CUSTOMER SATISFACTION AND BRAND LOYALTY IN THE HOTEL INDUSTRY

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Abstract

Most of marketing literature recognizes customer satisfaction as a significant antecedent to Brand loyalty. Further, the relationships between both satisfaction constructs with Brand loyalty have mostly been studied separately. The purpose of this study is to explore the effects of three customer perceptions (brand image, price fairness) on customer satisfaction and Brand loyalty. A combination of a convenience and judgmental sample survey of 584 guests of three different hotels in Damascus was used to test the hypotheses. The results illustrate that customer satisfaction significantly affects customer loyalty. Also, the factors of brand image and price fairness affect Brand loyalty. Customer perception of brand image and price fairness are almost equally to build up the satisfaction. We suggest that managers should consider price fairness as foundations to build up customer satisfaction, Brand loyalty and, also to improve brand image as an added on value for customers.

Keywords: Customer satisfaction, brand loyalty, brand image, price fairness

Introduction

Customer Satisfaction and Loyalty have become a major marketing topic today. In the last 15 years, a lot of marketing research focus on identifying describing, and analyzing both subject (E.G., Anderson and Sullivan, 1993; Reichheld, 1993; Dick and Basu, 1994; Jones And Sasser, 1995; Blomer and Kasper, 1995; Bolton and Lemon, 1999; Edvardsoo et al., 2000; Homburg and Giering, 2001; Auh and Johnson, 2005; Bodlet, 2007; Terblanche and Boshoff, 2010).

The high level of consumer satisfaction has many benefits for the brand; such as increased consumer loyalty, enhanced brand reputation, reduced price elasticity, positive word of mouth and lower switching
tendency (Anderson et al., 1994; Fornell, 1992). It is believed that consumer satisfaction is a good, if not the best, indicator for a firm’s efficiency to profit (Fornell, 1992; Kotler, 1991; Reichheld and Sasser, 1990).

Reichheld (1994) argued that satisfied customers are not necessary loyal. However, Evidently, Reichheld and Markey (2000) noted that the customers who said they are ‘satisfied’ or ‘very satisfied’ showed that between 60 and 80% will defect in most businesses. The criticisms of relying solely on consumer satisfaction survey (Jones and Sasser, 1995; Reichheld, 1994) have deliberately called for a paradigm shift, from emphasis on satisfaction to the pursuit of loyalty as a strategic business goal (Oliver, 1999). Oliver (1999) noted the shift "appeared to be a worthwhile change in strategy for most firms because business understood the profit of having a loyal customer base" (p.33). Therefore it was suggested that those who are measuring customer satisfaction should not stop there (Reichheld, 1994). The shift to measure loyalty is based on a desire to better understand retention, a component of loyalty, which had a direct link to a company's profit (Taylor, 1998).

Brand loyalty can provide essential benefits for both consumers and companies. For consumers, a brand toward which they feel loyal, can act as a signal of achieved expectation. Because of familiar and favorable signal that a brand sends consumers buy the brand with more comfort believing that the brand will meet their expectations. This comfort would mostly come from the credibility of the brand established from past experiences. For companies, customer loyalty enhances brand equity by lowering vulnerability to competitive marketing actions, increasing margins, increasing marketing communication effectiveness and possibly generating more brand licensing or extension opportunities (Keller, 1998). A study by Bain & Co. (Reichheld and Teal, 2001) shows that 5% increase in customer loyalty, can increase a company’s profitability by 40 to 95% and an increase in customer loyalty of 1% is the equivalent of 10% cost reduction. Furthermore, Kapferer (2005) stated that “Brand loyalty is a marketers' Holy Grail”.

For managing customer satisfaction and loyalty, it is necessary to identify the antecedents of these constructs. Several scholars have suggested that express image, may generate more loyalty consumers (Bennett and Rundle, Thiele, 2005; Nandan, 2005). Empirical evidences have confirmed that image does impact satisfaction; which in turn led to loyalty in many industries (e.g., Bloemer and Ruyter, 1998). However, the impact of image on satisfaction required more validation, as some contradictory results can be observed in marketing literature (Palacio et al., 2002).

Price another important factor on consumer satisfaction, (Parasuraman et al., 1994), but it was rarely investigated in previous studies. Voss et
al., (1998) suggested that the price decision has an impact on consumer satisfaction. Also, they pointed out the lack of literature exploring the possible effect of consumer’s price decision on the degree of satisfaction. Parasuraman, Zeithaml and Berry (1994) also indicated that the influences of product quality and consumers’ perceived price, where often ignored in prior consumer satisfaction studies. Further, until now, the simultaneous investigated of the interrelationships between perceived quality, brand image, price fairness, satisfaction and loyalty has not yet been done.

This paper aims to examine the relationships between brand image, price fairness, satisfaction and loyalty; in the context of hotel industry. The following section describes the theoretical framework and development of hypothesis, a description of the research method and results. The discussion with conclusion, limitations, managerial implication and suggestion for future research are also reported.

**Literature review**

**Consumer Satisfaction**

Consumers’ satisfaction has been considered one of the most important constructs (Morgan et al., 1996; McQuitty et al., 2000), and one of the main goals in marketing (Erevelles and Leavitt, 1992). Satisfaction plays a crucial role in marketing because it is a predictor of purchase behaviour (repurchase, purchase intentions, brand choice and switching behaviour) (Oliver, 1993; McQuitty et al., 2000). Fornell (1992) has defined satisfaction as “Overall evaluation after purchase”. However, (Oliver, 1997) offered a deeper definition of satisfaction, “the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over fulfillment”. Finally, Kotler (1997) defines satisfaction as “a person’s feeling of pleasure or disappointed resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations”.

Consumer satisfaction research began in the marketing field in 1970s and it is currently based on the “disconfirmation of expectations paradigm” (Cadotte et al., 1987). This paradigm says that consumer brand evaluation involves comparing actual performance with certain standards. Three outcomes are likely:

1. Confirmation: where performance matches standards, leading to neutral feelings.
2. Positive disconfirmation: where performance is deemed better than standard, resulting in satisfaction.
3. Negative disconfirmation: where performance is deemed worse than standard, resulting in dissatisfaction.
Therefore, it is commonly accepted that in order to determine satisfaction or dissatisfaction, comparisons must be made between customers’ expectations and the perceived performance of the product (Yi, 1990).

Marketing researchers also distinguish between transaction-specific and cumulative consumer satisfaction (Johnson et al., 1995; Andreassen, 2000). Transaction-specific consumer satisfaction is a post-consumption evaluative judgment of a specific purchase occasion (Oliver, 1980, 1993). In contrast, cumulative consumer satisfaction that represents an overall evaluation based on the entire purchase and consumption experience with a product over time (Johnson and Fornell, 1991; Fornell, 1992; Anderson et al., 1994). This is more fundamental and useful than transaction-specific consumer satisfaction in predicting consumer’s subsequent behaviors and firm’s performance (Fornell et al., 1996; Johnson et al., 2001).

The satisfaction response will be reflected towards the level of affection for the brand, which is in line with the suggestions, by Oliver (1997, 1999). Oliver (1999) noted that consumers at the affective stage would develop a positive attitude towards the brand or liking the brand as a result of satisfactory repetitive usage over time. This current study embraced this viewpoint.

**Brand Loyalty**

The concept of “loyalty” grow out of the term “insistence” coined by Copeland (1923). Insistence is the last stage of consumers’ attitudes toward the demand for branded product. In this stage, consumers do not accept substitutes when they decide to purchase a product or service. Since Copeland, the concept of brand loyalty has been extensively investigated in consumer and marketing studies.

Oliver (1999) defined brand loyalty as "a deeply held psychological commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior " (p. 34). Current conceptualizations of loyalty have, for the most part, adopted one of three approaches (Jacoby and Chestnut, 1978). It has been suggested that loyalty may refer to customers' behavioral consistency (the behavioral approach), attitudinal predisposition toward purchase a brand (the attitudinal approach), or a combination of the two approaches (the composite approach).

Jacoby and Chestnut (1978) provided a conceptual definition of brand loyalty as: (i) biased (i.e. non-random), (ii) behavioral response (i.e. purchase), (iii) expressed over time, (iv) by some decision-making unit, (v)
with respect to one or more brands out of a set of such brands, and is a function of psychological (decision-making evaluate) processes.

Oliver (1999) has proposed four ascending brand-loyalty stages according to the cognition affect conation pattern. The first stage is cognitive loyalty. Customers are loyal to a brand based on their information on that brand. The next phase is affective loyalty, which refers to customer liking or positive attitudes toward a brand. The third step is conative loyalty or behavioral intention. This is a deeply held commitment to buy a "good intention" This desire may result in unrealized action. The last stage is action loyalty, where customers convert intentions into actions. Customers at this stage experience action inertia, coupled with a desire to overcome obstacles to make a purchase. Although action loyalty is ideal, it is difficult to observe and is often equally difficult to measure.

To sum up, the issues of loyalty mainly concerned on how loyalty is operationalized. It is very important to understand how we should measure loyalty. The authors of this study have adopted the composite approach to brand loyalty. For this study, loyal customers are customer who hold favorable attitudes toward the company, commit to repurchase the brand and recommend the brand to others.

**Customer Satisfaction and Brand Loyalty**

Many studies have been concentrated on the investigation of the satisfaction-loyalty relationship(Olsen, 2007; Balabanis et al., 2006; Suh and Yi, 2006; Auh and Johnson, 2005; Yang and Peterson, 2004; Szymanski and Henard, 2001). When consumers are satisfied with the product/brand, they are more likely to recommend the product to others, are less likely to switch to other alternative brand, and are likely to repeat purchase (Bennett and Rundle-Thiele, 2004). Similarly, Szymanski and Henard (2001) using a meta-analysis of satisfaction advocated satisfaction as a direct antecedent of loyalty. Fornell (1992) also established that satisfaction directly influences loyalty although he found that the link depends on the industrial context. Many related empirical studies (Szymanski and Henard, 2001; Johnson et al., 2001; Cronin et al., 2000; Blomer et al., 1999; Oliver, 1999; Bloemer and Ruyter, 1998; Zeithaml et al., 1996) reported that satisfied consumers demonstrate more loyal behavior. Accordingly, the first hypothesis is to repeat the test of this relationship:

**H1:** Customer satisfaction is positively associated with Brand Loyalty.

**Brand Image**

In marketing literature great attention has been given to brand image from company’s and consumer’s perspectives. The approach of company
focuses towards the improvement of marketing activity long with strategies of brand positioning and retaining a positive brand image. Consumer’s approach is based on his or her attitude towards the interpretation of brand image and brand equity. The significance of brand in the market is influenced by company’s ability to evaluate the fact how consumers interpret brand image and company’s ability to manage the strategy of brand positioning, adequately revealing brand’s equity to a consumer (Kotler, 2001).

Reynolds (1965) noted that " an image is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of the total impressions, it comes into being through a creative process in which these selected impressions are elaborated, embellished, and ordered " (p. 69). Kotler (2001) defines image as " the set of beliefs, ideas , and impression that a person holds regarding an object " (p.273). On the other hand, Keller (1993) considered brand image as " a set of perceptions about a brand as reflected by brand associations in consumer's memory " (p.3). A similar definition to Keller's was proposed by Aaker (1991), whereby brand image is referred to as" a set of associations, usually organized in some meaningful way"(p.109).

Keller (1993) regard that brand image will associate brand perception with consumers’ memory. During the buying process, brand characteristics will influence consumers’ decision, and marketing activities and consumer personal attributes will also influence brand image and purchase intention of consumers. So, a strong brand should have a clear brand image such as brand personality, organization association, feeling and self expression to represent consumer commitment by the corporation.

Aaker(1991) also regard that brand image can generate value in terms of helping customer to process information, differentiating the brand, generating reasons to buy, give positive feelings, and providing a basis for extensions. Creating and maintaining image of the brand is an important part of a firm's marketing program (Roth, 1995) and branding strategy (Keller, 1993; Aaker, 1991).

Although there are not much research found relationship between brand image and customer satisfaction, Reynold and Beatty (1999) and Stephen et al., (2007) revealed some linkages between the brand image and customer satisfaction by seeing peoples reactions to different salespersons. This study, therefore proposes the impact of brand image on customer satisfaction:

\[ H2: \text{Brand image is positively associated with customer satisfaction.} \]
Price Fairness

According to Kotler and Armstrong (2010), price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service. However, Stanton et al (1994) defined price as the amount of money or goods needed to acquire some combination of another goods and its companying services. Anderson et al. (1994) emphasized price as an important factor of consumer satisfaction, because whenever consumers evaluate the value of an acquired service, they usually think of the price.

Usually, the lower the perceived price the lower perceived sacrifice (Zeithaml, 1988). Then, More satisfaction with the perceived price and overall transaction are created. On the other hand, it is also possible that consumers use the price as a clue. It implies that lower monetary price or perceived price does not guarantee higher satisfaction. Consumers usually judge price and service quality by the concept of "equity", then generate their satisfaction or dissatisfaction level (Oliver, 1997).

Recently, marketing literature showed researchers’ inclination towards price fairness in relation with customer satisfaction (Hermann et al., 2007; Kukar-Kinney et al., 2007; Martin-Consuegra et al., 2007). Price fairness refers to consumers’ assessments of whether a seller’s price is reasonable, acceptable or justifiable (Xia et al., 2004; Kukar-Kinney et al., 2007). Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. Research has shown that customer’s decision to accept particular price has a direct bearing at satisfaction level and loyalty and indirectly (Martin-Consuegra et al., 2007). In another study of Herrmann et al., (2007), it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. The price fairness itself, the way it is fixed and offered have a great impact on satisfaction. In this context, this study then proposes the following:

H3: price fairness is positively associated with customer satisfaction.

The Relationship Among Brand Image, Price Fairness And Brand Loyalty

According to Johnson et al., (2001), key to perception of corporate image is the organization-related association held in a customers memory. Since consumer could evoke the past experience in future purchase intention, previously image could appear as an explicatory variable of the purchase intention in this context.

Moreover, when the company on the basis of it’s view of the market creates brand and translates this brand into the brand image as perceived by customer, this strategy develops greater customer satisfaction furthermore
greater brand loyalty (Royle et al., 1999). Based on this discussion, the next hypothesis is:

\[ H4 : \text{Brand image is positively associated with Brand loyalty}. \]

Ti Bei and Ching Chiao (2001) found perceived price fairness has positive effects; both direct and indirect effect (through consumer satisfaction) on consumer loyalty. From customer’s perspective, price is what is given up or sacrificed to obtain a product. It is possible to display the intention of repeat purchase behavior. On the other hand, if customers do not feel that their sacrifices are worthwhile, they may not the purchase again, even when they are satisfied with the quality of a product. Based on this discussion, the next hypothesis is:

\[ H5 : \text{price fairness is positively associated with Brand loyalty}. \]

Research methodology

Sampling design and data collection

Testing the suggested research hypotheses was accomplished through a combination of a convenience and judgmental sample survey of guests of three different hotels in Damascus, Syria. The questionnaires were delivered through the reception desk to those guests checking in during the four weeks' data-collection period. A total of 600 questionnaires were distributed. Incomplete and inappropriate answered, using cross-test, were excluded 584 usable responses were obtained, which providing an acceptable level of response rate (97.3 %). Among the 584 respondents, 44.2 % were male and 55.8 % were female. 40% were age between 25-54 years and 60% were age above 55 years. 30.5% were annual income between $25,000-$50,000, 55% were annual income between $50,000-$75,000, 14.5 were annual income between $75,000 and more.

Results

Measurement model

This study implements a structural equation modeling (SEM) approach, using AMOS 18, to develop a model that represents the causal relationships among the variables (Chin, 2001). The questionnaire items employed to collect data were adapted from Fornell et al., (1996), Yoo et al., (2000), Aaker and Alvarez (1995) and Kukar-Kinney et al. (2007). Each variable was measured using previously developed components of instruments that have demonstrated good psychometric properties. The study survey consisted of Five sections: perceived quality, measured using Six items; Brand image, measured Two items; price fairness, measured using four items; customer satisfaction, measured using three items; Brand loyalty, measured using eight items.
A confirmatory factor analysis (CFA) was conducted to empirically test the measurement model. Multiple tests on construct validity and reliability were performed. Model fit was evaluated using the maximum likelihood (ML) method.

**Construct reliability.** Construct reliability was assessed using Cronbach’s $\alpha$, composite reliability (CR) and average variance extracted (AVE) using CFA. As the $\alpha$-values (Table I) for all the constructs are greater than the guideline of 0.70, it can be concluded that the scales can be applied for the analysis with acceptable reliability (Saunders et al., 2003). CR and AVE were calculated from model estimates using the CR formula and AVE formula given by Fornell and Larcker (1981). In the measurement model, all constructs had a CR over the cut-off of 0.70 and the AVE for all exceeded the recommended level of 0.5 (Bagozzi and Yi, 1988). Based on these assessments, measures used within this study were within the acceptable levels supporting the reliability of the constructs (Table I).

**Construct validity.** Construct validation includes content, convergent, and discriminate validities. Content validity was verified by expert judgment and by a careful literature review. Convergent validity can be evaluated by examining the factor loadings. All estimated standard loadings (Table I) were $>0.50$, suggesting good convergent validity (Lin and Ding, 2006). To assess the discriminant validity, Fornell and Larcker’s (1981) criterion, that square root of the AVE for each construct should be greater than the correlation between constructs, was used. Table II shows the values of the square root of the AVE are all greater than the inter-construct correlations.

Nine common model-fit measures were used to assess the model’s overall goodness of fit. As shown in Table III, all the model-fit indices exceeded the respective common acceptance levels suggested by previous research, demonstrating that the measurement model exhibited a good fit with the data collected.
<table>
<thead>
<tr>
<th>Items</th>
<th>BI</th>
<th>PF</th>
<th>CS</th>
<th>BL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.807</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>0.806</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0.888</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0.887</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>0.871</td>
<td></td>
<td></td>
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<tr>
<td>6</td>
<td>0.828</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>0.799</td>
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</tr>
<tr>
<td>8</td>
<td></td>
<td>0.749</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>0.645</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td>0.748</td>
<td></td>
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<td>12</td>
<td></td>
<td></td>
<td>0.732</td>
<td></td>
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<td>13</td>
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<td></td>
<td>0.732</td>
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<td></td>
<td>0.720</td>
<td></td>
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<td>15</td>
<td></td>
<td></td>
<td>0.715</td>
<td></td>
</tr>
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<td>16</td>
<td></td>
<td></td>
<td>0.654</td>
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<td>17</td>
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<td></td>
<td>0.613</td>
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<tr>
<td>18</td>
<td></td>
<td></td>
<td>0.600</td>
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<tr>
<td>Reliability</td>
<td>0.722</td>
<td>0.907</td>
<td>0.790</td>
<td>0.883</td>
</tr>
<tr>
<td>CR</td>
<td>0.727</td>
<td>0.909</td>
<td>0.794</td>
<td>0.887</td>
</tr>
<tr>
<td>AVE</td>
<td>0.572</td>
<td>0.713</td>
<td>0.563</td>
<td>0.502</td>
</tr>
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</table>

Table II. Correlation and average variance extracted

<table>
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<tr>
<th>BL</th>
<th>BI</th>
<th>PF</th>
<th>CS</th>
</tr>
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<tbody>
<tr>
<td>BL</td>
<td>0.709</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BI</td>
<td>0.362</td>
<td>0.756</td>
<td></td>
</tr>
<tr>
<td>PF</td>
<td>0.281</td>
<td>0.169</td>
<td>0.845</td>
</tr>
<tr>
<td>CS</td>
<td>0.637</td>
<td>0.350</td>
<td>0.328</td>
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</tbody>
</table>

Table III. Measurement Model Fit Indices

<table>
<thead>
<tr>
<th>Fit index</th>
<th>Recommended value</th>
<th>Indices values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square / (df)</td>
<td>≤ 3.00</td>
<td>2.49</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0.92</td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0.80</td>
<td>0.90</td>
</tr>
<tr>
<td>NFI</td>
<td>≥ 0.90</td>
<td>0.92</td>
</tr>
<tr>
<td>IFI</td>
<td>≥ 0.90</td>
<td>0.95</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0.90</td>
<td>0.95</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.90</td>
<td>0.94</td>
</tr>
<tr>
<td>RFI</td>
<td>≥ 0.90</td>
<td>0.90</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.05 to 0.08</td>
<td>0.051</td>
</tr>
</tbody>
</table>
Structural model

Bootstrapping with 1000 resample's was done to derive t-statistics to assess the significance level of the model’s coefficients and to test the hypotheses (Chin, 2001). Using AMOS version 18.0, the researcher determine the path coefficients. Figure 1 shows the Results of structural model.

![Figure 1. Results Of Structural Model](image)

Table IV. Hypothesis-testing results

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficients (B)</th>
<th>t-values</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2 CS</td>
<td>0.157</td>
<td>3.142**</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H3:PF CS</td>
<td>0.154</td>
<td>5.546***</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H1:CS BL</td>
<td>0.499</td>
<td>7.457***</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 BL</td>
<td>0.111</td>
<td>2.226*</td>
<td>0.026</td>
<td>Supported</td>
</tr>
<tr>
<td>H5 BL</td>
<td>0.063</td>
<td>2.242*</td>
<td>0.025</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Notes: ***p < 0.001, **p < 0.01, *p < 0.05
BI showed had a positive effect on both CS ($\beta = 0.157 \ , \ p < 0.01$) and BL ($\beta = 0.111 \ , \ p < 0.05$). Thus, $H2$ and $H4$ were supported (Table IV). In addition PF had a positive effect on both CS ($\beta = 0.154 \ , \ p < 0.001$) and BL ($\beta =0.063 , \ p < 0.05$) Therefore , $H3$ and $H5$ was supported. CS had positive effect on BL ($\beta = 0.499\ , \ p < 0.001$). Therefore , $H1$ was supported.

**Discussion And Conclusions**

The key objective of this study is to explore the effect of brand image and price fairness on customer satisfaction and loyalty. The result of this study have verified the previous finding ( Cronin et al., 2000; Lee, 1998; McDougall and Levesque, 2000; Stephen et al., 2007) that customers established higher loyalty toward a brands when they are more satisfied. This is also consistent with prior studies (Bloemer and Kasper, 1995; Fornell, 1996; Lee, 1998; Oliver, 1999; McDougall and Levesque, 2000). In addition, brand image and price fairness played important roles on satisfaction. Although numerous mentioned that relation between customer satisfaction and customer loyalty and which determines effect to customer satisfaction, there was no empirical study focusing simultaneously on brand image and price fairness. Since brand image and price fairness were often not include in previous marketing studies regarding customer satisfaction, this study endeavors to establish the links among these elements. That price fairness is an important determinant of customer satisfaction. Also, the results provide concrete empirical evidence that brand image is positively related to consumer satisfaction, which are as important as price fairness. Thus, from a managerial standpoint, managers should not emphasize only price fairness in a total customer satisfaction program. Brand image is fundamental and also important to build up consumer satisfaction. None of them can be ignored or partially accentuated.

As expected, brand image and price fairness are positive related to Brand loyalty. Managers need to understand the important role of, brand image, price fairness and satisfaction in order to be able to predict brand loyalty. All the above variables provide several managerial implications and are important issues in the development and implementation of marketing strategies aimed at building and maintaining market share.

The results suggest that to improve brand loyalty and customer's satisfaction in the hotel industry, marketers should improve the hotels brand strategy that relates to aspects of how the branded hotel can provide a solution to their customer's needs and expectation, the good impression of visiting their hotel, and the effectiveness of the brand. Price is the necessary sacrifice that a customer gives to exchange for the service. However, if consumers are only satisfied with the service and price provided by a firm, they may only repeat visiting habitually, but without true loyalty. Thus, the
best strategy for a marketing manager in mobile industries is to ensure the basic quality of services sold at a fair price, then emphasize brand image to provide added values in order to maintain customers.

This study highlights the important of image, price fairness and customer satisfaction to improve loyalty. Moreover, in a hotel chain, this may present challenges for management since the performance of on hotel may influence customers’ perception of other hotels in the same chain. It is thus vital to maintain consistency in service standards of all hotels belonging to chain. This may prove difficult where the chain hotel has properties in different countries. Although customers value consistency highly, they equally value personalised service. Hence, it is important that a chain hotel also maintain its individuality through personalised service. Customer loyalty can therefore be nurtured by providing consistent superior room facilities, complemented by the personalised services of housekeeping staff.

The finding of this study contributes to the growing body of knowledge in service management and hospitality management. This study could be replicated in chain restaurants and/or in other service sectors. The strength of this research lies in the fact that it provides an actionable focus for the managers of hotels in their pursuit of a competitive advantage. The author conclude that an organization’s long-term success in market is essentially determined by its ability to expand and maintain a large and loyal customer base. However, it is important to recognize that customer loyalty is time specific and non-preferment and, thus, requires continues and consistent investment. Hotel organization must, therefore, constantly strive to develop and maintain their customers’ loyalty or, as is true in the majority of relationships, risk losing it to someone else.

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