



Customer Satisfaction and Loyalty in the Hotel Industry: the Mediating Role of Relationship Marketing (PLS Approach)

Samaan Al-Msallam and Abdullah Alhaddad

Department Of Marketing, Arab International University, Damascus, Syria

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ABSTRACT: Loyalty of a company's consumer has been recognized as the dominant factor in business firm's success. This study helps us extend our understanding of the relationship between customer loyalty, customer satisfaction, Relationship Marketing (trust and commitment). This is of considerable interest to both practitioners and researchers in the field of hospitality management. The objective of this research is to identify the factors of trust, commitment (affective and Calculative) and customer satisfaction that are positively related to customer loyalty in hotel industry. Using data collected from three different hotels in Damascus, Syria. A total of 117 surveys were analyzed using Partial Least Square(PLS), the findings indicate that customer satisfaction, trust on hotel and affective commitment positively correlated to customer loyalty.

I. INTRODUCTION

The hotel industry this day has been recognized as a global industry, with producers and customers spread around the world. The use of hotel facilities such as: room, restaurant, bar, club; is no longer considered a luxury. For many customers these services have become an integral component of lifestyle. Moreover, in the last decade, demand for and supply of hotel services beyond that of the traditional services intended for travelers have escalated the growth of the hotel industry globally, leading to increase competition in the marketplace. One of the greatest challenge facing hotel firms today is the ever-growing volume and pace of competition. Competition has had major implications for the consumers, providing: increased choice, greater value for money and augment levels of service.

Additionally, there is little to distinguish one hotel's products and services from another. Thus it has become imperative for hotel firms to gain a competitive advantage. There are two strategies most commonly used by hotel managers in order to gain a competitive advantage; they are: low-cost leadership through price discounting, and developing customer loyalty by providing unique benefit to customers.

Hotels that attempt to improve their market share by discounting price, however, run the serious risk of having a negative impact on the hotel's medium and long term profitability. As a result, it is quality of service rather than price that has become the key to a hotel's ability to differentiate itself from its competitors and to gain customer loyalty.

Numerous examples illustrate that it is important that the hotel industry develop customer loyalty, as opposed to relying solely on pricing strategies. Researchers have shown that a 5 percent increase of 25 percent to 85 percent (Reichheld and Sasser, 1990). Hence a dedicated focus on customer loyalty is likely to become a necessary prerequisite for the future survival of hotel organizations.

Hotel managers believe that firms can improve their profits by satisfying customers. Studies show, however, that satisfying customers alone is not enough, since there is no guarantee that satisfied customers will return to purchase. It is now becoming apparent that customer loyalty is significantly more important than customer satisfaction in a business organization's success.

The increasing sophistication of customers' demands coupled with the increasing market competition has posed a new challenge to hotel managers, therefore, marketing scholars emphasize the influence of relationship marketing as a strategically important tool from which customer loyalty can be secured and, as a result, the attainment of higher competitiveness.

There is undoubtedly a growing interest in the subject of relationship marketing. The strong rivalry characterizing today's business environment has resulted to the building of stronger firm-customer relationships (Ndubisi, 2007). Webster (1992) noted that the phenomenon described by this concept is strongly supported by on-going trends in modern business. Ndubisi (2004) reported that more and more firms are capitalizing on strong firm-customer relationship to gain invaluable information on how best to serve customers and keep them

from defecting to competing brands. Hence, customer relationship building creates mutual rewards (Rapp and Collins, 1990) which benefit both the firm and the customer. By building relationship with customers, an organization can also gain quality sources of marketing intelligence for better planning of marketing strategy. It is important, therefore, to empirically examine the actual impact of the components of relationship marketing on customer loyalty. Such understanding will assist in better management of firm-customer relationship and in achieving higher level of loyalty among customers. The research study reported here investigates the impact of two components of relationship marketing (trust and commitment), and satisfaction on customer loyalty in three different hotels in Damascus, Syria.

II. LITERATURE REVIEW

Customer Loyalty

Many service organizations have developed customer loyalty programs as a part of relations development activities. Customer loyalty is a complicated concept. Oxford Dictionary defines loyalty as a state of true to allegiance. But the mere repeated purchase by customers has been mixed with the above mentioned definition of loyalty. In service domain, loyalty has been defined in an extensive form as "observed behaviors" (Bloemer *et al.*, 1999). Caruana (2002) argues that behavior is a full expression of loyalty to the brand and not just thoughts.

However, behavior standards (such as repeated purchase) have been criticized, due to the lack of a conceptual basis of a dynamic process (Caruana, 2002). For example, the low frequency of repeated purchase of a special service may be resulted from different situation factors, such as non-availability or absence of a provider. According to this point of view, loyal behavior cannot offer a comprehensive conception of fundamental causes of loyalty. Additionally, repetition may be due to different restrictions resulted from the market. Consequently, the loyalty of this type of customers mainly differs from the loyalty of those customers who seriously support a product, and do have psychological bond with a product and a company. Therefore, customer's loyalty was considered as an attitudinal structure.

For example, this issue appears in the tendency to advise the service offer to other customers. Finally, in addition to behavioral and attitudinal approaches, another approach to customer's loyalty, called cognitive approach, was introduced. The operational definition of this approach often refers to the first product or service which comes to the mind of a person, while making decision for purchase. Meanwhile, in their definition of this approach, Ostrowski *et al.* (1993) and Bloemer (1999) refer to the first product or service that a person chooses among products and services.

Consumer Satisfaction

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

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

- (1) Confirmation: where performance matches standards, leading to neutral feelings.
- (2) Positive disconfirmation: where performance is deemed better than standard, resulting in satisfaction.
- (3) Negative disconfirmation: where performance is deemed worse than standard, resulting in dissatisfaction.

Therefore, it is commonly accepted that in order to determine satisfaction or dissatisfaction, comparisons must be made between customers' expectations and the perceived performance of the product (Yi, 1990).

Marketing researchers also distinguish between transaction-specific and cumulative consumer satisfaction (Johnson *et al.*, 1995; Andreassen, 2000). Transaction-specific consumer satisfaction is a post-consumption evaluative judgment of a specific purchase occasion (Oliver, 1980, 1993). In contrast, cumulative consumer satisfaction that represents an overall evaluation based on the entire purchase and consumption experience with a product over time (Johnson and Fornell, 1991; Fornell, 1992; Anderson *et al.*, 1994). This is

more fundamental and useful than transaction-specific consumer satisfaction in predicting consumer's subsequent behaviors and firm's performance (Fornell *et al.*, 1996 ; Johnson *et al.*, 2001).

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

Customer Loyalty and Customer Satisfaction

Customer satisfaction is considered to be one of the most important outcomes of all marketing activities in a market-oriented organization . The obvious need for satisfying the organization 's is to expand the business, to gain a higher market share, and to acquire repeat and referral business, all of which lead to improved profitability (Barsky, 1992). Studies conducted by Cronin and Taylor (1992) in service sectors such as: banking, pest control, dry cleaning, and fast food; found that customer satisfaction has a significant effect on purchase intentions in all four sectors. Similarly, in the health-care sector, McAlexander *et al.* (1994) found that patient satisfaction and service quality have a significant effect on future purchase intentions.

Getty and Thompson (1994) studied relationships between quality of lodging, satisfaction, and the resulting effect on customers' intentions to recommend the lodging to prospective customers. Their findings suggest that customers' intentions to recommend are a function of their perception of both their satisfaction and service quality with the lodging experience. Fornell (1992) also established that satisfaction directly influences loyalty although he found that the link depends on the industrial context. Many related empirical studies (Szymanski and Henard,2001; Johnson *et al.*, 2001; Cronin *et al.*, 2000; Blomer *et al.*, 1999; Oliver ,1999 ; Zeithaml *et al.*,1996) reported that satisfied consumers demonstrate more loyal behavior. Accordingly, the first hypothesis is to repeat the test of this relationship:

H1: Customer satisfaction is positively associated with customer Loyalty.

Relationship commitment

Relationship commitment exists when a partner believes the relationship is important enough to warrant maximum efforts at maintaining that relationship in the long term. Moorman *et al.* (1992) defined relationship commitment as an enduring desire to maintain a valued relationship. Commitment is of critical importance in organizational buying behavior and can lead to important outcomes such as decreased customer turnover (Porter *et al.*, 1974) and higher motivation (Farrell and Rusbult, 1981). Commitment is positively related to loyalty and repeated purchase and, because relationship performance is critical to repurchase decisions in a relational exchange, business loyalty is similar to relationship commitment (Morgan and Hunt, 1994).

Commitment and loyalty are two concepts connected but different. Indeed, commitment exceeds the framework of the favourable attitude towards the brand: commitment has a stronger solidity, robustness and stability than the general attitude towards the brand. Beyond the favourable or unfavourable appreciation of the brand, commitment plays the role of stabilising the behaviors in time irrelevantly of the circumstances (Scholl, 1981), being an essential component of long-term loyalty (Morgan and Hunt, 1994).

On the other hand, loyalty is described as “a deeply held commitment to re-buy or repurchase a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1999). Oliver (1997) describes the consumer who “fervently desires to re-buy a product or service and will have no other”, as a consumer who will pursue this quest “against all odds at all costs”. These latter conditions define the concept of “ultimate loyalty”. Anderson and Weitz (1992) saw manufacturer-distributor commitment as the adoption of a long-term orientation towards the relationship. They proposed that mutual commitment results in “channel members” working together to serve the needs of end-customer's more effectively—thus increasing mutual profitability beyond what either member could achieve by operating independently.

We propose using two relationship commitment constructs to help explain more variation in loyalty. Relationship commitment picks up on those dimensions that keep a customer loyalty to a product or company even when satisfaction and/or trust. We distinguish between the effective and calculative bases of commitment. Recall that the affective component is “hotter” or more emotional. This affective commitment serves as a psychological barrier to switching. The calculative component is based on “colder” or more rational and economical aspects such as switching costs. This includes the degree to which customers are held hostage to a particular service company or location. The commitment constructs are modeled as mediating the effects of satisfaction on loyalty. The following hypothesis is therefore proposed:

H2. *That affective commitment has a positive effect on customer loyalty.*

H3. *That calculative commitment has a positive effect on customer loyalty.*

Trust

Trust is seen as an important factor for enhancing customer loyalty (Fournier, 1998; Alhaddad, 2015). Ganesan (1994) found that long-term orientation is affected by the extent to which customers and vendors trust their “channel partners”. Each partner’s ability to provide positive outcomes to the other determines commitment to the relationship. Trust is therefore a major determinant of relationship commitment (Morgan and Hunt, 1994), and exists when there is confidence in a partner’s reliability and integrity. Moorman *et al.* (1993) defined trust as a willingness to rely on an exchange partner in whom one has confidence. More specifically, Anderson and Narus (1990) defined trust in manufacturer-distributor relationships as a firm’s belief that another company will perform actions that will result in positive outcomes, and that the other company will not take unexpected actions that result in negative outcomes for the firm. Similarly, Ganesan (1994) proposed that a key component of trust is the extent to which the customer believes that the vendor has intentions and motives beneficial to the customer and is concerned with creating positive customer outcomes. Suppliers who are perceived as being concerned with positive customer outcomes will therefore be trusted to a greater extent than suppliers who appear interested only in their own welfare. According to Morgan and Hunt (1994), commitment and trust together encourage marketers:

- to work towards preserving relationship investments by cooperating with exchange partners;
- to resist attractive short-term alternatives in favour of the long-term expected benefits of staying with existing partners; and
- to view potentially high-risk actions more favourably because they believe that their partners will not act opportunistically. The following hypothesis is therefore proposed:

H4. *That trust has a positive effect on customer loyalty.*

On the basis of relational theory, it is widely agreed in the literature that trust and commitment are key variables in influencing customer loyalty in successful relational exchanges. However, there is a gap in the literature with respect to the possibility that trust and commitment reflect the level of relationship satisfaction, rather than driving it. In an effort to highlight the mediating role of relationship satisfaction – most often discussed in the literature in terms of dissatisfied customers (Kelley and Davis, 1994; Tax *et al.*, 1998) – the following hypotheses are therefore proposed:

H5. *That higher levels of customer satisfaction with a relationship are associated with higher levels of affective commitment in the relationship.*

H6. *That higher levels of customer satisfaction with a relationship are associated with higher levels of calculative commitment in the relationship.*

H7. *That higher levels of customer satisfaction with a relationship are associated with higher levels of trust in the relationship.*

Study

Sample

To collect the data, questionnaires accompanied by covering letter and a chocolate bar incentive were distributed to 250 guests of three different hotels in Damascus, Syria. The questionnaires were delivered through the reception desk to those guests checking in during the four weeks' data-collection period. A total of 180 surveys were returned, of which 117 (47 %) proved usable. Table I displays the characteristics of the sample.

Measures

All constructs are measured using multiple indicators. The customer satisfaction questions are identical to those used in American satisfaction model by (Fornell *et al.*, 1996), The affective commitment and calculative commitment measures are adapted from the works of Samuelsen (1997) and Samuelsen and Sandvik (1997); Kumar *et al.*, (1994) and Meyer and Allen (1984). Trust is operationalized using various trust benchmarks (Morgan and Hunt, 1994; Aydin and Ozer, 2005), The behavioral intention measures for operationalizing loyalty are based on Zeithaml, Parasuraman, and Berry (1996).

Table I. Characteristics of the sample.

Characteristic	%
Gender	
Male	68.4
Female	31.6
Age	
25-54	40
55 and Older	60
Annual Income	
\$25,000-\$50,000	30.5
\$50,000-\$75,000	55
\$75,000 and More	14.5
Type of gusts	
Business Travelers	27
Vacationers	40
Traveling For Other Purposes	33

III. Results

The final research model was tested using PLS, a structural equation modeling technique that is well suited to highly complex predictive models (Wold, 1985). Partial least squares (PLS), which are well-suited to analyses in which the cases-to-variables or cases-to-paths ratios are relatively low (Fornell and Bookstein, 1982; Hulland, 1999), was used to test the hypothesized relationships. PLS has several strengths that made it appropriate for this study, including its ability to handle both reflective and formative constructs, and the nonnormality of the data, and the limited sample size (Hsu *et al.*, 2006). The software used was SmartPLS (Hansmann and Ringle, 2004). Data were analyzed in two stages, following Hulland’s (1999) recommended procedure to ensure that only reliable and valid measures were used in the model test. In the first stage, the reliability and validity of each measure is assessed. In the second stage, the model itself was tested by estimating the paths between the constructs and determining their significance, as well as estimating the predictive power of the model.

Validation of measures

Cronbach’s alpha and the Composite Reliability test revealed that all constructs showed a value above the threshold (0.6 for both Cronbach’s alpha and CR, adopted by Bagozzi and Yi, 1988) (see Table II). To test for convergent validity, CR, factor loading, and AVE (Average Variance Extracted) were examined. It is acceptable if an individual item factor loading is greater than 0.7, CR exceeds 0.7, and AVE exceeds 0.5 (Gefen *et al.*, 2000) (see Table III). All loadings for the reflective constructs exceeded 0.7 and were shown to be significant at Bootstrap t-statistics (a ¼ 0:01), while satisfying CR and AVE criteria.

In order to examine the discriminant validity for the constructs, this study first used a cross-loading table, which showed that the measurement items loaded highly on other factors (Gefen and Ridings, 2003). The cross-loadings of individual items were compared across all latent variables (see Table III). Each item was assigned to its reflective construct. This study examined the table of the correlations of constructs and the latent roots of AVE (see Table IV). The results in both tables reveal that all constructs in this study fulfilled discriminant validity.

Table II . Constructs and their measurement items

Construct	Measurement items	Loading	α	CR	AVE
Customer Satisfaction	Overall satisfaction	0.87	0.85	0.91	0.77
	Performance versus the customer's ideal service provider in the category	0.88			
	Expectance disconfirmation (performance that falls short of exceeds expectations)	0.87			
Trust	I trust this hotel	0.90	0.92	0.94	0.77
	I feel that I can rely on this hotel to serve well	0.83			
	I trust the billing system	0.92			
	I believe that I can trust that this hotel will not try to cheat me	0.88			
	This hotel is reliable because it is mainly concerned with the customer’s interests	0.86			
Affective Commitment	The pleasure taken in being a customer of the hotel	0.93	0.95	0.96	0.86
	Identification with what the hotel stands for	0.93			
	Presence of reciprocity in the relationship	0.93			
	Feeling of belongingness to the hotel	0.92			

Calculative Commitment	The economics (benefit versus costs) of the alternative	0.97	0.94	0.96	0.90
	Economic suffering if the relationship is broken	0.96			
	Location advantages versus other companies	0.91			
Customer Loyalty	Likelihood of retention	0.90	0.90	0.94	0.83
	Likelihood of speaking favorably about the hotel to others	0.93			
	Likelihood of recommending the company to others	0.91			

Table III. Cross-loading table for the constructs

	Affective Commitment	Calculative Commitment	Customer Loyalty	Trust	Customer Satisfaction
AffC1	0.933	0.205	0.298	0.188	0.219
AffC2	0.932	0.217	0.320	0.194	0.259
AffC3	0.936	0.210	0.345	0.176	0.259
AffC4	0.929	0.382	0.325	0.176	0.235
CS1	0.271	0.255	0.495	0.317	0.877
CS2	0.229	0.227	0.513	0.357	0.882
CS3	0.190	0.274	0.535	0.312	0.876
CALC1	0.272	0.975	0.295	0.282	0.312
CALC2	0.241	0.960	0.285	0.287	0.285
CALC3	0.265	0.910	0.209	0.215	0.200
L1	0.369	0.276	0.901	0.365	0.570
L2	0.320	0.277	0.936	0.433	0.534
L3	0.253	0.217	0.911	0.372	0.499
Tr1	0.200	0.208	0.419	0.902	0.354
Tr2	0.160	0.258	0.345	0.835	0.332
Tr3	0.178	0.241	0.392	0.922	0.348
Tr4	0.183	0.272	0.379	0.880	0.326
Tr5	0.139	0.261	0.333	0.865	0.282

Table IV. Correlations of the constructs and AVE

	Affective Commitment	Calculative Commitment	Customer Loyalty	Trust	Customer Satisfaction
Affective Commitment	0.932				
Calculative Commitment	0.272	0.949			
Customer Loyalty	0.346	0.282	0.916		
Trust	0.196	0.280	0.426	0.881	
Customer Satisfaction	0.261	0.287	0.585	0.374	0.878

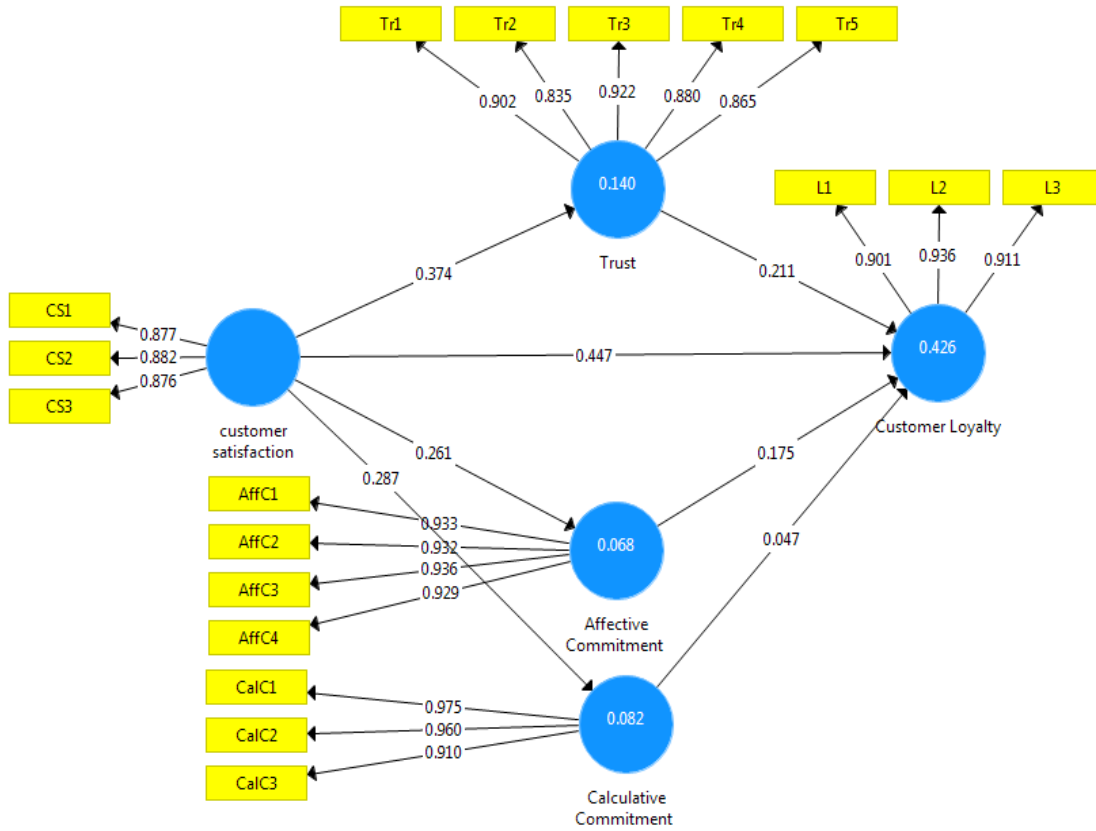
Path co-efficients and predictive ability

We tested several versions of our model. In the first model (Figure 1) we included all constructs, testing a direct and indirect (via Trust, Affective Commitment and Calculative Commitment) relationship between customer satisfaction and the loyalty. R² value of the endogenous construct is 0.42 (loyalty). With the exception of one path (Calculative Commitment → Customer loyalty), all paths are significant.

The mediating effects of brand affect and brand were tested using Baron and Kenny’s (1986) logic, which states that a variable functions as a mediator when it meets the following three conditions:

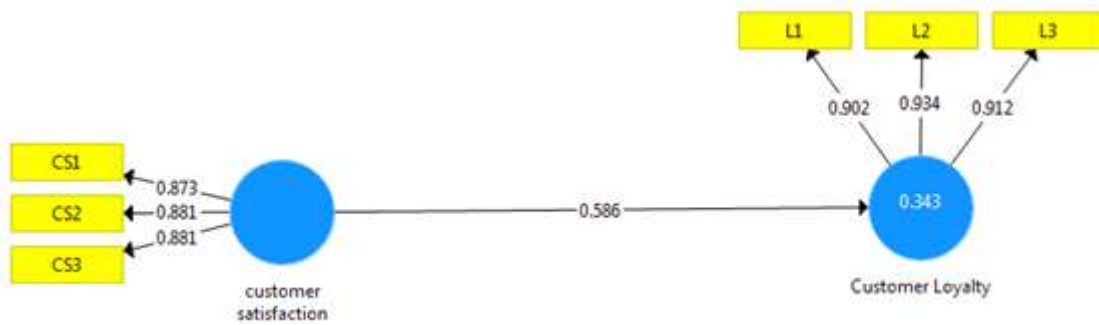
1. the independent variable significantly influences the mediating variable
2. the mediating variable significantly influences the dependent variable; and
3. when path 1 and path 2 are controlled, a previously significant relationship between the independent and the dependent variables is no longer significant.

Figure 1. The relationship between customer satisfaction, trust, Affective Commitment and Calculative Commitment and customer loyalty



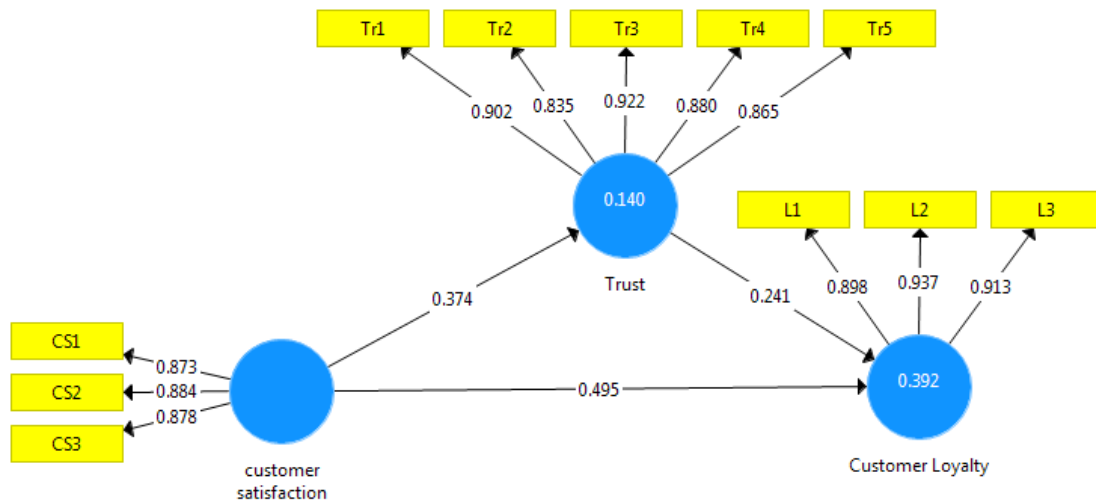
As Figure 2 displays, the direct paths of customer satisfaction on customer loyalty are significant at $p < 0.001$.

Figure 2. Direct effect model



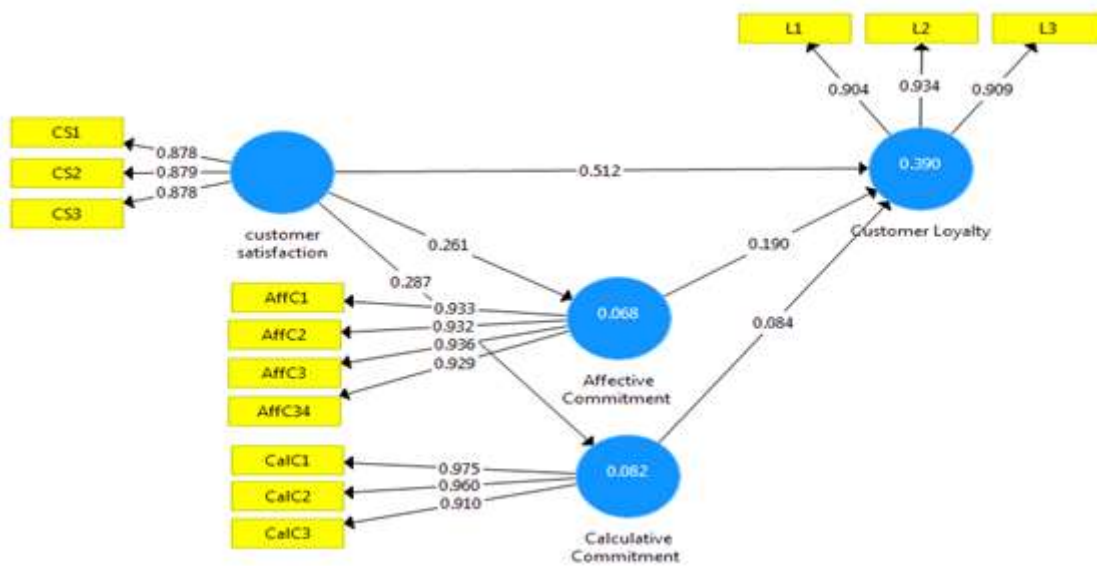
After introducing trust as a mediator of the path between customer satisfaction and customer loyalty, the direct path from customer satisfaction to customer loyalty still significant, but the strength of the relationship between customer satisfaction and customer loyalty was reduced (from $\beta = 0.58$ *** to $\beta = 0.49$ ***) indicating a partly mediating effect on the customer satisfaction-loyalty relationship (Figure 3).

Figure 3. The mediating effect of trust



The same procedure was repeated to test the mediating effect of affective commitment and calculative commitment on the customer satisfaction-loyalty relationship. Similar results were found as before. commitment partly mediates the customer satisfaction- loyalty relationship (Figure 4).

Figure 4. The mediating effect of commitment



IV. Discussion, implications and conclusion

There is general agreement in the relationship-marketing literature that the quality of the relationship between the parties involved is an important determinant of the permanence and intensity of the relationship and the consequent success of relationship-marketing practices. Although academics recognize the importance of relationship marketing (Berry, 1995 ; Goff *et al.*, 1997), there is little empirical evidence regarding the nature and extent of the overall impact of relationship-marketing practices on relationship-quality outcomes (Gwinner *et al.*, 1998). Under this framework we theorized the role of trust and commitment in the development of loyalty.

The contribution of this study is threefold. Firstly, we demonstrate that there is a strong and positive relationship between trust and affective commitment and customer loyalty. Confirming Caceres and Paparoidamis (2007) findings, the results of the study suggest that trust and affective commitment are separate constructs that combine to influence customer loyalty.

Secondly, we focus on individual differences in trust and commitment, identifying the individual's customer satisfaction as an important antecedent of trust and affective and calculative commitment . These are interesting findings for theory and practice as well. From a theoretical point of view they illuminate the

relationship between enduring individual differences and important brand related constructs. From a practical point of view, they explain why certain customers have more trust and experience more affect than others. Hence, marketers can increase brand loyalty by targeting more satisfaction customers.

Thirdly, we hypothesize and demonstrate empirically that customer satisfaction is also related to loyalty via trust and commitment. Thus, trust and commitment contribute to a better explanation of brand loyalty in the context of customer satisfaction.

The results suggest that to improve customer loyalty and customer's satisfaction in the hotel industry, marketers should improve the hotels brand strategy that relates to aspects of how the branded hotel can provide a solution to their customer's needs and expectation, the good impression of visiting their hotel, and the effectiveness of the brand.

Meanwhile, both academics and practitioners acknowledge the importance of building and developing brand trust in order to enhance customer loyalty as they consider trust as the essence of the value a strong brand provides to consumers. The empirical evidence that the relationship between customer satisfaction and customer loyalty is better explained when commitment and brand trust are taken into account, reinforces the idea that brand loyalty is a relational market-based resource that cannot easily be replicated by competitors and from which sustainable resource-based competitive advantages will result (Delgado-Ballester and Munuera-Alemaín, 2005). In the present study, customer satisfaction directly and via trust and commitment indirectly explained 42 percent of the variance in customer loyalty. Thus, we recognize that there are other determinants of brand loyalty that could be included in more comprehensive models with possibly higher explanatory power. A number of studies have investigated the relationship between customer satisfaction and loyalty, building on the assumption that satisfaction plays a key role in explaining consumer loyalty (see the literature in Johnson *et al.*, 2001; Al-Msallam, 2015). Other customer characteristics that may influence brand loyalty are involvement and customer experience (Bennett *et al.*, 2005).

In hotels, customers felt profoundly better and experienced better service rather than worst service. Hotel's sector including manager, employees, staff expression, trust and respect, humanistic, empathy, responsiveness, assurance, reliability, accessibility, flexibility at work, strong sense of purpose and empowerment of employees individually can be a critical benefit for any hotel customers, internationals or locals. Hotel industry with high level of regulation, management, and reputation implement all or some aspects of holistic service. In such a hotel, interpersonal relationship becomes stronger. Sense of general understanding obviously increases. Perhaps, the effect of relationship marketing in hotel in a short time is not considerable but in the long term, it is absolutely observable. Therefore, briefly, satisfying customers in a hotel is equivalent to retain customers rather than capture new customer.

From a strategic point of view this study shows potential areas of competitive advantage and relationship strategies development. Relationship marketing and its determinants (trust and commitment) is of particular interest as it can help hotels achieve competitive advantage but it seems that they should not emphasise solely on the relationship aspect itself as there is an important commercial issue associated that influences buying centers satisfaction and loyalty levels. In this service continuum, managers need to clearly define relationship development strategies, service provision policies and develop homogeneous service provision.

V. Limitations and future research directions

The following limitations of this study should be addressed if future research is to achieve a higher level of validity. First of all, this study adopted satisfaction, trust and commitment toward the customer loyalty. Even though satisfaction, trust and commitment have been long standing antecedents of loyalty in previous studies (Jain & Hani, 2011; Morgan & Hunt, 1994; Al-Msallam, 2015), other relational variables, such as price fairness, customer expectation and service quality should also be considered and examined in the relationships among antecedents and their effects on customer loyalty. Second, this study treated customer loyalty as a uni-dimensional construct. However, further research involving other loyalty dimensions, such as purchase and attitudinal loyalty (Leingpibul *et al.*, 2009).

Third, commitment in this study was operationalized and measured by two dimensional (affective and calculative). However, further research involving other commitment dimensions, such as continuous – behavioral – affective commitment (Kim and Frazier, 1997), and continuous – normative – affective commitment (Gruen *et al.*, 2000), would show detailed relationships between commitment dimensions and loyalty. Fourth, This research focus on the hotel service industry. Future research can be made broader by investigating relationship between customer satisfaction, marketing relationship and loyalty in other sectors such as education, banking, restaurants. Finally, brand equity, often considered the ultimate criterion variable in brand research (Alhaddad, 2014), could be brought into the framework, making it possible to investigate extended paths, such as relationship marketing toward customer loyalty – brand equity.

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***Corresponding Authors**

Dr.Samaan Al-Msallam can be contacted at: samaan.phd@gmail.com

Dr.Abdullah Alhaddad can be contacted at : alhaddadhiba@gmail.com