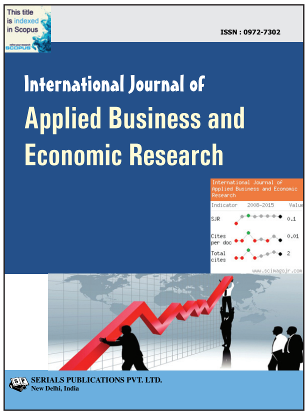

International Journal of Applied Business and Economic Research

ISSN : 0972-7302

available at http: www.serialsjournals.com

Volume 15 • Number 23 (Part 2) • 2017

Antecedents and Consequences of Customer Loyalty: A Conceptual Model

Gurpreet Singh[1], Inderpal Singh[2] and Sandeep Vij[3]

[1] *Research Scholar, I.K. Gujral Punjab Technical University (PTU), Jalandhar & Assistant Professor, B.A.M. Khalsa College, Garhshankar. Email: profgurpreetsingh@gmail.com*

[2] *Associate Professor, KCL Institute of Management and Technology, Jalandhar (Punjab). Email: arorainderpal8086@gmail.com*

[3] *Associate Professor, Department of Commerce and Business Management, DAV University, Jalandhar (Punjab). Email: profsandeepvij@gmail.com*

ABSTRACT

This review paper identifies the antecedents and consequences of customer loyalty and suggests a conceptual model. The paper identifies four dimensions (customer satisfaction, commitment, trust, and image) that potentially determine customer loyalty and four probable outcomes of customer loyalty (word-of-mouth, repurchase intention, price premium and share-of-wallet). Conflict handling and switching costs have been proposed as the moderators of customer satisfaction and customer loyalty relationship. The paper highlights the managerial implications of the insights generated by the identified relationships between the building blocks of the model. The review paper concludes by suggesting how this conceptual framework and propositions emerging from it provide a rich agenda for further research.

Keywords: Customer loyalty, customer satisfaction, commitment, trust, image, conflict handling, switching costs, word-of-mouth, repurchase intention, price premium, share-of-wallet.

1. INTRODUCTION

Customer loyalty is a deeply held commitment to rebuy or patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or the same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 1999).

The contemporary business environment is becoming more fluctuating, more competitive and more challenging. Marketers recognize the significance of retaining existing customers and adopt a variety of tricks or schemes to improve customer loyalty. The benefits coupled with customer loyalty are widely acknowledged in the literature. The costs of retaining existing customers through customer loyalty are much lower than the new customer acquisition costs, especially in mature and competitive markets (Ehrenberg & Goodhardt, 2000; Rosenberg & Czepiel, 1984). Depending on the industry, an improvement of mere five percent in customer retention leads to a boost of 25 to 85 percent in earnings (Reichheld & Sasser, 1990). A firm bears four to five-fold extra cost to obtain new customers than to stick with the present ones (Kotler & Keller, 2006; Zeithmal *et. al.*, 1996). An average company loses half of its customers in five years (Reichheld and Teal, 1996). Therefore, every company should have a successful customer loyalty strategy that leads to customer retention.

There is need to understand and investigate the factors that could enhance customer loyalty in the industry in the Indian context. The rapid growth, increased competition and unstable organizational performance in service sector lead us to investigate the human behavior factor of customer loyalty. The study endeavors to determine the factors that enhance customer loyalty towards organizations. The services sector in India is growing by leaps and bounds (Dasgupta and Singh, 2005; Panda, 2009). The competition is heating up and there is a war for the same set of customers. In this scenario, market players can gain competitive advantage through customer loyalty. Many previous studies have found a significant positive relationship between customer loyalty and business performance. Customer loyalty has been linked to business performance, organizational success, profit, and cost (Baldauf *et. al.*, 2003; Liang *et. al.*, 2009; Camarero *et. al.*, 2005). It is incumbent upon the academics and practitioners alike to investigate the strategies to increase customer loyalty.

Based on a thorough review of extant literature(e.g. Dick and Basu, 1994; Ndubisi *et. al.*, 2007; Palmatier *et. al.*, 2007; Matzler *et. al.*, 2015; Walsh *et. al.*, 2008; Evanschitzky *et. al.*, 2012; Matzler *et. al.*, 2015; Kandampully *et. al.*, 2015), this paper suggests a conceptual model (Figure 1), identifying the antecedents and consequences of customer loyalty. The structure of this conceptualized model is categorized into three parts. The first part presents the antecedents of customer loyalty i.e. customer satisfaction, commitment, trust and image identified from the review of marketing literature. In the second part, conflict handling and switching costs are proposed as the moderators. The third part proposes the consequences of customer loyalty i.e. word-of-mouth, repurchase intention, price premium, and share-of-wallet.

Antecedents of Customer Loyalty

As depicted in Figure 1, we have identified main antecedents of customer loyalty (customer satisfaction, commitment, trust, and image) along with some moderators (conflict handling, switching cost). A detailed explanation of these building blocks in the conceptual framework and emergent propositions, based on our review of past literature, is presented below:

(a) Customer Satisfaction

Oliver (1980) defined satisfaction as a post-choice evaluative judgment concerning a specific purchase decision. He explained the positive, negative and zero disconfirmation theory of satisfaction resulting from the actual versus expected performance. Customer satisfaction refers to the customer's evaluation of expectations versus actual performance (Jordaan & Prinsloo, 2004). Satisfaction is an essential determinant of loyalty formation (Oliver, 1999). Satisfaction and loyalty demonstrate a solid positive relationship (Curties *et. al.*, 2011; Popp & Woratschek, 2017).According to Cant and Toit (2012), customer satisfaction is an

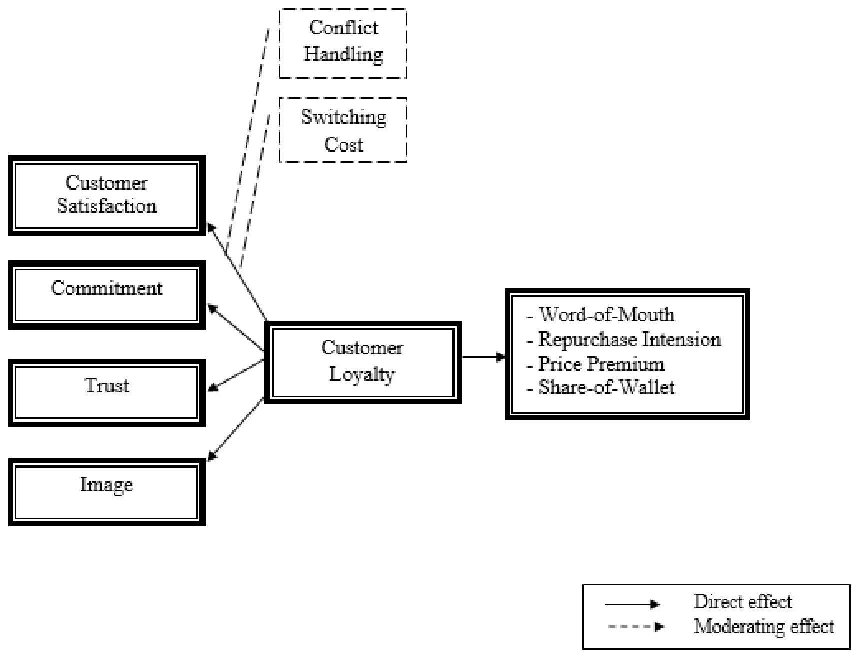

Figure 1: Conceptualized Model of Antecedents and Consequences of Customer Loyalty

important driver of the customer loyalty and it appears after providing active service and ready availability of the merchandise. Beerli *et. al.*, (2004) find in their research that satisfaction leads the customer loyalty directly and perceived quality is the consequence of customer satisfaction. Customers express loyalty when they find intrinsic and extrinsic quality attributes from the products (Fandos & Flavian, 2006). Customer satisfaction should be viewed as a major outcome of marketing activity, thus serving to link processes culminating in purchase and consumption with such post-purchase phenomena as attitude change, repeat purchase, and brand loyalty (Churchill and Surprenant, 1982; Shin *et. al.*, 2017). Satisfaction is the main source for attracting and retaining customers (Patterson *et. al.*, 1997). Oliver *et. al.*, (1997) suggest that the relationship between satisfaction and loyalty is non-linear, meaning that in case satisfaction increases above a certain level, customer loyalty will increase rapidly. A satisfied customer avoids switching and negative word-of-mouth (Singh, 1988). A Customer is said to be loyal to a brand that provides a satisfactory experience (Hallowell, 1996). Various previous studies have investigated the relationship between satisfaction and customer loyalty and conclude that loyalty is the outcome of rich experience of the customer (e.g. Newman & Werbel, 1973; Churchill & Surprenant, 1982; Johnston, 1995; Fornell *et. al.*, 1996, Patterson, 1997; Angur *et. al.*, 1999; Shoemaker & Lewis, 1999; Caruana, 2002; Beerli et. al., 2004; Ehigie, 2006; McMullan & Gilmore, 2008; Liang *et. al.*, 2009; Xin & Guo, 2010; Wong 2011;Popp and Woratschek, 2017). Based on these observations, we propose:

Proposition 1: *Customer satisfaction is directly and positively related to customer loyalty.*

(b) Commitment

Commitment and loyalty are two different but inter-connected concepts. Commitment differs from loyalty as commitment refers to economic, emotional and or psychological attachments which a customer has with a particular store or brand or service and then because of this commitment the customer decides to be loyal or disloyal with the brand (Thomson *et. al.*, 2005). According to Beatty and Kahle (1988), commitment is a key antecedent of company loyalty. Commitment plays the role of stabilizing the behaviors irrelevant to the circumstances (Scholl, 1981). Consumer commitment is the psychological connection to a service to continue the relationship with his existing supplier. Commitment is an essential component of a long-term relationship (Beatty *et. al.*, 1988; Morgan & Hunt, 1994; Shukla *et. al.*, 2016; Izogo& Izogo, 2017). It is a useful construct for measuring the likelihood of customer loyalty (Gundlach *et. al.*, 1995). Commitment is one of the important, common as well as dependent variable employed in buyer-seller relationship studies (Wilson, 1995). Commitment has a stronger strength, robustness, and stability than the general attitude towards the brand. Affective commitment produces a stronger link to loyalty (Fullerton, 2003). Customer commitment is described as a logical antecedent to loyalty (Evanschitzky *et. al.*, 2006). Luarn and Lin (2003) argue that commitment is having a significant relationship with loyalty. Commitment strengthens the relationship between inertia and customer loyalty, only commitment provides resistance to attractiveness from alternative offerings and generates action loyalty (Wu, 2011). By conducting empirical research various researchers have found that commitment establishes and affects loyalty and it is an essential part of successful long-term relationships (e.g. Morgan & Hunt, 1994; Gundlach *et. al.*, 1995; Oliver, 1997; Garbarino & Johnson, 1999; Fullerton, 2003; Hansen *et. al.*, 2003; Shukla *et. al.*, 2016; Izogo& Izogo, 2017). Therefore, we propose:

Proposition 2: *Commitment is directly and positively related to customer loyalty.*

(c) Trust

Trust is the key variable in influencing customer loyalty in successful relational exchanges. Trust is defined as "the willingness to rely on an exchange partner in whom one has confidence" (Moorman *et. al.*, 1993). Trust is, therefore, a major determinant of relationship commitment (Morgan and Hunt, 1994), and exists when there is confidence in a partner's reliability and integrity. According to Aydin and Özer (2005), trust is the most important determinant of customer loyalty. Ganesan (1994) proposed that trust is the key for the determination of long-term orientation between buyer and seller. Further, a key component of trust is the extent to which the customer believes that the vendor has intentions and motives beneficial to the customer and is concerned with creating positive customer outcomes.

According to Ndubisi *et. al.*, (2007), trust along with relationship qualities are directly associated with loyalty. Reichheld and Schefter (2000) argue that to gain loyalty in customers, you must first gain their trust. On account of trust, they share their own data which empowers the organization to frame more close association with the client. It implies more tailor-made offerings to the individual client, which thus expands trust and fortifies loyalty.

In the United States, more than half of the bank customers place more importance on trust in their relationship with financial institutions than getting the best value for their investment (Ferguson, 2003). Lau and Lee (1999) suggest that trust is an important factor in the development of brand loyalty. According to Chaudhuri (2001), brand trust has a direct relationship with a loyalty which further leads to market share and higher prices of the brand. Where consumers have to evaluate complex services, they look for trust as a vehicle to mitigate the perceived risk in dealing with services providers (Ennew & Sekhon, 2007). It is vital for the services industry to gain a better understanding of the concept of trust and the factors that lead to developing a trusting relationship with their customers (Kharouf & Sekhon, 2009). There are number of previous studies which investigated the relationship between trust and loyalty (e.g. Wilson 1995; Garbarino & Johnson, 1999; Luarn & Lin, 2003; Ball et. al., 2004; Matzler *et. al.*, 2006; Eisingerich & Bell, 2007; Oly *et. al.*, 2007; Liang *et. al.*, 2009). The findings mostly support positive and significant linkages in all research settings. Therefore, we propose:

Proposition 3: *Trust is directly and positively related to customer loyalty.*

(d) Image

Corporate image is an overall picture in the mind of customers. It is related to both the aspects- physical as well as behavioral which include the name of the firm, communication methods, products, and services. According to Andreassen and Lindestad (1998), if the firm's portrait is positively projected in the minds of customer he will repeat the spending with the same firm. Both the corporate image and brand image could support or destroy customer's beliefs of acquiring value, thereby directly influence customer attitude and behavior (Abdullah *et. al.*, 2000; Kandampully *et. al.*, 2015). The image is observed to be the most noteworthy element that bank clients search for so as to be faithful or loyal to their banks (Eakuru & Mat, 2008).Hung (2008) suggested that favorable brand image can enhance customer loyalty. Furthermore, the direct effect of brand image on customer loyalty is stronger than that of public relation intention. According to Aydin and Ozer (2005), corporate image is one of the major antecedents of customer loyalty. Veloutsou *et. al.*, (2004) argue that image is having a very strong link with the perceived quality and satisfaction and ultimately with the loyalty. Higher the favorable image, the higher the customer loyalty is. There is a huge and direct effect of brand image on customer loyalty. When an image is favorable, the positive impression would enhance the possibility of repurchase and word-of-mouth. Many other studies acknowledge the importance of corporate image and its positive correlation with the loyalty (e.g. Heung *et. al.*, 1996; Andreassen & Lindestad, 1998; Nguyen 1998; Kandampully & Suhartanto, 2000; Nguyen, 2001; Chun & Davies, 2006; Kumar *et. al.*, 2011; Kandampully *et. al.*, 2015; De Leaniz and Del Bosque, 2016). Therefore, we propose:

Proposition 4: *Image is directly and positively related to customer loyalty.*

(e) Conflict Handling

We propose conflict handling as a moderator in the conceptualized model. Conflict handling refers to the supplier's ability to minimize the looming consequences of manifest and prospective conflicts (Dwyer *et. al.*, 1987). Service providers should proactively handle sources of conflict, present as well as potential conflicts because conflict handling is an important gauge of customer satisfaction. When the client is fulfilled and has trust in future execution on the grounds that the past execution has been reliably attractive with no contention or conflicts, the outcome is high relationship quality (Ndubisi, 2006). Hands-on conflict handling is a key skill every service provider should have (Selnes, 1998). Conflicts handling replicates the mastery or prodigy of the supplier to evade prospective conflicts along with handling manifest conflicts. Further, it reflects the supplier's skills to converse frankly about the solutions when problems occur (Dwyer *et. al.*, 1987; Oly & Kok, 2005). How conflicts are handled will ensure loyalty, exit or voice. It has been argued that long-term relationship relies on the degree of past experience with the replacement options one has (Rusbult *et. al.*, 1988). Levesque and McDougall (1996) find that service problems may adversely affect the bank customer's satisfaction and intentions to switch. On the other hand, unsuitable issue recuperation lessens consumer satisfaction and loyalty. Conflict handling leads to rich satisfactory experience while poor handling may lead to ill-will and will contribute to the dissatisfaction of the customer. A dissatisfied customer is more loyal, once persuaded to stay after effective handling (Fornell & Wernerfelt, 1987; Cambra-Fierro *et. al.*, 2016). Developing early solutions after collection and analyzing of customer complaints leads to the greater customer satisfaction. In the event that a protestation or complaint is dealt with successfully, it is no doubt that the client will feel satisfied or fulfilled and stay loyal. (Faed *et. al.*, 2014; Luo *et. al.*, 2016). Therefore, we propose:

Proposition 5: *Conflict handling moderates the relationship between customer satisfaction and customer loyalty.*

(f) Switching Cost

We propose switching cost as a moderator in the conceptualized model. Switching cost moderates the relationship between customer satisfaction and customer loyalty. Switching cost is the cost which a customer incurs by changing its service provider and need not incur it if he/she shows loyalty to the present supplier. In addition to monetary switching costs, there are also psychological (effort and time based) switching costs. According to Wong (2011), switching cost plays a significant moderating effect on customer satisfaction and retention link. Jackson (1985) contends that unsuccessful change genuinely hurt the client's operations, such sort of introduction make the customer or purchaser more traditionalist and more hesitant to change. Loyalty appears when customer observes the high switching cost (Ping, 1993; Matzler *et. al.*, 2015). Lee *et. al.*, (2001) highlight the imperative role of switching cost between the customer satisfaction and loyalty. High switching cost even retains the customer who is actually spurious loyal towards the provider. Switching cost discourages the customer to switch who is irked from the services. An organization that has low levels of consumer satisfaction needs to fortify boundaries to switching and comprehend the elements that urge clients to stay and expand on them. Switching cost acts as a barrier to exit in the case of average level of customer satisfaction (Yanamandram & White, 2006; Gronhang & Gilly, 1991). High switch cost discourages the customer to establish a new relationship by leaving the current (Jones & Sasser, 1995). Aydin and Özer (2005) suggest that switching cost appeared to have an impact on consumer loyalty; the switching expense ought to be considered as a more imperative variable because of its aberrant impact. Yang and Peterson (2004) reveal that moderating effects of switching costs do exist when a customer satisfaction or perceived value level is above average. Substantial switching cost and low attractive alternatives make the client a hostage, and they fly finding the right opportunity. Low satisfaction and low switching cost lead to defection (Sharma & Patterson 2000). A hefty switching cost and awful swap process bound the dissatisfied customers to the current service provider (Porter, 1980; Jackson, 1985). Thus, switching cost and its intensity moderates the link between customer satisfaction and customer loyalty (Lee *et. al.*, 2001; Lam *et. al.*, 2004; Wong 2011). Therefore, we propose:

Proposition 6: *Switching costs moderate the relationship between customer satisfaction and customer loyalty.*

Consequences of Customer Loyalty

The antecedents proposed in the conceptualized model affect customer loyalty and retention, which in turn increase the revenue and lower the operating costs to increase profitability. The more loyal the customers, the longer the relationships; which accelerate sales, generate a positive intention, price premium and profits to the supplier. Various researchers emphasize the positive relationship existing between customer loyalty and business growth (e.g. Reichheld & Sasser, 1990; Reichheld, 1992; Sheth & Parvatiyar, 1995). Customer loyalty has many benefits for the banking, insurance and other financial services e.g. Customer loyalty has been linked to business performance, organizational success, profit, and cost (Baldauf, Cravens & Binder, 2003; Liang, Wang & Farquhar, 2009). The increased competition in retail banking could lead to disloyal and switch customers (Oly *et. al.*, 2007; Beerli, Martin & Quintana, 2004, Lauren & Lin, 2003). Loyal customers not only increase the value of the business, but they also enable it to maintain costs lower than those associated with attracting new customers (Barsky, 1995; Lam & Burton, 2006). Customer loyalty creates entry barriers for competing brands; makes it possible to charge higher prices; gives the company time to react on competitor's innovations; and also function as a buffer in times of intensive price competition (Aaker, 1996).

Based on extant literature, we propose (*see* Figure 1) word-of-mouth; repurchase intention, price premiums and share-of-wallet as the consequences of customer loyalty, as explained below:

(g) Word-of-Mouth

Word-of-mouth is an informal oral communication. The loyal customers act as word-of-mouth marketers for any company. Customers who are loyal are more probable to present constructive word-of-mouth for an organization (Dick and Basu, 1994; Luo & Homburg, 2007; Akbari *et. al.*, 2016). Reynolds and Beatty (1999) suggest that the long-term loyal relationship results in greater social benefits and higher word-of-mouth for the salesperson and the firm. Customers in long-existing loyal relationships provide free publicity, which has a propensity to promote a potentially big business (Reichheld & Sasser, 1990). Reichheld (2003) argues that recommend intention is the best metric for gauging customers' loyalty behaviors. Clients who are willing to risk their own reputation by recommending a particular service provider to friends or colleagues are most likely to use the same firm for future investment needs (Eisingerich & Bell, 2007). Shrinivasan (2002) suggests that e-loyalty has a positive impact on positive word-of-mouth. A satisfied as well as committed customer speak positive and recommends his/her company to the others (Bettencourt, 1997). Tsao and Hsieh (2012) suggest that when customers' satisfaction and trust is converted into loyalty, they spread electronic word-of-mouth (eWOM). Loyal customers also act as information channels, informally linking networks of friends, relatives and other potential customers to the organization (Shoemaker & Lewis, 1999). There is a significant relationship between loyalty and positive recommendations (e.g. Zeithaml, Berry & Parasuraman, 1996; Lam *et. al.*, 2004; Palmatier *et. al.*, 2006; Lam & Burton, 2006; Cant & Toit, 2012; Akbari *et. al.*,2016). Therefore, we propose:

Proposition 7: *Customer loyalty leads to positive word-of-mouth.*

(h) Repurchase Intention

Hellier *et. al.*, (2003) define repurchase intention as individual judgments about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances. Repurchase intention is a sound service outcome that is measurable (Butcher, 2005). Curtis *et. al.*(2011) argue that loyalty and repurchase intention indicate the strongest positive relationship. Customer loyalty emerges as the dominant, significant, direct determinant of repurchase intentions (Eisingerich & Bell, 2007).The buyer's aura to repurchase is a fundamental component of loyalty (Law *et. al.*, 2004). Power and Valentine (2008) have recommended that combined levels of satisfaction impact the customer's reliability or loyalty to the item or services, which impact behavioral goals including buy intention. Customer loyalty manifests itself in two dimensions – recommending a services provider to other customers and repeatedly patronizing the provider (Lam *et. al.*, 2004). The overall positive experience of the customer leads to favorable behavioral intention and lessens malevolence (Zeithaml, Berry & Parasuraman, 1996). Thus, building customer loyalty is a strategic necessity in the modern competitive era and gives birth to repurchase intention (Reichheld, 1992; Reynolds & Beatty, 1999; Bolton *et. al.*, 2000; Fullerton, 2003). Therefore, we propose:

Proposition 8: *Customer loyalty gives birth to repurchase intention.*

(i) Price Premium

The price premium is defined as the sum customers are willing to pay more for a particular product or service, compared to others, and can be either negative or positive. A basic indicator of loyalty is the amount a customer will pay for the brand in comparison with another brand offering similar benefits (Aaker, 1996). Reichheld and Sasser (1990) suggest that organizations with long lasting clients can often charge more for their products or services. Many individuals will pay more to remain with the organizations than to take a risk on a more affordable contender. Shrinivasan (2002) found that e-loyalty has a positive impact on willingness to pay more.Emotional attachment or association of customer to the company might decrease customer resistance to premium prices (Mattila, 2001). Loyalty to the selling firm boosts the customer's readiness to pay a price premium (Palmatier *et. al.*, 2007). Loyalty is an extensively stronger driver of price premium because of customers' emotional attachment to the company (Evanschitzky *et. al.*, 2012). There is a significant relationship between loyalty and price premium. Overall satisfied customer continues availing of services from service provider even if its prices increase somewhat. A loyal customer is ready to pay a higher price than competitors charge for the benefits he/she is currently receiving a product/service (Zeithaml *et. al.*, 1996). Therefore, we propose:

Proposition 9: *There is a direct and significant relationship between customer loyalty and price premium.*

(j) Share-of-Wallet

Share-of-wallet is the amount of the customer's total spending that a business captures in the products and services that it offers. According to Du *et. al.*, (2007), share-of-wallet of a customer is the share of total requirements across all the product categories the focal firm offers. Developing a sustained relationship with the satisfied customer may have the greatest chance of maximizing the share-of-wallet (Lam & Burton, 2006; Keiningham *et. al.*, 2015). Loyal customers are ready to spend more with the same seller that means more share-of-wallet (Palmatier *et. al.*, 2006). Loyalty has positive effects on customer lifetime value and their share of expenditures (Waarden, 2007). The charm of a loyalty and various reward programs has a positive impact on share-of-wallet (Wirtz *et. al.*, 2007). According to Dowling and Uncles (1997), loyalty programs straightforwardly upgrade the product or service value proposition. It neutralizes the contenders' methodology and further persuades the purchaser to make the following buy of an item. Jones and Sasser (1995) argue that customer loyalty is the sentiment connection to or affection for a company's people, items as well as in its administration. These feelings show themselves in many forms of client conduct. The definitive measure of loyalty is a share of purchases in the category. Likewise, many other studies advocate that customer loyalty results in higher share-of-wallet (e.g. Dowling and Uncles 1997; Magi 2003;

Baumann *et. al*., 2005; Leenheer *et. al*., 2007; Meyer, 2007; Evanschitzky *et. al*., 2012; Cant & Toit, 2012). Therefore, we propose:

Proposition 9: *Customer loyalty enables the firm to grab maximum share-of-wallet.*

2. CONCLUSION AND SUGGESTIONS

The foregoing discussion offers several insights and propositions concerning antecedents and consequences of customer loyalty. Specifically, it identifies four determinants of customer loyalty along with two moderators and four probable outcomes of customer loyalty.

Based on the insights from this study, practicing managers can fine tune their decisions to enhance the customer loyalty and marketing performance. Managers should develop effective solutions for redressing the complaints of the customers; as conflict handling moderates the relationship between customer satisfaction and customer loyalty. At the same time, they should try to incorporate some switching costs for customers in their business model, so that even averagely satisfied customers remain loyal to them. In addition, they should focus on augmenting the customer commitment and use it as a shield against the attractive and alluring offers by the competitors. They should endeavor to build a relationship of trust and faith with the customers to win their loyalty. They should also take steps to position both their company and the brand positively in the minds of customers, through effective and integrated marketing communication. For evaluating the effectiveness of their customer loyalty initiatives, the marketing managers should measure and compare word-of-mouth, repurchase intention, price premium and share-of-wallet at regular intervals.

The proposed theoretical model and propositions emerging from it provide a rich agenda for further research. First, there is a need and chance to operationalize the constructs and sub-constructs of customer loyalty, as proposed in the model. The model will hopefully serve as a framework for further empirical research in the realm of customer loyalty and marketing performance measurement and management. Empirical research may be conducted in different service settings and product markets to test the proposed hypotheses about antecedents and consequences of customer loyalty.

Acknowledgement

This research was supported by I.K. Gujral Punjab Technical University (PTU), Jalandhar.

References

Aaker, D. A. (1996). Measuring brand equity across products and markets. *California Management Review*, 38(3), 103.

Abdullah, M., Al-Nasser, A. D., & Husain, N. (2000). Evaluating the functional relationship between image, customer satisfaction and customer loyalty using general maximum entropy. *Total Quality Management,* 11(4-6), 826-829.

Akbari, M., Kazemi, R., & Haddadi, M. (2016). Relationship marketing and word-of-mouth communications: Examining the mediating role of customer loyalty. *Marketing and Branding Research,* 3(1), 63.

Andreassen, T. W., & Lindestad, B. (1998). The effect of corporate image in the formation of customer loyalty. *Journal of Service Research*, 1(1), 82-92.

Angur, M. G., Nataraajan, R., and Jahera, J. S. (1999). Service Quality in the banking industry: an assessment of a developing economy. *International Journal of Bank Marketing*, 17(3), 116-123.

Aydin, S., & Özer, G. (2005). The analysis of antecedents of customer loyalty in the Turkish mobile telecommunication market. *European Journal of Marketing*, 39(7/8), 910-925.

Baldauf, A., Cravens, K. S., & Binder, G. (2003). Performance consequences of brand equity management: evidence from organizations in the value chain. *Journal of Product & Brand Management*, 12(4), 220-236.

Ball, D., Simões Coelho, P., & Machás, A. (2004). The role of communication and trust in explaining customer loyalty: An extension to the ECSI model. *European Journal of Marketing*, 38(9/10), 1272-1293.

Barsky, J. D. (1995). *World-class customer satisfaction*. McGraw-Hill.

Baumann, C., Burton, S., & Elliott, G. (2005). Determinants of customer loyalty and share of wallet in retail banking. *Journal of Financial Services Marketing*, 9(3), 231-248.

Beatty, S. E., & Kahle, L. R. (1988). Alternative hierarchies of the attitude-behavior relationship: The impact of brand commitment and habit. *Journal of the Academy of Marketing Science*, 16(2), 1-10.

Beatty, S. E., Homer, P., & Kahle, L. R. (1988). The involvement—commitment model: Theory and implications. *Journal of Business Research*, 16(2), 149-167.

Beerli, A., Martin, J. D., & Quintana, A. (2004). A model of customer loyalty in the retail banking market. *European Journal of Marketing*, 38(1/2), 253-275.

Bettencourt, L. A. (1997). Customer voluntary performance: customers as partners in service delivery. *Journal of Retailing*, 73(3), 383-406.

Bolton, R. N., Kannan, P. K., & Bramlett, M. D. (2000). Implications of loyalty program membership and service experiences for customer retention and value. Journal of the *Academy of Marketing Science*, 28(1), 95-108.

Butcher, K. (2005). Differential impact of social influence in the hospitality encounter. *International Journal of Contemporary Hospitality Management*, 17(2), 125-135.

Camarero Izquierdo, C., Gutiérrez Cillán, J., & San Martin Gutierrez, S. (2005). The impact of customer relationship marketing on the firm performance: a Spanish case. *Journal of Services Marketing,* 19(4), 234-244.

Cambra-Fierro, J., Melero-Polo, I., & Sese, F. J. (2016). Can complaint-handling efforts promote customer engagement? *Service Business*, 10(4), 847-866.

Cant, M. C., & Du Toit, M. (2012). Identifying the factors that influence retail customer loyalty and capitalizing them. *International Business & Economics Research Journal* (IBER), 11(11), 1223-1232.

Caruana, A. (2002). Service loyalty: The effects of service quality and the mediating role of customer satisfaction. *European Journal of Marketing*, 36(7/8), 811-828.

Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of Marketing*, 65(2), 81-93.

Chun, R., & Davies, G. (2006). The influence of corporate character on customers and employees: exploring similarities and differences. *Journal of the Academy of Marketing Science*, 34(2), 138-146.

Churchill Jr, G. A., & Surprenant, C. (1982). An investigation into the determinants of customer satisfaction. *Journal of Marketing Research*, 491-504.

Curtis, T., Abratt, R., Rhoades, D., & Dion, P. (2011). Customer loyalty, repurchase and satisfaction: A meta-analytical review. *Journal of Consumer Satisfaction, Dissatisfaction, and Complaining Behavior*, 24(1), 1-26.

Dasgupta, S., and Singh, A. (2005). Will services be the new engine of Indian economic growth? *Development and Change*, 36(6), 1035-1057.

deLeaniz, P. M. G., & del Bosque Rodríguez, I. R. (2016). Corporate image and reputation as drivers of customer loyalty. *Corporate Reputation Review*, 19(2), 166-178.

Dick, A. S., & Basu, K. (1994). Customer loyalty: Toward an integrated conceptual framework. *Journal of the Academy of Marketing Science*, 22(2), 99-113.

Dowling, G. R., & Uncles, M. (1997). Do customer loyalty programs really work? *Sloan Management Review*, 38(4), 71.

Du, R. Y., Kamakura, W. A., & Mela, C. F. (2007). Size and share of customer wallet. *Journal of Marketing*, 71(2), 94-113.

Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer-seller relationships. The *Journal of Marketing*, 51(2), 11-27.

Eakuru, N., & Mat, N. K. N. (2008). The application of structural equation modeling (SEM) in determining the antecedents of customer loyalty in banks in South Thailand. *The Business Review, Cambridge*, 10(2), 129-139.

Ehigie, B. O. (2006). Correlates of customer loyalty to their bank: a case study in Nigeria. *International Journal of Bank Marketing*, 24 (7), 494-508.

Ehrenberg, A., & Goodhardt, G. (2000). New brands: Near-instant loyalty. *Journal of Marketing Management*, 16(6), 607-617.

Eisingerich, A. B., & Bell, S. J. (2007). Maintaining customer relationships in high credence services. *Journal of Services Marketing*, 21(4), 253-262.

Ennew, C., & Sekhon, H. (2007). Measuring trust in financial services: the Trust Index. *Consumer Policy Review*, 17(2), 62.

Evanschitzky, H., Iyer, G. R., Plassmann, H., Niessing, J., & Meffert, H. (2006). The relative strength of affective commitment in securing loyalty in service relationships. *Journal of Business Research*, 59(12), 1207-1213.

Evanschitzky, H., Ramaseshan, B., Woisetschläger, D. M., Richelsen, V., Blut, M., & Backhaus, C. (2012). Consequences of customer loyalty to the loyalty program and to the company. *Journal of the Academy of Marketing Science*, 40(5), 625-638.

Faed, A., Hussain, O. K., & Chang, E. (2014). A methodology to map customer complaints and measure customer satisfaction and loyalty. *Service Oriented Computing and Applications*, 8(1), 33-53.

Fandos, C., & Flavián, C. (2006). Intrinsic and extrinsic quality attributes, loyalty and buying intention: an analysis for a PDO product. *British Food Journal*, 108(8), 646-662.

Fergeson, K. (2003). Banking's Best Kept Secret: Us. *ABA Banking Journal*, 95(10), 18.

Ferguson, B., & Navarrete, J. (2003). New approaches to progressive housing in Latin America: A key to habitat programs and policy. *Habitat International*, 27(2), 309-323.

Fornell, C., & Wernerfelt, B. (1987). Defensive marketing strategy by customer complaint management: a theoretical analysis. *Journal of Marketing Research*, 337-346.

Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American customer satisfaction index: nature, purpose, and findings. *The Journal of Marketing*, 60(4), 7-18.

Fredericks, J. O., & Salter II, J. M. (1998). What does your customer really want? *Quality Progress*, 31(1), 63.

Fullerton, G. (2003). When does commitment lead to loyalty? *Journal of Service Research*, 5(4), 333-344.

Ganesan, S. (1994). Determinants of long-term orientation in buyer-seller relationships. *The Journal of Marketing*, 58(2), 1-19.

Garbarino, E., & Johnson, M. S. (1999). The different roles of satisfaction, trust, and commitment in customer relationships. *The Journal of Marketing*, 63(2), 70-87.

Gronhaug, K., & Gilly, M. C. (1991). A transaction cost approach to consumer dissatisfaction and complaint actions. *Journal of Economic Psychology*, 12(1), 165-183.

Gundlach, G. T., Achrol, R. S., & Mentzer, J. T. (1995). The structure of commitment in exchange. *The Journal of Marketing*, 59(1), 78-92.

Hansen, H., Sandvik, K., & Selnes, F. (2003). Direct and indirect effects of commitment to a service employee on the intention to stay. *Journal of Service Research*, 5(4), 356-368.

Heung, V. C., Mok, C., & Kwan, A. (1996). Brand loyalty in hotels: an exploratory study of overseas visitors to Hong Kong. *Australian Journal of Hospitality Management*, 3(1), 1-11.

Hung, C. H. (2008). The effect of brand image on public relations perceptions and customer loyalty. *International Journal of Management*, 25(2), 237-241.

Izogo, E. E., & Izogo, E. E. (2017). Customer loyalty in telecom service sector: the role of service quality and customer commitment. *The TQM Journal*, 29(1), 19-36.

Jackson, B. B. (1985). Build customer relationships that last. *Harvard Business Review*, 63(6), 120-128.

Johnston, R. (1995). The determinants of service quality: satisfiers and dissatisfiers. *International Journal of Service Industry Management*, 6(5), 53-71.

Jones, T. O., & Sasser, W. E. (1995). Why satisfied customers defect. *Harvard Business Review*, 73(6), 88-99.

Jordaan, Y., & Prinsloo, M. (2004). *Grasping service marketing.* 2nd Ed. South Africa: Self Published.

Kandampully, J., & Suhartanto, D. (2000). Customer loyalty in the hotel industry: the role of customer satisfaction and image. *International Journal of Contemporary Hospitality Management*, 12(6), 346-351.

Kandampully, J., Zhang, T., & Bilgihan, A. (2015). Customer loyalty: a review and future directions with a special focus on the hospitality industry. *International Journal of Contemporary Hospitality Management*, 27(3), 379-414.

Keiningham, T. L., Cooil, B., Malthouse, E. C., Lariviere, B., Buoye, A., Aksoy, L., & De Keyser, A. (2015). Perceptions are relative: an examination of the relationship between relative satisfaction metrics and share of wallet. *Journal of Service Management*, 26(1), 2-43.

Kharouf, Z., & Sekhon, H. (2009). Trustworthiness within the hotel sector: A structural model. In P. Sinha, A. K. Jaiswal, A. Sahay, & A. K. Jain (Eds.), *Proceedings of the 3rd IIMA Conference on Marketing Paradigms for Emerging Economies* (pp. 445-449). Ahmadabad: Indian Institute of Management.

Kotler, P. & Keller, K.L. (2006). *Marketing Management* (12 ed.). Upper Saddle River, NJ: Prentice Hall.

Kumar, V., Batista, L., & Maull, R. (2011). The impact of operations performance on customer loyalty. *Service Science*, 3(2), 158-171.

Lam, R., & Burton, S. (2006). SME banking loyalty (and disloyalty): a qualitative study in Hong Kong. *International Journal of Bank Marketing*, 24(1), 37-52.

Lam, S. Y., Shankar, V., Erramilli, M. K., & Murthy, B. (2004). Customer value, satisfaction, loyalty, and switching costs: an illustration from a business-to-business service context. *Journal of the Academy of Marketing Science*, 32(3), 293-311.

Law, A. K., Hui, Y. V., & Zhao, X. (2004). Modeling repurchase frequency and customer satisfaction for fast food outlets. *International Journal of Quality &Reliability Management*, 21(5), 545-563.

Lee, J., Lee, J., & Feick, L. (2001). The impact of switching costs on the customer satisfaction-loyalty link: mobile phone service in France. *Journal of Services Marketing*, 15(1), 35-48.

Leenheer, J., Van Heerde, H. J., Bijmolt, T. H., & Smidts, A. (2007). Do loyalty programs really enhance behavioral loyalty? An empirical analysis accounting for self-selecting members. *International Journal of Research in Marketing*, 24(1), 31-47.

Levesque, T., & McDougall, G. H. (1996). Determinants of customer satisfaction in retail banking. *International Journal of Bank Marketing*, 14(7), 12-20.

Liang, C. J., Wang, W. H., & Dawes Farquhar, J. (2009). The influence of customer perceptions on financial performance in financial services. *International Journal of Bank Marketing*, 27(2), 129-149.

Lovelock, C., & Wirtz, J. (2007). *Services marketing: People, technology, strategy*. Upper Saddle River, NJ: Prentice-Hall.

Luarn, P., & Lin, H. H. (2003). A Customer Loyalty Model for E-Service Context. *Journal of Electronic Commerce Research*, 4(4), 156-167.

Luo, X., & Homburg, C. (2007). Neglected outcomes of customer satisfaction. *Journal of Marketing*, 71(2), 133-149.

Mägi, A. W. (2003). Share of wallet in retailing: the effects of customer satisfaction, loyalty cards and shopper characteristics. *Journal of Retailing*, 79(2), 97-106.

Mattila, A. S. (2001). The impact of relationship type on customer loyalty in a context of service failures. *Journal of Service Research*, 4(2), 91-101.

Matzler, K., Grabner-Kräuter, S., & Bidmon, S. (2006). The value-brand trust-brand loyalty chain: An analysis of some moderating variables. *Innovative Marketing*, 2(2), 76-88.

Matzler, K., Strobl, A., Thurner, N., & Füller, J. (2015). Switching experience, customer satisfaction, and switching costs in the ICT industry. *Journal of Service Management*, 26(1), 117-136.

McMullan, R., & Gilmore, A. (2008). Customer loyalty: an empirical study. *European Journal of Marketing*, 42(9/10), 1084-1094.

Meyer-Waarden, L. (2007). The effects of loyalty programs on customer lifetime duration and share-of-wallet. *Journal of Retailing*, 83(2), 223-236.

Moorman, C., Deshpande, R., & Zaltman, G. (1993). Factors affecting trust in market research relationships. *The Journal of Marketing*, 57(1), 81-101.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *The Journal of Marketing*, 58(3), 20-38.

Ndubisi, N. O. (2006). A structural equation modeling of the antecedents of relationship quality in the Malaysia banking sector. *Journal of Financial Services Marketing*, 11(2), 131-141.

Newman, J. W., & Werbel, R. A. (1973). Multivariate analysis of brand loyalty for major household appliances. *Journal of Marketing Research*, 10(4), 404-409.

Nguyen, N., & LeBlanc, G. (1998). The mediating role of corporate image on customers' retention decisions: an investigation in financial services. *International Journal of Bank Marketing*, 16(2), 52-65.

Nguyen, N., & Leblanc, G. (2001). Corporate image and corporate reputation in customers' retention decisions in services. *Journal of Retailing and Consumer Services*, 8(4), 227-236.

Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17(4), 460-469.

Oliver, R. L. (1997). *Satisfaction: A behavioral perspective on the customer*. McGraw-Hill, New York.

Oliver, R. L. (1999). Whence consumer loyalty? *The Journal of Marketing*, 63, 33-44.

Oly Ndubisi, N., & Kok Wah, C. (2005). Factorial and discriminant analyses of the underpinnings of relationship marketing and customer satisfaction. *International Journal of Bank Marketing*, 23(7), 542-557.

Oly Ndubisi, N., Kok Wah, C., & Ndubisi, G. C. (2007). Supplier-customer relationship management and customer loyalty: The banking industry perspective. *Journal of Enterprise Information Management*, 20(2), 222-236.

Palmatier, R. W., Dant, R. P., Grewal, D., & Evans, K. R. (2006). Factors influencing the effectiveness of relationship marketing: a meta-analysis. *Journal of Marketing*, 70(4), 136-153.

Palmatier, R. W., Scheer, L. K., & Steenkamp, J. B. E. (2007). Customer loyalty to whom? Managing the benefits and risks of salesperson-owned loyalty. *Journal of Marketing Research*, 44(2), 185-199.

Panda, T. K. (2009). *Marketing management: Text and cases Indian context*. Excel Books India.

Patterson, P. G., & Spreng, R. A. (1997). Modelling the relationship between perceived value, satisfaction and repurchase intentions in a business-to-business, services context: an empirical examination. *International Journal of Service Industry Management*, 8(5), 414-434.

Ping, R. A. (1993). The effects of satisfaction and structural constraints on retailer exiting, voice, loyalty, opportunism, and neglect. *Journal of Retailing*, 69(3), 320-352.

Popp, B., & Woratschek, H. (2017). Consumer–brand identification revisited: An integrative framework of brand identification, customer satisfaction, and price image and their role for brand loyalty and word of mouth. *Journal of Brand Management*. 24(3), 250-270.

Porter, E. M. (1980), Competitive Strategy, Academic Press, New York, NY. Prentice Hall.

Powers, T. L., & Valentine, D. B. (2008). A review of the role of satisfaction, quality, and value on firm performance. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior,* 21, 80-101.

Reichheld, F. F. (1992). Loyalty-based management. *Harvard Business Review*, 71(2), 64-73.

Reichheld, F. F., & Schefter, P. (2000). E-loyalty. *Harvard Business Review*, 78(4), 105-113.

Reichheld, F. F., & Teal, T. (1996). *The Loyalty Effect*, Harvard Business School Press. Boston, MA.

Reichheld, F. P., & Sasser, W. E. (1990). Zero defections: Quality comes to services. *Harvard Business Review*, 68(5), 105-111.

Reichheld, F. F. (2003). The one number you need to grow. *Harvard Business Review*, 81(12), 46-55.

Reynolds, K. E., & Beatty, S. E. (1999). Customer benefits and company consequences of customer-salesperson relationships in retailing. *Journal of Retailing*, 75(1), 11-32.

Rosenberg, L. J., & Czepiel, J. A. (1984). A marketing approach for customer retention. *Journal of Consumer Marketing*, 1(2), 45-51.

Rusbult, C. E., Farrell, D., Rogers, G., & Mainous, A. G. (1988). Impact of exchange variables on exit, voice, loyalty, and neglect: An integrative model of responses to declining job satisfaction. *Academy of Management Journal*, 31(3), 599-627.

Scholl, R. W. (1981). Differentiating organizational commitment from expectancy as a motivating force. *Academy of Management Review*, 6(4), 589-599.

Selnes, F. (1998). Antecedents and consequences of trust and satisfaction in buyer-seller relationships. *European Journal of Marketing*, 32(3/4), 305-322.

Sharma, N., & Patterson, P. G. (2000). Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional, consumer services. *International Journal of Service Industry Management*, 11(5), 470-490.

Sheth, J. N., & Parvatiyar, A. (1995). The evolution of relationship marketing. *International Business Review*, 4(4), 397-418.

Sheth, J. N., & Parvatlyar, A. (1995). Relationship marketing in consumer markets: antecedents and consequences. *Journal of the Academy of Marketing Science*, 23(4), 255-271.

Shin, Y., Thai, V. V., Grewal, D., & Kim, Y. (2017). Do corporate sustainable management activities improve customer satisfaction, word of mouth intention and repurchase intention?: Empirical evidence from the shipping industry. *The International Journal of Logistics Management*, 28(2), 555-570.

Shoemaker, S., & Lewis, R. C. (1999). Customer loyalty: the future of hospitality marketing. *International Journal of Hospitality Management*, 18(4), 345-370.

Shukla, P., Banerjee, M., & Singh, J. (2016). Customer commitment to luxury brands: Antecedents and consequences. *Journal of Business Research*, 69(1), 323-331.

Singh, J. (1988). Consumer complaint intentions and behavior: definitional and taxonomical issues. *The Journal of Marketing*, 52(1), 93-107.

Srinivasan, S. S., Anderson, R., & Ponnavolu, K. (2002). Customer loyalty in e-commerce: an exploration of its antecedents and consequences. *Journal of Retailing*, 78(1), 41-50.

Thomson, M., MacInnis, D. J., & Park, C. W. (2005). The ties that bind: Measuring the strength of consumers' emotional attachments to brands. *Journal of Consumer Psychology*, 15(1), 77-91.

Tsao, W. C., & Hsieh, M. T. (2012). Exploring how relationship quality influences positive eWOM: the importance of customer commitment. *Total Quality Management & Business Excellence*, 23(7-8), 821-835.

Veloutsou, C., Daskou, S., & Daskou, A. (2004). Are the determinants of bank loyalty brand specific? *Journal of Financial Services Marketing*, 9(2), 113-125.

Wilson, D. T. (1995). An integrated model of buyer-seller relationships. *Journal of the Academy of Marketing Science,* 23(4), 335-345.

Wirtz, J., Mattila, A. S., & Lwin, M. O. (2007). How effective are loyalty reward programs in driving share-of-wallet? *Journal of Service Research*, 9(4), 327-334.

Wong, C. B. (2011). The Influence of customer satisfaction and switching costs on customer retention: retail internet banking services. *Global Economy and Finance Journal*, 4(1), 1-18.

Wu, L. W. (2011). Beyond satisfaction: The relative importance of locational convenience, interpersonal relationships, and commitment across service types. *Managing Service Quality: An International Journal*, 21(3), 240-263.

Xin, H., & Guo, C. (2010). Study on the Customer Loyalty of Chinese Commercial Banks. *International Journal of Business and Management*, 5(3), 202-205.

Yanamandram, V., & White, L. (2006). Switching barriers in business-to-business services: a qualitative study. *International Journal of Service Industry Management*, 17(2), 158-192.

Yang, Z., & Peterson, R. T. (2004). Customer perceived value, satisfaction, and loyalty: The role of switching costs. *Psychology & Marketing*, 21(10), 799-822.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *The Journal of Marketing*, 60(2), 31-46.