r=-.05; p=.662

H₁₁ The impact of CRM activities of hotels on intrinsic factors affecting VSB is moderated across groups

H_{11a} CRM has a positive impact on intrinsic factors affecting VSB of cluster FF

H_{11b} CRM has a positive impact on intrinsic factors affecting VSB of cluster FV

H_{11c} CRM has a positive impact on intrinsic factors affecting VSB of cluster VV

In this hypothesis the researcher tested whether CRM can play a role in mitigating the intrinsic factors affecting VSB for all three groups. As shown in the table 6.36, it was found that even though intrinsic factors causing VSB has an influence on clusters FV and VV, it has no impact on cluster FF.

Table 6.36: Moderated mediation for intrinsic factors affecting VSB

	FF	FV	VV
Regression weights and significance	r=.02; p= .841	r=.27; p=.003	r=.30; p=.023

H₁₂ The impact of CRM activities of hotels on extrinsic factors affecting VSB is moderated across groups

H_{12a} CRM has a positive impact on extrinsic factors affecting VSB of cluster FF

H_{12b} CRM has a positive impact on extrinsic factors affecting VSB of cluster FV

H_{12c} CRM has a positive impact on extrinsic factors affecting VSB of cluster VV

Similar to the above hypothesis, the data was valuated to test whether CRM has a positive impact on VSB caused by the extrinsic factors for all three groups. As pointed out in table 6.37 it was found that CRM has no influence in mitigating VSB caused by extrinsic factors for cluster VV. However, CRM does have an influence in mitigating the influence of extrinsic factors causing VSB for clusters FV and VV.

Table 6.37: Moderated mediation for extrinsic factors affecting VSB

	FF	FV	VV
Regression weights and significance	r=.17; p= .136	r=.29; p=.019	r=.41; p=.025

Table 6. 38 Summary of hypothesis testing

Hypotheses		r	SE	CR	P	Accept/reject Hypothesis
H ₁	CRM activities of hotels have a weak impact on generating repeat visitation of leisure travellers.	.09	.027	1.667	.093	Null hypothesis Accepted
H ₂	CRM activities of hotels have a significant impact on generating WOM of leisure travellers.	.60	.065	9.499	.000	Accepted
H ₂	CRM activities of hotels have a significant impact on generating WOM of leisure travellers.	Accepted				
H ₄	CRM activities of hotels leading to repeat visitation is mediated by the intrinsic factors affecting VSB.	-.69	.058	-7.816	.000	Accepted
H ₅	CRM activities of hotels leading to repeat visitation is mediated by the extrinsic factors affecting VSB.	-.08	.031	-1.566	.117	Rejected
H ₆	CRM activities of hotels have a positive influence on intrinsic factors affecting VSB of leisure travellers.	.18	.046	2.974	.003	Accepted
H ₇	CRM activities of hotels have a positive influence on extrinsic factors affecting VSB of leisure travellers.	.30	.070	3.470	.000	Accepted
H ₈	The impact of CRM activities of hotels in generating repeat visitation varies across three leisure traveller groups.					
	<i>H_{8a}</i> CRM practices of hotels have no impact on generating repeat visitation of cluster FF	.09	.028	.868	.386	Accepted
	<i>H_{8b}</i> CRM practices of hotels have no impact on generating repeat visitation of cluster FV	.12	.030	1.238	.216	Accepted
	<i>H_{8c}</i> CRM practices of hotels have no impact on generating repeat visitation of cluster VV	-.01	.053	-.069	.945	Accepted
H ₉	The mediating effect of the intrinsic factors affecting VSB on the relationship between CRM and repeat visitation varies across					

groups						
H _{9a}	Intrinsic factors do have a mediating effect on cluster FF	-.57	.069	-2.974	.003	Accepted
H _{9b}	Intrinsic factors do have a mediating effect on cluster FV	-.67	.082	-4.256	.000	Accepted
H _{9c}	Intrinsic factors do have a mediating effect on cluster VV	-.73	.185	-3.245	.001	Accepted
H ₁₀	The mediating effect of the extrinsic factors affecting VSB on the relationship between CRM and repeat visitation varies across groups					
H _{10a}	Extrinsic factors do have a mediating effect on cluster FF	-.20	.029	-1.627	.104	Rejected
H _{10b}	Extrinsic factors do have a mediating effect on cluster FV	-.14	.043	-1.521	.128	Rejected
H _{10c}	Extrinsic factors do have a mediating effect on cluster VV	-.05	.065	-.437	.662	Rejected
H ₁₁	The impact of CRM activities of hotels on intrinsic VSB is moderated across groups.					
H _{11a}	CRM does have an impact on moderating intrinsic factors affecting VSB of cluster FF	.02	.088	.200	.841	Rejected
H _{11b}	CRM does have an impact on moderating intrinsic factors affecting VSB of cluster FV	.27	.063	3.007	.003	Accepted
H _{11c}	CRM does have an impact on moderating intrinsic factors affecting VSB of cluster VV	.30	.073	2.281	.023	Accepted
H ₁₂	The impact of CRM activities of hotels on extrinsic VSB is moderated across groups.					
H _{12a}	CRM does have an impact on moderating extrinsic factors affecting VSB of cluster FF	.17	.133	1.489	.136	Rejected
H _{12b}	CRM do have an impact on moderating extrinsic factors affecting VSB of cluster FV	.29	.099	2.355	.019	Accepted
H _{12c}	CRM do have an impact on moderating extrinsic factors affecting VSB of cluster VV	.41	.137	2.240	.025	Accepted

6.11 Differences between groups

This study identified three leisure traveller groups: FF, FV and VV. The qualitative data analysis indicated some differences between the three groups in terms of factors considered when planning the holiday and the degree of involvement with the hotel environment. Through a series of ANOVA tests the researcher further determined the extent to which these factors are influenced by the degree of VSB of the travellers.

The item 'factors considered when planning the holiday' was tested in terms of three variables—weather, accommodation and activities.

Weather

First the researcher determined whether the assumptions about the homogeneity of variance is violated. Since Levene's statistics were not significant, $F(2, 377)=1.584$, $P=.206$ the homogeneity of variance was not violated. Thereafter, the significance of ANOVA was determined. Since ANOVA was not statistically significant, $F(2, 377)=1.879$, $P=.154$, it was found that weather is not influenced by the degree of VSB.

Accommodation

Adopting a similar process as the one above, the researcher first ensured the Levene's statistics $F(2, 377)=1.722$, $P=.183$ were not violated. Thereafter, based on the significance of ANOVA, $F(2, 377)=5.268$, $P=.006$, it was found that the selection of accommodation does vary depending on the degree of VSB.

Activities

Adopting a similar process as the one above, it was found that Levene's statistics were significant $F(2, 377)=3.698$, $P=.026$. Since this significant value violates the homogeneity of variance, the differences between groups were not further assessed.

Thereafter, the influence of the degree of variety seeking behaviour was tested through 3 items, 'relaxing at the hotel', 'using the facilities at the hotel', and 'activities outside the hotel'.

Relaxing at the hotel

The assumptions of homogeneity of variance were not violated for this item, $F(2, 377)=1.249$, $P=.288$. Based on the significance of ANOVA $F(2,377)$, 2.884, $P=.057$ it was identified that inclination to relax at the hotel does vary depending on the degree of VSB.

Using the facilities

For these items, the homogeneity of variance assumption was violated (2, 377), $.679=P.508$. Therefore, the researcher did not proceed with the ANOVA test.

Activities outside the hotel

For this item even though the homogeneity of variance was ensured (2, 377) $=.513$, $P=.599$, the time spent outside the hotel does not have an influence on the degree of variety seeking behaviour. This was indicated by ANOVA (2, 377) $=2.786$, $p=.063$

Based on the results of the ANOVA tests it was found that ‘considerations about the accommodation’ and an ‘interest in relaxing at the hotel’ do vary based on the degree of VSB.

6.12 Chapter summary

This chapter consisted of two main sections, the data presentation and the data analysis. Initially a comprehensive data presentation was conducted. Thereafter, the data analysis commenced. The analysis commenced with a validation of the measurement scale through EFA and CFA. After determining the final items to measure each construct in the study, the hypothesis testing was conducted. Altogether there were 13 hypotheses, hypotheses 1, 2,6, and 7, were tested through CFA. Hypothesis 8, 11 and 12 were tested through multi-group moderation. Hypotheses 4 and 5 were tested through mediation models and hypotheses 9 and 10 were tested through the moderated mediation method. Finally, a series of ANOVA tests were conducted to confirm some of the findings of the qualitative stage.

Chapter Seven-Discussion

7.1 Introduction

This chapter is based on the quantitative results presented in the previous chapter. It links the related scholarly discussions and determines how the results of this study supports, deviates or extends the existing body of knowledge. This chapter is guided by the quantitative research questions: 1) to what extent can CRM influence repeat visitation and word-of-mouth of leisure travellers? 2) to what extent does the degree of VSB mediate the relationship between CRM and repeat visitation? 3) to what extent can CRM influence VSB of the travellers? 4) what are the differences among leisure traveller groups that seek different degrees of variety? In addition, it addressed the primary research question: what is the impact of hotel CRM in achieving repeat visitation and word-of-mouth recommendation in the context of variety seeking?

7.2 To what extent can CRM influence repeat visitation and word-of-mouth of leisure travellers?

The first step in the quantitative phase was to investigate the direct impact of CRM on generating behavioural loyalty through repeat visitation and word-of-mouth. This was tested through hypotheses H₁, H₂, and H₃. The results revealed that CRM has a weak influence on generating repeat visitation of leisure travellers ($r=.09$; $p=.093$). However, it was found that CRM has a significant influence ($r=.60$; $p=.000$) on generating word-of-mouth recommendations. Therefore, as hypothesised in H₃ it was concluded that CRM has a greater impact on generating word-of-mouth rather than repeat visitation.

Even though this study has supporting evidence of the effectiveness of CRM in generating word-of-mouth, it does not support studies on the effectiveness of CRM in generating repeat visitation. Kim, et al. (2001) and Wu and Li (2011) found that CRM has an influence in generating both repeat visitation and word of mouth. Investigating the attitudinal loyalty of hotel guests, Tideswell and Fredline (2004) found the significance of

word-of-mouth which accounted for 86 % recommendations to friends and family of the hotel guests and 70% of guests' preference to visit the same hotel in their next visit.

The results of this study deviate from the literature due to several reasons. Tideswell and Fredline (2004) determined hotel guest's attitude towards intention to switch and towards generating word-of-mouth, rather than looking at a causal relationship. Although the studies conducted by Kim et al. (2001) and Wu and Li (2011) have taken a similar perspective in their operationalisation of CRM, they did not look at the direct relationship between CRM and outcomes. Adopting an indirect approach, Kim et al, (2001); Wu & Li, (2011) determined the outcomes of CRM through relationship quality.

This study took a different approach to measuring the impact of CRM than the above studies by taking a direct method. It was based on the premise that to generate a true evaluation of CRM it is necessary to look at direct relationship rather than, indirect relationship. Another factor that may have contributed to the deviation (from the literature) of the findings on repeat visitation may be attributed to the sample selected in this study. While the sample of this study was exclusively the leisure travellers who have visited any international destination two or more times, the above studies have used a sample of travellers to a particular destination (Kim et al., 2001; Wu & Li, 2011), or a particular hotel property (Tideswell & Fredline, 2004). Therefore, the results of this study is relate to a broader travel context rather than to a particular place.

After determining the direct relationship between CRM and its outcomes, a multi- group analysis was conducted to determine whether the above findings vary across different clusters of leisure travellers: FF, FV and VV. Even though the moderating influence of varying degrees of VSB has been tested in other contexts such as restaurants (Ha & Jang, 2013; Jung & Yoon, 2011) and destinations (Sánchez_García, et al., 2012), no study so far has determined how the outcomes of CRM vary for leisure travellers seeking different degrees of variety in the hotel context. As pointed by O'Brien and Jones (1995), making a distinction between variety and non-variety seekers would result in more effective marketing efforts directed towards customer retention. Thus, in order to understand the impact of CRM properly, it was determined how CRM varies for the three groups. This was tested through H₈.

The standardised regression weights indicated that CRM has no influence on generating repeat visitation for all three clusters: FF ($r=.09$; $p=.104$), FV ($r=.12$; $p=.216$), and VV

($r=-.01$; $p=.945$). Even though it was hypothesised that CRM has an influence on generating repeat visitation of cluster FF, the hypothesis was rejected. Despite the differences at a surface level, there was no significant difference among the three groups, as none of the comparative paths indicated a critical ratio >1.96 . The results for word-of-mouth was found to be significant for all three clusters as indicated by the standardised regression weights ($r=.55$; $p=.000$; $r=.61$, $p=.000$; and $r=.60$, $p=.000$) for the FF, FV and VV clusters respectively. Nevertheless the critical ratios for the comparative paths for word-of-mouth also revealed that there is no significant difference among the three groups. Thus, it was concluded that the effectiveness of CRM in generating repeat visitation and word-of-mouth does not vary based on the degrees of VSB of leisure travellers.

The above hypothesis testing indicates that even though customer-facing CRM is not effective in generating behavioural loyalty through repeat visitation, it can be seen that it has a significant influence in generating positive word-of-mouth for all types of customers irrespective of their degree of VSB. While word-of-mouth is also considered a significant dimension of behavioural loyalty (Duhan et al., 1997), it has been claimed to be particularly significant in the hotel context (Litvin et al., 2008). The intangible nature of the hotel product necessitates a reliance on word-of-mouth recommendations of previous visitors (Lu et al., 2014; Ye et al., 2011). Word-of-mouth also plays a significant role in the highly competitive nature of the market. The availability of a plethora of options to the customer makes word-of-mouth considerably important, as it facilitates an identification of the best alternatives taken from the wide set of choices (Sparks & Browning 2011). The significance of CRM in generating word-of-mouth in the hotel sector, therefore, can be considered a significant contribution.

Through a descriptive analysis the importance placed on CRM by the participants was identified. According to the mean scores it was noted that the practices: excellent customer service, staff do their best to satisfy needs and expectations, and easy booking systems were given the highest importance by the participants. Except for provision of special activities, all other practices were also given a moderate importance by the participants. Notably, CRM played a key role in delivering pleasant experience for the travellers. This indicates that despite the lack of influence in generating repeat visitation, CRM is an essential business practice due to the high importance placed on it by participants and its contribution to word-of-mouth generation.

7.3 To what extent does the degree of VSB mediate the relationship between CRM and repeat visitation?

This study rationalised the fact that the lack of influence of CRM in generating repeat visitation is due to the VSB of leisure travellers. Therefore, it was proposed that CRM leading to repeat visitation is fully mediated by the degree of VSB of leisure travellers. As the literature separates intrinsic and extrinsic factors causing VBS (McAlister & Pessemier, 1982; Van Trijp, 1995) the mediating effects of intrinsic and extrinsic factors were determined separately. This was tested through H₄ and H₅. The standardised regression weights revealed that even though CRM leading to repeat visitation is transmitted through the intrinsic factors ($r=.30$; $p=.000$), the extrinsic factors causing VSB do not have an influence on the relationship between CRM and repeat visitation ($r=-.08$; $p=.117$).

The results revealed that leisure travellers desires for true variety caused by curiosity about other hotels, interest in experiencing a range of hotels, wanting a new experience, and a lack of interest to visiting the same hotel have a significant impact on the effectiveness of CRM in generating repeat visitation. Nevertheless, extrinsic factors such as travelling with different people and travelling for different purposes do not having a mediating effect on CRM to generate repeat visitation. While it is highlighted in the literature that a true desire for variety is caused by the intrinsic factors rather than extrinsic factors (McAlister & Pessemier, 1982; Van Trijp, 1995), going by the literature it can be concluded that the impact of CRM on repeat visitation is transmitted through intrinsic factors whereas the extrinsic factors do not have an influence on generating repeat visitation.

To further understand the findings, the mediating effect of intrinsic and extrinsic factors were determined for the three groups: FF, FV and VV, utilising the moderated mediation method. This was tested through H₉ and H₁₀. The standardised regression weights revealed that intrinsic factors affecting VSB had a significant negative impact on generating repeat visitation for all three clusters: FF($r=-.57$; $p=.003$), FV($r=-.67$; $p=.000$) and VV($r=-.73$; $p=.001$). Even though the extrinsic factors also showed a negative influence on repeat visitation for all three groups, the impact of extrinsic factors was not

significant for all three groups : FF($r=.27$; $p=.104$), FV($r=-.14$; $p=.128$) and VV ($r=-.05$; $p=.662$).

To explain the findings it is important to revisit the criteria of data collection. While the grouping of travellers was conducted based on past hotel selection behaviour, the measurement of repeat visitation, WOM and VSB were determined based on future intentions. The significance of the mediation of intrinsic factors for cluster FF confirms the qualitative findings that even familiarity seekers may switch hotels after certain visits due to VSB resulting from boredom and the satiation caused by visiting the same hotel in the past. Although the travellers belonging to this group have adopted a routinised strategy by being loyal to the same hotel, the resulting satiation and boredom may have influenced them to select a different hotel in the future. While the clusters FV and VV have opted to seek variety by visiting different hotels, they continue to seek variety in their future hotel selections as indicated by the significant mediating effect of intrinsic factors for both groups. Thus the intrinsic factors were found to have an influence on generating repeat visitation of all leisure travellers.

To summarise, it was identified that CRM leading to repeat visitation is transmitted through a true desire for variety which in turn is caused by intrinsic factors. This finding further rationalises the lack of impact of CRM on generating repeat visitation (as discussed in section 7.2).

7.4 To what extent does CRM influence VSB of travellers?

This study also determined the impact of CRM on the degree of VSB. The impacts of intrinsic and the extrinsic factors were determined separately. It was identified that CRM has a significant impact on both intrinsic ($r=.18$; $p=.003$) and extrinsic factors ($r=.30$; $p=.000$) causing VSB.

In the literature, CRM is recommended as an essential practice to overcome the impact of modern market conditions in the hotel domain (Banga et al., 2013; Sigala, 2005). It has also been recommended to prevent high customer turnover and growing customer acquisition cost (Nasution & Moavondo, 2008; Shirazi & Som, 2011) caused by

globalisation and the resulting competition (Kandampully & Suhartanto, 2000; Nasution & Moavondo, 2008; Özgener & İraz, 2006; Wu & Li, 2011).

Specifically emphasising the switching caused by VSB, Berné et al. (2001) identified the importance of customer retention efforts in lessening the impact of VSB. Emphasising the role of CRM in the context of VSB, Jung and Yoon (2011) recommended relationship marketing strategies such as customer memberships and discounts as an effective remedy for VSB. Despite these recommendations empirical evidence of the effectiveness of CRM practices on preventing VSB seems to be lacking. Supporting the above contentions this study empirically identified that CRM has a positive influence in addressing VSB caused by both intrinsic and the extrinsic factors, for leisure travellers in general.

Nevertheless, the individual group results indicated different results for the three groups. Both intrinsic ($r=.02$; $p=.841$) and extrinsic ($r=.17$; $p=.136$) factors did not have an influence on travellers belonging to cluster FF. The results may be justified by the following two reasons. The participants in this cluster have visited the same location and the same hotel in the past whereas the causal relationships were determined based on future hotel selections. Notably, repeated visits to the same destination in the past may have resulted in an inclination to visit different hotels in future visits to the same destination. Despite the lack of influence of CRM to prevent VSB of cluster FF, CRM has had a significant influence on the other two clusters FV and VV. Therefore it can be concluded that CRM does have an impact on VSB of the majority of travellers.

While this study made a significant contribution to the body of knowledge by identifying the significance of CRM in the context of VSB, it also adds much to the scholarly concerns about the importance of CRM to the hotel industry (Banga et al., 2013; Luck & Lancaster, 2003). Even though many researchers have identified that variety seeking customers can be attracted back to the company by innovative advertising (Faison, 1977; Kahn, 1998; Menon & Kahn, 1995; Van Trijp, 1995), the existing studies have not determined the effectiveness of CRM in influencing the VSB of leisure travellers. This study involving VSB and CRM revealed that while VSB determines the effectiveness of CRM, CRM also has an influence on the VSB of leisure travellers.

7.5 What are the differences among leisure travellers that seek different degrees of variety?

This study involved a sample of leisure travellers who could broadly be referred to as familiarity seekers due to their repeated visits to the same destination (Assaker et al., 2010; Gitelson & Crompton, 1984). This study identified that they can be further clustered into three groups based on their hotel selection behaviour⁹. Numerous differences between the groups were explored in the qualitative stage. In the quantitative stage some of the qualitative findings were further extended through a series of ANOVA tests.

The differences between the three groups were further identified through six items. The differences in factors considered when planning the holiday were identified through the items weather, accommodation, and activities. Through an ANOVA test it was identified that even though the concerns of weather and activities do not have an influence on the degree of VSB, the consideration about accommodation does have an influence on the degree of VSB. Moreover, the differences among the three groups were determined by the time spent at the hotel. This was tested through the items preference to spend most of the time inside the hotel, preference to use most of the facilities at the hotel and time spent outside the hotel. The ANOVA test revealed that the desire to relax at the hotel is influenced by the degree of VSB.

Leisure travellers in an international travel context are classified in numerous ways. According to Plog (1974; 2002) travellers can be classified as psychocentrics/dependables, allocentric/venturers and midcentrics. While psychocentrics/dependables have shown a preference for comfortable accommodation such as luxury hotels, the allocentric/venturers travellers do not seek comfortable accommodation, but rather adequate accommodation. Based on destination marketing literature (Basala & Klenosky, 2001; Cohen, 1972) it is evident that while psychocentrics/dependables show similar preference to cluster FF, allocentric/venturers show similar characteristics as cluster VV. While cluster FV has opted for both familiarity and variety by visiting the same location but different hotels, they can be considered as mid-centrics.

⁹ Even though the total sample consisted of four groups, the group: 'leisure travellers who mostly visited different locations and the same hotel brand/chain' was not used for multi-group analysis as it did not have an adequate number of participants compared to the other groups.

Leisure travellers have also been profiled based on loyalty. Tideswell and Fredline (2004) identified that even travellers considered as loyals due to repeat visitation have varying degrees of attitudinal loyalty—extreme loyalty, high loyalty, moderate loyalty and low loyalty. In a general context Dick and Basu (1994) have also identified four levels of loyalty. As stated above, while existing studies have profiled travellers based on their degree of loyalty, this study attempted to profile travellers based on their hotel selection behaviour. While it has been contended that VSB is a factor that can be used to understand loyalty (Shirin & Puth, 2011), understanding numerous groups of travellers based on their degree of VSB contributes to the understanding of loyalty in the hotel context.

7.6 The primary research question

The primary research question of the study is: “what is the impact of hotel CRM in achieving repeat visitation and word of mouth recommendation in the context of variety seeking?” To arrive at the answer to this question, several questions were addressed. First, it was important to identify whether leisure travellers seek variety in the hotel context. To determine this, the participants were grouped into clusters based on a self-determined question (Q.10). The items for this question were generated from the qualitative data.

It was found that VSB is an important concept in the leisure travel market. This was evident from the number of participants seeking variety in their hotel selection rather than familiarity. It was observed that only 29% (based on the number of participants in cluster FF) have visited the same hotel in the past, whereas the remainder 71% (based on the number of participants in clusters FV and VV) visited different hotels. Tideswell and Fredline (2004) in their study of two five star hotels in the Gold Coast investigated hotel visitors who are considered loyals due to their repeat visits. They identified that 28% show a preference in staying at a different hotel when they visit the same destination, 16% have indicated a preference for switching from one hotel to another, and 68% have indicated a preference to stay at the same hotel. Thus, Tideswell and Fredline have concluded that the majority of respondents preferred to stick to the same property rather than trying out unknown alternatives for the sake of seeking variety. While their findings

were related to an individual property, this study on leisure travellers in general identified a preference for variety in hotel selections.

Through clustering travellers who have been to the same destination repeatedly, this study extended the body of knowledge regarding travellers who are generally referred to as familiarity seekers (Assaker et al., 2010; Gitelson & Crompton, 1984). Importantly, this study revealed that repeat visits to a destination do not necessarily guarantee repeat visitations to a hotel. Key characteristics of the groups—FF, FV and VV were also identified based on their hotel selection patterns.

The cluster FF reflected a preference to routinize their hotel selections. They have opted for consistency in their holiday and the literature has considered them loyal (Desai & Trivedi, 2012). Based on the destination marketing literature while this cluster also can be referred to as familiarity seekers they are characterised as risk averse, anxious of the unknown and possess limited knowledge (Crompton, 1979). However, these findings revealed that even familiarity seekers could seek variety in their hotel selections in their future visits to avoid boredom and satiation.

The cluster FV shows a preference to visit a different hotel in a familiar location. Thus they were found to prefer a combination of variety and familiarity. The identification of this group empirically supported the assertions of Bowen & Shoemaker (1998) that VSB could take place even when travellers visit the same location due to their visits to different hotels.

The cluster VV seeks the highest level of variety by visiting both different hotels and different locations. Even though it may sound obvious that visiting different locations leads to the selection of different hotel, this study shows that unless they have opted to stay at the same hotel brand/chain if that was available, they prefer to have variety in their hotel selections. Identification of this cluster also complies with the contentions of Gitelson & Crompton, (1984) and Bowen & Shoemaker, (1998) that VSB takes place even when travellers visit the same destination due to their visits to new sites. Therefore this study emphasises that VSB can take place in familiar contexts as well.

Having determined that leisure travellers seek variety in the hotel context, the impact of VSB on the effectiveness of CRM in generating repeat visitation was determined next. It was determined separately for intrinsic and the extrinsic factors. The findings indicated

that an intrinsic desire for variety does have an impact on generating repeat visitations of leisure travellers and this may not be the same with extrinsic factors. Interestingly, CRM also had a positive impact on the VSB of leisure travellers. However, even though CRM seemed to be an effective strategy to influence the VSB of travellers belonging to clusters FV and VV, it did not have an impact on cluster FF. Based on the literature and the qualitative findings it was identified that the insignificant impact on cluster FF may be due to their inclination for variety due to boredom or the satiation caused by being a familiar visitor to the same hotel.

To summarise, the analysis revealed that customer-facing CRM has no significant influence on repeat visitation of leisure travellers in general, and on all three groups of travellers in particular. However, the impact of CRM on generating word-of-mouth is significant for the leisure travellers in general. Due to the significance of VSB in the hotel domain it was hypothesised that CRM leading to repeat visitation is transmitted through the VSB of travellers. By adopting the mediated method it was found that intrinsic factors affecting VSB have a significant impact on the relationship between CRM and repeat visitation for leisure travellers in general. Therefore, it was inferred that CRM has less of an impact in the context of variety seeking. The researcher further determined the extent to which CRM can influence the intrinsic and extrinsic factors causing variety. In general, CRM was found to have a significant positive impact on both intrinsic and extrinsic factors affecting variety. However multi-group analysis revealed that CRM does not have an impact on both intrinsic and extrinsic factors for cluster FF. This could be due to the desire of participants in cluster FF to switch hotels in the future due to their visits to the same hotel previously and their wanting to seek variety in the future.

7.7 Conclusion

This chapter discussed the results related to the quantitative data. It was guided by the quantitative research questions. The questions were addressed based on the results generated from hypothesis testing. The impact of CRM on repeat visitation and word-of-mouth was determined by the results related to Hypotheses H_1 , H_2 and H_3 . The mediating effect of VSB was determined by hypotheses H_4 , H_5 , H_9 and H_{10} . The impact of CRM on VSB was determined through the results related to hypotheses H_6 , H_7 , H_{11} and H_{12} . The

discussion revealed how the quantitative findings both collaborate and deviate from the existing body of knowledge. The significance of VSB in understanding the effectiveness of CRM was identified from this discussion. The discussion also identified the contribution of CRM in influencing the VSB of leisure travellers. In other words, this chapter revealed the causal relationships between CRM and VSB.

Chapter Eight-Conclusion, Contribution, and Limitations

8.1 Introduction

This chapter outlines the contribution of this study to the body of knowledge and to industrial practices. It begins with a brief overview of the study. Building on the qualitative, and the quantitative discussions, it thereafter outlines the key contributions to the two main theoretical areas, namely, customer relationship management (CRM) and variety-seeking behaviour (VSB) in the hotel sector. The overall contribution of the study is also evaluated both from a practical and a methodological perspective. Finally, the limitations of the study are outlined together with the opportunities for further research. This chapter concludes with a brief summary based on the overall research questions.

8.2 Brief overview of the study

This study investigated the CRM practices experienced by leisure travellers in a hotel context and the influence of CRM on generating behavioural loyalty through repeat visitation and word-of-mouth, given the preference for different degrees of VSB in hotel selections. This study was premised on the hypothesis that CRM leading to repeat visitation is mediated through the degree of VSB of leisure travellers. Therefore, the relationship between CRM and repeat visitation was hypothesised to be transmitted

through VSB, resulting in an indirect relationship between CRM and repeat visitation rather than a direct one.

This research was carried out through a sample of leisure travellers, who have visited the same international destination two or more times. (Even though the sample selection criterion was the same for both qualitative, and quantitative phases, at the qualitative phase the minimum number of visits to the same destination was restricted to three or more, whereas at the quantitative phase it was brought down to two or more.) This criterion was crucial in determining the repeat purchase patterns, and in understanding the degree of VSB of leisure travellers in a hotel context.

Adopting a sequential mixed method approach—the qualitative stage followed by the quantitative stage. Each phase was given distinct task. The qualitative phase first explored the key constructs of the study in depth. Addressing the research questions it also ensured that the argument of the study, that leisure travellers seek variety in a hotel context, and the next quantitative stage can be launched to test the causal relationships. In addition, the generation of items and development of hypotheses for the quantitative phase was significantly assisted by the qualitative data. Then, the quantitative phase involved developing and validating a new measurement scale combining CRM, its outcomes, and VSB. During this stage, twelve hypotheses were tested. The quantitative results were used to generalise the findings to a larger population. Adopting the above process, this study contributed to the body of knowledge, and the practices of the hotel industry in numerous ways. These are listed in the next sections.

8.3 Theoretical contribution

The theoretical contribution of this study is to the domain of CRM and VSB, to the hospitality and tourism literature as a whole, and to the hotel sector in particular. These contributions are discussed in separate sections.

8.3.1 Customer relationship management (CRM)

This study contributes to the theory of CRM by enhancing the understanding of customer-facing CRM from the perspective of leisure travellers, an area which to date has received only scant attention. Separating the domain of the study into two, the literature on CRM was classified into two groups, back-stage CRM and front-stage CRM. In this study 'back-stage' is referred to as the activities related to CRM implementation. 'Front-stage' is referred to as the CRM practices experienced by travellers through numerous interactions with the organisation. This front stage CRM was referred to as customer-facing CRM.

Through the qualitative phase, this study contributed to the theory of CRM by identifying that customer-facing CRM can be further divided into three broad groups: the pre-encounter, encounter stage and post-encounter stages. Contributing to the definitions of CRM the empirical evidence further confirmed that customer-facing CRM can be defined as: *“all practices related to the CRM mind-set of an organisation, experienced by the customers, through the three purchase time zones, pre-encounter, encounter, and post-encounter”*. This finding contributed to enhancing the understanding of CRM by linking it with the consumer decision-making process for services, by identifying the role of CRM when travellers are planning a holiday, during the holiday and even after.

The contribution of the quantitative phase is in validating a new measurement scale. The scale confirmation process indicated five items to be used for further analysis through structural models, namely: helpful information to organise your holiday, personalised websites for repeat customers, special benefits for repeat customers (e.g. being able to request a room number), using the information from your past visit to customise according to your needs and regular communication with helpful information for your next visit. Among these items except for the item 'using the information from the past to customise according to your needs' the remaining four items were newly validated from the scale development process.

Contributing to measuring the outcomes of CRM, four items to measure repeat visitation were also validated. They were specifically designed to measure repeat visitation in a context that travellers may prefer different degrees of variety. A hotel been to before, a hotel not been to before (reverse coded), different to last (reverse coded), different type of accommodation (B & B, resorts) (reverse coded) were new items developed to measure

repeat visitation. Three items were validated to measure word-of-mouth. Among them, two items: talking about the hotel's good practices with family/friends and encouraging other people to stay at the hotel were adopted from Tideswell and Fredline (2004), whereas the item post positive comments on social media (e.g. TripAdvisor) was newly developed.

In this study, the causal relationships between CRM and its outcomes were measured through repeat visitation and word-of-mouth. This approach was expected to generate a true evaluation of CRM. Even though these dimensions have already been used to measure loyalty generated through other stimuli, only scant attention has been directed to measuring CRM through repeat visitation and word-of-mouth (e.g. Kim et al., 2011). Contributing to knowledge of the effectiveness of CRM practices, this study identified the significant role played by CRM in generating positive word-of-mouth recommendation, which in turn would attract more customers. Even though CRM may not be effective in retaining customers, its significant contribution to word-of-mouth and the high importance placed on it by the travellers, makes CRM an essential practice for hotels.

8.3.2 Variety-seeking behaviour (VSB)

A significant contribution of this study was extending the theory of VSB to the hotel domain. Even though VSB has been researched in numerous contexts and has been identified as having a significant impact on the organisation's efforts in generating loyalty (Jung & Yoon, 2011; Sánchez-García et al., 2012; Shirin & Puth, 2011), thus far, no study has explored the concept of VSB in the hotel domain. The contribution of this study can also be substantiated by distinguishing the two constructs VSB and novelty-seeking behaviour which were referred to interchangeably in the literature. Even though the inclination to seek novelty is a key factor affecting VSB, in this study it is emphasised that novelty-seeking behaviour is concerned with more risk taking behaviour, whereas VSB elicits the desire for change. This distinction was important as this study mainly intended to determine the impact of VSB on behavioural loyalty. Premised on the above distinction between novelty-seeking behaviour and VSB, in this study VSB in the hotel context is defined as: *“switching to a new hotel chain, or a different brand of hotel to the last visited, when visiting the same destination or a different location at the same destination”*.

Even though numerous factors affecting VSB are discussed in the literature, the factors affecting VSB in the hotel domain have been explored. Through the qualitative phase, factors contributing to the degree of VSB in the hotel context were identified. This was facilitated through clustering travellers based on their hotel selection behaviour. Three key clusters were identified. They were determined based on the locations visited and the hotels selected. The travellers who visited the same location and the same hotel were named cluster VV. The travellers who mostly visited the same location but different hotels were named cluster FV. The travellers who mostly visited different locations and different hotels were named cluster VV.

The participants belonging to cluster FF sought familiarity both in selecting the location and the hotel. The main factor that influenced them to repeat visit was CRM. Nevertheless, participants in cluster FF were also found to seek variety in the future due to the boredom of visiting the same hotel repeatedly. The cluster FV mostly visited the same location, but stayed at different hotels. The reasons for a preference for change were to experience a wide range of hotels and curiosity about other accommodation. The cluster VV visits different locations each time they visit the same destination. They also indicated their preference for variety in hotel selections and had no intention of staying at the same hotel chain/brand even if available. It was also found that cluster VV was inclined to select accommodation which is more authentic rather than tourist hotels. Many in this cluster indicated that their preference for variety was due to the desire to learn about other cultures and to experience the uniqueness of the destination or in other words due to intellectual curiosity. Thus the main factor affecting this group was found to be novelty.

Through the understanding generated from the above clusters, this study identified that leisure travellers' VSB in the hotel domain is influenced by numerous reasons including boredom, satiation, curiosity and a simple preference for change a desire, to try them all out due to the wide availability of options and even to intellectual curiosity. The purpose of travel, the place of travel, the travel party, life cycle stage, access to information, and upgrading to higher standards were also among the factors affecting VSB in the hotel domain.

Contributing to the measurement scales, six items measuring VSB were validated. Among them four items were measuring intrinsic factors affecting VSB and two items

were measuring extrinsic factors affecting VSB. The items measuring intrinsic factors were: wanting a new experience, not wanting to visit the same hotel, curiosity about other hotels, and an interest in experiencing a range of hotels. The items measuring extrinsic factors were travelling with different people (e.g. friends, family, alone) and travelling for different purposes (e.g. relaxation and adventure). Even though numerous measurement scales have been validated to measure VSB in the consumer goods domain, (Raju, 1980; Lattin and McAlister 1985; Menon and Kahn 1995; Van Trijp 1995), this can be considered as the first scale developed to measure VSB in the hotel domain.

In the literature, intrinsic and extrinsic factors affecting variety are advocated to be recognised separately (McAlister & Pessemier, 1982; Van Trijp, 1995). Based on the findings in the hotel context, it was apparent that the intrinsic factors are not totally independent of the extrinsic factors. For example, even though VSB is caused by an intrinsic desire, the choice of hotel is also determined by other extrinsic factors such as price, location and cleanliness. Through identifying this relationship, this study emphasises that intrinsic and the extrinsic factors are not mutually exclusive, and extrinsic factors have an influence in the selection of new options. Therefore revealing the relationship between intrinsic and extrinsic factors can be considered an important contribution of this study.

According to the literature on VSB in the goods domain, VSB is less likely to occur in high involvement products (due to the higher risk involved), and those products purchased infrequently (Van Trijp, et al., 1996). Investigating VSB in the hotel context, it was identified that VSB could take place even in infrequently bought products, such as hotel products that have high involvement purchase decisions. Even though in the literature the significance of VSB is explained by referring to broader contexts such as hospitality and tourism (Legohérel et al., 2012; Ratner et al., 1999) and leisure (Bowie & Buttle, 2004), there was no empirical data published to support the fact that VSB occurs in hotel selections. VSB being a context specific phenomenon, the contribution of this study includes broadening the understanding of VSB into a new domain.

The participant composition of both qualitative and the quantitative stages indicated that the majority of travellers seek variety in their hotel selections. The number of participants belonging to each cluster in the qualitative and the quantitative phase are shown in table 8.1. This study identified that only 21 % prefer to be loyal to one hotel while the

remaining 79 % seek variety in their hotel selections, even when they are in the same destination.

Table 8.1: Cluster composition

Phase	same location and the same hotel FF	same location and different hotels FV	different locations and different hotels VV	Total
Qualitative	6	4	12	22
Quantitative	112	158	110	380*

*Even though the total sample for the quantitative stage consisted of 400 respondents in total, among them the 20 participants who belonged to the group “leisure travellers who have been to different locations and the same hotel brand/chain were not included in the analysis, due to the insufficient number of responses in the group. This is discussed under the limitations of the study.

The inclination for VSB in hotel selection was found to be more significant for leisure travel rather than business travel. Even though this study was exclusively on leisure travellers, the participants who had experience in business travel in addition to leisure expressed their preference for loyalty when they travel on business and the preference variety during leisure travel. This was due to their preference for a familiar set up and facilitates when they are on business and the arrangements of the companies they work for to visit the same hotel.

8.3.3 Hospitality and tourism literature

The sample selected for this study was based on the criterion—leisure travellers who have been to the same international destination two or more times. In the literature repeat visitors to a destination are usually referred to as familiarity seekers. This study further evaluated the inclination for a degree of VSB by looking at the hotel selection patterns of leisure travellers even when they visit the same destination. This approach furthers the understanding of familiarity seekers at a destination and identified that they can be reclassified into three clusters based on their degree of VSB:

1. leisure travellers who visit the same location, and the same hotel (cluster, FF)
2. leisure travellers who mostly visited the same location and different hotels (cluster, FV)
3. leisure travellers who mostly visited different locations and different hotels (cluster VV)

The identification of the above clusters may be used by the hospitality and tourism industry when implementing numerous practices targeting leisure travellers.

8.3.4 Hotel literature

Contributing to the hotel literature, this study identified the importance of determining loyalty through CRM practices experienced by customers. While it identified the significance of CRM in generating word-of-mouth recommendation in the hotel domain rather than repeat visitation, it also identified that CRM plays a significant role in influencing the VSB of leisure travellers. VSB was also found to mediate the relationship between CRM and its ability to generate repeat visitation. Based on the clusters identified, it also pointed to the fact that even loyal customers may switch in the future due to satiation and the boredom of visiting the same hotel. Therefore, the importance of providing variety in the hotel offer to prevent switching in the future was identified to be significant. Numerous practices that could be adopted by hotels are discussed in section 8.5

8.4 The methodological contribution

This study adhered to the philosophical assumptions of pragmatism. Adopting mixed methods it used both quantitative and the qualitative methodologies sequentially by attributing substantial weightage to both methods. This study contributed to both theory building and theory testing. Utilising the qualitative findings this study identified the items to be included in the quantitative stage of the study in order to develop, and validate a new measurement scale. The qualitative stage also involved generating the hypothesis of the study. While the quantitative stage involved hypothesis testing, some findings identified in the qualitative stage were also further tested in the quantitative stage. Broadly, the quantitative stage was involved in making generalisations to a larger population. Therefore, this study covered not only the depth of the main constructs of the

study, but also the breadth. Even though the mixed method design was a challenging task, it helped to maintain methodological rigor.

8.5 The Practical contribution

Despite the importance placed by participants on CRM, it was found to be a highly influential practice in generating word-of-mouth rather than repeat visitation. Even though CRM is essentially emphasised as a customer retention strategy this study recognised the importance of CRM for customer acquisition through its significant contribution to generate WOM.

O'Brian and Jones (1996) emphasised that marketing efforts may be more successful if distinction is made between travellers with different degrees of VSB. Similarly, by differentiating leisure travellers based on their degree of VSB, this study identified numerous practical benefits for the hotel industry such as targeted marketing practices and segmentation.

8.5.1 Targeted communication

The qualitative findings indicated numerous differences between the three clusters FF, FV and VV. The main purpose of leisure traveller cluster FF is to enjoy the comforts of the hotel. They showed a preference to stay in the hotel premises and were less inclined to participate in activities outside the hotel. The main purpose of the holiday for cluster FV is also to enjoy the comforts of the hotel. However, compared to cluster FF, and cluster FV, showed a preference for beach related activities and shopping. For cluster VV the hotel was a place in which to sleep and shower. Their main purpose of holiday is to explore the destination and its culture. Therefore, they spent very little time in the hotel.

Based on the above findings it can be inferred that advertising appeals have to vary for the different groups. It appears that advertising which highlights the comforts of the hotel will be appealing to cluster FF. The hotel could be promoted for cluster FF using numerous activities inside the hotel. Advertisements promoting a variety of activities may be essential as even travellers belonging to cluster FF may seek variety in future hotel

selections. While the comforts of the hotel are also appealing to cluster FV, they can be targeted with a combination of activities outside the hotel, particularly beach related activities. Cluster VV will not be attracted by the comforts of the hotel. However, the hotel can be marketed using safety and value for money with convenient access to the group's preferred travel sites. They could also be marketed with tours to cultural and heritage sites and more educational programs. Thus marketing appeals may also include proximity to key travel sites.

8.5.2 Segmentation dimensions

Although segmentation is considered an essential practice when identifying customers, the existing segmentation dimensions in hotels are limited to socio demographic and geographic data collected during the reservation stage (Baruca and Civre, 2012). The finding that leisure travellers can be categorised into three clusters based on their degree of VSB reveals an important segmentation dimension that could be used in the hotel context. Broadly, the leisure travellers can be divided into two groups—those who prefer a real hotel experience and those who prefer to enjoy the destination.

8.5.3 Offering variety

The majority of leisure travellers were found to seek variety in their hotel selections. Precisely, 79% who belong to the FV and VV clusters were found to seek variety. Interestingly, the remaining 21% who belong to cluster FF also indicated a preference to change their regular hotel after their repeated visits to avoid monotony, satiation, and the boredom of visiting the same hotel. Due to these reasons, researchers in the goods domain have advocated offering a high variety product line as a remedy (Kahn, 1995, Van Trijp, 1995 McAlister and Pessimier, 1982, Hoyer and Ridgeway 1983). Such advocations can also be extended to the hotel domain as a remedy for VSB.

To further elaborate, the hotel product is considered a homogeneous offer (Bowen and Schemarker 1998; Kandampully and Suharento 2000; Zineldin 1999). The literature of the consumer goods domain claimed that VSB is more likely to occur for homogeneous products (Van Trijp, 1996). While it was evident that leisure travellers do seek variety in the hotel context, adding variety to the hotel offer is of importance in order to make the

hotel offer distinct from others and as an effective strategy to mitigate switching due to VSB. In addition, introducing hotel rooms with different themes may also attract variety seekers to the same hotel.

CRM practices were found to play an effective role in offering variety. One such strategy is cross selling. This was explained by a participant, where he was given an opportunity to stay at a newly built hotel at a concession rate during his holiday, and his usual hotel made all the arrangements to take him there. This participant, being a regular visitor to the hotel, has been given an opportunity for variety which may prevent him from becoming satiated by visiting the same hotel. Numerous other practices and cultural and musical shows and activities for children can also be used to added variety to the hotel offer.

While the above practices may be more appealing to the clusters FF and FV, they may not be effective for cluster VV. Cluster VV could be attracted by providing more information on cultural and historical sites and more educative programs for the variety seekers who may switch due to the main reason to explore the culture. Since they prefer visiting different locations the hotels may promote their branches for them to visit.

8.5.4 Relationship initiation efforts

Customer interest in relationship initiation determines their preference to maintain relationships with the organisation. It is apparent that cluster FF may be more concerned about relationship initiation, while clusters FV and VV may prefer not to enter into such relationships due to their intention to switch. Therefore, while cluster FF can be convinced of the benefits of initiating a relationship with the hotel, cluster FV and VV may not perceive any such benefit by entering into relationship. Therefore, based on the clustering of leisure travellers of this study, hotels could decide on the most appropriate clusters to which they could direct their relationship initiation, development, and enhancement efforts.

These findings necessitate the re-evaluation of the importance of a combination of transactional and relationship marketing practices based on the nature of the market and the customer (Gronroos, 1991). The literature critically evaluates that organisational

practices that use relationship marketing when transactional marketing is more suitable (Osman et al., 2009). Going by the literature, this study proposes that cluster FF can be targeted for more in-depth relationship marketing efforts by getting to know it better. The cluster FV may be targeted for CRM practices at the encounter stage. Since the cluster VV prefers only the basic amenities of the hotel and spends more time outside the hotel, as proposed by Sandoff (2005) a transactional marketing approach through service standardisations can be adopted and may be more suitable. According to Sandoff (2005) transactional marketing in the context of service standardisation is helpful for managers to regulate service delivery with a minimum time involvement. Conversely, due cluster FF and FV preferring to spend more time enjoying the comforts of the hotel, encounter stage CRM can be considered more suitable.

8.5.5 Broader understanding of switching

Customer switching has been a key concern in the hotel industry. Thus numerous studies have investigated the reasons for customer switching. According to Raju (1980) switching could be caused by instrumental and exploratory reasons. The hotel literature implies that much of their discussion has been confined to switching due to instrumental reasons such as price and quality. Thus, switching caused by VSB in the hotel context lacks attention. The finding of this study that leisure travellers do seek variety in their hotel selection may provide an answer for much of the scholarly concerns about the reasons for satisfied customers to switch. This broad understanding about the causes of customer switching will provide a comprehensive groundwork on which to craft appropriate marketing strategies to target numerous leisure traveller groups.

8.6 Limitations

The exploratory phase of this study indicated that customer-facing CRM can be divided according to the three purchase time zones—pre-encounter, encounter and post-encounter CRM. Due to statistical constraints the researcher was only able to test the statistical significance of one component. The result of the qualitative analysis therefore was not sustained in the quantitative stage. A comprehensive view of CRM could have been

obtained if the qualitative results were statistically supported by qualitative data covering all time zones.

Initially, the qualitative phase revealed that leisure travellers can be categorised into three clusters. In the quantitative phase of the study four groups of travellers based on their past hotel selections were identified. However, among them, the group “the leisure travellers who have been to different locations and the same hotel brand/chain” was not used for further analysis due to the insignificant number of participants. Therefore, 20 responses were not used in the multi-group analysis. If there were a sufficient number of participants for all four groups, the understanding of the numerous leisure traveller groups could have been broadened.

The researcher applied a strict sample frame when selecting participants who fell into the category “leisure travellers who have been to the same international destination two/three or more times. However, the minimum number of visits imposed on the qualitative and the quantitative stages were different. While the minimum number in the qualitative phase was three visits, in the quantitative stage it was brought down to a minimum of two due to the requirement of obtaining a significant sample size.

Overall, this study involved a complex axiom—the behaviour of leisure travellers. The complexity of holiday consumptions posed numerous challenges. For example, while leisure travellers have visited numerous countries two or more times they were asked to select one country to answer the questions. The researcher believed it would have been less complicated if a specific country or a hotel was selected.

8.7 Further research

This study identified that customer-facing CRM can be categorised based on the three purchase time zones. However, as highlighted earlier the statistical significance of all three could not be tested. Therefore, future research could be undertaken incorporating all these CRM time zones, to obtain a comprehensive picture of customer-facing level CRM in general.

While this study identified four groups of leisure travellers based on their hotel selection behaviour only three groups were subject to discussion due to the insufficient number of

respondents. Future research could be undertaken using participants from all four groups, to obtain a more comprehensive understanding using a larger sample, and a more diverse group of travellers. For example, while this sample consisted of Australian leisure travellers, travellers belonging to various other countries could be selected to study the identified groups further.

While this study gathered customer-facing CRM through the experience of the travellers, future studies could investigate customer-facing CRM practices from the point of view of the hotels. Such an approach will generate a comprehensive idea of customer-facing CRM adopted by hotels.

While there are numerous types of hotels, VSB of travellers may vary depending on the type of hotels and may even depend on the destination of visit. Thus future studies could determine the extent of VSB by specifying a country and a type of hotel.

8.8 Summary of the study

Interestingly, the grounds for CRM and VSB were found to be the same. On the one hand, while changes in the modern environmental conditions have been held responsible for the wide adoption of CRM, similar factors have, on the other hand, resulted in customer preference to seek variety. Even though many studies have raised concerns about 'why satisfied customers switch', VSB has not been given sufficient attention as a factor causing customer switching in the hotel industry. While many scholars studied switching caused by instrumental factors, switching caused by exploratory factors such as VSB has not been given due attention. This study was premised on the argument that VSB is particularly significant in the hospitality industry, rather than in other service contexts such as banking and finance for example, and investigated the effectiveness of CRM in generating its outcomes in the context of VSB by choosing a hotel context.

By investigating this research problem through a mixed method design, using a sample of leisure travellers who have been to the same international destination two/three or more times, this study contributed to the body of knowledge in numerous ways. First, to the knowledge of the researcher this may be the first study that combined the two

dichotomous theories CRM and VSB in a single study. It also contributed to both theories of CRM and VSB.

The specific contribution can be explained through a summary of both qualitative and quantitative research questions.

Qualitative research questions

Do leisure travellers seek variety in the hotel experience?

The study identified that some travellers prefer familiarity, while the majority of leisure travellers do seek variety in their hotel selections. Nevertheless, even familiarity-seeking travellers were found to prefer variety in the long term to avoid satiation and the boredom of visiting the same hotel. This finding also indicated that the researcher could proceed with the study as leisure travellers do seek variety in their hotel selections.

What factors influence the degree of VSB in the hotel purchasing of leisure travellers?

This study identified three clusters of travellers based on degrees of VSB. Thus this study identified factors affecting both familiarity and variety. The main factors affecting familiarity were CRM practices of hotels, whereas the main factors affecting variety were satiation, boredom, interest in testing them all out, curiosity about other hotels, intellectual curiosity and novelty. In addition, the purpose of travel, the place of travel, the travel party and the lifecycle stage of the leisure travellers were also significant.

What hotel CRM practices are experienced by leisure travellers and what do they think about them?

The CRM practices experienced at the pre-encounter stage were limited to virtual trips in hotel websites. The encounter practices were considered very important by the participants. They were: customer service, personal touch, people, additional services and cross selling. The post-encounter stage practices were loyalty programs and feedback generating mechanisms such as questionnaires and newsletters. In addition many other factors affecting hotel selections were also identified. While CRM practices have influenced some participants to repeat visit, the majority indicated that that it will not

influence them to repeat visit. However, they indicated that they will recommend the hotel to other parties based on their experience of the hotels CRM.

What are the differences between leisure travellers seeking different degrees of variety?

This question was covered qualitatively and quantitatively. The qualitative results indicated that clusters FF and FV have similar preferences, their main purpose of travel is being obtain a real hotel experience. However, while cluster FF sought less activities outside the hotel and their activities were mainly hotel related, cluster FV preferred some activities outside the hotel such as shopping and beach elated activities. Cluster VV was different to both clusters FF and FV. Their main purpose of the holiday was to explore the destination and they placed very little importance on the hotel. Interestingly they indicated that hotels were only places to sleep and shower.

The quantitative research questions

To what extent can CRM influence repeat visitation and word-of-mouth of leisure travellers?

This study found that customer facing CRM has no influence on generating repeat visitation in leisure travellers in general and in different groups in particular. However, it is an effective tool to generate WOM in general, and for all groups in particular.

To what extent can CRM influence the VSB of leisure travellers?

Even though CRM does not have an influence in generating repeat visitation, CRM does have an influence on intrinsic and extrinsic factors affecting VSB. However, multi-group analysis revealed that CRM does not have an impact on the intrinsic and extrinsic VSB of cluster FF. CRM however was effective in influencing both intrinsic and extrinsic factors affecting the VSB of clusters FV and VV.

To what extent does the degree of VSB mediate the relationship between CRM and repeat visitation?

This study found that intrinsic factors affecting VSB have a significant impact on generating repeat visitation. However, the extrinsic factors affecting VSB did not have an impact on CRM. Thus, it was concluded that CRM leading to repeat visitation is mediated by intrinsic factors affecting VSB.

What are the differences among leisure travellers who seek different degrees of variety?

While this question was addressed predominantly in the qualitative phase, in the quantitative phase some of the findings were further tested. It was identified that the importance given to accommodation was determined by the degree of VSB of leisure travellers. In addition the time spent in the hotel premises was also found to be influenced by the degree of VSB of leisure travellers.

The ultimate contribution of this research was determined through the primary research question "**what is the impact of CRM of hotels in achieving repeat visitation and word-of-mouth recommendation in the context of variety seeking?**".

VSB is a significant concept in the hotel context. It was found that CRM has no influence in generating repeat visitation; however its contribution to generating word-of-mouth is exceptional. Due to the significance of the indirect relationship, rather than the direct relationship between CRM and repeat visitation, it was concluded that the impact of CRM on repeat visitation, is determined by the degree of intrinsic factors affecting VSB. Therefore, this study concluded that CRM is less effective to generate repeat visitation in the context of VSB. However, CRM was found to have a significant positive influence on VSB caused by both intrinsic and extrinsic factors.

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Appendix 1

Guide for focus group discussions

Customer relationship management (CRM) in the context of variety-seeking behaviour (VSB)

Research question	Key questions	Probing questions
What CRM practices are experienced by leisure travellers and what do they think of such practices? (RQ. 3)	<ul style="list-style-type: none"> • What things do you consider when you are choosing a hotel for accommodation? 	<ul style="list-style-type: none"> • Do you think about price • Do you think about location/proximity • Do you think about loyalty programs

	<ul style="list-style-type: none"> • What do you think about hotel loyalty programs? 	<ul style="list-style-type: none"> • Frequent guest programs • Discount cards • Special treatment benefits
	<ul style="list-style-type: none"> • What customer relationship management practices have you experienced in hotels? 	<ul style="list-style-type: none"> • What about customer service
	<ul style="list-style-type: none"> • To what extent would good customer relationship management practices would you like to go to that same hotel? 	<ul style="list-style-type: none"> • What if you are a member of a loyalty program
Do leisure tourist seek variety in a hotel experience? (RQ 1)	<ul style="list-style-type: none"> • When you visited this destination did you go to the same hotel? 	<ul style="list-style-type: none"> • If you go to different locations would you like to select the same hotel brand/chain
What factors influence the degree of variety-seeking behaviour in accommodation purchasing of leisure travellers? (RQ 2)	<ul style="list-style-type: none"> • Why do you go to different /same hotels 	<p>Is it because:</p> <ul style="list-style-type: none"> • you were dissatisfied • Price • Someone recommend you a different one
What are the differences between leisure traveller groups that seek different degrees of variety? (RQ 4)	<ul style="list-style-type: none"> • What do you like to do when you are on holiday? 	<ul style="list-style-type: none"> • What activities do you do • What do you do in the hotel

Appendix 2

Impact of customer relationship management (CRM) in the context of variety-seeking behaviour (VSB)

Focus Group Discussion on 10/07/2012
at
(Name of the location)

Name:

Country/countries visited	Hotels selected for accommodation	If you visit the same country again would you prefer to stay in a same hotel (please circle the correct one)
	1. 2. 3. 4.	Yes/No
	1.	

	2. 3. 4.	Yes/No
	1. 2. 3. 4.	Yes/No
	1. 2. 3. 4.	Yes/No

Appendix 3

Information letter for focus group participants

Research Topic: Impact of customer relationship management (CRM) in the context of variety-seeking behaviour

My name is Maduka Udunuwara. I am a PhD candidate in the School of Marketing, Tourism and Leisure, Edith Cowan University. I am currently undertaking a study for my PhD on the above-mentioned topic.

An important part of my study is to conduct focus group interviews. For this reason, I would like to invite you to share your experience on your decision-making when selecting a hotel for international leisure travel. To be qualified to participate in these interviews, you should have travelled to the **same international destination, three times, for leisure.**

Your participation is extremely important to me and the entire research community; however, it is voluntary. The discussion will not last more than 60 minutes; it will take place at Edith Cowan University, at Mount Lawley or Joondalup campus, according to your convenience. All the information provided in this survey will be treated confidentially and will be used only for this project. Only the research team will have access to the information. You will not be identified in any written reports or presentations that result from the research.

Please indicate your willingness to take part in this study by responding to this email. Or, if you have any questions or queries on this research project, please contact me.

Thank you

Kind regards,

Maduka Udunuwara (Researcher)
School of Marketing Tourism and Leisure
Edith Cowan University
Phone 6304 2183
uudunuwa@our.ecu.edu.au
madukau@gmail.com

Prof. Hugh Wilkins (Principal Supervisor)
Head/School of Marketing Tourism and Leisure
Edith Cowan University
Phone 6304 5428
h.wilkins@ecu.edu.au

The researcher, Maduka Udunuwara, is responsible for the ethical aspects of the project. However, if you have any concerns or complaints about the project, you may contact an independent person, you may contact:

Research Ethics Officer
Edith Cowan University
Phone (08) 6304 2170
Research.ethics@ecu.edu.au

Appendix 4

Consent Document

Impact of variety seeking behaviour on customer relationship management (CRM) in the hotel industry

I have been provided with a copy of the information letter, explaining the project.

I have been given the opportunity to ask questions and any questions have been answered to my satisfaction.

I understand that participation in the research project will involve approximately 10 minutes and that I will not be identified as I will be participating in an online survey.

I understand that the information provided will be used for the purpose of this research project. I understand that I am free to withdraw from further participation any time, without explanation or penalty.

I freely agree to participate in the research project.

Name :

Signature :.....

Date :.....

Please return to:

Maduka udunuwara

School of marketing Tourism and leisure

Faculty of Business and Law

Edith Cowan University

270 Joondalup Drive, Joondalup, WA6027

E-mail- uudunuwa@our.ecu.edu.au

Appendix 5



Hi,

Thank you for participating in my survey. To participate in this survey, you should have travelled to any international country or island two or more times for leisure, within the last five years. Participation in this survey is entirely voluntary. The questionnaire should only take you 10 minutes. Further information on this survey has been provided in the information letter attached with the invitation to participate in the research. Please read the key terms of the questionnaire before answering. The term “destination” refers to the country/island that you have visited for your holiday. The term “location” refers to the city, town, village or area of a country.

Q.1 I consent to participate in this research

- Yes I consent (1)
- No I don't consent (2)

Q.2 Have you have taken international trips to the same destination two or more times for holiday within the last five years and stayed at hotels?

- Yes (1)
- No (2)

Section A: Past travel behaviour.

Q.3 How often do you travel for holiday?

- Less than once a year (5)
- Once a year (1)
- Twice a year (2)
- Thrice a year (3)
- More than thrice a year (4)

Q.4 What destinations have you visited twice or more times in the past five years?
(Please state)

Q.5 If you have visited more than one destination twice or more times during the last five years, please select one of them to answer the questionnaire. Name that destination in the space below.

Q.6 With whom have you mostly visited this destination?

- Alone (1)
- Partner (2)
- Family with children (3)
- Extended family (4)
- Friends (5)
- Other (Please state) (6) _____

Q.7 What types of hotels have you mostly visited at this destination?

- Star class hotels (1)
- Basic tourist hotels (2)
- Serviced apartments (3)
- Non serviced apartments (4)
- Resorts (5)
- Bed and Breakfasts (6)
- Holiday parks (7)
- Motels (8)
- Other (Please state) (9) _____

Q.8 What were the main activities that you were involved in when you were on holiday at this destination?

- Shopping (1)
- Eating (2)
- Visiting historical/interesting places (3)
- Cultural activities (4)
- Sport activities (5)
- Drama and musical shows (6)
- Night clubs and stage shows (7)
- Water/beach related activities (9)
- Other (please state) (8) _____

Q.9 From the following statements, please select the one that best describes your visits at this destination.

- I visited the same location and the same hotel each time (1)
- I visited the same location and different hotels each time (2)
- I visited different locations and different hotels each time (3)
- I visited different locations and the same brand of hotel/hotel chain each time (4)

Q.10 Please indicate why you stayed at the same hotel brand/chain each time you visited this destination where: 1= strongly disagree, 2=disagree, 3= not sure, 4=agree, and 5= strongly agree

I went to the same hotel each time because of:	1	2	3	4	5
Their exceptional customer service (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The convenience (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Less risk involved than going to a different hotel brand/chain (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Value for money (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The convenient location (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special offers (e.g. discounts) when repeat visit (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The membership in loyalty programs (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (Please state) (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.11 Please indicate why you stayed at different hotels when you visited this destination, where: 1= strongly disagree, 2=disagree, 3= not sure, 4=agree, and 5= strongly agree

I went to different hotels because I:	1	2	3	4	5
Was dissatisfied with the previous hotels (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Found a cheaper hotel (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Like variety in my hotel selection (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Visited different locations (town, city and village) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I went with different parties each time (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (Please state) (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.12 Please rank the following factors based on the importance you gave them when you were planning your holiday at this destination using, 1=most important, 2=important and 3=least important

- _____ The season (whether it is peak or off peak) (1)
 _____ Accommodation (2)
 _____ Activities I will engage in when on holiday (3)

Q.13 Please indicate the extent to which the following statements describe your hotel experience when you were at this destination, where: 1= strongly disagree, 2=disagree, 3= not sure, 4=agree, and 5= strongly agree.

During my holiday I	1	2	3	4	5
Spent most of my time relaxing at the hotel (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Spent most of my time relaxing outside the hotel (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Used most of my time using the facilities at the hotel (e.g. spa, gym, pool) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Spent most of my time exploring the country than staying at the hotel (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section B: Future hotel selection behaviour

Q.14 Please indicate how you will select your hotels in future visits to the same destination, where: 1= strongly disagree, 2=disagree, 3=not sure, 4=agree, and 5= strongly agree

In my future visits to this destination I will choose:	1	2	3	4	5
A hotel that I have not been to before (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
One of the hotels I have been to before (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different one from the last visited hotel (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different type of accommodation than a hotel (e.g. B&Bs, resorts etc.) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I visit a different location/destination I will select the same brand of hotel/hotel chain (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.15 Please indicate the extent to which the following statements best describe your future hotel selection, where: 1= strongly disagree, 2=disagree, 3=not sure, 4=agree, and 5= strongly agree.

In my future visits to this destination I will choose:	1	2	3	4	5
A different hotel for a new experience (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different hotel to avoid being bored visiting the same hotel (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different hotel because I am curious about the other hotels (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different hotel only if my preferred hotel is full (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The same hotel even if I go with different people (e.g. friends, family, alone) (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different hotel even if I am satisfied with my last hotel (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different hotel if it is less expensive (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A different hotel to experience better quality accommodation (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section c: Experience with hotel customer relationship strategies

Q.16 Hotels use various techniques to enhance your hotel experience and to encourage you to return to the same hotel, and to make you recommend the hotel to other parties. Fifteen such techniques are listed in the following table. Please indicate the extent to which you consider each of these are important to you (column 1), and whether you have experienced these factors (column 2).

Column 1: Please answer using: 1=not at all important, 2=slightly important, 3=not sure, 4=important and 5=very important.

Column 2: Please answer using: Yes or No

	Column 1 (Importance to you)					Column 2 (Experience)	
	1	2	3	4	5	Yes (1)	No (2)
Online booking systems (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Destination information available on website (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalised websites for repeat customers (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loyalty cards and other reward programs (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recognition of you as a repeat customer (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
knowledge on your needs and habits (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cater according to your needs (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
your information stored on data bases (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff make you feel special (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special events (e.g. cultural shows, for children) (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excellent customer service (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special services (e.g. airport pickups) (12)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer surveys (e.g. questionnaires) (13)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalised emails with helpful information for your next visit (14)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special deals for the next visit (15)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.17 Please indicate the extent to which each item listed below will encourage you to return to the same hotel (Column 1) and encourage you to recommend the hotel to other parties (Column 2). Column 1 & 2: Please answer using: 1=no effect, 2=minor effect, 3=not sure, 4=moderate effect and 5=major effect

	Column 1 (Return)					Column 2 (Recommend)				
	1	2	3	4	5	1	2	3	4	5
On line booking systems (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Destination information available on website (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalised websites for repeat customers (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loyalty cards and other reward programs (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recognition of you as a repeat customer (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
knowledge on your needs and habits (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cater according to your needs (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
your information stored on data bases (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff make you feel special (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special events (e.g. cultural shows, for children) (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excellent customer service (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special services (e.g. airport pickups) (12)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer surveys (e.g. questionnaires) (13)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalised emails with helpful information for your next visit (14)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special deals for the next visit (15)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section D: Demographics

Q.18 Gender

- Male (1)
- Female (2)

Q.19 Which year were you born in?

Q.20 What is your household income? (In AU\$)

- 21,000 to 40,999 (1)
- 41,000 to 60,999 (2)
- 61,000 to 80,999 (3)
- 81,000 to 100,999 (4)
- 101,000 to 120,999 (5)
- 121,999 + (6)

Q.21 What is your highest educational level?

- High school (2)
- Vocational qualification (5)
- Tertiary (Undergraduate) (3)
- Tertiary (Postgraduate) (4)

Q.22 Please state your occupation in the space below

Q.23 If you have any comments to further improve this questionnaire please write in the space below.

Appendix 6



Hi,

Thank you for participating in this survey. To participate in this survey, you should have taken an international trip to the same destination two or more times for holiday within the last five years and stayed at hotels. Please read the key terms of the questionnaire before answering.

The key terms

The term “destination” refers to the country/island that you have visited for your holiday.

The term “location” refers to the city, town, village or area of a country.

The term "hotel" refers to an establishment that provides lodging, meals and other services for a fee

Q.1 Have you read the key terms?

- Yes (1)
- No (2)

Q.2 Do you consent to participate in this survey?

- Yes (1)
- No (2)

Q.3 Have you have taken an international trip to the same destination two or more times for holiday within the last five years and stayed at hotels?

- Yes (1)
- No (2)

Section A: Past Hotel Selection.

Q.4 How often do you normally travel for a holiday?

- less than once a year (5)
- once a year (1)
- twice a year (2)
- three times a year (3)
- more than three times a year (4)

Q.5 What destinations have you visited on two or more occasions in the past five years? (Please specify)

Q.6 If you have visited more than one destination two or more times during the last five years, please select one of them to answer the questionnaire. Please identify that destination:

Q.7 With whom have you mostly visited this destination?

- alone (1)
- partner (2)
- immediate family members (3)
- other close family members (4)
- children only (5)
- friends (6)
- other (please specify) (7) _____

Q.8 What types of accommodation have you mostly stayed at this destination?

- economy/budget hotel (1)
- middle range hotels (2)
- luxury hotels (3)
- deluxe hotels (4)

Q.9 What were the main activities that you were involved in when you were on holiday at this destination?

- relaxing at the hotel (1)
- shopping (2)
- enjoying a variety of food (3)
- visiting scenic/historical/interesting places (4)
- enjoying the cultural activities (5)
- participating in adventure activities (6)
- participating in or watching sport activities (7)
- going to drama or musical concerts (8)
- enjoying water/beach-related activities (9)
- visiting family/friends (10)
- other (please specify) (11) _____

Q.10 From the following statements, please select the one that best describes your visits at this destination.

- I visited the same location and the same hotel each time (1)
- I visited the same location and different hotels each time (2)
- I visited different locations and different hotels each time (3)
- I visited different locations and the same brand of hotel/hotel chain each time (4)

Q.11 Please indicate why you stayed at the same hotel brand/chain each time you visited this destination where, 1= strongly disagree, 2=disagree, 3= not sure, 4=agree, and 5= strongly agree.

I went to the same hotel each time because:	1	2	3	4	5
of a preference for a familiar hotel (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
of exceptional customer service (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
it was less risky than going to a different hotel brand/chain (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
of good value for money (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
the accommodation was good quality (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
of the convenient location (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
of the special offers (e.g. discounts) (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
of the loyalty programs (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
there was no alternative accommodation available (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.12 Please indicate why you stayed at different hotels when you visited this destination where, 1= strongly disagree, 2=disagree, 3= not sure, 4=agree, and 5= strongly agree

I went to different hotels because:	1	2	3	4	5
I was dissatisfied with the previous hotel/s (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I found a cheaper hotel (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I opted for a better quality hotel (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to try different hotels (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I visited different locations (town, city and village) (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I went with different people (e.g. friends, family, alone) each time (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.13 Please indicate the importance you place on the following factors when you were planning your holiday at this destination where, 1=not at all important, 2= slightly important, 3=not sure, 4=important, 5=very important

	1	2	3	4	5
Weather (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accommodation (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.14 Please indicate the extent to which the following statements describe your hotel experience when you were at this destination where, 1= strongly disagree, 2=disagree, 3= not sure, 4=agree, and 5= strongly agree.

During my holiday, I spent most of my time:	1	2	3	4	5
relaxing at the hotel (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
using the facilities at the hotel (e.g. spa, gym, pool) (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
outside the hotel (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section B: Future Hotel Selection

Q.15 Please indicate how you will select your hotels in future visits to the same destination, where, 1= strongly disagree, 2=disagree, 3=not sure, 4=agree, and 5= strongly agree.

For my future visits to this destination I am most likely to choose:	1	2	3	4	5
a hotel I have been to before (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
a hotel that I have not been to before (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
a different one from the last visited (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
a different type of accommodation altogether(e.g. B&Bs, resorts) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I visit a different location/destination I will select the same brand of hotel/hotel chain (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.16 Please indicate the extent to which the following statements best describe your future hotel selection, where,1= strongly disagree, 2=disagree, 3=not sure, 4=agree, and 5= strongly agree.

I will choose a different hotel because:	1	2	3	4	5
I want a new experience (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I don't want to be visiting the same hotel (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am curious about other hotels (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to experience a range of hotels (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I was dissatisfied with my last hotel (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
of its good recommendations (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
of the previous hotel being full or unavailable (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am travelling with different people (e.g. friends, family, alone) (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I want better price (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I want to experience better quality accommodation (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am travelling for a different purpose (e.g. relaxation, adventure) (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have experienced only a limited number of hotels (12)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
there is a range of other hotels (13)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section C: Marketing and personalisation strategies

Hotels use various techniques to enhance your hotel experience and to encourage you to return to the same hotel, and to make you recommend the hotel to other parties. Fourteen such techniques are listed in the following table. Please indicate the extent to which you

consider each of these are important to you (column 1), and whether you have experienced these factors (column 2)

Column 1: Please answer using, 1=not at all important, 2=slightly important, 3=not sure, 4=important and 5=very important.

Column 2: Please answer using: Yes or No

	Column 1 (Importance to you)					Column 2 (Your experience)	
	1	2	3	4	5	Yes (1)	No (2)
Easy booking systems (e.g. online booking systems) (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helpful information to organise your holiday (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalised websites for repeat customers (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reward program memberships (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special benefits for repeat customers (e.g. being able to request a room number) (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff do their best to satisfy your needs and expectations (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using the information from your past visits to customise according to your needs (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff make you feel special (e.g. using your name to address you) (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excellent customer service (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of special activities (e.g. activities for children, cultural events) (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of additional services (e.g. airport pickups) (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest shown in your feedback when you finish your stay (e.g. questionnaires) (12)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regular communication with helpful information for our next visit (13)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special deals for your next visit (14)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.18 Please indicate the extent to which each item listed below will encourage you to return to the same hotel, where, 1=no effect, 2=minor effect, 3=not sure, 4=moderate effect and 5=major effect

I went to the same hotel each time because:	1	2	3	4	5
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy booking systems (e.g. online booking systems) (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helpful information to organise your holiday (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalised websites for repeat customers (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reward program memberships (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special benefits for repeat customers (e.g. being able to request a room number) (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff do their best to satisfy your needs and expectations (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using the information from your past visits to customise according to your needs (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff make you feel special (e.g. using your name to address you) (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excellent customer service (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of special activities (e.g. activities for children, cultural events) (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of additional services (e.g. airport pickups) (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest shown in your feedback when you finish your stay (e.g. questionnaires) (12)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regular communication with helpful information for our next visit (13)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special deals for your next visit (14)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.19 Please indicate the influence of the above mentioned marketing and personalisation strategies on promoting the hotel to other parties where, 1=no effect, 2=minor effect, 3=neutral, 4=moderate effect, and 5=major effect.

My overall experience of hotel marketing and personalisation strategies will influence me to:	1	2	3	4	5
encourage other people to stay at the hotel (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
talk about the hotel's good practices with	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

family/friends (2)					
post positive comments on social media (e.g. Trip advisor) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section D: Demographics

Q.20 Gender

- Male (1)
- Female (2)

Q.21 Which year were you born in?

Q.22 What is your household income? (In AU\$)

- 21,000 to 40,999 (1)
- 41,000 to 60,999 (2)
- 61,000 to 80,999 (3)
- 81,000 to 100,999 (4)
- 101,000 to 120,999 (5)
- 121,999 + (6)

Q.23 What is your highest educational level?

- High school (2)
- Vocational qualification (5)
- Undergraduate degree (3)
- Postgraduate degree (4)

Q.24 Please state your occupation in the space below

- Manager or administrator (1)
- Professional (2)
- Trades persons and related worker (3)
- Production and related worker (5)
- Participating in or watching sport activities (7)
- Domestic duties (8)
- Retired (9)
- Other (please specify) (10) _____

I would like to thank you for taking the time to complete my survey.