

Determinants of experienced tourists' satisfaction and actual spending behavior: a PLS path modelling approach

Sajad Rezaei, Ebrahim Mazaheri and Ramin Azadavar

Abstract

Purpose – *The purpose of this paper is to examine the impact of customer perceived relationship marketing (CPRM), service quality and brand experience on tourists' satisfaction and actual spending behavior in the emerging hospitality industry in Iran.*

Design/methodology/approach – *A total of 308 valid questionnaires were collected to empirically evaluate the measurement and structural model using the PLS path modelling approach, a variance-based structural equation modelling (VB-SEM) technique.*

Findings – *The results support the causal relationships that exist between the exogenous and endogenous constructs. Furthermore, three other factors were found to be second-order constructs: brand experience (reflective-reflective) comprising of sensory, affective, behavioural and intellectual; service quality (reflective-reflective) comprising of tangibility, reliability, responsiveness, assurance and empathy; and actual spending behaviour (reflective-reflective) comprising of dining frequency and dining expenditure.*

Originality/value – *Current literature has commonly investigated the attitude, satisfaction and behaviour of a traveller's intentions; however, limited research has examined an experienced tourist's actual spending behaviour in an emerging hospitality industry environment, such as Iran.*

Keywords *Iran, Service quality, Tourist satisfaction, Actual spending behavior, Customer perceived relationship marketing (CPRM), Partial least square (PLS) path modeling approach*

Paper type *Research paper*

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Introduction

The impact of global tourism and hospitality growth is a vital topic (Berezan *et al.*, 2013), in terms of the gross domestic product (GDP), as hospitality and tourism provide an abundance of employment opportunities worldwide (Deng *et al.*, 2013). In turn, these opportunities account for a significant portion of national economic prosperity (Teng, 2011; Martínez and Rodríguez del Bosque, 2013).

Service experience plays a large role in the success of firms operating in the hospitality industry (Manhas and Tukamushaba, 2015; Kandampully *et al.*, 2014; Lee, 2015) and consumer experience plays a key role in understanding consumer behaviour in marketing (Zhang *et al.*, 2009); hence, an enhanced understanding of the experiential phenomena in hospitality service is particularly important, and will enable stronger industry performance (Chen and Chen, 2010; Martínez and Rodríguez del Bosque, 2013).

In addition to the importance of the experiential aspect (Pine and Gilmore, 1999), tourism and hospitality quality also contributes to the long-term sustainable development of a world economy (Hudson *et al.*, 2004), and although the prominence of service quality has been highlighted in tourism and hospitality literature, experience-related research remains underrepresented (Chen and Chen, 2010; Slåtten *et al.*, 2011). Furthermore, while current

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literature (González *et al.*, 2007; Ferns and Walls, 2012; Chen and Chen, 2010; Hsu *et al.*, 2011) commonly investigates the attitude, satisfaction and behaviour of a tourist's intentions, limited research has examined an experienced tourist's actual spending behaviour in an emerging tourism industry environment, such as Iran.

Moreover, although current studies emphasize on the association between consumer satisfaction and loyalty in general, there has been limited examination into the impact of consumer perception towards brand and actual spending (Nam *et al.*, 2011). Meanwhile, the actual spending behaviour and expectations of tourists is a matter of concern, both practically and theoretically (Jansen-Verbeke, 1991). Hotel managers are very concerned with consumers' actual spending behavior (Tanford, 2013); however, literature is lacking in regards to the concept of experienced tourists' travel involvement, quality of service and perceptions of travel destinations (Ferns and Walls, 2012).

An effective way to increase consumer perceptions of a service is to increase the tangible nature of the service using a brand as an extrinsic cue or icon (Lee and Back, 2008; Jin *et al.*, 2015). According to researchers, brand experience, as a differentiation strategy, provides unique customer interaction experiences that translate to the hotels' success (Zhang *et al.*, 2009); however, branding literature, especially regarding hospitality and tourism, generally lacks research (Oh and Hsu, 2014). Branding plays a special role in service firms as strong brands increase the amount of trust that consumers have towards intangible products, enabling customers to identify and relate to the organisation (Kim *et al.*, 2008a). Thus, brand experience is considered to be the future competitive strategy of the tourism industry (Zhang *et al.*, 2009), as travellers' intentions are the result of their perceptions from previous experiences.

Despite the abundant studies on loyalty, the relationship between the antecedents of service loyalty are inconclusive (Jani and Han, 2014). Knowing how customers perceive the firm's offering (products and services quality) and how those perceptions mark consumers' decisions process is an imperative issue for firm's marketing executives (Heung *et al.*, 2000; Olsen and Johnson, 2003). Furthermore, the inclusion and integration service quality and relationship marketing concept has significant implication for both the academic study and business practices in the industry (Saura *et al.*, 2008). Literature (Holmlund and Kock, 1996) suggests that considering relationship marketing, along with services marketing, would result in efficient, profitable and effective marketing efforts in the consumer market. Researchers and practitioners have realized the importance of maintaining and managing positive customer relationships (Ekinci *et al.*, 2014).

In today's competitive environment, companies, particularly service providers, are focusing on establishing a long-term relationship with customers, rather than on a single transaction. By having a relationship marketing strategy in place, a service provider is able to transform a first-time customer into a loyal one (Berry, 1995). This transformation will impact a company's performance; for example, Sin *et al.* (2006) collected data from 63 hotels in Hong Kong and found strong relationships between relationship marketing orientation and marketing and financial performance of the hotels.

Because of customer-oriented service endeavours, enterprises need to improve their service offerings to retain or improve their market share (Hudson *et al.*, 2004). Thus, considering both service quality and relationship marketing results in a more robust understanding of customer loyalty in services industries (Fullerton, 2005; Christopher *et al.*, 2013; Holmlund and Kock, 1996).

Hospitality sector in Iran

Despite tremendous attractions, historical tributes and the fact that the "traditions of hospitality" in Iran could be found in prehistoric times (Hassanli *et al.*, 2016), due to political situation in recent decades, the tourism and hospitality industry has not

reached a significant contribution to nation's economic prosperity (Salavati and Hashim, 2015; O'Gorman *et al.*, 2013; Hosseini and Zainal, 2016). Currently, Iran, the second-largest nation in the Middle East, is a very diverse country, is set to boost its hospitality sector and enjoy the facilitation of international sanctions (Khodadadi, 2016). After the revolution in 1979, the country did not invest many resources in the tourism industry as a majority of foreign travellers were visiting Iran for work or for religious reasons. Following recent Iran's nuclear agreement (14 July 2015), however, the country has begun opening its border to foreign tourists, and as a result, is investing in this industry (Khodadadi, 2016).

With many activities for tourists such as historical sites, mountains, ski resorts and deserts, Iran tourism has grown significantly in the last few years. It is suggested that over 4.7 million foreign tourists visited Iran in 2013 (Bly, 2013), contributing over US\$2bn to the national economy (Rezaian, 2012). The tourism, however, accounts for a small portion of Iran's gross domestic product (GDP) and huge potential exists for growth in this sector, in Iran. Some international luxury hotels, such as Melia, have already announced their plans to open a branch in Iran.

Although attracting international and local tourists is vital in the hospitality and tourism sector (Aissa and Goaid, 2016), due to Iran's relatively new entry into the tourism industry, there have been not many studies looking at the Iranian hospitality market in current literature. Given the fact that a majority of the current hotels in Iran are independently owned, the impacts of service quality, relationship management with customers and brand experience could be even more important. Considering the significant amount of resources required to build a strong hotel brand, measuring the value that the brand can add to the business portfolio is a critical management practice (Hsu *et al.*, 2011). Reviewing existing articles in hotel industry, Lam *et al.* (2015) suggested that there is a lack of Asian-based theories and models in the literature. Along the same line, we believe the need exists for other parts of world, including Middle East, as well.

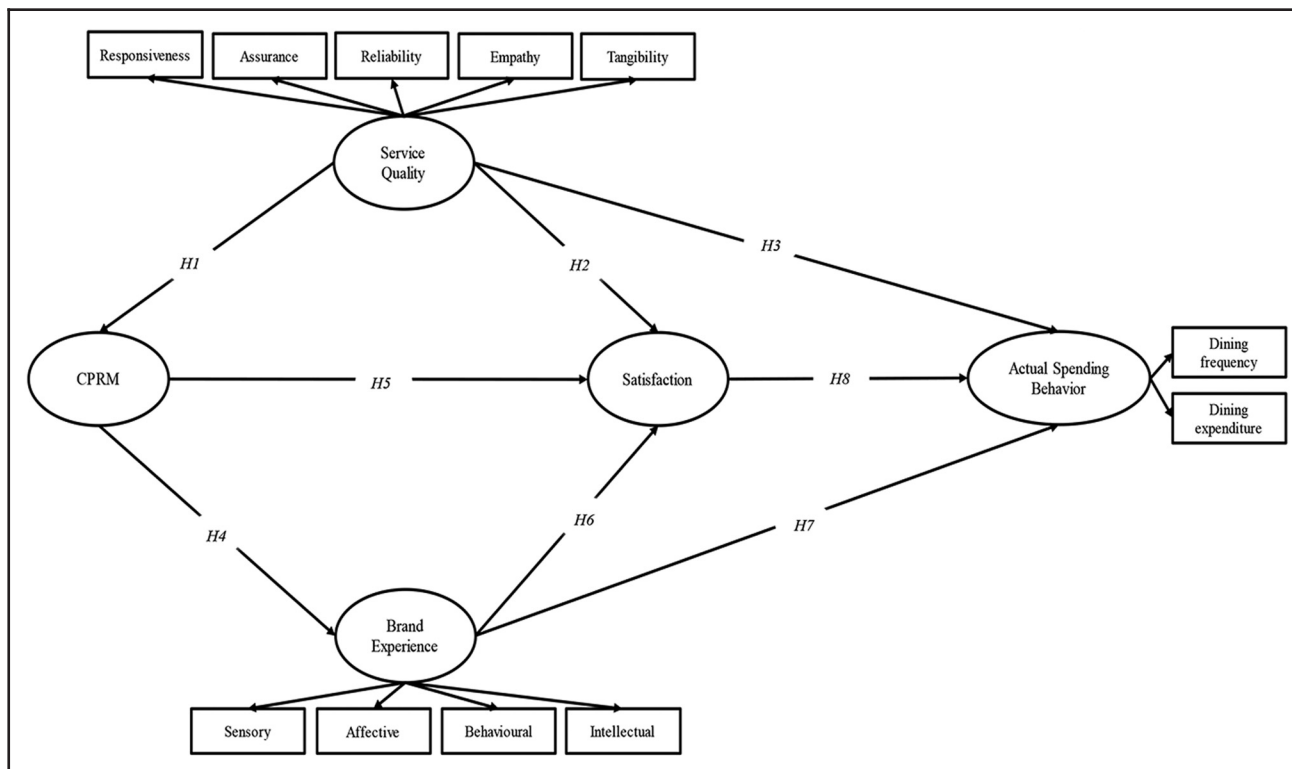
Accordingly, we selected Iran as country of interest. The purpose of this study is to examine the impacts of customer perceived relationship marketing (CPRM), service quality and brand experience on customer satisfaction, as well as the actual spending behaviour of experienced travellers in Iran. More specifically, we are looking at the hotel industry in Iran and how independent variables impact a customer's dining frequency and expenditure, directly and indirectly, through satisfaction.

This study is organised in the following sections. Firstly, the theoretical background of the study is discussed and hypotheses are proposed accordingly. The section includes an explanation of key research construct relationships. Secondly, the research methodology and design are proposed to empirically test the theoretical research framework. Thirdly, the data analysis and results are presented. Lastly, a discussion of the findings is presented along with practical implications and limitations.

Theoretical background and hypotheses development

Theory-based research has advanced our understanding of service-oriented constructs in the hospitality and tourism setting; however, there is still a need to refine the theories and methodologies so that the predictive power of existing models can be enhanced (Hutchinson *et al.*, 2009). In fact, the theoretical paradigm in tourism and hospitality is still in its initial stage of development (J. Harrington *et al.*, 2014; Tang, 2014). This study proposes an integrative theoretical framework (Figure 1) built upon SERVQUAL (Parasuraman *et al.*, 1988), consumer loyalty (Oliver, 1997, 1999), brand experience and CPRM concepts.

Figure 1 Theoretical research framework



Service quality

Quality is considered to be the ability to meet the total consumers stated wants and requirements (customer perceptions and expectations) towards a firm's offering (Bech Serrat, 2011; Tang, 2014). Although, quality in tourism-related services is about harmonizing customer perceptions and expectations (Hudson *et al.*, 2004), there is a lack of consensus about the service quality construct, and it remains an elusive concept (Briggs *et al.*, 2007; Akbaba, 2006). According to SERVQUAL (Parasuraman *et al.*, 1988), quality is the total gap between customer expectations and perception of a firm's performance; therefore, the larger the positive gap, greater is the service quality. It has been reported that positive consumer perceptions and expectations about the services quality lead to satisfaction, and finally, yield positive behavioural intentions (Theodorakis *et al.*, 2013) because service quality mostly is based on comprehensive customer decisions of the superiority of the service, and thus integrates consumer expectations of the service (González *et al.*, 2007). Thus, as a key antecedent to customer satisfaction, service quality plays an important role in the financial viability of a firm (Howat and Assaker, 2013).

Although service quality is multidimensional, the outcome of research is inconclusive, and there has been little agreement on the generic and specific service quality dimensions (Ekinci *et al.*, 2008). Multidimensional conceptualization of service quality helps to identify the important factors influencing loyalty (Howat and Assaker, 2013). To help service providers identify their strengths and weaknesses, the SERVQUAL model, a diagnostic tool consisting of 22 items, appraises the five proposed key service factors, discussed below (Hudson *et al.*, 2004) as a customer-based model. Service quality is a high-order construct consisting of three sub-dimensions: interaction quality, service environment quality and outcome quality (Wu *et al.*, 2011). The issue of measuring service quality has received increased attention, in recent years, in the tourism and recreation literature (Hudson *et al.*, 2004). Despite several strengths (Wang *et al.*, 2008; Seth *et al.*, 2005; Hsieh and Tsai, 2009)

and criticism (Cronin and Taylor, 1992), SERVQUAL is a simple instrument which provides effective evidence on a firm's service quality (Heung *et al.*, 2000). The SERVQUAL (Parasuraman *et al.*, 1988) five dimensions include: tangibles, assurance, reliability, empathy and responsiveness, defined as:

1. Assurance: "Knowledge and courtesy of employees and their ability to inspire trust and confidence" (p. 23).
2. Tangibility: "Physical facilities, equipment and appearance of personnel" (p. 23).
3. Reliability: "Ability to perform the promised service dependably and accurately" (p. 23).
4. Responsiveness: "Willingness to help customers and provide prompt service" (p. 23).
5. Empathy: "Caring, individualized attention the firm provides its customers" (p. 23).

Today, it is extensively understood that service quality and satisfaction are related (Lee *et al.*, 2015), but they are also distinct constructs (Theodorakis *et al.*, 2013), and they are commonly regarded as antecedents of customer loyalty (Shi *et al.*, 2014). Service quality and customer (visitor) satisfaction also have little agreement on the nature of their relationship (Briggs *et al.*, 2007). High-quality firm's total services can help customer satisfaction (Mey *et al.*, 2006) which involves a general impression of the superiority or inferiority of the service (González *et al.*, 2007); thus, service quality and satisfaction stimulus customer behavioural intentions and retention. Deng *et al.* (2013) hypothesized that service quality is positively related to satisfaction, and satisfaction is positively related to loyalty. Service quality influences visitors' future destination selection intentions (Briggs *et al.*, 2007), with higher levels of service quality leading to greater intentions to revisit, while perceived service quality has a direct positive effect on their satisfaction (Hutchinson *et al.*, 2009) and is an antecedent of satisfaction (González *et al.*, 2007). It was also concluded that guest loyalty was highly correlated with the satisfaction of hotel service attributes (Tsaour *et al.*, 2002). Amongst factors leading to the success of hotel, catering and tourism industries, offering high-quality service is widely acknowledged as important (Choi and Chu, 2001).

H1. Service quality positively influences customer satisfaction.

H2. Service quality positively influences actual spending behaviour.

Customer perceived relationship marketing (CPRM)

The focus of service quality and customer relationship marketing is to develop loyal customers (Oh, 1996), as relationship marketing draws on work in services marketing and service quality (Christopher *et al.*, 2013), consumer perception towards relationship marketing becomes essential part of a firm's marketing activities (Sheth and Parvatiyar, 1995; Berry, 1995). Traditionally, the relationship marketing concept refers to a firm's strategy to enhance services that might be problematic for customers to assess (Crosby and Stephens, 1987) and enables a firm's advertising and communication strategies in traditional media channels to strength their brand awareness and image (Copulsky and Wolf, 1990). Relationship marketing has been hailed as a new marketing paradigm, replacing a transactional, warfare approach, with a concern for ongoing mutually supportive buyer-seller relationships (Palmer, 1996). Therefore, service quality and relationship marketing are considered as intrinsic qualities and attributes that enhance customer satisfaction (Liang and Wang, 2006). O'Mahony *et al.* (2013) found that relationship quality has a strong positive impact on Australian and Thai guests' loyalty.

H3. Service quality positively influences CPRM.

H4. CPRM positively influences customer satisfaction.

Brand experience

Brand strategy is considered one of the top issues in the hotel industry (Kim *et al.*, 2008b) and is becoming an essential element in hotel development (O'Neill and Mattila, 2010). Brand experiences influence positive outcomes, such as revisit intention (Beckman *et al.*, 2013), and it is widely recognized in consumer behaviour as a mechanism in brand bundling strategies (Boo and Mattila, 2002). As a strategic tool, the process of building a brand starts from differentiating their goods or services from those of its competitors while customers experience a brand through various brand touch points (Rahman, 2014). As the importance of the hospitality industry is continually growing, creating a true hospitality experience for consumers can increase customer satisfaction and business performance (Teng, 2011). Brands may be associated, in the minds of consumers, with performance, in respect to these difficult-to-observe product attributes (Randall *et al.*, 1998). Brand experience is distinct from brand associations and brand image (Brakus *et al.*, 2009), which is conceptualized as subjective, internal consumer responses (sensations, feelings and cognitions) and behavioural responses evoked by brand relation. Brakus *et al.* (2009) defined the dimensions of brand experience as:

- Behavioral brand experience: “different types of experiences related to the physical body whether they are related to recreation (biking, dancing, jogging), nightlife (bars, clubs), or food (local and international cuisine)” (p. 648).
- Sensory brand experience: “When visitors undergo sensory experiences, they sense what occurs outside the body and most of their associations will be related to the visual nature of experiences” (p. 648).
- Affective brand experience: “Affective experiences can result in emotions that are mild (e.g. moods) or intense (e.g. feelings and sentiments)” (p. 648).
- Intellectual brand experience: “Intellectual experiences occur when the place brand helps to stimulate a visitor’s curiosity and cause him to think” (p. 649).

More and more firms are recognizing the advantages of “brand communities” as a leverage for relationship marketing communication (Andersen, 2005). Relationship marketing leads to brand loyalty that binds the consumer to the marketer, even when such loyalty seems to be contrary to the customer’s self-interest (Shani and Chalasani, 1992). While for retailers, the power of relationship marketing is that brand loyalty can mean store loyalty, and most likely, it would result in increased brand loyalty or brand equity (Copulsky and Wolf, 1990), a clear distinction between relationship marketing activities and marketing activities exist (Peterson, 1995). Thus, customer relationship management is one of the viable options to build firm brand amongst target customers (Kim *et al.*, 2008a). Customers increasingly buy brands for experiential benefit, as opposed to functional benefit (Rahman, 2014). Travellers evaluate hotel performance, not based on hotel functions, but based on hotel brand quality (Tran *et al.*, 2013). Furthermore, people’s travel interests, adoption and loyalty are essential basics in brand building; therefore, changes in these elements can serve as predictor variables for understanding the enhancement of a brand (Ferns and Walls, 2012). Hotel brands contribute value to assure that a uniform level of quality exists (O'Neill and Mattila, 2010). Guest satisfaction has served as a measure of operational success for branding strategies (O'Neill and Mattila, 2010) and attained positive experiences through hotel/destination brand experiences (Beckman *et al.*, 2013).

H5. CPRM positively influences brand experience.

Brakus *et al.* (2009) hypothesized that brand experience positively affects consumer satisfaction and loyalty towards general product types. The higher the brand experience an individual has, the higher the affective commitment he or she will have towards that brand (Iglesias *et al.*, 2011). In the hotel industry, brand positively affects a consumer’s revisit intention (Kim *et al.*, 2008b) as brand has a positive or negative impact on consumers

(Keller, 1993). Jani and Han (2014) hypothesized that hotel image has a positive impact on overall loyalty. A high level of brand equity increases consumer satisfaction, repurchasing intent and degree of loyalty (Kim *et al.*, 2008a). Previous study (Brady *et al.*, 2008) proposes that a successful brand strategy boosts greater consumer loyalty because customers' intentions to return to a particular hotel brand are commonly associated with loyalty (Berezan *et al.*, 2013).

H6. Brand experience positively influences customer satisfaction.

H7. Brand experience positively influences actual spending behaviour.

Customer satisfaction and actual spending behaviour

Customer satisfaction is the result of a product or service exceeding the customer's expectations (Landrum *et al.*, 2007) and from customers' good experiences (Kim *et al.*, 2008a). Customer satisfaction comprises both cognitive process, affective process, psychological and physiological influences (Choi and Chu, 2001). "Satisfaction is the consumer's sense that consumption provides outcomes against a standard of pleasure versus displeasure" (Oliver, 1999, p. 34). Furthermore, customer loyalty is usually defined as a customer's intention, or actual spending behaviour, to repeatedly purchase certain products or services (Tsaour *et al.*, 2002). Oliver (1997, p. 36 and 1999) proposed a framework of consumer loyalty comprising four distinct, sequential phases including:

1. cognitive loyalty: "Loyalty to information such as price, features, and so forth" (Oliver, 1997, p. 36) which "refers to the existence of beliefs that a brand is preferable to others" (Harris and Goode, 2004, p. 141);
2. affective loyalty: Loyalty to a liking (Oliver, 1997, p. 36) that "reflects a favorable attitude or liking based on satisfied usage" (Harris and Goode, 2004, p. 141);
3. conative loyalty: "Loyalty to an intention" (Oliver, 1997, p. 36) that "constitutes the development of behavioral intentions characterized by a deeper level of commitment" (Harris and Goode, 2004, p. 141); and
4. action loyalty: "Loyalty to action inertia, coupled with the overcoming of obstacles" (Oliver, 1997, p. 36) "relates to the conversion of intentions to action, accompanied by a willingness to overcome impediments to such action" (Harris and Goode, 2004, p. 141).

Guest loyalty pertains to guests' favourable attitudes towards a product, together with their intention to repurchase the service frequently (Jani and Han, 2014). Customer satisfaction may not always lead to loyalty (Lee and Back, 2008); although previous study (Nam *et al.*, 2011) implies that satisfied customers are less price-sensitive and intend to be loyal, the relationship between satisfaction and actual spending behaviour is less clear (Williams and Naumann, 2011). Customer satisfaction has a strong influence on loyalty, such as repeat visits (Howat and Assaker, 2013) and positively influences brand loyalty (Kim *et al.*, 2008a) as empirical results (Brady *et al.*, 2008) suggest that high brand equity leads to more favourable satisfaction and consumers overall behavioural intentions. Marketing researchers acknowledge that service quality has both direct and indirect effects on customer loyalty. Customer satisfaction may influence brand through one direct and one indirect channel (Torres and Tribó, 2011). A positive attitude towards a particular product or brand is likely to lead customers to continuous patronage and enhanced frequency of patronage (Han *et al.*, 2011).

H8. Customer satisfaction positively influences actual spending behaviour.

Method

To empirically evaluate the proposed research model (Figure 1), a quantitative method was undertaken. To measure research constructs, a questionnaire was designed in two main

sections; the first section captures information regarding the demographic profile of respondents (See Table I), and the second section was designed to capture information regarding the tourist's assessment of their experience with the hotel. To ensure that all respondents have experience with a hotel, data were collected from guests and visitors at the hotels' check-out points in Tehran, Iran. The questionnaire in the second section was adopted from previous studies. Appendix shows the measurement scale and its sources.

Prior to main data collection, to assess the validity and reliability of questionnaire, a pre-test and pilot test were conducted. For the pre-test, 21 questionnaires were collected amongst target population at one hotel in Tehran, Iran. The questionnaire was modified according to a respondent's feedback to ensure that respondents would understand the questions and that the survey was easy to follow. The data were analysed in terms of internal consistency/reliability using Cronbach's alpha as an indicator. Moreover, a pilot test ($N = 145$) was conducted amongst three hotels' guests and visitors before actual distribution of questionnaire. The data were analysed using partial least square (PLS) path modelling approach, and because the results were satisfactory, we proceeded with the main data collection procedures (The data sets for the pre-test and pilot-test were not included in the main data analysis).

A total of 375 questionnaires were distributed, of which 308 questionnaires were collected (82.13 per cent response rate) to empirically assess the measurement and structural model using the PLS path modelling approach, a structural equation modelling (SEM) technique. The expectation maximization algorithm (EMA) (Little, 1988) was performed using SPSS software (Version 20) to impute missing values (Little's MCAR test: Chi-square = 290.039, $DF = 360$, Sig. = 0.997). Because PLS-SEM is less affected by small sample sizes, the rule of thumb (Gefen *et al.*, 2000) was performed in this study to set an appropriate sample size. Accordingly, at least 10 times the number of items, of the most complex construct, was considered to determine an adequate sample size. Therefore, 220 responses were determined as the minimum requirement to conduct statistical analysis using PLS-SEM.

Table I Demographic profile of respondents ($N = 308$)

Serial no.	Profile	Characteristic	Frequency	(%)
1	Gender	Male	150	48.7
		Female	158	51.3
2	Age	Below 25	37	12.0
		26 to 32	103	33.4
		33 to 40	111	36.0
		Older than 40	57	18.5
3	Ethnicity	Iranian	190	61.7
		Not Iranian (International)	118	38.3
4	Marital status	Single	99	32.1
		Married	177	57.5
		Not stated	32	10.4
5	Education	Below diploma	50	16.2
		Diploma	92	29.9
		Degree	118	38.3
		Master	35	11.4
		PhD	13	4.2
6	Monthly income	Less than US\$1,000	33	10.7
		US\$1,001 to US\$2,000	91	29.5
		US\$2,001 to US\$3,000	129	41.9
		More than US\$3,000	55	17.9
7	Purpose of travel	Business	42	13.6
		Leisure	142	46.1
		Business and leisure	124	40.3
8	Length of stay (in days)	1 day	24	7.8
		2 to 5 days	95	30.8
		6 to 10 days	130	42.2
		More than 10 days	59	19.2

Non-response bias

Non-response bias is a “serious concern” in survey methods, which should be addressed by researchers (Lewis *et al.*, 2013) because it limits the generalizability of research findings (Michie and Marteau, 1999). “Response bias occurs when individuals who respond to a survey differ systematically from those that were invited to participate but did not respond” (Menachemi, 2010, p. 5). Therefore, three steps were taken to ensure that the non-responses were not an issue in this study. Firstly, wave analysis was performed and the data set was divided into two sets (early respondents vs late respondents) and the results imply that there is no significant difference between early respondents and late respondents. Finally, analysis of known demographic characteristics, such as age, gender, income, ethnicity (Iranian vs international visitors), purpose of travel, length of stay (in days) and comparison of key constructs of the study, such as CPRM, service quality and satisfaction showed no significant differences between groups, using *t*-test analysis. The results imply that the non-response bias is not a concern in this study.

Common method variance (CMV)

Common method variance (CMV), which is attributable to the measurement method and may be problematic in behavioural studies, might exist due to the single survey method used for data collection (Podsakoff *et al.*, 2003; MacKenzie and Podsakoff, 2012). Thus, CMV threatens the validity of the findings on the linkage results between construct relationships (Reio, 2010; Williams and Brown, 1994; Rezaei, 2015; Mohseni *et al.*, 2016). This study addressed CMV as a potential threat, followed the guidelines recommended by Podsakoff *et al.* (2003), to reduce its affect. At the design stage, common scale anchors are avoided by using six anchors and seven anchors for endogenous construct and exogenous constructs, respectively. Furthermore, common rate effects, acquiescence biases, item characteristic effects, common scale formats, item priming effects and scale length were avoided throughout the questionnaire. At the data analysis stage, two statistical techniques, the Harman’s one-factor test and the structural model marker-variable technique were conducted. Statistical results show that CMV is not a concern in this study.

PLS-SEM

In general, performing an SEM technique for assessment of hypothesis and construct measurements is an advantage (Esposito Vinzi *et al.*, 2008; Henseler *et al.*, 2014; Richter *et al.*, 2015) because it allows researchers to evaluate or modify theories/models (Chin, 2000, 1998; Schubring *et al.*, 2016). Of the two main SEM techniques, maximum likelihood (MLE) method (Jöreskog, 1970, 1978), a covariance-based SEM (CB-SEM), is preferred when we intend to test a theory and relationships (Gudergan *et al.*, 2008), and the focus is on measurement errors (Reinartz *et al.*, 2009). The second well-recognized SEM technique is PLS-SEM which helps to assess both casual relationships between indicators and latent constructs (Gudergan *et al.*, 2008). Importantly, MLE required hard and fixed assumption of theory, whereas PLS-SEM is flexible in modelling research constructs (Henseler, 2010). PLS-SEM is preferred over MLE when we intent to extend “existing structural theory” (Hair *et al.*, 2011, p. 144). Regardless of criticisms (Ronkko and Evermann, 2013), the PLS-SEM approach (Wold, 1975) and its methodology (Lohmöller, 1989) in testing a complex model is advantageous because the aim of analysis is “prediction accuracy” (Sarstedt, 2008; Henseler *et al.*, 2014; Reinartz *et al.*, 2009; Richter *et al.*, 2015; Sarstedt *et al.*, 2016). However, PLS is also appropriate for exploratory and confirmatory studies (Gefen *et al.*, 2000; Westland, 2007; Schubring *et al.*, 2016) because it is a suitable tool in assessment of complex and large relationships with many constructs relationships and items (Chin *et al.*, 2003; Sarstedt, 2008). “The PLS algorithm allows each indicator to vary in how much

it contributes to the composite score of the latent variable" (Chin *et al.*, 2003, p. 25). Therefore, SmartPLS software (Ringle *et al.*, 2005) is used in this study.

Results

Table I depicts the sample characteristic including gender, age, ethnicity, marital status, education, monthly income and the respondents' purpose of travel as well as their length of stay (in days). Of the total sample, 61.7 per cent were Iranians and 38.3 per cent were international tourists. A majority of the respondents' purpose for traveling was leisure (46.1 per cent), while 40.3 per cent travelled for business and leisure and 13.6 per cent travelled only for business purposes. Furthermore, respondents had at least one-day experience (7.8 per cent) with a hotel (length of stay in days) by the time they responded to this study's questionnaire. In total, 42.2 per cent of respondents experienced the hotel for 6 to 10 days, 30.8 per cent experienced it for 2 to 5 days and 19.2 per cent experienced the hotel for more than 10 days.

Measurement model

To empirically and statistically assess reflective measurements items, the study examined the outer/item loadings and composite reliability (CR). In addition, as an indicator of convergent validity, average variance extracted (AVE) and discriminant validity amongst constructs were assessed. As shown in Table II, outer loadings for all items are well above minimum threshold of 0.60, and all constructs have high levels of internal consistency/reliability, as shown by the above CR values. The AVE values are well above the minimum required level of 0.50, presenting convergent validity for all research constructs.

Discriminant validity was assessed using Fornell and Larcker (1981) and cross-loading criterion (Chin, 2010, 1998). The off-diagonal values in Table III are the correlations between the latent constructs, which show that there is discriminant validity between all the constructs. Similarly, comparing the loadings across the columns in Tables III and IV shows that an indicator's loadings, on its own construct, are always higher than all of its loadings with other constructs. Although Fornell-Larcker and cross-loadings criteria are met, some of the indicators are slightly high, which is normal in the evaluation of variance-based SEM; thus, there is discriminant validity between research constructs.

Moreover, the repeated indicators approach (Lohmoller, 1988) was used to build the first-order construct on designated second-order constructs. The hierarchical component model (Chin *et al.*, 2003), which is a popular approach in valuing higher-order constructs (Wilson and Henseler, 2007), was performed. Table III shows the outer weights, outer *t*-statistic, path coefficient, AVE, CR and *t*-statistic of first order on designated second-order constructs, indicating that brand experience, found to be a second-order reflective construct, is comprised of sensory, affective, behavioural and intellectual components. In addition, service quality is comprised of tangibility, reliability, responsiveness, assurance and empathy, and actual spending behaviour is comprised of dining frequency and dining expenditure. Therefore, the results imply that brand experience, service quality and actual spending behaviour are Type I model (reflective-reflective constructs) or hierarchical common factor model (Table V).

Structural model

After measurement items were assessed, and found as valid and reliable, the next step is to assess and evaluate structural model relationships. Specifically, the main steps are to assess the structural model in PLS-SEM and to evaluate significance of the path coefficients. Performing the PLS-SEM algorithm, estimates are obtained for the structural model relationships (the path coefficients) that imply the hypothesized relationships between the research constructs, the assessment of the level of the R^2 values (Table VII), f^2 and q^2 effect size (Table VIII) and the Q^2 predictive relevance (Table VIII).

Table II Construct validity

Second-order construct	First-order construct	Item	Outer loadings	AVE ^a	CR ^b	Cronbach α	
Actual spending behaviour	Dining expenditure	ABDE1	NA ^c	NA	NA	NA	
	Dining frequency	ABDF1	NA	NA	NA	NA	
Brand experience	–	–	–	0.632	0.846	–	
	Affective	BEA1	0.882	0.756	0.903	0.839	
		BEA2	0.874				
		BEA3	0.853				
	Behavioural	BEB1	0.737	0.716	0.883	0.797	
		BEB2	0.906				
		BEB3	0.886				
	Intellectual	BEI1	0.825	0.616	0.827	0.690	
		BEI2	0.833				
		BEI3	0.688				
	Sensory	BES1	0.789	0.713	0.882	0.798	
		BES2	0.874				
		BES3	0.868				
	CPRM	NA	CPRM1	0.847	0.750	0.900	0.833
			CPRM2	0.863			
		CPRM3	0.888				
Satisfaction	NA	SAT1	0.789	0.605	0.902	0.870	
		SAT2	0.803				
		SAT3	0.748				
		SAT4	0.769				
		SAT5	0.755				
		SAT6	0.800				
Service quality	–	–	–	0.855	0.967	–	
	Assurance	SQAS1	0.845	0.701	0.903	0.857	
		SQAS2	0.762				
		SQAS3	0.846				
		SQAS4	0.892				
	Empathy	SQEM1	0.812	0.649	0.902	0.865	
		SQEM2	0.788				
		SQEM3	0.811				
		SQEM4	0.788				
		SQEM5	0.827				
	Reliability	SQRL1	0.822	0.678	0.913	0.880	
		SQRL2	0.847				
		SQRL3	0.726				
		SQRL4	0.875				
		SQRL5	0.839				
	Responsiveness	SQRS1	0.866	0.731	0.916	0.877	
		SQRS2	0.802				
		SQRS3	0.866				
		SQRS4	0.884				
	Tangibility	SQTG1	0.833	0.750	0.900	0.834	
		SQTG2	0.885				
SQTG3		0.879					

Notes: ^aAverage variance extracted (AVE) = (summation of the square of the factor loadings)/((summation of the square of the factor loadings) + (summation of the error variances)); ^bcomposite reliability (CR) = (square of the summation of the factor loadings)/((square of the summation of the factor loadings) + (square of the summation of the error variances)); ^csingle-Item Construct

H3, which proposes that service quality positively influences CPRM (path coefficient = 0.841, *t*-statistic = 33.155); H1, which proposes service quality positively influences satisfaction (path coefficient = 0.400, *t*-statistic = 8.612) and H2, which proposes service quality positively influences actual spending behaviour (path coefficient = 0.259, *t*-statistics = 2.797) were supported (Table VI). This implies that service quality strongly influences CPRM followed by visitors' satisfaction and actual spending behaviour. Interestingly, H5, implying CPRM positively influences brand experience (path coefficient = 0.909, *t*-statistic = 71.286) and H4, proposing CPRM positively influences satisfaction (path coefficient = 0.100, *t*-statistic = 1.696), were supported. In fact, CPRM strongly influences

Table III Discriminant validity – Fornell-Larcker criterion

Research construct	BEA	BEB	BEI	BES	CPRM	DE	DF	SQAS	SQEM	SQRL	SQRS	SQTG	Satisfaction
BEA	0.870 ^a												
BEB	0.638	0.846											
BEI	0.563	0.616	0.785										
BES	0.506	0.570	0.498	0.845									
CPRM	0.560	0.698	0.578	0.589	0.866								
DE1	0.187	0.471	0.435	0.210	0.188	NA ^b							
DF1	0.473	0.444	0.223	0.466	0.551	0.457	NA ^b						
SQAS	0.519	0.567	0.269	0.558	0.595	0.419	0.504	0.837					
SQEM	0.593	0.612	0.352	0.623	0.340	0.439	0.567	0.193	0.805				
SQRL	0.495	0.514	0.245	0.566	0.594	0.530	0.555	0.185	0.308	0.823			
SQRS	0.539	0.536	0.491	0.503	0.589	0.430	0.491	0.185	0.241	0.554	0.855		
SQTG	0.497	0.464	0.247	0.474	0.560	0.372	0.610	0.138	0.372	0.615	0.475	0.866	
Satisfaction	0.697	0.567	0.486	0.501	0.555	0.452	0.559	0.204	0.434	0.563	0.401	0.439	0.778

Notes: ^aThe off-diagonal values in the above matrix are the correlations between the latent constructs and diagonals are square roots of AVEs; ^bsingle-item construct

hotel visitors' brand experience. *H6*, proposing brand experience positively influences satisfaction (path coefficient = 0.476, *t*-statistic = 8.426) and *H7*, proposing brand experience positively influences actual spending behaviour (path coefficient = 0.324, *t*-statistic = 3.221), were supported. Finally, *H8*, proposing satisfaction positively influences actual spending behaviour (path coefficient = 0.227, *t*-statistic = 2.063), was supported. The R^2 values of the endogenous latent constructs are presented in Table VII.

Finally, f^2 , as a measure of the impact of a specific predictor variable on an endogenous construct (Rezaei, 2015; Mohseni *et al.*, 2016), is presented in addition to evaluating the size of the R^2 values of all endogenous constructs. f^2 measures the change in the R^2 value when a specified exogenous construct is omitted from the model (See Table VIII).

Discussion and conclusion

Although numerous studies exist on factors that influence hotel selection, relatively few focus on loyalty and actual spending behaviour (Tanford *et al.*, 2012). Detecting the effect of service quality and total experience on post-dining intention is crucial for managers to enhance guests' experience in the context of the tourism and hospitality industry (Chang *et al.*, 2010). Customer loyalty has indicated that there is a positive relationship between loyalty and profitability, and attributes of hotel such as service quality and brand reputation are viewed as imperative elements in evaluating the hotel quality (Choi and Chu, 2001). Accordingly, emphasizing the financial benefits of the relationship marketing programme explain why some loyalty programmes work, while others fail (Fazal e Hasan *et al.*, 2014). As the obtainability of hotel services and the provision of quality services have become foremost concerns (Choi and Chu, 2001), the CPRM would be enhanced if the customer's relationship, with the hotel and restaurant was perceived as valuable and if the relationship provided many benefits. Additionally, managers should realize that customers expect to enjoy more benefits from hotel restaurants because of a long-term relationship expectation. Overall, the CPRM would enhance brand experiences and travellers' satisfaction.

The results of this study imply that service quality, CPRM brand experience and travellers' satisfaction are important in attaining higher tourist dining frequency and expenditure (actual spending behaviour). Hospitality managers, specifically hotel restaurant managers, should be aware of factors that enhance travellers' actual spending behaviour and loyalty (Berezan *et al.*, 2013) due to the fact that the cost of petitioning new customers is seven times more than that of retaining old ones (Tsaour *et al.*, 2002). Service quality is a crucial aspect in differentiating services that leads to competitive advantages in the service sector (Deng *et al.*, 2013; Olsen and Johnson, 2003). Contributing factors, underpinning and

Table IV Discriminant validity – loading and cross-loading criterion

Construct	Item	DE	DF	BEA	BEB	BEI	BES	CPRM	Satisfaction	SQAS	SQEM	SQRL	SQRS	SQTG
ABDE	ABDE1	NA	0.457	0.432	0.414	0.688	0.459	0.434	0.452	0.419	0.439	0.430	0.430	0.372
ABDF	ABDF1	0.457	NA	0.688	0.667	0.564	0.583	0.543	0.412	0.510	0.553	0.545	0.501	0.581
BEA	BEA1	0.412	0.599	<i>0.882</i>	0.554	0.572	0.676	0.555	0.402	0.544	0.559	0.526	0.549	0.412
	BEA2	0.392	0.313	<i>0.874</i>	0.419	0.437	0.365	0.409	0.596	0.526	0.593	0.520	0.665	0.633
	BEA3	0.320	0.581	<i>0.853</i>	0.512	0.648	0.647	0.509	0.679	0.608	0.656	0.589	0.600	0.594
BEB	BEB1	0.358	0.517	0.545	<i>0.737</i>	0.617	0.660	0.561	0.562	0.665	0.652	0.599	0.625	0.482
	BEB2	0.383	0.606	0.564	<i>0.906</i>	0.424	0.664	0.579	0.532	0.437	0.669	0.633	0.639	0.654
	BEB3	0.310	0.565	0.704	<i>0.886</i>	0.646	0.598	0.565	0.536	0.616	0.667	0.589	0.599	0.582
BEI	BEI1	0.361	0.596	0.718	0.522	<i>0.825</i>	0.631	0.577	0.571	0.606	0.694	0.629	0.648	0.668
	BEI2	0.413	0.502	0.582	0.666	<i>0.833</i>	0.713	0.598	0.501	0.634	0.631	0.597	0.616	0.508
	BEI3	4.070	0.457	0.432	0.414	<i>0.688</i>	0.459	0.434	0.452	0.419	0.439	0.430	0.430	0.372
BES	BES1	0.405	0.523	0.588	0.568	0.739	<i>0.789</i>	0.595	0.436	0.657	0.572	0.648	0.502	0.544
	BES2	0.385	0.594	0.585	0.623	0.615	<i>0.874</i>	0.535	0.670	0.625	0.647	0.636	0.640	0.586
	BES3	0.373	0.611	0.550	0.624	0.619	<i>0.868</i>	0.569	0.516	0.612	0.681	0.621	0.627	0.613
CPRM	CPRM1	0.374	0.609	0.768	0.663	0.628	0.598	<i>0.847</i>	0.525	0.527	0.684	0.620	0.540	0.577
	CPRM2	0.386	0.672	0.419	0.420	0.430	0.674	<i>0.863</i>	0.603	0.692	0.543	0.504	0.672	0.554
	CPRM3	0.368	0.648	0.578	0.583	0.584	0.689	<i>0.888</i>	0.626	0.684	0.446	0.678	0.681	0.614
SAT	SAT1	0.368	0.568	0.431	0.693	0.602	0.530	0.568	<i>0.789</i>	0.593	0.660	0.580	0.619	0.605
	SAT2	0.316	0.412	0.540	0.464	0.648	0.540	0.843	<i>0.803</i>	0.635	0.506	0.641	0.637	0.593
	SAT3	0.333	0.480	0.503	0.684	0.567	0.623	0.511	<i>0.848</i>	0.625	0.616	0.542	0.577	0.445
	SAT4	0.318	0.603	0.622	0.646	0.577	0.611	0.645	<i>0.769</i>	0.845	0.552	0.507	0.553	0.574
	SAT5	0.388	0.518	0.529	0.660	0.692	0.682	0.559	<i>0.855</i>	0.646	0.612	0.581	0.637	0.456
	SAT6	0.386	0.935	0.646	0.647	0.601	0.627	0.697	<i>0.705</i>	0.682	0.524	0.525	0.675	0.469
SQAS	SQAS1	0.318	0.603	0.622	0.646	0.577	0.611	0.645	0.569	<i>0.845</i>	0.552	0.407	0.553	0.574
	SQAS2	0.354	0.560	0.580	0.412	0.637	0.679	0.610	0.554	<i>0.762</i>	0.515	0.648	0.675	0.560
	SQAS3	0.393	0.605	0.514	0.581	0.609	0.627	0.674	0.577	<i>0.846</i>	0.572	0.535	0.526	0.592
	SQAS4	0.338	0.608	0.596	0.592	0.579	0.591	0.653	0.594	<i>0.892</i>	0.555	0.546	0.691	0.603
SQEM	SQEM1	0.333	0.591	0.575	0.580	0.606	0.634	0.653	0.589	0.521	<i>0.812</i>	0.549	0.541	0.597
	SQEM2	0.357	0.614	0.531	0.521	0.676	0.688	0.801	0.532	0.647	<i>0.788</i>	0.636	0.656	0.642
	SQEM3	0.409	0.643	0.566	0.593	0.594	0.590	0.639	0.658	0.583	<i>0.811</i>	0.815	0.514	0.658
	SQEM4	0.317	0.562	0.595	0.666	0.585	0.659	0.611	0.524	0.422	<i>0.788</i>	0.663	0.692	0.564
	SQEM5	0.351	0.622	0.644	0.603	0.618	0.614	0.675	0.528	0.325	<i>0.827</i>	0.434	0.580	0.617
SQRL	SQRL1	0.378	0.630	0.562	0.563	0.543	0.565	0.612	0.617	0.665	0.507	<i>0.822</i>	0.539	0.691
	SQRL2	0.301	0.674	0.597	0.623	0.571	0.598	0.669	0.594	0.703	0.534	<i>0.847</i>	0.681	0.423
	SQRL3	0.379	0.572	0.591	0.621	0.647	0.699	0.601	0.505	0.686	0.588	<i>0.726</i>	0.437	0.535
	SQRL4	0.371	0.603	0.603	0.586	0.607	0.629	0.568	0.665	0.513	0.587	<i>0.875</i>	0.471	0.657
	SQRL5	0.346	0.587	0.545	0.562	0.573	0.609	0.621	0.672	0.522	0.545	<i>0.839</i>	0.446	0.619
SQRS	SQRS1	0.352	0.597	0.589	0.583	0.575	0.653	0.641	0.556	0.698	0.566	0.406	<i>0.866</i>	0.604
	SQRS2	0.344	0.582	0.621	0.644	0.665	0.694	0.631	0.520	0.690	0.624	0.512	<i>0.802</i>	0.584
	SQRS3	0.399	0.625	0.674	0.681	0.651	0.577	0.690	0.584	0.678	0.604	0.542	<i>0.866</i>	0.599
	SQRS4	0.375	0.591	0.627	0.597	0.614	0.632	0.662	0.501	0.438	0.470	0.508	<i>0.884</i>	0.570
SQTG	SQTG1	0.228	0.548	0.530	0.507	0.518	0.512	0.549	0.540	0.487	0.571	0.578	0.514	<i>0.833</i>
	SQTG2	0.362	0.624	0.649	0.629	0.592	0.636	0.677	0.501	0.643	0.501	0.532	0.636	<i>0.885</i>
	SQTG3	0.362	0.637	0.642	0.622	0.630	0.629	0.504	0.688	0.660	0.601	0.614	0.629	<i>0.879</i>

Notes: Italic values are loadings for each item that are above the recommended value of 0.5; an item's loadings on its own variable are higher than all of its cross-loadings with other variable

understanding of service quality are important for service management in general (Briggs *et al.*, 2007; Akbaba, 2006; Harrington and Akehurst, 1996) and for hospitality industry specifically, as the results of this study show that service quality positively influence CPRM, satisfaction and actual spending behaviour. On the other hand, hotel and hospitality managers should enhance service quality to boost CPRM satisfaction and actual spending behaviour (see Table VI: Result of hypothesis testing and structural relationships).

Consequently, managers should realize that the tangibility, reliability, responsiveness, assurance and empathy aspects of service quality are important for internationally experienced travellers. In addition, recognizing the expectations and perception of customers, the measurements of the service quality in each segment of the hotel industry,

Table V Weights of first-order on designated second-order constructs

Second-order construct	First-order construct	Item	Outer weights	Outer t-statistic ^a	Path coefficient	AVE	CR	t-statistic ^a	
Brand experience	Affective	BEA1	0.388	48.09	0.932	0.838	0.954	90.003	
		BEA2	0.391	57.66					
		BEA3	0.371	29.80					
	Behavioural	BEB1	0.356	16.75	0.912			62.277	
		BEB2	0.427	81.21					
		BEB3	0.396	73.04					
	Intellectual	BEI1	0.477	46.10	0.895			57.684	
		BEI2	0.458	37.33					
		BEI3	0.327	12.89					
	Sensory	BES1	0.383	26.31	0.923			65.495	
		BES2	0.403	56.68					
		BES3	0.398	42.99					
	Service quality	Assurance	SQAS1	0.302	42.52	0.931	0.855	0.967	97.288
			SQAS2	0.280	22.09				
			SQAS3	0.306	50.09				
SQAS4			0.306	66.84					
Empathy		SQEM1	0.259	34.74	0.966			192.196	
		SQEM2	0.233	25.09					
		SQEM3	0.256	35.12					
		SQEM4	0.239	24.28					
Reliability		SQEM5	0.255	33.75	0.954			146.084	
		SQRL1	0.236	33.94					
		SQRL2	0.247	40.45					
		SQRL3	0.228	21.41					
		SQRL4	0.256	60.79					
Responsiveness		SQRL5	0.247	45.47	0.936			104.848	
		SQRS1	0.298	45.98					
	SQRS2	0.279	26.23						
	SQRS3	0.301	47.16						
	SQRS4	0.292	61.55						
Tangibility	SQTG1	0.335	24.15	0.831			31.490		
	SQTG2	0.410	60.38						
	SQTG3	0.407	46.08						
Actual spending behaviour	Dining expenditure	ABDE1	NA	NA	0.829	0.727	0.842	32.588	
	Dining frequency	ABDF1	NA	NA	0.876			81.922	

Notes: ^at-value 2.58 (sig. level = 1%); NA: Single-item construct

Table VI Result of hypothesis testing and structural relationships

Hypothesis	Path	Path coefficient	Standard error	t statistic ^a	Decision
H1	Service quality → CPRM	0.841	0.025	33.155***	Supported
H2	Service quality → Satisfaction	0.400	0.046	8.612***	Supported
H3	Service quality → Actual spending behaviour	0.259	0.093	2.797***	Supported
H4	CPRM → Brand experience	0.909	0.013	71.286***	Supported
H5	CPRM → Satisfaction	0.100	0.059	1.696*	Supported
H6	Brand experience → Satisfaction	0.476	0.056	8.426***	Supported
H7	Brand experience → Actual spending behaviour	0.324	0.101	3.221***	Supported
H8	Satisfaction → Actual spending behaviour	0.227	0.110	2.063**	Supported

Notes: ^at-values for two-tailed test: *1.65 (sig. level 10%); **1.96 (sig. level = 5%), and; ***t-value 2.58 (sig. level = 1%) (Hair *et al.*, 2011)

would help managers when faced with the challenge of refining service quality (Akbaba, 2006). To enhance the tangibility aspect of service quality, managers should put an emphasis on modern looking hotel/restaurant equipment, physical facilities and well-composed employees who are well dressed and appear neat. To enhance the reliability aspect of service, hotels/restaurants should keep their promises, show a sincere interest in solving travellers' problems, perform the right services, provide their services on time and keep accurate records. The responsiveness of hotels/restaurants would be

Table VII Results of R^2 and Q^2

<i>Endogenous latent constructs</i>	R^2	Q^2
Actual spending behaviour	0.609	0.424
Brand experience	0.827	0.486
CPRM	0.707	0.530
Satisfaction	0.879	0.530

a. Assessment of predictive relevance (Q^2):
Value Effect size
0.02 = Small
0.15 = Medium
0.35 = Large

enhanced if the employees knew exactly when services should be performed, and in turn, provided services promptly. In addition, employees should always be willing to help travellers and never be too busy to respond to their requests. Furthermore, assurance would be enhanced if the behaviour of employees inspired confidence in travellers and made them feel safe when completing transactions with the hotel/restaurant. The employees should also be polite and have the knowledge to answer travellers' questions. Moreover, the empathy facet of effective service quality would be improved if the hotel/restaurant gave travellers individual attention and offered operating hours that were convenient to them. Lastly, the staff should give travellers personal attention and make a concerted effort to understand the travellers' specific needs, which, in turn, shows the travellers that the best interest is at heart.

One of the challenges facing the hotel industry is ensuring effective marketing practices in terms of developing a clear brand message for hotels; therefore, there needs to be greater attention by both academics and industry practitioners alike (Cai and Hobson, 2004). Furthermore, as brand experience was found as a second-order reflective construct comprising of sensory, affective, behavioural and intellectual, managers should emphasize these dimensions. Managers should enhance the sensory aspect of their brand so that it leaves a strong impression on the travellers' visual sense. Furthermore, the traveller should perceive the hotel/restaurant as interesting in a sensory way and the hotel/restaurant should appeal to their overall senses. Affective aspect of the brand experience would be enhanced if the hotel/restaurant reflected the feelings and sentiments of their travellers. Travellers should also experience strong emotions and the hotel/restaurant should be perceived as an emotional brand. To improve the behavioural aspect of the brand experience, customers should engage in physical actions and behaviours, resulting in actual experiences, which imply an action-oriented brand. Furthermore, the intellectual dimension of brand experience is fulfilled when travellers experience cognitive engagement and their curiosity and problem-solving are stimulated while encountering the hotel/restaurant. Finally, hotel/restaurant service managers should focus on experience-based strategies as tourism and hospitality are at the forefront of the experience-based contemporary service sector.

Limitations and future research avenue

Like other empirical studies, this research had some limitations which suggest a new avenue for further investigation. Firstly, this study is limited to the hospitality and hotel industry. Future research should extend the theoretical research model of this study to other related areas such as luxury tourism and resort and hotel spa experiences. Secondly, this study investigates the international travellers in Iran. Future studies should be undertaken to generalize the findings of this study in developed countries. Lastly, this study used a cross-sectional data collection approach. Future researchers should perhaps obtain data using a longitudinal approach.

Table VIII Results – path coefficients, f^2 and q^2 effect size^a

Endogenous latent constructs	Actual spending behaviour			Brand experience			CPRM			SAT		
	Path coefficients	f^2 effect size	q^2 effect size	Path coefficients	f^2 effect size	q^2 effect size	Path Coefficients	f^2 effect size	q^2 effect size	Path coefficients	f^2 effect size	q^2 effect size
Exogenous latent constructs												
Actual spending behaviour												
Brand experience	0.324	0.167	0.098	0.909	0.462	0.198	0.476	0.234	0.129	0.100	0.081	0.000
CPRM	0.227	0.119	0.079				0.100	0.081	0.000			
Satisfaction	0.259	0.128	0.091				0.400	0.219	0.124			
Service quality				0.841	0.439	0.252						

Notes: ^aAssessing q^2 and f^2 :
 Value Effect size
 0.02 = Small
 0.15 = Medium
 0.35 = Large

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Appendix

Table A1 Measurement items

Research construct	Scale	Source						
Brand experience	Sensory BES1 XYZ makes a strong impression on my visual sense or other senses BES2 I find XYZ interesting in a sensory way BES3 XYZ does appeal to my senses	(Brakus <i>et al.</i> , 2009)						
	Affective BEA1 XYZ induces feelings and sentiments BEA2 I do not have strong emotions for XYZ® BEA3 XYZ is an emotional brand							
	Behavioural BEB1 I engage in physical actions and behaviours when I use XYZ BEB2 XYZ results in bodily experiences BEB3 XYZ is action-oriented							
	Intellectual BEI1 I engage in a lot of thinking when I encounter XYZ BEI2 XYZ makes me think BEI3 XYZ stimulates my curiosity and problem-solving							
	Service quality		Tangibility SQTG1 The XYZ has modern-looking equipment SQTG2 The XYZ's physical facilities are visually appealing SQTG3 XYZ employees are well dressed and appear neat SQTG4 Materials associated with the service (such as pamphlets or statements) are visually appealing at XYZ	(Shi <i>et al.</i> , 2014; Yoon and Ekinci, 2003; Parasuraman <i>et al.</i> , 1988)				
			Reliability SQRL1 When the XYZ promises to do something by a certain time, it does so SQRL2 When I have a problem, the XYZ shows a sincere interest in solving it SQRL3 The XYZ performs the service right at the first time SQRL4 The XYZ provides its services in time SQRL5 The XYZ keeps its records accurately					
			Responsiveness SQRS1 XYZ employees tell me exactly when services will be performed SQRS2 XYZ employees give me prompt service SQRS3 XYZ employees are always willing to help me SQRS4 XYZ employees are never too busy to respond to requests					
			Assurance SQAS1 The behaviour of XYZ employees instils confidence in me SQAS2 I feel safe in my transactions with the XYZ SQAS3 XYZ employees are polite SQAS4 XYZ employees have the knowledge to answer my questions					
			Empathy SQEM1 The XYZ gives me individual attention SQEM2 The XYZ has operating hours convenient to customers SQEM3 XYZ employees give me personal attention SQEM4 The XYZ has my best interests at heart SQEM5 XYZ employees understand my specific needs					
			CPRM		CPRM1 My relationship with XYZ is very valuable for me CPRM2 My relationship with XYZ gives many benefits to my life CPRM3 I expect to enjoy more benefits from XYZ because of a long-term relationship	(Fazal e Hasan <i>et al.</i> , 2014)		
					Satisfaction		SAT1 Overall, I feel satisfied with XYZ SAT2 The XYZ's performance exceeds my expectations SAT3 The XYZ's performance exceeds my hypothetical ideal for hotel service SAT4 I am happy about my decision to stay/spend at the XYZ SAT5 I believe I did the right thing when I stayed/spent at the XYZ	(Shi <i>et al.</i> , 2014; Back and Parks, 2003)

(continued)

Table A1

<i>Research construct</i>	<i>Scale</i>	<i>Source</i>
Actual spending behaviour	Dining frequency <i>ABDF1</i> Frequency of dining per visit? 1 time; 2 to 3 times; 4 to 5 times; 6 to 7 times; 7 to 8 times; more than 9 times Dining expenditure <i>ABDE1</i> Total spending per visit? Less than US\$50; US\$51 to USD\$00; US\$101 to US\$200; US\$201 to US\$500; US\$501 to US\$1,000; and More than US\$1,001	(Choi <i>et al.</i> , 2013)

a: Seven-point scale anchored by “strongly disagree” to “strongly agree”; b: Six-point scale anchored by “strongly disagree” to “strongly agree”; @: Reverse coding; SQTG4 removed due to low loading

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