Examining Hotel Loyalty Members’ Satisfaction Based on Involvement, Engagement, and Value Co-Creation Behavior

by

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ABSTRACT

EXAMINING HOTEL LOYALTY MEMBERS’ SATISFACTION BASED ON INVOLVEMENT, ENGAGEMENT, AND VALUE CO-CREATION BEHAVIOR

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In this study, member satisfaction with hotel loyalty programs is examined, especially involvement, engagement, and value co-creation behavior (VCB). Involvement and engagement should both contribute to VCB of hotel loyalty program members, and loyalty members should be more satisfied with the hotel loyalty program when they are more active in VCB. Company support may moderate the relationship between involvement and VCB and between engagement and VCB. A self-administered online survey was used to collect data from hotel loyalty program members in Canada and the United States. The empirical results show that 1) only engagement contributes to VCB of loyalty members; 2) VCB is positively related to satisfaction; and 3) company support moderates the relationship between engagement and VCB. This study provides both theoretical and practical insights for future research and for hotel industry practitioners.

Keywords: Value co-creation behavior; Involvement; Engagement; Satisfaction; Hotel loyalty program
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CHAPTER 1: INTRODUCTION

Value co-creation has gained much attention since the proposal of service-dominant logic (S-D logic) (Vargo & Lusch, 2004; 2008), a new customer-orientated paradigm for marketing management. One key proposition of S-D logic is that customers are always co-creators of value. Prahalad and Ramaswamy describe value co-creation as “the joint creation of value by the company and the customer” (Prahalad & Ramswamy, 2004b, pp. 8). Although the term value co-creation was not new in that it had already been proposed in S-D logic, exploring value co-creation in the academic research began late (Galvagno & Dalli, 2014; Alves, Fernandes, & Raposo, 2016). The complexity and novelty of the concept mean that understanding value co-creation requires different approaches, so this study explores value co-creation using S-D logic. In S-D logic, value co-creation refers to the integration and use of resources for the benefit of both company and customer (Lusch & Vargo, 2006; Laud & Karpen, 2017). That is to say, value is created by both the company and the customer through integrating and applying resources (Lusch & Vargo, 2006; Vargo, Maglio, & Akaka, 2008). During this process, companies use their skills and knowledge to produce a product or service and make it available for the customer, and customers use their skills and knowledge to consume the product or service (Lusch & Vargo, 2006; Vargo et al., 2008). The industry is entering the experience economy, so any competitive advantages are not merely from offering high-quality products or services, but from creating unique and memorable experiences for customers who consume the product or service. In essence, economic value has moved from producing goods or delivering services to staging experiences for the customer (Pine & Gilmore, 1998). Two characteristics of experiences, customer participation and connection (Pine &
Gilmore, 1998), show the importance of involving customers in creating experiences and value.

The tourism and hospitality industry is a great source of experiences because the entire industry is focused on staging experiences for tourists, and everything tourists go through at a destination can be considered experience (Oh, Fiore, & Jeoung, 2007; Binkhorst & Dekker, 2009). Modern consumers/tourists are more experienced and more demanding than in the past, and they want more control over creating their own experiences (Binkhorst & Dekker, 2009). The survival of the hospitality industry requires the creation of unique and memorable experiences for customers (Walls, Okumus, Wang, & Kwun, 2011). In response to the importance of experience, the hotel industry has shifted from a product-focused, physical-asset intensive business to a customer-centric and experience-centric industry (Bharwani & Jauhari, 2013). The ultimate goal of value co-creation is to enhance the value and experiences created by both the company and the customer, so we in the industry must understand the mechanism of value co-creation and how value co-creation can be practically applied in the hotel industry.

Value co-creation behavior (VCB) represents customer-initiated interactions between customer and company as they contribute to value co-creation (France, Merrilees, & Miller, 2015). VCB is characterized by Laud and Karpen (2017) as a micro-level phenomenon that represents resource integration on the customer side, a phenomenon that helps the industry better understand value co-creation as an abstract concept. Further, VCB helps strengthen the relationships between customer and company, potentially
facilitating an efficient service exchange (Laud & Karpen, 2017). In addition, many other studies have demonstrated that customer value co-creation can lead to beneficial customer outcomes like decreased customer turnover intention (Revilla-Camacho, Vega-Vázquez, & Cossío-Silva, 2015), customer satisfaction (Grissemann & Stokburger-Sauer, 2012), customer delight (Pera, 2017), customer well-being (Gong, Choi, Murdy, & Choi, 2016), and customer loyalty (Cambra-Fierroa, Pérez, & Grott, 2017). To underscore the potential benefits VCB brings to organizations, hotel companies must recognize what motivates customers to exhibit VCB and, using that knowledge, establish marketing and management strategies to encourage value co-creation among their customers.

However, VCB, unlike value co-creation, is a relatively new construct that has not been explored extensively. Articles discussing drivers of VCB are thus relatively scarce in academic research, especially in tourism and hospitality. France et al. (2015), in their conceptual paper, introduced customer involvement with a product category (e.g., fashion clothes) and brand engagement as major factors facilitating customer brand co-creation behavior. Involvement is a motivational construct associated with individual values, needs, and interests, reflected in different attitudes toward a specific object (Zaichkowsky, 1994). Engagement is an object-related psychological state expressed in related cognition, emotion, and behavior (Brodie, Hollebeek, Jurić & Ilić, 2011; Hollebeek, 2011a). Individuals can be engaged with a product, a brand, or any other object (Brodie et al., 2011). Connecting both concepts with VCB helps explain the potential of inherent psychological activity among customers to encourage co-creation. However, no empirical research in either marketing or hospitality has determined the
relationships among VCB, involvement, and engagement, making it vital to research how involvement and engagement drive VCB.

Our study investigated VCB in hotel loyalty programs to explain VCB among program members. The idea of enhancing customer loyalty has long been popular among researchers and practitioners in the hotel industry (Xie & Chen, 2013). Attracting new customers is no longer sufficient for the success of the hotel industry because the industry already is quite mature and competition among hotel companies is aggressive (Shoemaker & Lewis, 1999; Tanford, Raab, & Kim, 2011). Moreover, companies realize it is more expensive to acquire a new customer than keep an existing one (Raab, Berezan, Krishen, & Tanford, 2016). One widely-used strategy for developing customer loyalty in the hotel industry is the loyalty program. The aim of the hotel loyalty program is to strengthen the company-customer relationship and encourage repeated business, bringing more revenue to the hotel company. The benefits of a loyalty program also include diverse guest information that can help a hotel company develop more focused marketing strategies that target different types of guests (McEvilly, 2015). Marriott and Hyatt highlighted the importance of these programs, with Marriott investing $54 million to launch their loyalty program, while in the same year, Hyatt spent $25 million on its own loyalty program (Skogland & Siguaw, 2004). Loyalty programs have also become an important influence on which hotel brand customers choose (Barsky, 2008).

However, many researchers have questioned the effectiveness of hotel loyalty programs (e.g., Hu, Huang, & Chen, 2010; Tanford et al., 2011; Tanford, 2013; Kim,
Cho, & Han, 2014). One criticism is that hotel loyalty programs have grown quickly in past decades, with most loyalty program members holding memberships in several different hotel companies (Kim et al., 2014). Hence, members can be inactive in one loyalty program or switch to an alternative program. The 2015 COLLOQUY Loyalty Census revealed that American households, on average, hold memberships in 29 loyalty programs across different economic sectors but use only 12 of them (Berry, 2015).

Considering the expense of maintaining a loyalty program, this is quite costly for the hotel company (Hu et al., 2010).

J. D. Power 2017 Hotel Loyalty Program Satisfaction Study revealed that 47% of hotel stays were booked with loyalty program membership, and the percentage went up to 52% among members who were satisfied with their loyalty program, indicating that loyalty program satisfaction enhances brand loyalty (J. D. Power 2017 Hotel Loyalty Program Satisfaction Study, 2017). Thus, hotel companies must understand what contributes to customer satisfaction with a loyalty program, to boost loyalty to the program itself or to the hotel brand.

However, research on hotel loyalty programs is quite limited, and no research has examined the role of VCB in determining member satisfaction with hotel loyalty programs. In fact, member participation in value co-creation enables customers gain competence and skills, thus enhancing their self-efficacy and leading to positive service evaluation (Dong, Evans, & Zou, 2008). In addition, the hotel industry is characterized by interactive experiences, which favor value co-creation activities (Morosan & Defranco,
Furthermore, the current literature is dominated by value co-creation from S-D logic, with many fewer studies looking at VCB (France et al., 2015). Research gaps in the literature, along with the importance of VCB, calls for further investigation.

To address this research gap and to add to the body of knowledge on value co-creation and hotel loyalty programs, this study was initiated to examine how involvement, engagement, and two-dimensional VCB affect member satisfaction with hotel loyalty programs and to develop a structural model to test the relationships among five major constructs. Specifically, this study proposes that 1) involvement and engagement contribute to member VCB in hotel loyalty programs, with engagement functioning as a mediator between involvement and VCB; 2) members of hotel loyalty programs are more satisfied with the program when they are more active in VCB; and 3) company support moderates the relationship between involvement and VCB as well as between engagement and VCB.

Our study makes four contributions to the research into value co-creation and loyalty programs in hospitality. First, it applies VCB to hotel loyalty programs to evaluate value co-creation between members and program. Second, it investigates the drivers and consequences of two-dimensional VCB to provide insights into VCB, particularly to explain how member involvement and engagement act to drive VCB and subsequent outcomes. Third, the study extends the hotel loyalty program literature by examining how VCB shapes member satisfaction with their program; the study develops the theoretical framework to facilitate understanding members. Finally, the study provides hotel industry
operators with an in-depth understanding of VCB and company support, so they can use
the knowledge in marketing their loyalty program.
CHAPTER 2: LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Involvement

Involvement is defined as “a person's perceived relevance of the object based on inherent needs, values, and interests” (Zaichkowsky, 1985, p. 342). Involvement is an important psychological construct that can explain and predict consumer behaviors (Bian & Moutinho, 2011; Prebensen, Woo, Chen & Uysal, 2012). Involvement applies to advertising, product category, purchase decision, and brand. Level of involvement relies on three things: inherent personal factors, stimulus factors, and situational factors (Zaichkowsky, 1986). Inherent personal factors reflect individual characteristics like personality, needs, values, or even social roles (Bloch & Richins, 1983; Zaichkowsky, 1986). Stimulus factors are associated with the physical characteristics of the object. Situational factors relate such occasions as time of purchase (Bloch & Richins, 1983). To be more specific, different people display different levels of involvement with the same object, a hotel brand for instance, simply because individuals each have their own egos and value systems that influence how important a hotel brand seems and how interested individuals are in this hotel brand. Moreover, a hotel brand is an object with characteristics differentiating it from other hotel brands and motivating people to compare and evaluate (Zaichkowsky, 1986). Situation also affects involvement, as when an individual considers a vacation and thus becomes more focused on resort hotels appropriate for a vacation, but not hotels appropriate for business travel.

Involvement has been more widely studied in the tourism discipline than in hospitality (e.g., Josiam, Kinley & Kim, 2005; Chen & Tsai, 2008; Prayag & Ryan, 2012;
The research indicates that consumers with different levels of involvement behave and respond differently to the same products or services (Zaichkowsky, 1986). Beldona, Moreo, and Mundhra (2009) found that consumer involvement with eating out is a key attitudinal driver of dining-out behavior. Suh, Lee, Park, and Shin (1997) found that when hotel guests display a high level of involvement with hotel service, they also perceive a higher level of service quality, satisfaction, and repurchase intention. In addition, previous research has demonstrated that when customers are highly involved with a specific hotel brand, they are more likely to be loyal to the brand than customers who are not involved (Skogland & Siguaw, 2004; Hochgraefe, Faulk & Vieregge, 2012), so involvement means consumers pay more attention, show interest, perceive importance, and behave differently than individuals who are not involved (Zaichkowsky, 1986). Therefore, we can infer that involvement can influence the behavior of members of hotel loyalty programs.

2.2. Engagement

Engagement is defined as “a psychological state that occurs by virtue of an individual’s interactive, co-creative experiences with a focal agent/object (e.g., a brand) in focal service relationships” (Brodie, Hollebeek, Jurić, & Ilić, 2011, p. 260). It is a multi-dimensional construct characterized by a specific level of cognitive, emotional, and behavioral activity during an interaction between an individual and an object (Hollebeek, 2011b). Disciplines like organizational behavior, psychology, and sociology have studied engagement extensively in past decades (Brodie et al., 2011; Hollebeek, 2011a).
However, in marketing and service, customer engagement has only recently been explored. The conceptual and theoretical foundation of customer engagement can be traced to S-D logic, which portrays customers as active partners in a service relationship with a company (Vargo & Lusch, 2008; Brodie et al., 2011). Thus, customers are no longer considered a passive recipient in a service relationship but as having thoughts, feelings, and behaviors related to the use of a product or a brand. (Hollebeek, 2011). Further, according to the social exchange theory (Blau, 1964), customer responses of positive thoughts, feelings, and actions depend on the level of perceived value and benefit gained from a specific interaction with a company (Hollebeek, 2011a).

Hollebeek (2011a) identified immersion, passion, and activation as three major themes of customer engagement with brands. Immersion is the extent to which customers think about a brand, reflecting their cognitive input during the brand interaction (Hollebeek, 2011a). Passion represents the emotional dimension of customer brand engagement, referring to positive customer affect for or attitude toward a brand, feeling passionate about the brand. Activation is the behavioral aspect of brand engagement, referring to customer willingness to devote time and effort into interacting with the brand. Using these three major themes, Hollebeek et al. (2014) developed and validated a multi-dimensional construct of brand engagement comprising cognitive processing, affection, and activation. When customers are deeply engaged with a hotel where they usually stay, they think constantly about the hotel; they are happy about staying at the hotel and spend time at the hotel. So, King, and Sparks (2014) developed another measure of customer engagement with tourism companies. Unlike Hollebeek’s three-dimensional scale, So et
al.’s (2014) scale comprises five dimensions: identification, enthusiasm, attention, absorption, and interaction. According to the definitions of each of the five dimensions, enthusiasm, attention, and absorption are conceptual parallels to Hollebeek’s three dimensions, while identification and interaction are additional dimensions. Identification is the degree to which individuals perceive themselves as belonging to the tourism company brand, and interaction focuses on various activities through which customers participate with the brand (So et al., 2014).

2.3. Involvement and Engagement

Past research suggests that customer involvement can serve as the antecedent to customer engagement because a certain level of involvement is necessary for engagement to take place (Vivek, 2009; Hollebeek, 2011b; Brodie et al., 2011; Vivek, Beatty & Morgan, 2012; So et al., 2014; Pansari & Kumar, 2017). Involvement, however, as a cognitive construct, does not encompass the interactive and dynamic customer relationship with a focal object. Moreover, involvement refers to a general consumer attitude towards an object as important, relevant, and meaningful; engagement, on the other hand, involves customers devoting emotions and behaviors to an object, becoming attached to it (Dwivedi, 2015). Such involvement can give customers a sense of sustained commitment to this object, a commitment reflected in customer thoughts, feelings, and follow-up behaviors (So, King, Sparks & Wang, 2016). Past research suggests that a high level of involvement leads to a greater perceived importance of a product and commitment to product selection (Howard & Sheth, 1969; Hegner, Fenko & Teravest, 2009).
Consumer involvement with a product category motivates consumers to learn about different products in the same product class (Hollebeek et al., 2014). Some empirical studies have also found a positive relationship between involvement and engagement (e.g., Hollebeek et al., 2014; Dwivedi, 2015; Leckie, Nyadzayo & Johnson, 2016; Islam & Rahman, 2016; Hepola, Karjaluoto & Hintikka, 2017). Dwivedi (2015) observed that consumers who display more involvement with the mobile phone category are more likely to show engagement with a specific mobile phone brand. In tourism, Harrigan, Evers, Miles, and Daly (2017) found that consumer involvement with a tourism social media brand is an important predictor of consumer engagement with the brand. However, no empirical studies have examined the relationship between involvement and engagement among hotel customers. Based on the literature, we expected that when customers are interested in a particular hotel loyalty program and that program fulfills their needs, interests, and values, they are likely to be engaged with and invest effort into the loyalty program. Thus, the following hypothesis is proposed:

\[H1: \text{Hotel loyalty program members’ involvement positively influences their engagement with the program.}\]

2.4. Value Co-Creation

2.4.1. S-D Logic and Value Co-Creation

Value co-creation is the joint creation of value by the company and the customer (Prahalad & Ramswamy, 2004b). To be more specific, value co-creation refers to “the interaction and the integration of resources between the firm and customers “(Vargo et al., 2008, p. 146). Value co-creation emphasizes the importance of joint efforts between
company and customer to create value, build experiences, and resolve problems (Vega-Vazquez, Revilla-Camacho & Cossio-Silva, 2013). Hence, consumers are no longer the passive recipient of the service and/or the product but an active co-creator of value as they consume the product or service. That is to say, in the hotel industry, hotel customers are the subject rather than the object in the service relationship and can collaborate with the hotels to create value. Value co-creation, therefore, is the process of generating value for both the company and the customer (Vega-Vazquez et al., 2013). S-D logic may be a suitable and useful paradigm for explaining value creation in the hospitality industry because of “the highly interactive character of hotel services and the fragmentation of consumption” (Chathoth et al., 2013; Morosan & DeFranco, 2016, p. 132).

S-D logic was first proposed by Vargo and Lusch (2004) as an alternative to the traditional good-dominant logic (G-D logic), which views operand/tangible resources (e.g., goods) as the basis of exchange and customers as the recipient of goods. S-D logic, however, underlines the importance of operant resources (e.g., skills and knowledge) as a competitive advantage for the company. It also advocates customers as co-creators of value; the roles of company and customer are not distinct because both parties contribute and integrate operant resources (e.g., skills and knowledge) (Vargo et al., 2008). For instance, consider a coffee machine in a hotel guest room. The coffee machine manufacturer created value by using their skills and knowledge to design, produce, brand, and deliver the coffee machine, but customers use their own knowledge and skills to use the coffee machine. Thus, value is not an exchange value or economic value generated from a tangible exchange that is commensurable or measured by money; instead, the
value is determined by the actual experience of using the product or the service. If customers had no idea how to use this coffee machine, it would have no value no matter how good it is. Therefore, co-created value refers to value in-use, which involves customer experiential evaluation of the product or service based on consumption experiences. Value in-use is derived from using the product; that value is always determined by the user of the product or the service (Vargo et al., 2008; Ranjan & Read, 2016).

Chathoth et al. (2013) stressed that co-creation is not the same as co-production in hospitality. According to Lusch and Vargo (2006), value co-creation comprises both co-creation of value and co-production, with the latter as a subordinate concept to the former. Co-creation of value emphasizes that value is always co-created, determined by the customer through consumption (Lusch & Vargo, 2006; Ranjan & Read, 2016). Co-production, on the other hand, refers to a process during which customers participate in creating the core offering through shared inventiveness or shared production with a company or other partners; the process is optional for customers (Lusch & Vargo, 2006). Further, co-creation takes place during consumption, while co-production involves production activities preceding consumption (Etgar, 2008). Keep in mind that, unlike goods or products, value is not something that can be produced. Therefore, value co-creation is superordinate to co-production because it “extends beyond the production chain to the consumption and value delivery chain” (Ranjan & Read, 2016, p. 291). Kristensson, Matthing, and Johansson (2008) posited that the key difference between co-creation and co-production lies in the degree of customer involvement, and that co-
creation is highly related to customer consumption experiences. Moreover, Chathoth et al. (2013) claimed that the role of customers is more passive in co-production than in co-creation, because co-production is firm-centric and relies highly on the physical environment offered by the company. Furthermore, Payne et al. (2008) indicated that the term co-production pertains more to G-D logic, a production-centered philosophy, than to S-D logic. Hence, this study adopts the term co-creation and distinguishes between co-creation and co-production.

Successful cases of applying value co-creation are common in the hospitality industry. The second life project called “virtual Aloft”, launched by Starwood Hotels, enabled users to co-design the Aloft brand hotel on the virtual platform, Second Life, to help Starwood develop the brand in the real life, thus using co-creation (Chathoth et al., 2013). Some hotels let customers sit ‘backstage’ to watch the kitchen staff prepare food and to interact with the staff. In this case, customers have the opportunity to become involved in creating their own food experience (Shaw, Bailey & Williams, 2011). Some peer-to-peer accommodation platforms such as Couchsurfing and Airbnb also incorporate the concept of value co-creation by letting customers interact directly with the host and share experiences with other customers. Modern consumers are more demanding and discerning than in the past; they are seeking unique and memorable experiences in which they can be highly involved (Binkhorst & Dekker, 2009; Bharwani & Jauhari, 2013). The way consumers perceive economic value has evolved from product-centric to experience-centric and customer-oriented, do the survival in the hotel industry requires creating memorable experiences for customers through involving them on personal and emotional
levels (Bharwani & Jauhari, 2013). Furthermore, the unique experiential and interactive character of the hotel industry also contributes to value co-creation (Morosan & Defranco, 2016). Hence, hotel industry should learn to incorporate value co-creation into the service encounter and use customers as operant resources to co-create memorable experiences.

2.4.2. Value Co-Creation Behavior (VCB)

VCB is a series of customer-led interactions and activities with company intended to achieve a particular goal (Payne, Storbacka & Frow, 2008; France et al., 2015). Unlike value co-creation, it is a holistic and abstract concept that underlines the role of customers in creating value, so customer value co-creation behavior is a measurable construct describing how customers fulfill their roles, their specific behaviors as co-creators in the value co-creation relationship (Laud & Karpen, 2017). Laud and Karpen (2017) also suggested that VCB is a micro-level phenomenon zooming into actual customer behaviors during the value co-creation process. Therefore, VCB involves value co-creation concept from the customer perspective, thus better explaining and managing the value co-creation process for the industry (Laud & Karpen, 2017). Yi and Gong (2013) first developed and validated a scale for measuring customer value co-creation behaviors from the perspective of S-D logic. According to the scale, VCB consists of value co-creation participation and customer citizenship behavior (Yi & Gong, 2013).

Value co-creation participation behavior is customer in-role behavior as a prerequisite to service provision; it is necessary to complete value co-creation
successfully. Value co-creation citizenship behavior is voluntary extra-role behavior on the part of a customer willing to participate in that extra-role behavior (Groth, 2015). Value co-creation citizenship behavior brings extraordinary and superior value to the company but is not mandatory for successful value co-creation (Yi & Gong, 2013). Value co-creation participation behavior involves information seeking, information sharing, responsible behavior, and personal interaction. Information seeking enables customers to understand how to perform their role as a value co-creator during the service delivery encounter. Just as Prahalad and Ramaswamy (2004a; 2004b) pointed out, transparency is a key element of value co-creation, and information can help reduce uncertainty and make the forthcoming interaction and resource integration transparent. For example, before customers book a hotel room, they can get some basic information by asking friends for recommendations or reading online reviews to help them make a choice. Customers must also share information themselves because that information is necessary for hotel employees to fulfill their duties. For example, hotels need certain personal information (e.g., name or e-mail) when customers to sign up for the loyalty program. to ensure that the services hotels offer meet customer needs. When hotel customers use room service, they must let servers know their preferences before ordering food or services. Without adequate information, the quality of co-creation may be very low. Responsible behavior means that customers cooperate, following instructions and rules during service encounters in the hotel for completing value co-creation successfully. Personal interaction means that customers are friendly, kind, and respectful to hotel employees. The more pleasant the social environment, the more likely customers are to take part in value co-creation (Yi & Gong, 2013). Personal interaction also helps in
building a cohesive relationship between the customer and the hotel, potentially stimulating future cooperation (Laud & Karpen, 2017).

Value co-creation citizenship behavior comprises feedback, advocacy, helping, and tolerance. Feedback means that customers provide feedback or suggestions to the company based on the service they receive, which would be helpful for the company. For example, hotels benefit from knowing how to improve, and online reviews by customers who stayed at the hotel can provide the appropriate information. Advocacy refers to positive word-of-mouth when customers recommend the business to their relatives, friends, or others. Past literature notes that positive word-of-mouth is a sign of customer satisfaction and loyalty, helping increase a company’s reputation (Yi & Gong, 2013; Bettencourt, 1997; Groth, 2005). In helping behavior, customers help other customers facing similar difficulties. Hotel customers can assist other customers by providing directions to the restaurant or on how to use self-service kiosks. Tolerance means that customers are willing to be patient if service is not delivered as expected or any service failures occur.

2.5. Involvement and VCB

Zaichkowsky (1985) found that highly involved consumers are more interested in acquiring information about a product than less involved consumers. Consumers who are involved with a product category are also more likely to search for information on that type of product (Wang, 2008) and to recommend the product to other people (France et
al., 2015). Customers who are highly involved with the focal object (e.g., product or brand) want a deeper connection beyond the mere consumption (Beatty & Smith, 1987). France et al. (2015) proposed that customer involvement with a product category may result in more customer brand co-creation, because customers feel more fulfilled when they participate in value co-creation. Therefore, customers who are highly involved with a hotel loyalty program should behave differently, becoming more active in co-creating value than customers who are less highly involved with the program. Thus, the following two hypotheses are proposed:

\textit{H2a: Hotel loyalty program members’ involvement positively influences their co-creation participation behavior.}

\textit{H2b: Hotel loyalty program members’ involvement positively influences their co-creation citizenship behavior.}

\section*{2.6. Engagement and VCB}

Engagement and VCB are two distinct concepts, but they seem to be associated. Early research in organization management has viewed employee engagement as a positive, work-related state of mind, separate from other organizational behavior constructs (Buil, Martinez, & Matute, 2016). France et al. (2015) argued that engagement is a motivational object-related psychological state, but that VCB is a behavioral construct reflecting specific customer-led behavior in the value co-creation process. Furthermore, the behavioral component of engagement refers to the time and effort consumers spend interacting with a specific product or brand, with the amount of time using the product or the brand being especially important (Hollebeek, 2011; Dwivedi, 2015). Moreover, the behavioral aspect is part of the consumer psychological state, not
the consequence of it (Francec et al., 2015). Besides that, motivation is the first stage of individual decision-making and is the predictor of future behaviors (Moorman & Matulich, 1993).

Past research in organizational behavior shows that employee engagement is positively related to organizational citizenship behavior (Saks, 2006; Rich, Lepine & Crawford, 2010; Ginsburg et al., 2016); moreover, employee value co-creation behaviors include innovation co-creation, advocacy co-creation, and helping co-creation (Merrilees, Miler, & Yakimova, 2017). That is to say, employees, like customers, can also contribute to company value creation. Passionately and deeply engaged employees are much more likely to co-create value with the organization than less engaged employees (Merrilees et al., 2017), so we can infer that customers who express a high degree of engagement are more likely to initiate interactions with the company by providing ideas and feedbacks (Hsieh & Chang, 2016). Kaufmann, Loureiro, and Manarioti (2016) also claimed that an existing relationship with the characteristics of strong emotions and value sharing between customer and brand is essential for co-creating behavior. In addition, past research has found that customers who are emotionally connected to an object, the hotel loyalty program for instance, can bring about customer advocacy, positive word-of-mouth, and other types of participation like offering suggestions (Kemp, Childers, & Williams, 2012; Apenes Solem, 2016). This leads to the following hypotheses:

**H3a:** Hotel loyalty program members’ engagement positively influences their co-creation participation behavior.

**H3b:** Hotel loyalty program members’ engagement positively influences their co-creation citizenship behavior.
2.6.1. Mediation Effect of Engagement

Baron and Kenny (1986) have provided three premises for a variable to function as a mediator: 1) the changes in the level of the independent variable are significantly accounted for by variations in the presumed mediator; 2) changes in the presumed mediator significantly account for variations in the dependent variable; and 3) when the paths between independent variable and presumed mediator and between presumed mediator and dependent variable are controlled, the relationship between the independent and dependent variable is significantly impaired. Our study proposes that both involvement and engagement are each positively related to the VCB dimension and that involvement has a positive relationship with engagement, so engagement could be a mediator between involvement and two-dimensional VCB. Thus, we hypothesized the following:

\( H4a: \) Hotel loyalty program members’ engagement mediates the relationship between their involvement and value co-creation participation behavior.

\( H4b: \) Hotel loyalty program members’ engagement mediates the relationship between their involvement and value co-creation citizenship behavior.

2.7. Satisfaction

Satisfaction is one of the most important constructs in the service industry; it is defined as pleasurable fulfillment that customers feel when their needs or goals have been met through the consumption (Oliver, 1997). Satisfaction is acknowledged as an indicator of post-purchase phenomena like repurchase intention or customer loyalty (Vega-Vázquez, Revilla-Camacho, & Cossío-Silva, 2013). According to the cognitive-affective system theory developed by Walter and Yuichi (1995), individual social action is created
from cognition and affects in a specific situation. Because the overall cognitive
judgement of past consumption experiences by customers determines satisfaction,
satisfaction likely contributes to future behavioral intentions of customers (Forgas-Coll,
Palau-Saumell, Matute, & Tarrega, 2017). Customers who experience repeated and
extensive positive emotions because of their relationship with a company are more likely
to continue the relationship and are less likely to look for a replacement (Flint, Blocker,
& Boutin, 2011). Therefore, members of hotel loyalty programs who are satisfied with
the program are likely to display positive outcomes for the company, so the hotel
company must know if their members are satisfied with the program. Satisfaction is also
recognized as an emotional state influenced by personal interaction (Crosby & Stephens,
1987). Satisfaction has a strong social dimension; it is an active and dynamic process
focusing on enduring consumption experiences (Fournier & Mick, 1999). Hence,
satisfaction is driven not just by a single transaction or consumption of a product or
service but by the integration of the product or service into the social life of consumers
with consumption experience and interpersonal interaction reciprocally affecting each
other (Fournier & Mick, 1999).

2.8. VCB and Satisfaction

Cheung and To (2016) argued that customer assessments of service could be
affected by co-creation experiences, that the new knowledge and skills customers gain
from co-creation experiences would enhance their competency and self-esteem and thus
result in a positive evaluation as well as greater satisfaction. Previous researchers have
also suggested that customers contribute to their own satisfaction and the quality of
service they receive (Bitner, Farana, Hubbert, & Zeithaml, 1997). Effective customer participation in service delivery could boost the efficiency of service and increase productivity. This means that customer needs are more likely to be met (Bitner et al., 1997). This is especially apparent in hotel loyalty programs where the service outcome relies heavily on member participation: collecting points, booking hotel rooms, or redeeming rewards. In this case, program members become part of the service or quasi-employees of the company offering service. Thus, to achieve a satisfying outcome, program members must perform effectively performance. Hotel customers who take part in co-creating their own service experiences can feel more control and self-fulfillment, which enhances perceived service quality and subsequent satisfaction (Dong, Evans, & Zou, 2008). In addition, some customers may find participation in service delivery quite attractive and enjoy it very much. In fact, when service is not delivered as expected, customers who are more involved in service delivery are less likely to be dissatisfied with the company because they believe that they are partly responsible for service failure (Bitner et al., 1997).

Past studies have also reported a positive relationship between customer value co-creation and customer satisfaction in different contexts (e.g., Vega-Vázquez et al., 2013; Cambra-Fierroa, Pérez, & Grott, 2017; Prebensen & Xie, 2017; Revilla-Camacho, Vega-Vázquez, & Cossío-Silva, 2017). Vega-Vázquez et al. (2013) empirically examined the relationship between VCB and customer satisfaction in personal care services; their results indicate a strong connection between the two constructs. More interestingly, Navarro, Linares, and Garzon (2016) discovered that without personal interaction,
feedback, advocacy, helping, and tolerance customers are more likely to be dissatisfied.

Yi et al. (2016) found that customer co-creation of service recovery positively influences satisfaction with service outcome. Therefore, when hotel loyalty program members actively engage in value co-creation, they should be more satisfied with the program.

*H5a: Hotel loyalty program members’ co-creation participation behavior positively influences their satisfaction with the program.*

*H5b: Hotel loyalty program members’ co-creation citizenship behavior positively influences their satisfaction with the program.*

### 2.9. Company Support as a Moderator

Grissemann and Stokburger-Sauer’s (2012) study identified company support as an antecedent to customer value co-creation in travel services. They argued that customer participation in service co-creation can result in variability in the service a company provides because customer knowledge may differ, changing how service, customer preferences, and needs can be co-created. Company support, however, can help diminish this variability in value co-creation by using good communication (Grissemann & Stokburger-Sauer, 2012). Company support for customers consists of perceived company support (PCS) and perceived communication (Grissemann & Stokburger-Sauer, 2012). PCS was initially adapted from perceived organizational support (POS) for employees in organizational behavior studies and is defined here as “the extent to which the company values customers’ contributions and cares about their well-being” (Eisenberger, Huntington, Hutchison, & Sowa, 1986, p. 501). Past studies in organizational behavior found that POS contributes to many positive employee outcomes including organizational citizenship behavior, work engagement, and employee advocacy.
(Gupta, Agarwal, & Khatri, 2016; Akgunduz & Sanli, 2017). In the service delivery context, Bettencourt (1997) found that PCS is positively related to customer voluntary performance. Social exchange theory suggests then that customers would be more likely to cooperate with the company when they believe that they are well cared for, valued, and treated fairly by the company (Bettencourt, 1997). The study also noted that support for customers would elicit participation behavior and socialization with the company (Wu, 2011). Hence, members of hotel loyalty programs should contribute more VCB if they perceive the company providing a high level of support. The second component of company support is perceived communication. Perceived communication means that customers and the hotel share meaningful and timely information with each other either formally or informally (Sharma & Patterson, 1999). Dialogue, transparency, and access are also important for successful value co-creation (Prahalad & Ramaswamy, 2004a; 2004b). If customers do not get access to information or if that information is not transparent, they may have difficulty instigating a meaningful dialogue with the company (Prahalad & Ramaswamy, 2004a). Information also reduces uncertainty, improves the perceived clarity of the task, and builds trust (Auh, Bell, McLeod, & Shih, 2007).

Therefore, effective communication between company and customer is necessary because relevant information and resources offered by the company help customers in value co-creation activities and thus influences their willingness to take part in co-creating value (Auh et al., 2007; Grissemann & Stokburger-Sauer, 2012). Auh et al. (2007) found that customer perceived communication is positively related to customer co-creation in financial services. When members of hotel loyalty programs receive information needed to perform their tasks as value co-creators, they are clearer about their role, and enhanced
competence motivates them to be more active in co-creating value in the loyalty program. Hence, we can anticipate that members who perceive a high level of company support in the hotel loyalty program will exhibit a significantly stronger relationship between involvement and VCB, as well as between engagement and VCB than those who perceive little company support. Therefore, the following hypotheses are proposed:

H6a: The relationship between hotel loyalty program member involvement and co-creation participation behavior is moderated by the level of company support.

H6b: The relationship between hotel loyalty program member involvement and co-creation citizenship behavior is moderated by the level of company support.

H7a: The relationship between hotel loyalty program member engagement and co-creation participation behavior is moderated by the level of company support.

H7b: The relationship between hotel loyalty program member engagement and co-creation citizenship behavior is moderated by the level of company support.

Using these hypotheses, we drafted Figure 1 to illustrate the hypothesized model for this research.

![Figure 1: Proposed Conceptual Model](image-url)
CHAPTER 3: METHODOLOGY

3.1. Sampling and Data Collection

This study used the self-administrated online survey to collect data from hotel loyalty program members in Canada and the United States. In order to assure that only active travelers are included, eligible participants are required to have stayed at a hotel in the last 12 months, hold at least one hotel loyalty program membership in the last 12 months, and are above 18 years old. All participants were recruited through ResearchNow, a world’s leading professional panel company with over 11 million panelists worldwide. Using the panel data allows researchers to achieve a high response rate in a relatively short period of time. ResearchNow provides qualified participants points, which can be exchanged for various rewards. An invitation letter with the survey link was sent by ResearchNow to eligible panel members. From the panel data, 736 surveys were returned. After eliminating responses that did not meet the qualification criteria (n = 290), have duplicated IP address (n = 8), or consistently gave same answers (n = 42), 396 usable data were entered for the analysis.

3.2. Questionnaire Design

The survey questionnaire was developed in Qualtrics, and participants were able to respond to the survey via computer or smart phone by the Qualtrics survey link. Prior to the official data collection, a pre-test was conducted among a small group of experts and graduate students from tourism and hospitality disciplines. The pre-test is a small-scale study, in which a small number of participants take the survey and indicate the problems they find in the wording, format, or guidelines in the survey (van Teijlingen & Hundley,
The purpose of the pre-test is to make sure that the survey is feasible, understandable, and realistic (van Teijlingen & Hundley, 2001). A pre-test test can help the researcher to identify the potential problems in the questionnaire design and improve it before testing on a large scale of the sample (van Teijlingen & Hundley, 2001). After receiving the feedback from the respondents of the pre-test test, the survey was modified based on the feedback to remove errors and ambiguity, and to make sure the appropriate wording of the survey. The entire survey is consisted of following sections: screening and background questions, involvement, engagement, VCB, company support, satisfaction, and demographics. The entire questionnaire contains 47 questions including 7 questions for obtaining respondents’ hotel loyalty program membership information and screening out unqualified ones, 33 questions for measuring key constructs, and 7 demographic questions.

The first part of the survey was to identify hotel loyalty program members and their most frequently used hotel loyalty program. To ensure that only active travelers were recruited, a screening question filtered respondents who did not have at least one hotel stay in the last 12 months. Then, participants were asked if they belonged to any hotel loyalty program in the last 12 months. If they selected no, they were eliminated. Second, participants selected all of the hotel loyalty programs listed they belonged to in the last 12 months. Next, participants were asked to choose their most frequently used hotel loyalty program and their current membership level. For the remaining survey, the name of respondents’ most frequently used hotel loyalty program was inserted into questions.
The second part of the survey was to measure each key variable. All measurement items were adapted from previous studies. Participants were asked to rate their degree of agreement with each statement on a seven-point Likert scale ranging from 1 = “strongly disagree” to 7 = “strongly agree”. The last section of the survey was to collect respondents’ demographic information such as gender and annual household income.

3.3. Measurement

Involvement was measured using 4 items derived from Zaichkowsky (1994)’s personal involvement inventory. The personal involvement inventory is a 10-item unidimensional scale. However, not every previous study adopted the complete involvement scale and some studies used either 4 items (e.g., Teng & Lu, 2016; Islam & Rahman, 2016) or 5 items (e.g., France et al., 2016) to capture involvement. It is more likely for hotel loyalty members to see the program as important, valuable, or interesting to them than as exciting or fascinating, because the characteristics of loyalty program is more functional to most of loyalty members. Therefore, current study did not use the full scale of involvement and only selected items that are mostly related to the definition of involvement and the hotel loyalty program setting. An example item for customer involvement is “In general, I have a strong interest in the hotel loyalty program”.

Engagement was assessed by a 4-item measure adapted from Hollebeek et al., (2014)’s consumer brand engagement scale. The reason for choosing Hollebeek et al., (2014)’s scale over other engagement scales is that Hollebeek et al., (2014)’s scale emphasizes engagement as a psychological state while others focus on both
psychological and behavioral sides of engagement. The original engagement scale
developed by Hollebeek et al., (2014) is consisted of three dimensions, 10 items. In
current study, only 4 items mostly relevant to this study from Hollebeek et al., (2014)’s
scale were selected. Some previous studies also used only specific items from the full
scale of engagement (e.g., France et al., 2016; Stathopoulou, Borel, Christodoulides, &
West, 2017; Islam, Rahman, & Hollebeek, 2017); 2). An example item for engagement is
“Being a member of the hotel loyalty program gets me to think about the program”.

To measure VCB, Yi and Gong (2013)’s customer VCB scale was adapted to fit the
research context. The original customer VCB scale is comprised of eight sub-dimensions,
29 items, however, in this study, advocacy (three items) and five items from other
dimensions were deleted. There were a couple of reasons for removing advocacy and
items from other dimensions. First, advocacy is customer’s recommendation intention
which is also a very common indicator of customer loyalty, which could be the possible
outcome of satisfaction, and to avoid the confliction, advocacy was removed from the
scale. Second, previous research empirically validated Yi and Gong’s VCB scale, and the
testing results revealed that some sub-dimensional items show lower factor loading
compared with other items under the same dimension (Vega-Vazquez, Revilla-Camacho,
& Cossio-Silva, 2015). Based on the statistic results from Vega-Vazquez et al., (2015)’s
study, five items under other sub-dimensions were eliminated. The VCB scale ended up
with 19 items in this study Thus, only items that are relevant to the hotel loyalty program
setting were selected. An example item for customer value co-creation behaviors is “I
provide necessary information so that the hotel loyalty program could perform their duties”.

Satisfaction was measured using 3-item scale borrowed from Back and Park (2003)’s study. An example for satisfaction is “I am happy with the hotel loyalty program”. Company support was measured in two aspects, perceived company support and perceived information. Items for measuring perceived company support were derived from the perceived support for customers scale developed by Bettencourt (1997) and items for measuring perceived information were adapted from the communication scale used by Auh et al., (2007). Although the original scales from Bettencourt (1997) and Auh et al., (2007) contained more items, since company support serves as the moderator in the study and selected items are sufficient to capture both aspects of company support, only three items were used to measure company support. An example item for company support is “The hotel loyalty program always offers me as much information as I need”.

3.4. Data Analysis

For data analysis, IBM SPSS (Statistical Package for the Social Sciences) 25 and Amos 25 was used. First, a descriptive statistics procedure was conducted to understand the distributions of demographic information of respondents. Second, following Gerbing and Anderson (1988)’s two-step structural equation modeling (SEM) approach for testing the proposed model, the confirmatory factor analysis (CFA) was first conducted to evaluate the validity and reliability of measurement items. CFA also determines whether the model adequately fits to the data (Suhr, 2006). Based on the results from CFA,
measurement items with comparatively low factor loadings were deleted. At the second stage, the relationships between variables were examined for testing proposed hypotheses. To test the mediation effect of engagement, the bootstrapping approach was adopted. Bootstrapping is a procedure of resampling in which large numbers of smaller samples are randomly created with replacement drawn from the original data (Streukens & Leroi-Werelds, 2016). Bootstrapping has been recommended by many researchers as a strategy for testing the indirect effects because it does not require normality assumption and can be applied to various situations that are difficult to find using traditional methods (Preacher, Rucker, & Hayes, 2007; Streukens & Leroi-Werelds, 2016). To assess the moderating effect of the company support, all respondents were categorized into two groups based on their response to company support related questions. Respondents in the first group are those who perceived high company support, and respondents in the second group are those who perceive low company support. The proposed model was tested on each group to compare differences between the results of two groups.
CHAPTER 4: RESULTS

4.1. Profile of Respondents

Table 1 shows the profiles of respondents (n = 396). Numerically, the sample contained more males than females, but the overall distribution was even. The sample also had a wide age distribution, with most respondents between age 30 and 49. In terms of annual household income, more than half of the respondents had incomes between $60,000 USD and $149,999 USD. For education, three fourths of all respondents had at least a 4-year degree. Nearly three fourths of the respondents were married; the number who identified as white was slightly more. Approximately half of all respondents lived in the United States and the rest were from Canada, an even geographic distribution.

The behavioral profile indicated that most respondents had five or fewer hotel stays in the previous year; nearly two thirds traveled mainly for leisure; a little more than half stayed in mid-scale hotels. The most frequently used hotel loyalty programs were Hilton Honors, Marriott Rewards, and Best Western Rewards, making them the top three hotel loyalty programs. Most respondents hold either entry-level hotel loyalty program memberships or mid-tier memberships.
Table 1 Profile of respondents (n = 396)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>213</td>
<td>53.8</td>
</tr>
<tr>
<td>Female</td>
<td>183</td>
<td>46.2</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19-29</td>
<td>48</td>
<td>12.1</td>
</tr>
<tr>
<td>30-39</td>
<td>131</td>
<td>33.1</td>
</tr>
<tr>
<td>40-49</td>
<td>54</td>
<td>13.6</td>
</tr>
<tr>
<td>50-59</td>
<td>70</td>
<td>17.7</td>
</tr>
<tr>
<td>60 or older</td>
<td>93</td>
<td>23.5</td>
</tr>
<tr>
<td><strong>Annual household income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below $20,000 USD</td>
<td>6</td>
<td>1.5</td>
</tr>
<tr>
<td>$20,000 - 39,999 USD</td>
<td>30</td>
<td>7.6</td>
</tr>
<tr>
<td>$40,000 - 59,999 USD</td>
<td>56</td>
<td>14.1</td>
</tr>
<tr>
<td>$60,000 - 79,999 USD</td>
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<td>19.4</td>
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<td>$80,000 - 99,999 USD</td>
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<td>19.4</td>
</tr>
<tr>
<td>$100,000 - 149,999 USD</td>
<td>86</td>
<td>21.7</td>
</tr>
<tr>
<td>$150,000 - 199,999 USD</td>
<td>24</td>
<td>6.1</td>
</tr>
<tr>
<td>Over $200,000 USD</td>
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<td>4.5</td>
</tr>
<tr>
<td>Not willing to answer</td>
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<td>5.6</td>
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<td><strong>Marital Status</strong></td>
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<td>Married</td>
<td>278</td>
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<tr>
<td>Single</td>
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<tr>
<td>Domestic partners</td>
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<td>6.8</td>
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<tr>
<td>Other</td>
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<td>1.3</td>
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<tr>
<td><strong>Education</strong></td>
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<td>High school graduate/diploma</td>
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<td>13.1</td>
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<tr>
<td>2-year degree</td>
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<td>12.6</td>
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<tr>
<td>4-year degree</td>
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<td>43.4</td>
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<td>Graduate school</td>
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<tr>
<td><strong>Ethnicity</strong></td>
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<td></td>
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<tr>
<td>Asian/ Pacific Islander</td>
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<tr>
<td>Black or African</td>
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<td>2.8</td>
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<tr>
<td>White</td>
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<td>2.5</td>
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<td>Native American/Aboriginals</td>
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<td>1.0</td>
</tr>
<tr>
<td>Other</td>
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<td>2.8</td>
</tr>
<tr>
<td><strong>Country of residence</strong></td>
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<td></td>
</tr>
<tr>
<td>United States</td>
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<td>53.5</td>
</tr>
<tr>
<td>Canada</td>
<td>184</td>
<td>46.4</td>
</tr>
</tbody>
</table>

Table 1 (continued) Profile of respondents (n = 396)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of hotel stays in the last 12 months</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-2</td>
<td>104</td>
<td>26.3</td>
</tr>
<tr>
<td>3-5</td>
<td>158</td>
<td>39.9</td>
</tr>
<tr>
<td>6-8</td>
<td>18.4</td>
<td>18.4</td>
</tr>
<tr>
<td>9 or more</td>
<td>61</td>
<td>15.4</td>
</tr>
<tr>
<td><strong>Main purpose of the hotel stays in the last 12 months</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>42</td>
<td>10.6</td>
</tr>
</tbody>
</table>
Leisure 236 59.6  
Business and Leisure combined 117 29.5  
Other 1 0.3  

<table>
<thead>
<tr>
<th>Most frequently-stayed hotel category in the last 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy 50 12.6</td>
</tr>
<tr>
<td>Mid-scale 217 54.8</td>
</tr>
<tr>
<td>Upscale 96 24.2</td>
</tr>
<tr>
<td>Luxury 33 8.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Most frequently-used hotel loyalty program in the last 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hilton Honors 87 22.0</td>
</tr>
<tr>
<td>Marriott Rewards 80 20.2</td>
</tr>
<tr>
<td>Best Western Rewards 69 17.4</td>
</tr>
<tr>
<td>Choice Privileges 40 10.1</td>
</tr>
<tr>
<td>IHG Rewards Club 37 9.3</td>
</tr>
<tr>
<td>Wyndham Rewards 32 8.1</td>
</tr>
<tr>
<td>Starwood Preferred Guest 25 6.3</td>
</tr>
<tr>
<td>Hyatt Gold Passport 12 3.0</td>
</tr>
<tr>
<td>Fairmont President’s Club 5 1.3</td>
</tr>
<tr>
<td>Other 9 2.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current membership level of the most frequently-used hotel loyalty program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry membership/Basic 176 44.4</td>
</tr>
<tr>
<td>Intermediate membership/Mid-tier 157 39.6</td>
</tr>
<tr>
<td>Platinum/Lifetime membership/Top-tier 63 15.9</td>
</tr>
</tbody>
</table>

4.2. Confirmatory Factor Analysis

Following Gerbing and Anderson’s (1988) two-step structural equation modeling approach for testing the proposed model, for our study, we performed CFA using the maximum likelihood method via AMOS 25 to evaluate the overall model fit. Five fit indices were used to determine the fitness of the measurement model: the ratio of Chi-square ($\chi^2$) to degrees of freedom (d.f.), normed fit index (NFI), incremental-fit index (IFI), comparative fit index (CFI), and the root mean square error of approximation (RMSEA). Values greater than 0.9 for IFI, CFI, and NFI indicate an acceptable model fit (Bentler & Bonett, 1980; Byrne, 2001). The ratio of $\chi^2$ to d.f. should be less than 3 (Kline, 2005). An RMSEA value below 0.08 also indicates an acceptable model fit (MacCallum, Browne & Sugawara, 1996). Five of 30 items were removed because of relatively low factor loadings on their connected constructs and high correlations with other constructs.
These five items include one item (“I always prefer staying at the hotels associated with the hotel loyalty program than other hotel brands”) from the engagement scale and the entire dimension of information searching (“I search for information on what the hotel loyalty program offers” and “I pay attention to how others use the hotel loyalty program”) as well as the dimension of feedback (“When I experience a problem with the hotel loyalty program, I let someone from the program know about it” and “When I receive good service from the hotel loyalty program, I comment to the program staff about it”) from the VCB scale. Based on the CFA results of the modified scale, all fit indices of the revised model demonstrated an acceptable model fit (Chi-square ($\chi^2$) = 689.028, $d.f. = 255, p < .01$, NFI = .932, IFI = .956, CFI = .956, RMSEA = .066). The standardized factor loading ranged from .758 to .947, meaning that each measurement item is a good indicator of its associated construct (Bentler, 1992). Table 2 presents the results of the CFA of the measurement model.

Table 2 Confirmatory factor analysis (n=396)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Loading</th>
<th>AVE</th>
<th>C.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Involvement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XY is important to me.</td>
<td>.891**</td>
<td>.811</td>
<td></td>
</tr>
<tr>
<td>XY is relevant to me.</td>
<td>.884**</td>
<td>.811</td>
<td></td>
</tr>
<tr>
<td>XY is valuable to me.</td>
<td>.916**</td>
<td>.811</td>
<td></td>
</tr>
<tr>
<td>In general, I have a strong interest in XY.</td>
<td>.911**</td>
<td>.811</td>
<td></td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being a member of XY gets me to think about the program often.</td>
<td>.844**</td>
<td>.753</td>
<td>.901</td>
</tr>
<tr>
<td>Being a member of XY stimulates my interest to learn more about the program.</td>
<td>.876**</td>
<td>.753</td>
<td>.901</td>
</tr>
<tr>
<td>I feel good with XY.</td>
<td>.882**</td>
<td>.753</td>
<td>.901</td>
</tr>
<tr>
<td><strong>VCB- Participation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information sharing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I provide necessary information so that XY could perform their duties.</td>
<td>.877**</td>
<td>.789</td>
<td>.917</td>
</tr>
<tr>
<td>I clearly share what I want with XY.</td>
<td>.857**</td>
<td>.789</td>
<td>.917</td>
</tr>
<tr>
<td>I give XY the information they need from me.</td>
<td>.845**</td>
<td>.789</td>
<td>.917</td>
</tr>
<tr>
<td>Responsible Behavior</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I perform all the tasks that are required by XY.</td>
<td>.801**</td>
<td>.789</td>
<td>.917</td>
</tr>
</tbody>
</table>
I follow XY’s policies and guidelines. .763**
I fulfill responsibilities as a member of XY. .758**

**Personal Interaction**
I am friendly to the staff from XY. .883**
I am polite to the staff from XY. .938**
I am courteous to the staff from XY. .891**

**VCB - Citizenship**

**Helping**
I assist other members in using XY if they need my help. .867**
I teach other members to use XY correctly. .947**
I give advice to other members using XY. .945**

**Tolerance**
If service is not delivered as expected with XY, I would be willing to put up with it. .749**
If XY makes a mistake, I would be willing to be patient. .823**
If I must wait longer than I normally expected to receive the service from XY, I would be willing to adapt. .877**

**Satisfaction**
I am happy with XY. .898**
I believe I did the right thing to become the member of XY. .886**
Overall, I am satisfied with XY. .901**

Note: Model fit: $\chi^2$ =689.028, d.f. =255, p<.01, NFI = .932, IFI = .956, CFI = .956, RMSEA =.066.

**p < .01, AVE = average variance extracted, C.R. = composite reliability, XY = the most frequently-used hotel loyalty program**

The reliability and validity of each construct must be established before testing the model. Table 3 shows the means, standard deviations, average variance extracted (AVE), correlations, and composite reliability for the five constructs. Reliability was confirmed; the value of composite reliability exceeded the .70 threshold (Bagozzi & Yi, 1988). Based on the results of testing, composite reliabilities ranged from .810 to .945, meaning that the reliability had been achieved. The AVE values ranged from .682 to .811, all above the cut off of .50, thus indicating that convergent validity had also been established (Hair, Anderson, Tatham, & Black, 1998). Finally, the results showed the AVE value for each construct was greater than its squared correlations with other constructs. Therefore, the discriminant validity of the scale was also supported (Fornell & Larcker, 1981). In addition, because of the relatively high correlations among constructs,
multiple regressions of all constructs were performed in SPSS to test for multicollinearity. The results showed that variance inflation factors (VIF) ranging from 1.724 to 3.618 were all below the critical value of 10, suggesting multicollinearity was not an issue (Stevens, 2002).

Table 3 Correlations, mean, standard deviation, AVE and composite reliability

<table>
<thead>
<tr>
<th>Factor</th>
<th>INVO</th>
<th>ENGM</th>
<th>PB</th>
<th>CB</th>
<th>SAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>INVO</td>
<td>.945a</td>
<td>.863b</td>
<td>.744</td>
<td>.655</td>
<td>.811</td>
</tr>
<tr>
<td>ENGM</td>
<td>.745c</td>
<td>.901</td>
<td>.839</td>
<td>.764</td>
<td>.801</td>
</tr>
<tr>
<td>PB</td>
<td>.554</td>
<td>.704</td>
<td>.917</td>
<td>.724</td>
<td>.777</td>
</tr>
<tr>
<td>CB</td>
<td>.429</td>
<td>.584</td>
<td>.524</td>
<td>.810</td>
<td>.629</td>
</tr>
<tr>
<td>SAT</td>
<td>.658</td>
<td>.642</td>
<td>.604</td>
<td>.396</td>
<td>.924</td>
</tr>
</tbody>
</table>

| Mean   | 5.603 | 5.278 | 5.763 | 4.889 | 5.886  |
| SD     | 1.168 | 1.260 | .939  | 1.309 | .995   |
| AVE    | 0.811 | 0.753 | 0.789 | 0.682 | 0.801  |

**Note**: INVO = Involvement, ENGM = Engagement, PB = Participation Behavior, CB = Citizenship Behavior, SAT = Satisfaction; SD = standard deviation, AVE = average variance extracted.
a. Composite reliabilities are along the diagonal; b. Correlations are above the diagonal; c. Squared correlations are below the diagonal.

4.3. Structural Equation Modeling

SEM was performed to empirically test proposed hypotheses and evaluate the proposed conceptual model. The fit indices ($\chi^2 = 727.376$, $d.f. = 256$, $p < .01$, NFI = .928, IFI = .952, CFI = .952, RMSEA = .068) supported the appropriateness of the structural model.

Figure 2 presents the confirmed structural model with standardized path coefficients. Table 4 provides the detailed results. Involvement is significantly and positively related to engagement ($\beta = .884$, $t = 18.055$, $p < .001$), indicating that
Hypothesis 1 is supported. Engagement significantly influences value co-creation participation behavior ($\beta = .893, t = 7.982, p < .001$) and value co-creation citizenship behavior ($\beta = .855, t = 6.285, p < .001$), supporting hypotheses 3a and 3b. The results also showed that value co-creation participation behavior ($\beta = .678, t = 10.074, p < .001$) and citizenship behavior ($\beta = .200, t = 6.285, p < .01$) will lead to satisfaction, supporting hypotheses 5a and 5b. However, the standardized coefficient for paths from involvement to participation behavior ($\beta = -.008, t = -.081, p > .05$) and value co-creation citizenship behavior ($\beta = -.069, t = -.548, p > .05$) were nonsignificant, meaning that hypotheses 2a and 2b are not supported.

Figure 2. Confirmed Structural Model

Note: INVO = Involvement, ENGM = Engagement, PB = Value Co-Creation Participation Behavior, CB = Value Co-Creation Citizenship Behavior, SAT = Satisfaction, CS = Company Support. Model fit: Chi-square = 727.376, d.f. = 256, $p < .01$, NFI = .928, IFI = .952, CFI = .952, RMSEA = .068. ***$p < .001$, **$p < .01$, Sig. = significant.
Table 4 Results for the structural model (n=396)

<table>
<thead>
<tr>
<th>Path</th>
<th>Path Coefficients</th>
<th>t-value</th>
<th>P</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>INVO→ENGM</td>
<td>.884</td>
<td>18.055</td>
<td>***</td>
</tr>
<tr>
<td>H2a</td>
<td>INVO→PB</td>
<td>-.008</td>
<td>-.081</td>
<td>.935</td>
</tr>
<tr>
<td>H2b</td>
<td>INVO→CB</td>
<td>-.069</td>
<td>-.548</td>
<td>.584</td>
</tr>
<tr>
<td>H3a</td>
<td>ENGM→PB</td>
<td>.893</td>
<td>7.982</td>
<td>***</td>
</tr>
<tr>
<td>H3b</td>
<td>ENGM→CB</td>
<td>.855</td>
<td>6.285</td>
<td>***</td>
</tr>
<tr>
<td>H5a</td>
<td>PB→SAT</td>
<td>.678</td>
<td>10.074</td>
<td>***</td>
</tr>
<tr>
<td>H5b</td>
<td>CB→SAT</td>
<td>.200</td>
<td>3.040</td>
<td>**</td>
</tr>
</tbody>
</table>

Note: INVO = Involvement, ENGM = Engagement, PB = Value Co-Creation Participation Behavior, CB = Value Co-Creation Citizenship Behavior, SAT = Satisfaction, ***p < .001, ** p < .01

4.4. Mediation Effect of Engagement

To further explain the associations among involvement, value co-creation participation and citizenship behavior, in this study, we analyzed the mediation effects of engagement. Bootstrap estimation with 2000 samples and a bias-corrected confidence level at 90 in AMOS 25 tested the mediating effect of engagement. As Table 5 shows, involvement has no significant direct relationship with value co-creation participation (β = -.008, t = -.025, p > .05) or citizenship behavior (β = -.069, t = -.165, p > .05).

However, involvement does have a significant indirect effect on value co-creation participation (β = .757, t = 2.565, p < .001) and citizenship behavior (β = .790, t = 1.971, p < .001) through engagement, meaning that engagement mediates the relationship between involvement and value co-creation participation behavior as well as between involvement and value co-creation citizenship behavior. Therefore, hypotheses 4a and 4b are supported.
Table 5 Direct and indirect effect of engagement

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Mediation Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct Effect</td>
</tr>
<tr>
<td>INVO→ENGM→PB</td>
<td>-.008(n.s.)</td>
</tr>
<tr>
<td>INVO→ENGM→CB</td>
<td>-.069(n.s.)</td>
</tr>
</tbody>
</table>

Note: INVO = Involvement, ENGM = Engagement, PB = Value Co-Creation Participation Behavior, CB = Value Co-Creation Citizenship Behavior, n.s. = Not Significant, **p < .01

4.5 Moderating Effect of Company Support

To test the moderating effect of company support, in this study, we adopted a multi-group analysis approach (Byrne, 2001). Involvement is not significantly related to either value co-creation participation or citizenship behavior, in this study, we only tested the moderating effect of company support between engagement and value co-creation participation behavior as well as between engagement and value co-creation citizenship behavior. First, the sample was split into a group that perceived high company support (n = 230) and a group that perceived low company support (n = 166) using the median of company support (M = 5.667) as the dividing point. Then for each group, two separate AMOS models were developed: the constrained model, in which the parameter estimate in the path of interest was constrained to 1, and the unconstrained model. The moderating effect is determined by comparing the chi-square difference between the constrained model and the unconstrained model. Table 6 provides the moderation test results. The chi-square difference between the constrained model and the unconstrained model ENGM→PB was significant (χ² = 1207.618, Δ χ² = 18.211, p < 0.05), indicating that the relationship between engagement and value co-creation participation behavior differs from high company support group (β = .911, t = 6.703, p < .001) to low company support group (β = .377, t = 2.604, p < .01). Therefore, Hypothesis 8, stating that company support moderates these relationships, is supported. For the path ENGM→CB, the
significant chi-square difference ($\chi^2 = 1214.932$, $\Delta \chi^2 = 25.525$, $p < 0.05$) also indicated that company support moderates the relationship between engagement and value co-creation citizenship behavior (Hypothesis 9). However, for the group that perceived high company support, engagement had less influence on value co-creation citizenship behavior ($\beta = .492$, $t = 3.932$, $p < .001$) than the group that perceived low company support ($\beta = .613$, $t = 2.723$, $p < .01$). Therefore, our results partly support Hypothesis 9.

Table 6 Moderating effect of company support

<table>
<thead>
<tr>
<th>Models</th>
<th>Path Coefficients</th>
<th>$\chi^2$</th>
<th>d.f.</th>
<th>$\Delta \chi^2$</th>
<th>$\Delta$ d.f.</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconstrained model</td>
<td></td>
<td>1189.407</td>
<td>514</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGM$\rightarrow$PB</td>
<td>High CS</td>
<td>.911***</td>
<td>1207.618</td>
<td>516</td>
<td>18.211</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Low CS</td>
<td>.377**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGM$\rightarrow$CB</td>
<td>High CS</td>
<td>.492***</td>
<td>1214.932</td>
<td>516</td>
<td>25.525</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Low CS</td>
<td>.613**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note**: ENGM = Engagement, PB = Value Co-Creation Participation Behavior, CB = Value Co-Creation Citizenship Behavior, $\chi^2$ = Chi-square, d.f. = degree of freedom, $\Delta \chi^2$ = the chi-square difference between the constrained model and the unconstrained model, $\Delta$ d.f. = the difference of the degree of freedom between the constrained model and the unconstrained model, ***$p < .001$, **$p < .01$
CHAPTER 5: DISCUSSIONS AND IMPLICATIONS

The primary focus of our study was to reveal the determinants and consequences of two-dimensional VCB among hotel loyalty program members. More specifically, we tested a model that shows the relationships among five constructs: involvement, engagement, value co-creation participation, value co-creation citizenship behavior, and satisfaction. We also empirically tested whether company support moderates engagement and value co-creation participation behavior as well as engagement and value co-creation citizenship behavior.

The results indicate that as loyalty program members become more involved with the loyalty program, it significantly influences their engagement with the program. This result is consistent with previous research (e.g., Hollebeek et al., 2014; Dwivedi, 2015; France et al., 2016; Leckie et al., 2016; Islam & Rahman, 2016), which found that involvement increases engagement. Therefore, when members perceive that their hotel loyalty program is strongly relevant to them personally, they are more likely to become show more intense thoughts and affects for the loyalty program. Engagement is positively related to two dimensions of VCB, value co-creation participation and citizenship behavior. This indicates that when hotel loyalty members are deeply cognitively and emotionally engaged with a specific hotel loyalty program, they will more actively interact and contribute to the success of the program. This result is congruent with the past research (e.g., Merrilees et al., 2017) that found employee engagement increases employee value co-creation behaviors. The result also confirms France et al.’s (2015) proposition that customers who are engaged with brands also become involved in brand
co-creation. However, no significant direct path was found between involvement and value co-creation participation and citizenship behavior. This result may have occurred because involvement is simply a general proclivity towards an object, and involvement may not be enough to prompt VCB. Although loyalty program members may view the program as interesting and important, that does not guarantee that they will interact actively with the loyalty program and co-create value. Previous research has also suggested that the degree of participation in value co-creation could be influenced by the perceived clarity of the task, technical competence, and motivation (Lengnick-Hall, Claycomb, & Inks, 2000). Moreover, other factors like personal characteristics and past experience may also undermine the relationships. The mediation test subsequently revealed that engagement fully mediates the relationship between involvement and value co-creation participation behavior, and between involvement and citizenship behavior. This suggests that members who become involved in the hotel loyalty program do not necessarily increase their VCB, but involvement can boost member engagement with the program and consequently increase their value co-creation.

Value co-creation participation and citizenship behaviors are both positively related to member satisfaction. This finding confirms the results of previous studies (Vega-Vazquez et al., 2013; Revilla-Camacho et al., 2017) that VCB is the determinant of customer satisfaction. The results suggest that when members of hotel loyalty programs take active part in value co-creation with the loyalty program, they tend to be more satisfied, happier with the program because of enhanced self-fulfillment and the
quality of the service they received through their own contribution to service delivery and outcome.

Company support strongly moderates the relationships between engagement and value co-creation participation behavior and between engagement and value co-creation citizenship behavior. When members are engaged with the hotel loyalty program, those who perceive more company support will be more active in value co-creation, contributing more participation behavior. However, strong company support did not enhance the relationship between engagement and value co-creation citizenship behavior; members who perceived more company support performed fewer value co-creation citizenship behaviors than members who perceived less company support. This is not completely congruent with previous studies (e.g., Bettencourt, 1997; Grissemann & Stokburger-Sauer, 2012) that showed perceived company support positively influences the degree of customer co-creation with a company. This finding can be explained in two ways. First, the differences in perceptions and standards of company support among members of loyalty programs may cause the contradictions in the results. For example, some loyalty members may consider regular emails as sufficient company support, while others may think that, to reach the level of high support, the hotel company should give them special offers or do other things to show that they value loyal customers. Second, value co-creation citizenship behavior is an extra-role behavior; customers do not feel obliged to participate. The motivations driving these voluntary behaviors are complex. Past research has identified self-enhancement and personal principles as motivating customers to perform this sort of citizenship behavior (Choi & Lotz, 2016). Members of
hotel loyalty programs who choose to contribute citizenship behavior could be more influenced by internal motivation than the support they receive from the hotel company.

5.1. Theoretical Implications

This study has theoretical implications for research on hotel loyalty programs and value co-creation. First, our study highlighted the drivers and consequences of two-dimensional VCB through developing and testing a theoretical model. In doing so, this study demonstrates how involvement and engagement act as motivation, stimulating value co-creation participation and citizenship behavior, individually and, in addition, how each behavior affects member satisfaction. Our findings in this study indicate that engagement among hotel loyalty program members is vital in facilitating both value co-creation participation and citizenship behavior. Although we found no significant relationship between involvement and two-dimensional VCB, the mediation test results revealed that involvement has an indirect impact on two-dimensional VCB via engagement. So, if members of loyalty programs are involved, that involvement prompts engagement. And if they are engaged, they will demonstrate both value co-creation participation citizenship behavior. Thus, current study progresses the service and hospitality literature by identifying what elicits VCB. Further, company support, as the moderator on the paths of engagement to value co-creation participation behavior and engagement to value co-creation citizenship behavior provide a more dynamic and holistic explanation of how VCB is spawned and helps explain variations in member VCB.
Second, this is the first study, as far as the author aware, that applies a two-dimensional VCB model to hotel loyalty programs. Previous empirical research on related topics usually investigated VCB as part of the employer/employee relationship or employee/customer relationship (Hsiao, Lee, & Chen, 2015; Lee, Hsiao, & Chen, 2017; Merrilees et al., 2017), with only research of the drivers and outcomes of VCB between customer and company (Vega-Vazquez et al., 2013; Revilla-Camacho et al., 2015; Shamim, Ghazali, & Albinsson, 2016; Laud & Karpen, 2017). In addition, other research into hotel loyalty programs in the hospitality discipline is relatively scarce. Therefore, the current study sheds light on the VCB of hotel loyalty program members and confirms that the two-dimensional VCB scale applies to hotel loyalty program studies.

5.2. Managerial Implications

The study also has some practical implications for the hotel industry. First, by developing the integrated model of VCB, our study provides industry practitioners with an in-depth understanding of the mechanism of value co-creation and resource exchange for hotel loyalty program members and hotel companies. Thus, through the empirical investigation of VCB as a micro-level phenomenon (Laud & Karpen, 2017), this study offers valuable insight and guidance to hotel companies as they establish effective management strategies to detect and manipulate value co-creation with their loyalty program members. Hotel companies could segment program members based on their VCB and identify members who are active in VCB. By evaluating and rewarding those program members, hotel companies can encourage them in their VCB. The resulting enhanced program value could encourage more active members, improving the program
with the help of program members. Second, program members who show involvement can facilitate their own engagement with the loyalty program. Hotel companies should develop approaches enhancing involvement with the program. For instance, hotel companies can redesign a loyalty program and its website to improve interaction with the program, allowing members to earn or redeem points more easily or browse program information more intuitively. A loyalty program designed to be more interesting to members can change member attitudes toward and perceptions of the program. Also, hotel companies can make rewards more attractive or even customize rewards to meet member needs, enhancing member interest in the program, value for the program, and perceive the program’s personal relevance. Some loyalty programs already allow their members to earn and redeem points at collaborating companies like department stores, fashion companies, and e-commerce companies. Third, our findings show that deeply engaged hotel loyalty program members contribute more VCB. Loyalty programs, unlike frequency programs, encourages customer loyalty for the brand and focuses on building a relationship with the customer (Shoemaker & Lewis, 1999). Therefore, hotel companies should work to foster cognitively, emotionally, and behaviorally engaged program members by focusing on creating emotional experiences and interactions for members. Hotel companies can provide special offers or special events exclusively for program members, strengthening the interaction and the bond between members and the hotel loyalty program. For example, Starwood held a live music show with famous singers exclusively for their loyalty program members and encouraged members to come and interact with singers. Through this type of event, program members interact and connect with the program in ways that extend beyond collecting points, because such events
engage members emotionally and behaviorally. Hotel companies should promote their loyalty programs, maintaining a presence on social media platforms to strengthen interactions and relationships with loyalty program members.

Furthermore, both value co-creation participation and citizenship behavior leads to member satisfaction with the loyalty program. Hotel companies should, therefore, create an environment favorable to value co-creation for their loyalty program members and provide opportunities to enhance the benefits (e.g., improved service efficiency) that may motivate members to contribute VCB. For example, hotel companies can create an online program member community as a platform for members to interact with each other, share experiences, and ask for advice. Moreover, hotel companies should show appreciation for members who contribute VCB to the program, providing them certain benefits or rewards. Information and education offered to members can clarify what they need to do as a co-creator. Our results also indicate the importance of offering appropriate company support to loyalty program members. According to the S-D logic, value is created through collaboration of customers with company, so hotel companies should extend communication beyond the service encounter itself or standardized company communication like e-mail marketing. Hotel companies should create a more active dialogue with their loyalty program members using other types of communication. For example, hotel companies can tailor communication for each loyalty program member, using travel history, preferences, and the membership levels in customized e-mails or advertisements, targeting certain members and helping them. Another options would be seasonal appreciation events, inviting loyalty program members; this can strengthen their
commitment to the brand through feeling cared for and treated well. Different perceptions of company support may mean that some program members do not feel the hotel company truly takes care of them. Therefore, the hotel company must know these perceptions of company support and whether the support provided to members meets their inherent needs. For instance, hotel companies can send surveys to their loyalty program members asking if the loyalty program provides them the support and information they need. Based on the responses, hotel companies can identify where they need to improve company support for the loyalty program and how to develop a more complete customer care/support system. In addition, establishing various support channels for loyalty program members may also enhance their feelings of being supported and cared for by the company.
CHAPTER 6: LIMITATIONS AND RECOMMENDATIONS

Although this study provides considerable insight into value co-creation in a hotel loyalty program, it suffers several limitations that should be addressed.

First, in this study, we did not investigate the influence of membership profiles, especially membership level because it is beyond the study focus. Tanford (2013) found significant differences among membership levels on all loyalty indicators, with the highest scores for elite members and the lowest scores for base-tier members. Hence, hotel loyalty program members with different membership levels may display different results. Future research may examine and compare the mean value of each variable for different membership levels or assess the moderating effect of membership level on each path. Second, our study recruited members only from major hotel loyalty programs in the US and Canada. As the respondent profile demonstrates, most loyalty program members (65.9%) are from the Marriott, Hilton, and Best Western programs. Therefore, our study findings may not generalize to other populations or loyalty program members from other hotel brands. Moreover, the online survey only allowed subjects with internet access and are panelists for the panel company access to the survey. Many potential participants without internet access or who are not panelists were excluded. Thus, the participants cannot represent the entire study population. Future research may include a larger sample size, collect data from different countries, and include loyalty program members from other hotel companies. Researchers may also consider measuring non-self-report attitudes and behaviors or use an on-site survey instead of an online survey for data collection. Third, neither the full scale of VCB, as developed by Yi and Gong (2013), nor the
engagement scale, by Hollebeek et al. (2014), was used in the current study because of the research context. Only measurement items relevant to the hotel loyalty program setting were retained. Merrilees et al. (2017), however, differentiated staff engagement and staff-led VCB but did not include the behavioral dimension of engagement construct. Future research may adopt the full scale of engagement and VCB and investigate these two concepts theoretically and empirically in different contexts. Fourth, this study did not investigate the future behavioral intentions of hotel loyalty program members like the intention to continue membership and attitudinal loyalty. Hotel loyalty program members may be passive members or possibly switch to different loyalty programs, so the intention to actively engage with loyalty program functions like accumulating points, booking hotels, and redeeming rewards must be explored. Although satisfaction can lead to positive customer behavioral intentions, an empirical examination is still necessary for this specific context.
CHAPTER 7: CONCLUSION

Our study adopted a two-dimensional construct of VCB and investigated the drivers and outcomes of VCB in hotel loyalty programs by empirically examining an integrated model. The results indicated that member involvement with the loyalty program can lead directly to engagement with the program, and engagement is a key to what drives two dimensions of VCB (value co-creation participation and citizenship behavior) among hotel loyalty program members. Although involvement is not related to member value co-creation participation and citizenship behavior, it indirectly influenced value co-creation behaviors through the full mediation of engagement. Moreover, company support moderated the engagement to value co-creation participation behavior and the engagement to value co-creation citizenship behavior paths. Our findings should encourage future research that will expand the scope, examining the role of VCB in facilitating member future behavioral intentions and comparing the results among different types of members (e.g., membership tier or demographics). In addition, this study indicated hotel companies should build an emotional bond with and provide proper support to their loyalty program members for successful value co-creation.
References


Appendix

Survey

Dear participants,

The purpose of this study is to understand hotel loyalty program members’ satisfaction. The findings of the study provide hotel industry operators with an in-depth understanding for the future loyalty program marketing.

The survey will take approximately 20 minutes to complete. Your response is of great importance to this study. Be assured that your participation is strictly voluntary and you can withdraw from the study at any time without the consequence of any kind. It is an anonymous survey; no individual information will be reported and only aggregated results will be presented.

Thank you for your participation.

Sincerely,

WooMi Jo
Principal Investigator

Jiayin Liu
Student Investigator

University of Guelph
Screening Questions

Q1. How many times have you stayed at a hotel in the last 12 months?
- 1-2
- 3-5
- 6-8
- 9 or more
- None of the Above (panelist is not qualified and they are forced to leave the survey)

Q2. What is the main purpose of your hotel stays in the last 12 months?
- Business
- Leisure
- Business and leisure combined
- Other

Q3. Which category of hotels did you use mostly in the last 12 months?
- Economy
- Mid-scale
- Upscale
- Luxury

Q4. Do you own a personal (not through your business or work) hotel loyalty program account in the last 12 months?
- Yes
- No (panelist is not qualified and they are forced to leave the survey)

Q5. Please choose the hotel loyalty programs that you personally belong to in the last 12 months or more (select all that apply to you)
- Marriott Rewards
- Starwood Preferred Guest
- Intercontinental IHG Rewards Club
- Hilton Honors
- Hyatt Gold Passport
- Wyndham Rewards
- Choice Privileges
- Best Western Rewards
- Fairmont President’s Club
- Other (please specify in the box below) _______
Q6. From your selections above, please select the hotel loyalty program that you used most frequently in the last 12 months

- Marriott Rewards
- Starwood Preferred Guest
- Intercontinental IHG Rewards Club
- Hilton Honors
- Hyatt Gold Passport
- Wyndham Rewards
- Choice Privileges
- Best Western Rewards
- Fairmont President’s Club
- Other (please specify in the box below) ________

Q7. What is your current membership level of the most frequently used hotel loyalty program you entered above?

- Entry membership/Basic
- Intermediate membership/Mid-tier
- Platinum/Lifetime membership/Top-tier
Following questions are asking about your _____ (the loyalty program that the respondents select in Q6 will show here and in the following questions) membership. Please indicate the extent to which you agree or disagree with the following statements. (1= Strong Disagree; 2= Disagree; 3= Somewhat Disagree; 4=Neither Agree nor Disagree; 5= Somewhat Agree; 6= Agree; 7= Strongly Agree)

**Involvement**

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<tr>
<td>1. _____ is important to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>2. _____ is relevant to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>3. _____ is valuable to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>4. In general, I have a strong interest in_____.</td>
<td>1</td>
<td>2</td>
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**Engagement**

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<tbody>
<tr>
<td>1. Being a member of ____ gets me to think about the program often.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>2. Being a member of ____ stimulates my interest to learn more about the program.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>3. I feel good with ____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<tr>
<td>4. I always prefer staying at the hotels associated with ____ than other hotel brands.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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**Value Co-Creation Behavior**

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<tr>
<td>1. I search for information on what ____ offers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>2. I pay much attention to how others use ____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>3. I provide necessary information so that ____ could perform their duties.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>4. I clearly share what I want with____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>5. I give ____ the information they need from me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>6. I perform all the tasks that are required by____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>7. I follow ____’s policies and guidelines.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>6</td>
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<td>8. I fulfill responsibilities as a member of____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>9. I am friendly to the staff from____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>10. I am polite to the staff from____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>11. I am courteous to the staff from____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>12. When I experience a problem with____, I let someone from ____ knows about it.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>13.</td>
<td>When I receive good service from____, I comment to the</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td></td>
<td>program staff about it.</td>
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<td>14.</td>
<td>I assist other members in using ____if they need my help.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<td>15.</td>
<td>I teach other members to use ____correctly.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>16.</td>
<td>I give advice to other members using____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>17.</td>
<td>If service is not delivered as expected with____, I would be</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td></td>
<td>willing to put up with it.</td>
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<td>18.</td>
<td>If ____makes a mistake, I would be willing to be patient.</td>
<td>1</td>
<td>2</td>
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<td>19.</td>
<td>If I must wait longer than I normally expected to receive the</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td></td>
<td>service from____, I would be willing to adapt.</td>
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**Company support**

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<tr>
<td>1.</td>
<td>Help is available from ____ when I have a problem.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<tr>
<td>2.</td>
<td>____ cares about my opinion.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
<td>6</td>
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<td>3.</td>
<td>____ keeps me very well informed about what is going on with</td>
<td>1</td>
<td>2</td>
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<td></td>
<td>my membership.</td>
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**Satisfaction**

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<tr>
<td>1.</td>
<td>I am happy with____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<tr>
<td>2.</td>
<td>I believe I did the right thing to become the member of____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>3.</td>
<td>Overall, I am satisfied with____.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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Demographic information

Age
- Under 18
- 19-29
- 30-39
- 40-49
- 50-59
- 60 or older

Gender
- Male
- Female
- Prefer not to answer

Marital status
- Married
- Single
- Domestic partners
- Other

Annual household income
- Below $20,000 USD
- $20,000 - 39,999 USD
- $40,000 - 59,999 USD
- $60,000 - 79,999 USD
- $80,000 - 99,999 USD
- $100,000 - 149,999 USD
- $150,000 - 199,999 USD
- Over $200,000 USD
- Not willing to answer

Education
- Less than high school
- High school graduate/diploma
- 2-year degree
- 4-year degree
- Graduate school

Ethnicity
- Asian/ Pacific Islander
- Black or African
- White
- Hispanic or Latino
- Native American/ Aboriginal peoples
- Other

Country of current residence
- United States
- Canada