Style before substance? Building loyalty through marketing communication congruity

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Abstract

Purpose – Because communication channels are inherently unique, they may differentially affect customers depending on their preferred communication style. Therefore, the information that firms provide might not have the intended effect, which is to increase program loyalty. The purpose of the current study is to present a marketing communication model that focuses on promoting program loyalty via self-congruity with the communication style of information channels.

Design/methodology/approach – The study introduces a self-congruity theory-based structural equation model, which is validated through an online sample of 575 respondents. The model begins with communication style and investigates its impact on satisfaction and loyalty in relation to hotel loyalty program members.

Findings – The model confirms that different forms of communication have varying levels of relevance to program loyalty. Communication style, information quality, self-congruity and satisfaction are all significant predictors of program loyalty.

Practical implications – Management can cultivate a community of loyal program members through the recognition of self-image congruence and its relationship with communication style, along with a solid understanding of target markets.

Originality/value – Despite the apparent influence that communication has on loyalty, very little research evaluates the typologies (firm-created and customer-created), dimensions (electronic and in-person) and attributes of information in terms of their effects on program loyalty.

Keywords Consumer behavior, Consumer research, Brand loyalty, Information, Communication, Consumer satisfaction

Paper type Research paper

Introduction

The service industry is in a more competitive state than ever. This competition has resulted in many firms struggling to increase their market share. Firms use data-driven customer relationship management (CRM) strategies such as tiered discounting, promotional campaigns, personalization, customization and increased distribution channels to acquire new customers (Zahay et al., 2012). Even with such sophisticated processes in place, many
firms struggle to survive in today’s aggressive business environment. For this reason, firms consider customer loyalty as a major source of competitive advantage (Melynk and Bijmolt, 2015; Tanford et al., 2012). Consequently, many organizations use loyalty programs to increase business by attracting, retaining and enhancing their relationships with customers (Hutchinson et al., 2015; Olsen et al., 2005).

Loyalty programs have two main goals:

(1) to increase revenues by increasing purchase levels; and
(2) to maintain the current customer base by strengthening the bond between the customer and the brand.

Because virtually every service firm offers some form of loyalty program, this market has become hypercompetitive (McCall and Voorhees, 2010). In fact, loyalty programs account for firms spending an estimated US$48 billion annually in the USA, a large part of which they dedicate to marketing communications (Altair, 2012).

Firms inundate consumers with extensive alternatives, from which to choose, and exhaustive amounts of information, on which to base their purchasing decisions (Berthon et al., 2000). As a result of this information overload, consumers look for fewer alternatives with higher quality and targeted information to meet their needs (Krishen et al., 2011; Mick et al., 2004). Although communication channels such as social media marketing are thought to enhance a sense of community and, thereby, affect loyalty, there is a need for empirical research in this area (Hutchinson et al., 2015; McCall and Voorhees, 2010). Therefore, the objective of our research is to address this gap by proposing a model that integrates communication style, self-image congruence, information quality and satisfaction to predict program loyalty. Without congruence between what firms say and what consumers hear, the information that firms provide might not have its intended effect of increasing program loyalty. This research evaluates the way in which self-image congruence with the firm’s communication style affects the message each consumer receives. Thus, the current study presents a marketing communication model that focuses on promoting program loyalty. Using self-congruity theory as the basis of the proposed model, this study contributes to the literature on communication, self-image congruence and customer loyalty. This study posits that successful marketing communication requires the firm to manage its communication style and brand identity as well as to consider the congruence of self-image with information quality. This research provides new theoretical insight by evaluating how self-congruity with communication channels is influenced by communication style and how self-congruity, in turn, influences perceived information quality and ultimately program loyalty.

Theoretical framework and hypotheses

Self-congruity theory and marketing communication style
Self-congruity theory, also known as self-image congruence theory (Sirgy, 1986; Sirgy et al., 1997), posits that consumers’ attraction to brands is related to their actual and perceived self-image (Forehand et al., 2002). Examples include a customer selecting a brand that symbolizes certain personality traits he or she holds (Aaker, 1997; Heath and Scott, 1998) or a brand that represents the ideal self-image of the consumer, that is, “who” he or she aspires to be (Liu et al., 2012). In addition to the relationship a consumer has with a brand, self-congruity theory pertains to congruence with the ethnicity of a service giver (Huang et al., 2013), a retail store’s image (Chebat et al., 2006) and the perception of an event (Close et al., 2009). By enhancing a consumer’s perceived sense of community, high self-congruity
with the targeted communication results in the firm’s desired consequences, such as satisfaction and loyalty (Hosany and Martin, 2012).

Previous research discusses marketing communication as comprising four key factors: the message’s source, content and transmission channel and the audience’s characteristics (Chiu et al., 2014). In the present research, communication style encompasses the message’s source, its transmission channel and the audience’s perception of the type of message. The information quality encompasses the message’s content, its transmission channel and the audience’s perception of the content of the message. Expert academic judges rate the type of messages [specifically word-of-mouth (WOM)] in terms of the richness of the message content and the strength or power of the advocacy (Sweeney et al., 2012). The source of a communication message can, in large part, determine whether it increases or decreases the dyadic strength of the relationship between the communicator and the receiver, also known as the tie strength (Sweeney et al., 2008).

Communication style affects all aspects of relationships, including satisfaction and loyalty (Ball et al., 2004). In early stages, communication builds brand awareness, develops preference for the brand, convinces interested buyers and encourages potential buyers to make purchases (Ndubisi and Chan, 2005). In later stages, communication involves keeping in touch with customers on a regular basis, providing timely and accurate information and updates on services or products and proactively communicating in case of potential problems. With respect to loyalty programs, communication can be either firm-created or customer-created. Literature finds that by supporting both firm-created and consumer-created communications, social media platforms encourage intention to spread eWOM and, thereby, promote loyalty (Zhang and Benyoucef, 2016).

**Firm-created communication**

The ever-changing communication media, expanded customer touch points and expectations of accurate and customized information directly affect the service industry’s ability to meet or exceed the customers’ needs (Ray et al., 2005). Firm-managed efforts, such as websites, social media activities, mobile apps, direct email campaigns and database marketing, are now the norm. These efforts can include personalized letters, direct mail, website interactions, other machine-mediated interactions and e-mail as well as in-person interactive dialog between a firm and its customers throughout the pre-selling, consuming and post-consuming stages (Ball et al., 2004; Zahay et al., 2014). The current research evaluates the role of two channels of firm-created communication, employees and the firm’s website, in program loyalty.

Creating interpersonal connections between customers and firms through communication is essential to the success of loyalty programs (Shoemaker and Lewis, 1999). The concept of the Loyalty Circle (Shoemaker, 2003) stresses that communication is as important as the functions of value and process in cultivating loyalty. Many studies highlight the importance of the personalization and customization of communication in gaining loyalty (Allen and Wilburn, 2002; Lemon et al., 2001). Proper database management, coupled with technology, such as the Internet and the many platforms it offers, enables firms to communicate in a highly personal manner, despite being high-tech (Zahay et al., 2012).

**Customer-created communication**

This study explores the customer-created communications that use both electronic word-of-mouth (eWOM) and traditional WOM. eWOM includes social media forums that allow for customer-to-customer (C2C) knowledge exchange and online reviews and opinions (Erkan and Evans, 2016). Traditional WOM encompasses personal interaction between friends, family and colleagues. As with WOM, eWOM has become a vital aspect
of the marketing mix (Lopez and Sicilia, 2013). Hennig-Thurau et al. (2004, p. 39) define eWOM as:

[…] any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet.

Online forums are standard platforms for consumers to share their experiences and learn about products and services. Consumers increasingly rely on these self-reports and reviews as part of their purchasing decisions.

The C2C knowledge exchange is another aspect of eWOM (von Hippel, 1988). It provides customers with utilitarian value by sharing “the skills necessary to better understand, use, operate, modify and/or repair a product” (Hennig-Thurau et al., 2004, p. 43). The research shows that many participants experience hedonic value or the enjoyment achieved by helping others via information exchange (Hennig-Thurau et al., 2004). The C2C knowledge exchange can significantly affect consumers’ overall perceived value of the firm’s offering (Gruen et al., 2006). The interaction between consumers can increase the knowledge base from which to maximize the benefits from a loyalty program and, thereby, enhance the experience and the perceived value of the program. In an investigation of the influence of motivation, ability and opportunity on engagement in C2C knowledge exchanges, Gruen et al. find that consumers perceive eWOM as a reliable (trustworthy) source of information. Many online travel forums, such as yelp.com, flyertalk.com and TripAdvisor.com, provide members with service ratings and reviews as well as discussion forums that allow for interactive conversations.

Whether firm-created or customer-created, we expect the communication style to influence the degree of self-image congruence perceived through each communication channel. Successful marketing communication often requires brand identity management and consideration of social identity as the starting point for building loyalty (Madhavaram et al., 2005). One aspect of communication’s effectiveness is its style and whether the consumer perceives it as being personally customized and attentive (Berezan et al., 2015). As such, brand communication has to speak to customer’s self-identity through a style or personality because self-image motivates consumer behaviors (Freling and Forbes, 2005; Parker, 2009). It is, therefore, hypothesized that:

H1. Communication style is positively related to the self-image congruence of loyalty program members.

Satisfaction

Satisfaction is the overall affective response that results from a service experience and is a function of the relative level of expectation and the perceived performance (Oliver, 1981). According to Oliver (1997), past experiences, WOM and marketing promotions can affect the consumer’s attitude or expectation for a service encounter. Both firm-created and customer-created communications can, therefore, have an effect on satisfaction. Furthermore, Oliver (1997) suggests that positive emotions and higher satisfaction can result when consumers identify their actual selves during their consumption of a service (i.e. actual self-image congruity). In the context of hospitality services, Ekinci et al. (2008) show that actual self-congruence, ideal self-congruence and desire congruence positively influence the consumer’s satisfaction, which eventually affects the intention to return. Because consumption of communication is part of the service consumption, self-image congruence with communication may influence satisfaction, leading to the following hypothesis:

H2. Self-image congruence is positively related to satisfaction.
Information quality refers to the perceived quality of the communication’s attributes, as conveyed by the firm through its employees and website, and by customers through social media and personal contacts. The research finds that self-image congruence influences loyalty through a peripheral route (Kang et al., 2015). In their study of restaurant customers, Kang et al. show that self-congruity influences functional congruity. They define functional congruity as the customers’ pre-visit expectations compared to the actual experience. This measure fits the classic definition of satisfaction as the extent to which the customer experience meets expectations (Oliver, 1980). Functional congruity, in turn, affects cognitive brand loyalty, that is, loyalty based on the perceived quality of the product or service, relative to other brands. Product knowledge (determined from information quality) and self-image congruence moderate the effects of motivational factors on brand loyalty (Labrecque et al., 2011). The quality of customer-created and firm-created communications are key determinants of the loyalty program experience in Berezan et al.’s (2015) analysis of eWOM. The literature, therefore, finds that in addition to influencing satisfaction directly, self-image congruence influences satisfaction via a peripheral route through its effect on information quality. It is, therefore, hypothesized that:

\( H3 \). Self-image congruence is positively related to information quality.

\( H4 \). Information quality is positively related to satisfaction.

Customer loyalty programs and program loyalty

The goal of loyalty programs is to increase revenues and maintain the current customer base by increasing the attachment between a customer and a brand (Uncles et al., 2003). Loyalty programs pursue value-added, interactive and long-term focused relationships by identifying, maintaining and increasing the purchase behavior of the best customers (Mayer-Waarden, 2008). The research indicates that loyalty toward a reward program can precede loyalty toward a brand and that value perceptions of the program influence loyalty to the program itself (Yi and Jeon, 2003). Moreover, value-added benefits (e.g. priority check-in and welcome amenities) can be more important than point accumulation in these value perceptions (Mattila, 2006).

The research identifies the role of loyalty antecedents among program members. Affective commitment strengthens brand loyalty and enhances the members’ perceptions of reward programs (Mattila, 2006). The research demonstrates that the tier-level of reward program members influences affective commitment and the perceived value of the reward program (Tanford et al., 2011; Tanford, 2013). Studies show that satisfaction is an important determinant of attitudinal loyalty (Bennett et al., 2005). Customer satisfaction influences the indicators of customer loyalty; hence, satisfied customers can be motivated to patronize a service provider again and refer other customers to that provider (Lam et al., 2004). Because attitudinal loyalty is integral to developing behavioral loyalty, it can predict the intention to repeat purchases. Yuan and Jang (2008) find that an affective response is related to satisfaction levels and, thereby, the intention to purchase. Indeed, satisfaction is especially crucial as a determinant of hospitality loyalty (Yang and Peterson, 2004) and should have the same relationship with program loyalty. Hence, it is hypothesized that:

\( H5 \). Satisfaction is positively related to program loyalty.

Figure 1 displays a conceptual model of the hypothesized relationships that are tested in the current research. To test the model, we investigate the effect of self-congruity with communication style on the behaviors of a set of screened members of hotel loyalty programs.
Method
Sampling and procedure
The targeted sample for this study comprises active members of hotel loyalty programs. Three criteria are used as screening questions for the sample, ensuring that:

1. participants are aged 18 years or more;
2. have stayed in a hotel at least twice in the past six months; and
3. are active members of the hotel loyalty program.

Subjects are members from all tier levels in the hotel loyalty program. The agency, eRewards, performs the sampling. This agency specializes in online market research and has more than six-million qualified panel members of varied profiles, which allows the targeting of special groups such as members of hotel loyalty programs. A suggested sample size of 400–500 cases can result in almost any difference being detected (Hair et al., 2010). Based on this guideline, our sample of 575 is appropriate for the study.

The survey measures are based on the previously validated constructs in the literature. We modify the original measures to fit the current study. The modifications include wording and using 7-point Likert scales throughout, with a range from “1 = strongly disagree” to “7 = strongly agree” for consistency. A pilot study tests the measures in the current context with an independent sample from the target population (N = 200). All of the constructs are valid and have Cronbach’s alpha values greater than 0.70. Initially, we ask the participants which hotel loyalty program(s) they belong to and what their favorite program is. Next, we ask the respondents to rate the dependent measures of interest. Demographic information is included in the final section of the survey.

Communication style and information quality
Measures of information quality and communication style are based on definitions in the literature (Ball et al., 2004; Ganesan, 1994; Morgan and Hunt, 1994; Ndubisi and Chan, 2005). The information quality dimensions evaluated for each channel of communication comprise trustworthiness, accuracy, clarity, helpfulness, usefulness, timeliness, continuity, proactivity, accessibility and thoroughness. The communication style dimensions for each channel are based on the participants’ agreement or disagreement with the following descriptions: positive, personalized, customized, professional, interactive, easy, pleasant, courteous, friendly, attentive and responsive.

Self-image congruence
The study comprises three dimensions of self-image congruence for each communication channel. The first dimension assesses the information channels’ consistency with how participants see themselves. The second dimension asks participants the degree of similarity they feel with others who use similar communication channels. The third dimension asks
respondents whether using particular communication channels reflects who they are. The scale items come from Sirgy et al.’s (1997) measures of self-image congruence. We modify those measures by changing the verbiage from “Wearing Reebok shoes” to “Using the program website” and removing the phrase “in casual situations”.

Satisfaction
Satisfaction measures come from Oliver’s (2010) consumption satisfaction scale that considers the overall performance and quality, need fulfillment, failed expectations, cognitive dissonance, success attribution, regret, positive effect, negative effect, remorse and purchase evaluation. Oliver states that the measures can be shortened or augmented as long as a satisfaction anchor exists. The anchor measure is: “I am satisfied with this hotel loyalty program”. We remove Oliver’s measure of purchase evaluation (owning this ___). Other revisions include changing the wording of buy or purchase to join.

Loyalty
Both attitudinal and behavioral measures are used to assess program loyalty. The measures are adapted from Mattila (2006) and Yi and Jeon (2003). The revisions to Mattila’s scales include changing the term hotel brand to program, removing the words “when traveling” and changing the phrasing of all measures to fit a Likert-type scale response. Similarly, revisions to program loyalty scales used by both Hu et al. (2010) and Yi and Jeon (2003) involve changing the wording from proposed loyalty program to program and revising the phrasing to fit the Likert-type scale.

Common method bias (CMB) testing
The sample is tested for common method bias (CMB) in several ways. First, we include fillers in the survey as well as multiple scale formats (MacKenzie and Podsakoff, 2012). Second, we conduct Harmon’s single-factor testing and verify the outcome of the unrotated solution of the exploratory factor analysis. This test indicates that a multiple factor solution and a first-factor variance provide a value of 40.81 percent, which is sufficient with regard to the recommended amount of less than 50 percent in the literature (Baumgartner and Steenkamp, 2001; Craighead et al., 2011; MacKenzie and Podsakoff, 2012). Our testing and design, therefore, shows that CMB is not present in our model.

Measurement refinement and model
We conduct a factor analysis to validate the model constructs. Items are deleted for reasons such as low loadings, repetition, negative wording, leading wording or illogical fit. Only the items with factor loadings higher than 0.40 and Eigenvalues greater than 1 are included in the final constructs (Comrey and Lee, 1992). Table I shows the final set of items with their means and composite reliability (CR) values. The CR values are far above the minimum acceptable level of 0.7 (Nunnally, 1978). The measures of information quality, communication style and self-image congruence each comprise four sub-constructs: website, social media, employee and personal contacts.

Table II provides satisfaction and loyalty items. Two of the initial 12 satisfaction items are deleted due to similarity. An additional four items are deleted because of reverse (negative) wording. The recent research indicates that negatively worded items often pose validity issues and result in response errors (Swain et al., 2008; Weijters and Baumgartner, 2012). Prior to the deletion of these items, the construct had low-internal consistency (CR = 0.563). The final satisfaction construct consists of six items and displays high-internal consistency (CR = 0.95). The loyalty construct initially comprises eight items, but three constructs are dropped, leaving five items for program loyalty.
Table I. Information quality, communication style and self-image congruence constructs and sub-construct items and means

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Items</th>
<th>Mean</th>
<th>Items</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>IQ: Information quality (CR = 0.96)</td>
<td>5.03</td>
<td>CS: Communication style (CR = 0.95)</td>
<td>5.00</td>
<td>SL: Self-image congruence (CR = 0.91)</td>
<td>4.40</td>
</tr>
<tr>
<td>IQE: info quality, employees (CR = 0.98)</td>
<td>5.16</td>
<td>CSE: comm style employees (CR = 0.96)</td>
<td>5.26</td>
<td>SIW: self congruence website (CR = 0.84)</td>
<td>4.76</td>
</tr>
<tr>
<td>Etr: employee info trustworthy</td>
<td>5.24</td>
<td>Ecu: employee com customized</td>
<td>5.01</td>
<td>Wco: using website consistent with how I see myself</td>
<td>4.76</td>
</tr>
<tr>
<td>Ecl: employee info clear</td>
<td>5.21</td>
<td>Epr: employee com professional</td>
<td>5.43</td>
<td>Wsi: people similar to me use website</td>
<td>4.98</td>
</tr>
<tr>
<td>Eus: employee info useful</td>
<td>5.20</td>
<td>Eim: employee com interactive</td>
<td>5.15</td>
<td>Wre: using website reflects who I am</td>
<td>4.54</td>
</tr>
<tr>
<td>Eti: employee info timely</td>
<td>5.06</td>
<td>Efr: employee com friendly</td>
<td>5.40</td>
<td>SIS: self congruence social media (CR = 0.88)</td>
<td>3.69</td>
</tr>
<tr>
<td>Eth: employee info thorough</td>
<td>5.10</td>
<td>Eat: employee com attentive</td>
<td>5.30</td>
<td>Sco: using social media consistent with how I see myself</td>
<td>3.45</td>
</tr>
<tr>
<td>IQW: info quality, website (CR = 0.97)</td>
<td>5.69</td>
<td>CSW: comm style website (CR = 0.95)</td>
<td>5.33</td>
<td>Ssi: people similar to me use social media</td>
<td>4.32</td>
</tr>
<tr>
<td>Wtr: website info trustworthy</td>
<td>5.77</td>
<td>Wcu: website customized</td>
<td>5.18</td>
<td>Sre: using social media reflects who I am</td>
<td>3.30</td>
</tr>
<tr>
<td>Wcl: website info clear</td>
<td>5.68</td>
<td>Wpr: website professional</td>
<td>5.66</td>
<td>SIE: self congruence with program employees (CR = 0.88)</td>
<td>4.37</td>
</tr>
<tr>
<td>Wus: website info useful</td>
<td>5.73</td>
<td>Win: website interactive</td>
<td>5.28</td>
<td>Ecc: interacting with program employees is consistent with how I see myself</td>
<td>4.35</td>
</tr>
<tr>
<td>Wti: website info timely</td>
<td>5.62</td>
<td>Wfr: website friendly</td>
<td>5.36</td>
<td>Esi: people similar to me interact with program employees</td>
<td>4.58</td>
</tr>
</tbody>
</table>

(continued)
<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Items</th>
<th>Mean</th>
<th>Items</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wth: website info thorough</td>
<td>5.64</td>
<td>Wat: website attentive</td>
<td>5.18</td>
<td>kEre: interacting with program employees</td>
<td>4.18</td>
</tr>
<tr>
<td>IQS: info quality, social media (CR = 0.98)</td>
<td>4.34</td>
<td>CSS: comm style, social media (CR = 0.94)</td>
<td>4.30</td>
<td>SIP: self congruence personal connections</td>
<td>4.77</td>
</tr>
<tr>
<td>Str: social media info trustworthy</td>
<td>4.33</td>
<td>Scu: social media customized</td>
<td>4.27</td>
<td>Pco: using personal connections is</td>
<td>4.72</td>
</tr>
<tr>
<td>Scl: social media info clear</td>
<td>4.35</td>
<td>Spr: social media professional</td>
<td>4.15</td>
<td>Psi: people similar to me use personal</td>
<td>4.90</td>
</tr>
<tr>
<td>Sus: social media info useful</td>
<td>4.37</td>
<td>Sin: social media interactive</td>
<td>4.53</td>
<td>Pre: using personal connections reflects</td>
<td>4.69</td>
</tr>
<tr>
<td>Sti: social media info timely</td>
<td>4.34</td>
<td>Sfr: social media friendly</td>
<td>4.33</td>
<td>who I am</td>
<td></td>
</tr>
<tr>
<td>Sth: social media info thorough</td>
<td>4.32</td>
<td>Sat: social media attentive</td>
<td>4.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IQP: info quality, personal contacts (CR = 0.97)</td>
<td>4.92</td>
<td>CSP: comm style personal contacts (CR = 0.97)</td>
<td>5.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ptt: personal com quality trust</td>
<td>5.00</td>
<td>Pcu: personal contact is customized</td>
<td>5.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pct: personal com quality clear</td>
<td>4.96</td>
<td>Ppr: personal contact is professional</td>
<td>5.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pus: personal com quality useful</td>
<td>4.99</td>
<td>PPr: personal contact is interactive</td>
<td>5.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pti: personal com quality timely</td>
<td>4.84</td>
<td>Pfr: personal contact is friendly</td>
<td>5.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pth: personal com quality thorough</td>
<td>4.86</td>
<td>Pat: personal contact is attentive</td>
<td>5.14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Panel B shows the loadings for each construct item as well as composite scores and the average variance extracted (AVE). We use these values to ascertain convergent and discriminant validity. All items are significant at 0.001 levels with high loadings (all above 0.70), which shows convergent validity. The AVE indicates the amount of variance accounted for by the indicators (and constructs) in relation to the amount of variance caused by measurement error (Fornell and Larcker, 1981). At a minimum, to use a construct in a model, its AVE should be greater than 0.50. This threshold is sufficiently surpassed by all of the constructs in the model, which indicates convergent validity. Discriminant validity is assessed by comparing the AVE value for each construct and the squared latent factor correlation between the construct pairs. As displayed in Table III, the AVE values are greater than the squared correlations between the constructs, which indicates discriminant validity, or that the constructs do not share a significant portion of their variance (Fornell and Larcker, 1981). The only correlation that shows weak discriminant validity is that between satisfaction and loyalty, where the AVE (0.79) is slightly less than the squared correlation between the two constructs (0.81). However, this relationship is not surprising because the literature shows a history of measurement items for both constructs crossing over, and often shows the two constructs to be similar (Curtis et al., 2011). Next, the cross-factor loadings of construct items for the model are evaluated. All items are loaded higher on their respective constructs than on others, which provide further support for discriminant validity. Given all of these tests, the model indicates both discriminant and convergent validities.

### Table II. Satisfaction and loyalty items and means

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAT: Satisfaction (CR = 0.95)</td>
<td>5.52</td>
</tr>
<tr>
<td>Sat1: One of the best programs I could have joined</td>
<td>5.30</td>
</tr>
<tr>
<td>Sat2: Exactly what I need</td>
<td>5.24</td>
</tr>
<tr>
<td>Sat3: I am satisfied with the program</td>
<td>5.64</td>
</tr>
<tr>
<td>Sat4: My choice to join this program was a wise one</td>
<td>5.70</td>
</tr>
<tr>
<td>Sat5: I have truly enjoyed this program</td>
<td>5.53</td>
</tr>
<tr>
<td>Sat6: Being a member has been a good experience</td>
<td>5.69</td>
</tr>
<tr>
<td>LOY: Program loyalty (CR = 0.94)</td>
<td>5.17</td>
</tr>
<tr>
<td>Loy1: I say positive things to others about this program</td>
<td>5.17</td>
</tr>
<tr>
<td>Loy2: I consider this program to be my first choice</td>
<td>5.30</td>
</tr>
<tr>
<td>Loy3: I am highly committed to my relationship with this program</td>
<td>4.70</td>
</tr>
<tr>
<td>Loy4: I have a strong preference for this program</td>
<td>5.14</td>
</tr>
<tr>
<td>Loy5: I would recommend this program to others</td>
<td>5.54</td>
</tr>
</tbody>
</table>

### Table III. Squared latent correlations between constructs and AVE values

<table>
<thead>
<tr>
<th>Constructs</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Communication style</td>
<td>0.42</td>
<td>0.13</td>
<td>0.12</td>
<td>0.10</td>
<td>0.53</td>
</tr>
<tr>
<td>2. Self-image congruence</td>
<td>–</td>
<td>0.30</td>
<td>0.28</td>
<td>0.23</td>
<td>0.59</td>
</tr>
<tr>
<td>3. Information quality</td>
<td>–</td>
<td>–</td>
<td>0.55</td>
<td>0.46</td>
<td>0.52</td>
</tr>
<tr>
<td>4. Satisfaction</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.81</td>
<td>0.79</td>
</tr>
<tr>
<td>5. Loyalty</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.79</td>
</tr>
</tbody>
</table>
Results

Demographic profile

The final study has 575 participants who reside in the USA, with females (49.9 per cent) and males (50.1 per cent) evenly distributed. The biggest age group is 55–64 years (33 per cent), followed by 65+ years (22.8 per cent), 45–54 years (21.2 per cent), 35–44 years (11.8 per cent) and 18–34 years (11.1 per cent). All respondents are members of hotel loyalty programs, with the majority (65.5 per cent) having stayed between two and six times at a hotel within the previous six months and the remainder (34.5 per cent) having stayed more than seven times. Most members (43.7 per cent) belong to two or three hotel loyalty programs, with 36 per cent belonging to four or more programs and 20.3 per cent belonging to one program. The majority of participants (74.3 per cent) travel most often for leisure, while 24.5 per cent typically travel for business purposes. More than half of the respondents (51.8 per cent) work full-time, 31.3 per cent are retired, 9.6 per cent are employed part-time and 3.7 per cent are unemployed. The education level shows that 44.2 per cent have a college degree and 33.2 per cent possess a post-graduate degree. The largest group (33.8 per cent) earns more than US$100,000 before taxes, 48.5 per cent earn between US$50,000 and US$100,000 and 14.7 per cent earn US$50,000 or less.

Hypothesis testing

The model uses structural equation modeling (SEM) with AMOS v.19, allowing for analysis of both observed variables and latent variables, i.e. those that are not measured directly but estimated from several observed variables simultaneously (Kline, 2011). We test the full structural model for goodness-of-fit indices, path coefficients, explanatory power and parsimony. The goodness-of-fit indices are the Tucker–Lewis index (TLI), the comparative fit index (CFI) and the root mean square error of approximation (RMSEA) based on the threshold values of >0.90 for the TLI and CFI and <0.08 for the RMSEA (Kline, 2011). As depicted in Figure 2, the structural model indicates a good fit to the data: $\chi^2$ (575) = 6268.73, $p < 0.001$, CFI = 0.91, TLI = 0.90 and RMSEA = 0.06 (CI = 0.06, 0.07). All factor loadings of the indicators are statistically significant, $p < 0.001$, and range from 0.639 to 0.965. Table IV and Figure 2 present the revised final structural model with path coefficients ($\beta$) and corresponding significance levels. Table IV shows that the $R^2$ values are highest for the

![Path model results](image)

Notes: The constructs communication style, self-image congruence and information quality have sub-constructs, as depicted in Figure 2; The constructs satisfaction and program loyalty do not have sub-constructs.
satisfaction–loyalty relationship; satisfaction explains 84 per cent of the variance in the program loyalty (Hulland, 1999). The next two strongest relationships are with the two independent variables that predict satisfaction: information quality (0.60) and self-image congruence (0.57).

The proposed model shows that the communication style has a significant effect on self-image congruence ($\beta = 0.65, p < 0.001$), which supports $H1$. Self-image congruence has a significantly positive relationship with satisfaction ($\beta = 0.17, p < 0.001$), which supports $H2$. In addition, self-image congruence has a significant effect on information quality ($\beta = 0.55, p < 0.001$), which confirms $H3$. As predicted by $H4$, information quality, with a path coefficient of 0.65 ($p < 0.001$), is a strong predictor of satisfaction. Satisfaction, in turn, is a very strong predictor of program loyalty ($\beta = 0.92, p < 0.001$), which supports $H5$. Overall, the results indicate that the communication style is related to program loyalty through the constructs of self-image congruence, information quality and satisfaction.

Second-order loadings
The constructs of communication style, self-image congruence and information quality have second-order loadings that consist of the four communication channels. Figure 2 shows that the structural model coefficients that link the dimensions (sub-constructs) with their associated constructs are all significant. Overall, the magnitude and significance of the loading estimates indicate that all of the dimensions of communication style, self-image congruence and information quality are relevant in predicting satisfaction and program loyalty. The magnitude of the loadings shows that if the firm creates channels through employees or its website, these channels are more powerful than customer-created channels, particularly if the channel is social media.

Discussion
Successful marketing communication often requires brand identity management and the consideration of social identity as the starting point for building brand loyalty (Madhavaram et al., 2005). As such, this research empirically incorporates self-congruity theory as a conceptual foundation to bridge the relationship between the communication styles of both traditional and electronic firms and customer-created communication channels and program loyalty.

Prior research largely considers self-image congruence in the context of brands and posits that consumers purchase certain brands not only for utility, but also to support or build their self-image (Sirgy, 1986; Sirgy et al., 1997). In other words, self-image congruence with a brand has a positive effect on the intent to purchase. Our study shows that just as with brands, consumers will choose a communication channel not only based on utility (information quality) but also to support or build their self-image.

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>$R^2$</th>
<th>Independent variable</th>
<th>$\beta$</th>
<th>t-value</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>SI</td>
<td>0.43</td>
<td>CS</td>
<td>0.65</td>
<td>14.12*</td>
<td>$H1$ supported</td>
</tr>
<tr>
<td>IQ</td>
<td>0.31</td>
<td>SI</td>
<td>0.55</td>
<td>11.51*</td>
<td>$H2$ supported</td>
</tr>
<tr>
<td>SAT</td>
<td>0.57</td>
<td>SI</td>
<td>0.17</td>
<td>3.61*</td>
<td>$H3$ supported</td>
</tr>
<tr>
<td>SAT</td>
<td>0.60</td>
<td>IQ</td>
<td>0.65</td>
<td>12.10*</td>
<td>$H4$ supported**</td>
</tr>
<tr>
<td>LOY</td>
<td>0.84</td>
<td>SAT</td>
<td>0.92</td>
<td>25.94*</td>
<td>$H5$ supported**</td>
</tr>
</tbody>
</table>

Notes: $\beta$ is a standardized coefficient; Significant at $p < 0.005$ (two-tailed); **These paths have been established in previous literature as well as the current study

Table IV. AMOS path model results
Although some research considers loyalty to be an antecedent of satisfaction (Petrick, 2004), this study supports the literature that shows that customer satisfaction is an antecedent of loyalty (Anderson and Srinivasan, 2003; Bennett et al., 2005; Lam et al., 2004; Yang and Peterson, 2004). The significant paths between self-image congruence with communication style and satisfaction extend prior research that finds that satisfaction may result from self-image congruence (Oliver, 1997).

This study extends research that shows that self-image congruence and product knowledge (Labrecque et al., 2011) or functional congruence (Kang et al., 2015) affect loyalty by considering the constructs of communication style and information quality. The results of this study indicate that the communication styles of different channels are relevant in predicting self-image congruence and that self-image congruence with communication channels is relevant in predicting information quality. Moreover, information quality has a significant effect on satisfaction. Another theoretical contribution is the confirmation of significant effects of self-image congruence on customer satisfaction and customer loyalty, as confirmed in the literature (Beerli et al., 2007).

This study evaluates the typologies (company-created and customer-created), dimensions (electronic and in-person) and attributes of information in terms of their effect on program loyalty. Furthermore, this study adds to the literature by empirically supporting Berezan et al.’s (2015) qualitative study on loyalty programs, which finds that both the communication style and the information quality affect the loyalty antecedents of members. 

McCall and Voorhees (2010, p. 49) stress the importance of additional research to evaluate factors that “drive a sense of community in a program”. This study adds to the literature by showing that communication style is, indeed, a driver of self-image congruence. In the digital world where online communities are based on communication, this self-image congruence is in effect a driver of that sense of community.

**Implications, future research and limitations**

Using self-congruity theory as the basis of the proposed conceptual model, this study contributes to the body of knowledge on self-image congruence, communication and customer loyalty, as specified in Table V. The findings contribute significantly to the marketing literature in three distinct ways:

1. Loyalty programs are essential marketing tools for many service businesses, and this research establishes the vital role of electronic communication for developing program loyalty.

2. More generally, the findings fill a critical gap in the loyalty circle (Shoemaker, 2003), which treats process, value and communication as equal contributors to the loyalty process. The communication dimension of the loyalty circle has been neglected in loyalty research (Tanford et al., 2016), and this study establishes it as a core construct at a time when electronic communication has become a dominant force.

3. It establishes the role of self-congruity as a mediator between communication and outcomes that lead to loyalty.

This provides insight into the link between company marketing efforts and customer intentions and behaviors.

Management can cultivate a community of loyal program members through the recognition of the concept of self-image congruence and its relationship with communication, as well as a solid understanding of their target markets. In this way, programs can develop and maintain a sense of community that is vital to the members’ loyalty regardless of which communication channel they use. Furthermore, without congruence between
Although all four dimensions of communication style (employee, personal contacts, program website and social media) are relevant in predicting self-image congruence, there are differences in strength. The results yield several important managerial implications. First, management should investigate the demographic composition of its target markets. For example, if the majority of the target market is older, a style of personal communication through employees or personal connections might be preferable. In the current study, the majority of participants are above the age of 45 years. For this sample, personal and employee communication styles appear to be the strongest predictors of self-image congruence, while social media style is the weakest. This finding indicates that the effect of social media in marketing is dependent on who

<table>
<thead>
<tr>
<th>Theoretical area</th>
<th>Empirical contributions</th>
<th>Theoretical contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-congruity</td>
<td>Establishes the importance of congruence between what firms say and what customers hear</td>
<td>Introduces congruence of communication between the company and the customer. Previous research focuses on congruence between self-image and product attributes, but lacks the interactive element</td>
</tr>
<tr>
<td></td>
<td>Identifies the role of self-image congruence of communication in program loyalty</td>
<td>Extends self-congruity theory to program loyalty. Previous research focuses on congruity with the brand, however, research suggests that program loyalty may precede brand loyalty (Yi and Jeon, 2003)</td>
</tr>
<tr>
<td>Communication</td>
<td>Provides communication typologies (company–customer), dimensions (electronic–in person) and attributes (quality–style) and establishes how each component contributes to program loyalty. Their differing strength has essential managerial implications. Adds new insight into the effects of electronic communication channels (social media, company website) for loyalty marketing.</td>
<td>These components coexist in the marketing environment, yet this is one of the first studies to evaluate their relative contributions to loyalty in a single model</td>
</tr>
<tr>
<td>Loyalty</td>
<td>Establishes the importance of communication in program loyalty</td>
<td>Much of our knowledge about loyalty marketing predates the popularity of the Internet and social media as communication tools. This research extends the growing body of knowledge on this topic</td>
</tr>
<tr>
<td></td>
<td>Establishes self-image congruence as a mediator between communication style and information quality in driving satisfaction and loyalty</td>
<td>Of the three loyalty circle dimensions: process, value and communication, the communication dimension has received limited attention in the literature (Shoemaker, 2003)</td>
</tr>
</tbody>
</table>

Table V. Contributions of current model to building loyalty
is using it. The coefficient for the website communication style is almost as high as personal connections. This result might be because the sample consists largely of highly educated participants who are comfortable interacting with websites, which have been prevalent in society far longer than social media. Overall, managers should realize that communication style (customization, professionalism, interactivity, friendliness and attentiveness of the communication channel) will ultimately influence their target market’s satisfaction and program loyalty.

**Self-image congruence**

The self-image congruence with communication channels is more relevant to information quality than to satisfaction. Management can build a sense of community or a club atmosphere throughout the program through self-image congruence. In fact, many loyalty programs use the term “club” as part of the program name (e.g. “IHG Rewards Club”) to evoke an aura of exclusivity and belonging, along with the associated members-only benefits. The research shows that if firms build and maintain social structures through a sense of community, and execute and maintain them properly, they can be very successful in online environments (Zhang, 2010).

Loyalty program managers should understand members’ identification with communication channels and tailor their program information accordingly. For example, some members might wish to receive a member guide in print, whereas others might prefer the convenience of an electronic version. The most-relevant dimensions are the communications provided by employees and the website, both of which are under the control of management. Therefore, programs can capitalize on this information by increasing the effectiveness of these channels, and incorporating firm-created social media messages. Managers should realize the power of customer-created social media communication and consistently monitor and respond to online posts by program members. By not participating in C2C customer exchange forums, loyalty programs might be seen as unresponsive to the needs of those who prefer social media as a communication channel.

**Information quality**

Information quality has a strong effect on satisfaction and, therefore, on program loyalty. The most-relevant dimension in predicting satisfaction is the quality of employee information, followed by the quality of the website’s information, personal connections and social media marketing. Management should focus on training employees and maintaining the program website to ensure that information is trustworthy, clear, useful, timely and thorough. Program representatives should proactively provide program information and respond to inaccurate information posted on social media to ensure that a high level of quality is maintained.

**Satisfaction and loyalty**

As expected, satisfaction has a very strong effect on program loyalty. The results show how self-congruence with communication channels affects information quality, satisfaction and, ultimately, loyalty. The study indicates that interpersonal communication with program employees is crucial. Management should realize that this process is not necessarily unique to this target market. Loyalty programs that promise special recognition according to membership levels cause members to expect a high level of interpersonal communication as a service standard (Lemon et al., 2002). Customers expect a sense of appreciation and recognition, which might only be satisfied through direct personal contact. Technology can assist personnel in creating a sense of customization and a personal touch by effectively using information from the customer database.
Despite technological advances, this study magnifies the importance of human resource management, such as creating organizational harmony and establishing a service culture, while at the same time motivating and satisfying employees. The dissemination of accurate information to employees is crucial and emphasizes the continued importance of initial and ongoing employee training. Although the market often sees social media as a panacea, the results show that this channel is sometimes less relevant than other channels of communication. This result confirms that it is crucial for management to know who their customers are. Through this knowledge, programs can customize communication and provide the information individuals want, in a style that they can relate to and when they want it. Furthermore, if managers want to extend their social media focus, they should find a way of providing a “personal touch” with this type of communication.

Berezan et al. (2015) highlights the effectiveness of personalization in social media by showing that members of online travel forums praise programs with employees who actively participate in the forum to assist and inform members. Many forum members state that this kind of information is often more accurate, timely and responsive than traditional methods. Regardless of the channel and style of communication deemed as “most preferred” by different member segments, a customized combination of communication types and styles can be the most effective way of building a sense of community or “club” in these programs.

This study has limitations that should be addressed by future research. The study uses an online survey panel, thereby restricting the ability to generalize findings beyond those that use the Internet. Furthermore, the use of an existing survey panel might result in inaccurate responses because some participants might complete surveys expeditiously, but inaccurately to receive more survey opportunities. However, eRewards uses rigorous quality control procedures that include the use of questions designed to eliminate responses that contain “straight line” answers. The study uses a purposive sample of active members in a hotel loyalty program that might not generalize to all types of loyalty programs. Future studies should examine other populations such as retail, grocery or restaurant loyalty programs. The results of the study are only applicable to existing loyalty program members who fit the sample profile. Due to participant restrictions, our sample was slightly skewed to an older demographic. These sampling criteria potentially limit the generalizability to younger consumers. Future research can address potential differences in the relationships between constructs or our overall model with respect to generational cohorts (Krishen et al., 2016). Previous research identifies individual differences variables, such as compulsiveness, and finds them to be important predictors of trust and loyalty (van Birgelen, 2015). Therefore, further evaluation of the impact of consumer trait characteristics is warranted. Another potential avenue for exploration would be the cross-cultural implications of the communication self-congruity model. Existing research, such as that by Hong-Youl et al. (2010), identifies important disparities between cultures based on key constructs such as social capital, self-construal and others.

Future research should consider segmenting members according to demographics, program tier levels, average spending per night, hotel class typically frequented and loyalty program brand. For example, the study shows that age affects the preference of communication channel. Differences in the effect on loyalty between ideal and actual self-image congruence with a communication style would be worthy of investigation.

Although tangible program attributes such as benefits and rewards are easy to imitate, communication-related aspects are a way for programs to differentiate themselves from the
competition. Communication can enhance the perceived benefits and invoke a sense of community through the connection of self-image congruence with the quality of information and the communication style. In short, the connection between corporate communication, what is said, and the consumer’s self-congruity with such communication, what they hear, might be the key to the success of a loyalty program.

References


Further reading


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