



## Enhancing loyalty: When improving consumer satisfaction and delight matters

Dennis C. Ahrholdt<sup>a,b,\*</sup>, Siegfried P. Gudergan<sup>c</sup>, Christian M. Ringle<sup>d,c</sup>

<sup>a</sup> HSBA Hamburg School of Business Administration, Department of Marketing & Sales, Alter Wall 38, 20457 Hamburg, Germany

<sup>b</sup> University of Hamburg, Faculty of Business Administration, Institute for Operations Research, Von-Melle-Park 5, 20146 Hamburg

<sup>c</sup> University of Waikato, Waikato Management School, Hamilton 3240, New Zealand

<sup>d</sup> Hamburg University of Technology (TUHH), Human Resource Management and Organizations (HRMO), Am Schwarzenberg-Campus 4, 21073 Hamburg, Germany

### ARTICLE INFO

#### Keywords:

Delight  
Satisfaction  
Loyalty  
Prior consumption experience  
PLS-SEM  
Nonlinear effects

### ABSTRACT

Prior research has validated the importance of consumer delight and satisfaction for explaining consumer loyalty. This study extends our existing knowledge of how delight and satisfaction affect (in a nonlinear way) consumer loyalty. It explains a negative quadratic relationship between satisfaction and loyalty intentions, as well as a negative cubic relationship between delight and loyalty intentions. Contrary to satisfaction, delight unfolds its full impact at lower levels, but only after a threshold level is exceeded. Like satisfaction, the delight effect becomes saturated at very high levels. Furthermore, both delight and satisfaction effects weaken with increased prior consumption experiences. Thus, when they invest in delight and satisfaction, managers should consider their individual marginal impacts on loyalty and distinguish between consumers with reference to their prior consumption experiences.

### 1. Introduction

Understanding how to create and enhance consumer loyalty is crucial for firms across a wide range of industries—spanning consumer goods and service industries—to generate revenue (e.g., Brady, Voorhees, & Brusco, 2012) and improve profitability (e.g., Lee, Capella, Taylor, Luo, & Gabler, 2014). Knowledge about these aspects does, however, remain theoretically and empirically ambiguous. Although there is a presumption that efforts to strengthen satisfaction will bolster loyalty (Carlson, O’Cass, & Ahrholdt, 2015; Hackman, Gudergan, Wang, & Daniel, 2006; Wu, 2016; Yoo & Park, 2016), Kumar, Pozza, and Ganesh (2013) as well as Dolnicar, Coltman, and Sharma (2015) suggest that the link between satisfaction and loyalty is not as strong as generally assumed (for recent examples, see Brown, Smith, & Assaker, 2016). For instance, the link might be nonlinear (Kumar et al., 2013) and delight might also affect loyalty (Oliver, Rust, & Varki, 1997), which means that it would be insufficient to consider satisfaction as the sole (linear) antecedent of loyalty.

Getz and Page (2016) reinforce this notion by suggesting that merely examining how satisfaction impacts on future intention neglects the important role that other antecedents of intention—particularly emotional ones (Rychalski & Hudson, 2017)—may play. Leaning on

Oliver et al. (1997), we thus emphasize the important complementary, but separate, role that consumer delight plays in influencing loyalty (intentions). Whereas satisfaction is a cognitive evaluation of a service’s pleasurable consumption fulfillment (Finn, 2005), delight is the “key emotional response” (Finn, 2012, p. 100) to a consumption experience. Rather than reflecting “a higher level of customer satisfaction” (Albayrak & Caber, 2015, p. 49) or an “emotional satisfaction” (Kuppelwieser & Sarstedt, 2014, p. 2624), delight has a positive effect on loyalty, parallel and separate to that of satisfaction.

Although research on the role of delight has increased (Collier & Barnes, 2015; Hosany & Prayag, 2013), empirical insights into how satisfaction and delight simultaneous affect loyalty remain inconclusive. Very few studies consider both satisfaction and delight as antecedents of loyalty. Moreover, they produce divergent findings. In certain empirical settings (see Section 2.1.), delight has a positive effect on loyalty, parallel to that of satisfaction (Ahrholdt, Gudergan, & Ringle, 2017; Finn, 2005, 2006; Kim, 2011; Kim, Vogt, & Knutson, 2015; Loureiro, 2010; Oliver et al., 1997; Wang, 2011). However, no such influence has been found in other studies (Finn, 2005, 2006; Oliver et al., 1997). An effect of satisfaction on loyalty has also not been established when that of delight is significant (Bartl, Gouthier, & Lenker, 2013).

\* Corresponding author at: HSBA Hamburg School of Business Administration, Department of Marketing & Sales, Alter Wall 38, 20457 Hamburg, Germany  
E-mail addresses: [dennis.ahrholdt@hsba.de](mailto:dennis.ahrholdt@hsba.de), [dennis.ahrholdt@uni-hamburg.de](mailto:dennis.ahrholdt@uni-hamburg.de) (D.C. Ahrholdt), [siggi.gudergan@waikato.ac.nz](mailto:siggi.gudergan@waikato.ac.nz) (S.P. Gudergan), [c.ringle@tuhh.de](mailto:c.ringle@tuhh.de) (C.M. Ringle).

<https://doi.org/10.1016/j.jbusres.2018.08.040>

Received 9 March 2017; Received in revised form 30 August 2018; Accepted 31 August 2018

0148-2963/© 2018 Elsevier Inc. All rights reserved.

Prior studies lack large-scale data that capture judgments about real-life consumption situations, which may limit the insights that are produced. Our study is original in that it offers a novel theoretical conceptualization that enables us to address three relevant questions that prior studies have not answered: Do satisfaction and delight simultaneously act as antecedents of loyalty? Are their effects on loyalty parallel and nonlinear? And does consumer involvement (given previous experiences) moderate their effects on loyalty? In addition, our study draws on two separate data sets that capture judgments of real-life consumption experiences (i.e., each data set comprises approximately 3,000 event visitors).

In this study, we extend the understanding about satisfaction's and delight's effects on loyalty by drawing on Kumar et al. (2013), Oliver et al. (1997), and Finn (2012). We bear in mind Getz and Page's (2016) suggestion to further advance theorizing about the emotional aspects of event experiences and applicable types of engagement (e.g., involvement). Our study draws on prospect theory, which assumes that losses and gains are evaluated according to a reference point, whereby marginal gain and loss values decrease in size when the distance from the reference point increases; this leads to an effect pattern that resembles an s-shaped curve. Prospect theory has been applied to conceptualize the satisfaction-loyalty relationship (Homburg, Koschate, & Hoyer, 2005) and is—according to Rychalski and Hudson (2017) as well as McCabe, Li, and Chen (2016)—an appropriate theoretical basis for supporting nonlinear effects in consumer decision making in a service consumption context. By conceptualizing loyalty intentions to reflect value evaluations that are reference dependent on satisfaction and delight, we theoretically ground hypotheses that substantiate their nonlinear effects on loyalty. This substantiation is important, because knowledge about nonlinear effects allows for efficiently allocating resources when seeking to engender loyalty (Masiero, Pan, & Heo, 2016). Extending our nonlinear conceptualization, we (in line with the requests by Dolnicar et al., 2015; Eisenbeiss, Cornelißen, Backhaus, & Hoyer, 2014; Finn, 2012; Kumar et al., 2013; Oliver et al., 1997) examine involvement's moderating effect (Wang, Gudergan, & Lings, 2008). Since the theoretical base that supports this moderating effect is underdeveloped, we lean on the accessibility-diagnostics model (Feldman & Lynch, 1988). Theoretically, this model explains consumer involvement—that reflects the level of prior (consumption) experience (LPE) with an event service provider—as a possible factor. This can weaken object-centered perceptions, such as satisfaction (Ngobo, 1997) or delight, if this involvement supports alternative perceptions or produces a preexisting affective polarization toward an object (Feldman & Lynch, 1988).

This paper's conceptual and empirical insights are significant for the following reasons: First, satisfaction and delight as separate, parallel antecedents of loyalty are quite distinct. Second, the existence of the negative cubic effect of delight—resembling an s-shaped curve that is steep in the middle and flat at lower and higher delight levels—is confirmed in an event service context. Third, since the analyses of satisfaction's impact did not establish the flat part of the s-shaped curve for lower levels, satisfaction's negative cubic effect is only partially confirmed. Satisfaction's marginal effect on loyalty decreases in size with increasing satisfaction levels, thereby leading to a concave shape of the relationship and a saturation zone for very high levels of satisfaction—similar to a negative quadratic relationship. These insights help clarify the inconsistent previous results for the separate, parallel effects that delight and satisfaction have on loyalty, because the existence of lower and higher levels of delight (i.e., where the relationship with loyalty is flat), and satisfaction levels within the saturation zone, complicates identifying significant (linear) effects. Fourth, the study confirms that the effects of both satisfaction and delight weaken as LPE with an event service provider increases. This result helps explain findings regarding delight's and satisfaction's insignificant effects on loyalty at very high LPE, and the weak, or even insignificant, effects that satisfaction has in more mature relationships (Kumar et al., 2013; Ranaweera & Menon, 2013).

## 2. Theoretical foundations and hypotheses

### 2.1. Satisfaction, delight, and loyalty

Conceptualizing the parallel roles of satisfaction and delight as antecedents of loyalty draws on Oliver et al. (1997). Loyalty is “a deeply held commitment to re-buy and re-patronize a preferred product or service constantly in the future [...]” (Oliver, 1999, p. 34). Loyal consumers also recommend their service provider (Hosany & Prayag, 2013; Magnini, Crotts, & Zehrer, 2011).

Prior studies have in common that satisfaction with a firm's service incorporates cognitive elements, emotional elements, or both (for an overview, see Finn, 2012). There is less agreement on the concept of delight. Certain studies conceptualize delight as a positive, nonlinear response to satisfaction at very high levels (i.e., the delight zone of satisfaction; Eisenbeiss et al., 2014; Kumar et al., 2013; Ranaweera & Menon, 2013), which is associated with increasing (i.e., positive nonlinear) returns at higher satisfaction levels, but also with specific, more complex, forms of nonlinearity (e.g., dual thresholds with cubic relationships between satisfaction and loyalty). However, studies that investigate the shape of the satisfaction-loyalty relationship provide divergent results (e.g., Dong, Ding, Grewal, & Zhao, 2011; Eisenbeiss et al., 2014; Finn, 2012; Ranaweera & Menon, 2013).

The debate about satisfaction's cognitive and emotional elements explicitly distinguished between satisfaction and delight. Oliver et al. (1997) emphasize their parallel, but separate, roles. Other authors likewise find that delight is not a nonlinear extension of satisfaction. They suggest that delight is rather emotional in nature and unlike satisfaction that has a cognitive nature, which makes them separate constructs (Ahrholdt et al., 2017; Kim, 2011; Kim et al., 2015; Loureiro, 2010; Wang, 2011). Nevertheless, satisfaction and delight both arise from a comparison process that considers needs and relies on experience (Oliver et al., 1997). Both satisfaction and delight reflect judgments that capture an entire consumption experience. For example, in an (sport) event context, satisfaction and delight may be a function of several consumption experiences over time (Sarstedt, Ringle, Raithe, & Gudergan, 2014). Satisfaction is therefore the end state of a cognitive process during which consumers compare their expectations with the subjectively perceived value, they receive from their consumption. Satisfaction arises from a favorable agreement between the consumer's expectation and the perceived consumption experience (Oliver et al., 1997).

Lower-order needs (i.e., utilitarian benefits), which reflect feelings of confidence and security, and which reduce the likelihood of a painful consumption experience, underlie satisfaction (Augustín & Singh, 2005; Chitturi, Raghunathan, & Mahajan, 2008). Satisfaction is therefore a hygiene factor (Augustín & Singh, 2005) and necessary to establish loyalty. Alternatively, delight is a positive emotional state that arises from a surprising experience that vastly exceeds expectations (Oliver et al., 1997). However, research confirms that surprise is not required for delight, and highlights the importance of joy, which is associated with important experiences. In turn, higher-order, hedonic (enjoyment-related) needs underlie feelings of delight (Augustín & Singh, 2005; Chitturi et al., 2008; Eisenbeiss et al., 2014). As a central emotional response to a consumption experience (Finn, 2012), delight arises from a positive service performance, arousal, and a positive experience affect (Oliver et al., 1997). As a positively valenced state, delight corresponds to a strong desire for future recurrences (Chitturi et al., 2008; Oliver, 2010) and can coexist with mere satisfaction (Finn, 2005, 2012; Oliver et al., 1997; Wang, 2011).

Research results that view delight—in parallel with satisfaction—as a linear antecedent of loyalty, diverge on whether delight affects loyalty. Oliver et al. (1997) find that the loyalty (i.e., intention to revisit) felt by a symphony concert audience depended on their delight, which had a weaker effect than satisfaction; conversely, theme park visitors' delight had no influence on their loyalty. On examining satisfaction's

Download English Version:

<https://daneshyari.com/en/article/11020422>

Download Persian Version:

<https://daneshyari.com/article/11020422>

[Daneshyari.com](https://daneshyari.com)