

## THE EFFECT OF DEMOGRAPHICS AND TRAVEL FREQUENCY ON THE RELATIONSHIP BETWEEN SERVICE QUALITY AND BRAND LOYALTY IN THE CASE OF TRADITIONAL TRAVEL AGENCIES

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**ABSTRACT.** The objective of the current paper was to analyze the relationship between service quality reflected by its five traditional dimensions (tangibles, reliability, responsiveness, assurance, and empathy), on one hand, and brand loyalty related aspects such as overall satisfaction, repurchase intention, recommendation intention, and actual recommendation (previous positive, negative or neutral word of mouth), on the other hand, and, moreover and especially, to investigate the influence of demographics (gender, age, education, and income) and travel frequency on the nature and intensity of the relationship, all in the context of traditional travel agencies. An online survey was conducted among a sample of 286 Romanians who travelled using the services of a traditional travel agency at least once during the last five years. In order to evaluate service quality, the SERVQUAL evaluation method was adopted and adapted. The results showed that even though gender does not generally have a significant effect neither on the nature nor on the intensity of the relationship between service quality and the loyalty related aspects analyzed, the intensity of the relationship is dependent on age, education, income, and travel frequency.

**Key words:** *Travel agency; Brand loyalty; Service quality; Demographics; Travel Frequency; SERVQUAL; Romania*

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## **1. Introduction**

Due to the actual context of travel and tourism growth and development (according to WTTC, growing faster than manufacturing, retail, financial services and communication in 2012), the industry is now becoming more and more attractive and competitive. Therefore, price-based competitive strategies in this sector become obsolete, while quality is being recognized as a critical factor of competitiveness (Lewis, 1989), a great differentiator, and a powerful competitive weapon service organizations should strive to have (Berry et al., 1988). High service quality generates improved customer satisfaction (Johns et al., 2004). Moreover, service quality and customer satisfaction are significant determinants of customer loyalty (Cristobal et al., 2007; Cronin et al., 2000; Imrie et al., 2000), while loyal customers are likely to buy additional services, spread positive word-of-mouth, pay higher prices, and enhance service efficiency because of the experience curve effect (Reichheld and Sasser, 1990).

The goal of the current paper was to analyze the relationship between service quality and brand loyalty related aspects (satisfaction, repurchase, recommendation), and to investigate the influence of demographics and travel frequency on the nature and intensity of the relationship, all in the context of traditional travel agencies. A traditional travel agency is defined in this context as one which has a predominant offline activity, based on physical locations, staff directly interacting with customers, printed contracts and informational/promotional materials etc. Considering the fact that in Romania travel services and package tours can only be sold by travel agencies and that travel agencies are subject to strict national regulations, being obliged to obtain a tourism license issued by the state, most travel agencies in Romania have a predominant traditional activity.

## **2. Brief literature review**

Due to the characteristics distinguishing services from physical products, service quality is a concept difficult to define (Radomir et al., 2012). One of the most popular approaches regarding the concept states that service quality is the consumer's judgment about an entity's overall excellence or superiority, an attitude, related but not equivalent to satisfaction, resulting from a comparison of expectations with perceptions

of performance (Parasuraman et al., 1988). Service quality can also be considered the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994; Wisniewski and Donnelly, 1996). Measuring service quality can be done by evaluating the gaps between customer expectations and perceived service: as long as expectations are lower than the perceived performance, service quality is (at least) satisfactory, and the customer is satisfied (Parasuraman et al, 1985; Lewis and Mitchell, 1990; Shahin, 2006).

One of the most widely used methods for assessing service quality is SERVQUAL (Parasuraman et al., 1985, 1988). Starting from a model comprising ten quality attributes (tangibles, reliability, responsiveness, competency, courtesy, assurance, credibility, security, access, and understanding), its creators reduced the attributes to five: tangibles (physical facilities, equipment and appearance of personnel), reliability (ability to perform the promised service dependably and accurately, responsiveness (willingness to help customers and provide prompt service), assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence), and empathy (caring and individualized attention that the firm provides to its customers).

Customer satisfaction is another concept which is rather debated in the literature. Kotler and Armstrong (2012) define satisfaction as the post-purchase evaluation of products or services taking into consideration the expectations.

Naturally, higher service quality should increase customer satisfaction (Shahin and Janatyan, 2011). Analyzing the hotel industry, Mohajerani and Miremadi (2012) state that customer satisfaction depends on image, customer expectation, perceived value, and perceived quality, while satisfaction generates customer loyalty and a certain complaining behavior. Customer satisfaction and loyalty are strongly correlated in all service sectors, including the case of travel agencies (Horstmann 1998; Kobylanski, 2012; Campo and Jesús Yagüe, 2007). Highly satisfied customers of a travel agency are more likely to repeat purchases and to develop long-term commitment with the company, making recommendations to others and, thus, contributing to future revenues (Zairi, 2000; Anderson et al., 2004).

Along with service quality and customer satisfaction, brand loyalty is the third important concept upon which the current paper is based. Aaker (1991) considers that brand loyalty reflects how likely a

customer will be to switch to another brand, especially when that brand makes a change in price, product features, communication, or distribution programs. Moreover, Oliver (1999) states that loyalty is reflected by a commitment to rebuy a preferred product/service consistently in the future (repetitive same-brand or same brand-set purchasing), despite situational influences and switching behavior targeted marketing efforts.

Conceptually, loyalty can be seen as a tridimensional concept (Laroche et al., 2001): cognitive (willingness to choose an alternative perceived as better), affective (a positive brand attitude derived from satisfaction), and conative (repurchase intention). At the same time, loyalty can be approached as having two facets: behavioral and attitudinal (Moiescu and Vă, 2011). Attitudinal loyalty is reflected by cognitive, affective, and behavioral intent, while behavioral loyalty signifies the actual repeat buying behavior (Dick and Basu, 1994), or actual made recommendations.

### **3. Methodology**

The objective of the current paper is to analyze the relationship between service quality reflected by the five traditional dimensions (tangibles, reliability, responsiveness, assurance, and empathy), on one hand, and brand loyalty related aspects such as overall satisfaction, repurchase intention, recommendation intention, and actual recommendation, on the other hand, and, moreover and especially, to investigate the influence of demographics (gender, age, education, and income) and travel frequency on the nature and intensity of the relationship, all in the context of traditional travel agencies.

A questionnaire based survey was conducted among a sample of 286 Romanian adults who purchased travel services or package tours from traditional travel agencies at least once within the last five years.

The data was collected online for a period of two months (March-April) in 2012, with the voluntary help of 42 master students, each of them disseminating and distributing the online link to the questionnaire by email and instant messages addressed to their own contacts, or by posting it within various online social and professional networks. Table 1 outlines the structure of the investigated sample considering respondents' demographics and travel frequency.

**Table 1.***Sample demographics and travel frequency*

<b>Age:</b>		<b>Highest graduated education level:</b>		<b>Gender:</b>	
19-22 years	32	High-school	34	Male	104
23 years	35	Bachelor studies	157	Female	182
24 years	51	Master studies	84	<b>Travel frequency</b> (more than one day trips):	
25 years	26	PhD or higher	11		
26 years	23	<b>Monthly individual net income:</b>		Once a year	28
27 years	19			Under 1000 lei	65
28-29 years	19	1000–2000 lei	125	4-5 times a year	46
30-31 years	19	2001–3000 lei	42	6-10 times a year	44
32-34 years	21	3001–4000 lei	31	More frequently	92
35-39 years	17	Above 4000 lei	23		
40-50 years	24				

A traditional travel agency is defined in this case as one which has a predominant offline activity, within physical locations, with staff directly interacting with customers, often face to face, using printed contracts, and most often printed informational and promotional materials, offline payments etc. Travel agencies in Romania are subject to strict national regulations, each main agency and branch having to comply with several conditions and restrictions (regarding location, working space, staff qualification etc.), and to obtain a tourism license issued by the Romanian state. Due to this fact most travel agencies in Romania have a predominant traditional (offline) activity. Online sales of travel services and package tours and are a rather new business concept for both Romanian consumers and travel agencies, agencies with exclusive online activity being licensed by the Romanian state only from 2011.

In order to assess service quality the traditional SERVQUAL model was modified and adapted to the particular nature of services provided by travel agencies, 21 items being used in order to reflect the five classic dimensions of service quality: (1) tangibles – physical facilities, equipment, staff appearance; (2) reliability – ability to perform promised and advertised

service dependably, accurately; (3) responsiveness – willingness to help and assist customers, to provide prompt service; (4) assurance – staff competence, politeness, and ability to inspire trust; (5) empathy – customer care and understanding, customization, access. The items are outlined in Table 2.

**Table 2.**

*Service quality items for traditional travel agencies*

Tangibles	Modern equipment and facilities
	Documents and promotional materials appearance
	Agency staff appearance - clean, neat
	Outward appearance of agency – clean, neat, good condition
	Outward appearance of agency – esthetic look
	Inward appearance of agency – clean, neat, good condition
	Inward appearance of agency – esthetic look
Reliability	Providing services exactly as promised, in strict compliance with timeframes
	Providing services exactly as promised, for the first time, with no fixes needed
	Providing only high quality services to customers
Responsiveness	Agency staff being always available for helping/serving customers
	Agency staff communicating exact time frames of services or actions to help
	Agency staff delivering prompt service
	Agency staff quickly reacting to address any dissatisfaction/problem
Assurance	Agency staff inspiring trust and confidence
	Agency staff having a high degree of professionalism and knowledge in their field
	Agency staff being permanently courteous and polite
Empathy	Agency staff understanding of specific needs and wants of customers
	Agency staff showing genuine interest in customers and their needs
	Agency staff approaching each customer individually and customized
	Agency working hours being very convenient to customers

Initially, expectations were assessed for each service quality item using an extended Likert scale ranging from 1 = “strongly disagree” to 7 = “strongly agree” (e.g.: “In order for me to like it and consider it excellent, a travel agency should have modern equipment and facilities”). Secondly, perceptions were evaluated for each item using a scale ranging from 1 = “entirely false” to 7 = “entirely true”, asking respondents to relate to the travel agency from which they had made their most recent travel service or package tour purchase (e.g.: “The agency had modern equipment and facilities”). Finally, asking respondents to refer to the same travel agency, overall satisfaction was assessed on a scale from 1 to 5 (“Unsatisfied”, “Relatively/rather unsatisfied”, “Neither/nor”, “Relatively/rather satisfied”, “Satisfied”), while loyalty was depicted using three dimensions: repurchase

intention on a scale from 1 to 5 (“certainly not”, “probably not”, “don’t know”, “probably yes”, “certainly yes”), recommendation intention (idem), and previously made recommendation on a scale from 1 to 4 (“negative”, “none”, “neutral”, “positive”).

Gap-scores were computed for each item, while mean gap-scores for each of the five groups of items reflected the five classic dimensions of service quality:

$$G_{(i)j} = P_{(i)j} - E_{(i)j}$$

$$G_{(i)} = \frac{1}{k_i} \cdot \sum_{j=1}^{k_i} G_{(i)j}, i = 1$$

$$\left\{ \begin{array}{l} E_{(i)j} = \text{expectation regarding item "j" of dimension "i"} \\ P_{(i)j} = \text{perception regarding item "j" of dimension "i"} \\ G_{(i)j} = \text{gap score regarding item "j" of dimension "i"} \\ G_{(i)} = \text{mean gap score regarding dimension "i"} \\ j = 1..k_i; k_i = \text{number of items for dimension "i"} \end{array} \right.$$

As an appropriate metric to assess the internal consistency reliability associated with scores derived from scales, Cronbach's Alpha computed for the whole set of variables – expectations and perceptions – measuring service quality had a value of more than 0.9 (42 items;  $\alpha=0.962$ ), suggesting an excellent internal consistency reliability. Moreover, the scales were not newly developed, but adapted and/or adjusted for our specific study regarding traditional travel agencies.

Given the main goal of the current paper and the specific case of traditional travel agencies, the following research hypotheses were formulated:

- $H_{1(ij)}$ : *Service quality dimension “i” has a significant and positive impact on loyalty related item “j”.*
- $H_{2(ijk)}$ : *The impact of service quality dimension “i” on loyalty related item “j” differs among different “k” groups.*
- $H_{3(ij)}$ : *The combined impact of the set of five dimensions reflecting service quality explains more than 30% of the variation of loyalty related item “j”.*
- $H_{4(ijk)}$ : *The variation of loyalty related item “j” explained by the combined impact of the set of five dimensions reflecting service quality differs among different “k” groups.*

where:

- $i$  = Tangibles / Reliability / Responsiveness / Assurance / Empathy;
- $j$  = Overall satisfaction / Repurchase intention / Recommendation intention / Actual recommendation;

- $k$  = Travel frequency / Demographics (Gender / Age / Education / Income).

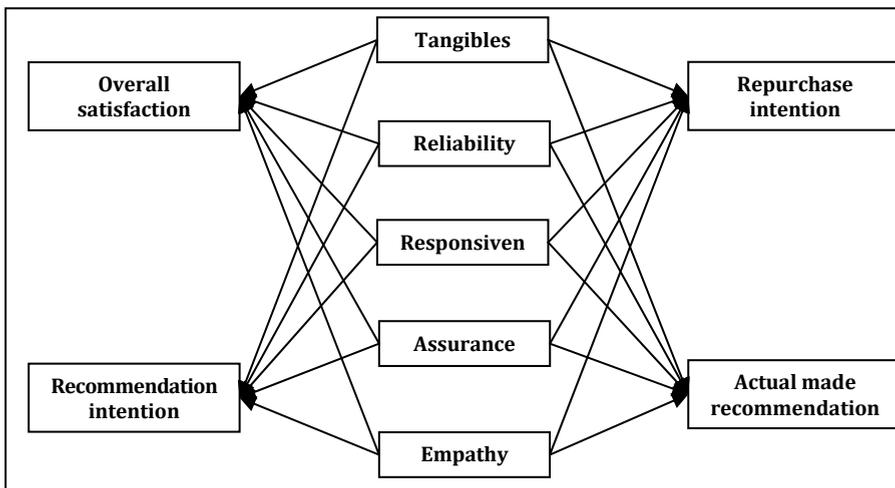
Furthermore, in order to analyze the effect of demographics and travel frequency on the nature and intensity of the relationship between service quality, on one hand, and loyalty related items, on the other hand, the variables regarding age, education, income, and travel frequency were recoded into binary variables so that the sample of 286 items could be divided into sample groups large enough to support relatively significant bivariate correlation and multiple linear regression analyses within each sample group (Table 3).

**Table 3.**

*Demographics and travel frequency variables recoding*

Grouping variable	Compared sample groups	
<b>Gender:</b>	men (104)	vs. women (182)
<b>Age:</b>	19-25 years (144)	vs. 26-50 years (142)
<b>Education level:</b>	high-school or bachelor (191)	vs. master, PhD or higher (95)
<b>Monthly income:</b>	up to 2000 lei (190)	vs. more than 2000 lei (96)
<b>Travel frequency:</b>	2-3 times a year or less (104)	vs. 4-5 times a year or more (182)

Finally, in order to analyze the combined effect of the set of five service quality dimensions, taken as predictors, on loyalty related items, taken as dependent variables, and to estimate the amount of variance thus explained, several linear models were set, one for each loyalty related item (Figure 1).



**Figure 1.** *Proposed models*

#### 4. Results and discussion

In order to investigate the relationship between the dimensions of service quality, on one hand, and overall customer satisfaction, repurchase intention, recommendation intention and, respectively, actual recommendation, on the other hand (hypotheses  $H_{1(ij)}$ ), and to test whether demographics and travel frequency have any sort of impact on this relationships (hypotheses  $H_{2(ijk)}$ ), bivariate correlation analyses were conducted both considering the entire sample and the sample groups generated using the binary variable form of gender, age, education, income, and, respectively, travel frequency.

**Table 4.**

*Bivariate correlations between service quality dimensions and overall satisfaction (\*\* =  $p < 0.01$ ; \* =  $p < 0.05$ )*

Grouping variable	Sample group	Pearson bivariate correlation coefficients				
		T	RI	Rs	A	E
	Entire sample	.267**	.540**	.503**	.457**	.462**
Gender	Men	.337**	.560**	.469**	.427**	.486**
	Women	.221**	.521**	.530**	.490**	.452**
Age	19-25 years	.210*	.421**	.433**	.458**	.423**
	26-50 years	.306**	.613**	.549**	.456**	.487**
Education	High-school / Bachelor	.254**	.534**	.507**	.470**	.471**
	Master / PhD or higher	.293**	.553**	.494**	.428**	.438**
Income	Up to 2000 lei	.346**	.586**	.577**	.568**	.554**
	More than 2000 lei	.084	.441**	.326**	.210*	.239*
Travel frequency	2-3 times a year or less	.218*	.447**	.494**	.474**	.341**
	4-5 times a year or more	.292**	.590**	.509**	.454**	.519**

(T=Tangibles; RI=Reliability; Rs=Responsiveness; A=Assurance; E=Empathy)

As results in table 4 show, all  $H_{1(ij)}$  hypotheses are confirmed when “j” is “overall satisfaction”. Therefore, it might be said that each of the five dimensions of service quality has a significant and positive impact on overall satisfaction, the relationship being stronger in the case of reliability and responsiveness, and weaker in the case of tangibles.

The  $H_{2(ijk)}$  hypotheses are entirely confirmed when “k” is “income”, and entirely rejected when “k” is “education”. Thus, the relationship between service quality and overall satisfaction is significantly stronger

within the lower income group (on all service quality dimensions), while there is no significant difference in the relationship when considering education based sample groups.

Moreover, in the case of men, the correlation between tangibles and overall satisfaction is stronger. Also, tangibles, reliability and responsiveness are more intensely correlated with overall satisfaction in the case of older respondents. Last, but not least, reliability and empathy are stronger correlated with overall satisfaction in the case of those who travel more often.

**Table 5.**

*Bivariate correlations between service quality dimensions and repurchase intention (\*\* =  $p < 0.01$ ; \* =  $p < 0.05$ )*

Grouping variable	Sample group	Pearson bivariate correlation coefficients				
		T	RI	Rs	A	E
	Entire sample	.302**	.492**	.443**	.483**	.481**
Gender	Men	.293**	.472**	.401**	.460**	.501**
	Women	.305**	.499**	.467**	.504**	.479**
Age	19-25 years	.185*	.351**	.355**	.430**	.394**
	26-50 years	.384**	.579**	.502**	.516**	.538**
Education	High-school / Bachelor	.302**	.528**	.471**	.542**	.506**
	Master / PhD or higher	.300**	.413**	.379**	.344**	.426**
Income	Up to 2000 lei	.339**	.511**	.488**	.560**	.531**
	More than 2000 lei	.230*	.460**	.352**	.332**	.383**
Travel frequency	2-3 times a year or less	.249*	.357**	.378**	.483**	.475**
	4-5 times a year or more	.334**	.566**	.479**	.490**	.488**

(T=Tangibles; RI=Reliability; Rs=Responsiveness; A=Assurance; E=Empathy)

Table 5 shows that all  $H_{1(ij)}$  hypotheses are confirmed when “j” is “repurchase intention”. Thus, each of the five dimensions of service quality has a significant and positive impact on repurchase intention, the relationship being less intense in the case of tangibles, as compared to the other service quality dimensions.

The  $H_{2(ijk)}$  hypotheses are entirely confirmed when “k” is “age”, and entirely rejected when “k” is “gender”. Thus, the relationship between service quality and repurchase intention is significantly stronger within older respondents (on all service quality dimensions), while there is no significant difference in the relationship when considering gender based sample groups.

Also, the relationship between repurchase intention and service quality is significantly stronger in the case of lower educated respondents (except for tangibles), in the case of the lower income group (except for reliability), and in the case of those who travel more frequently (except for assurance and empathy in which cases there is no significant difference in the service quality - repurchase intention relationship if travel frequency is considered).

**Table 6.**

*Bivariate correlations between service quality dimensions and recommendation intention (\*\* =  $p < 0.01$ ; \* =  $p < 0.05$ )*

Grouping variable	Sample group	Pearson bivariate correlation coefficients				
		<i>T</i>	<i>RI</i>	<i>Rs</i>	<i>A</i>	<i>E</i>
	Entire sample	.312**	.561**	.487**	.461**	.514**
Gender	Men	.344**	.563**	.453**	.456**	.507**
	Women	.291**	.555**	.514**	.480**	.540**
Age	19-25 years	.252**	.517**	.449**	.402**	.482**
	26-50 years	.355**	.594**	.518**	.503**	.536**
Education	High-school / Bachelor	.298**	.622**	.514**	.492**	.546**
	Master / PhD or higher	.347**	.435**	.434**	.395**	.447**
Income	Up to 2000 lei	.371**	.588**	.534**	.561**	.590**
	More than 2000 lei	.187	.508**	.392**	.253*	.339**
Travel frequency	2-3 times a year or less	.248*	.381**	.408**	.411**	.427**
	4-5 times a year or more	.347**	.655**	.527**	.488**	.559**

(T=Tangibles; RI=Reliability; Rs=Responsiveness; A=Assurance; E=Empathy)

Results summarized in table 6 suggest that all  $H_{1(ij)}$  hypotheses are confirmed when “j” is “recommendation intention”. Thus, each of the five dimensions of service quality has a significant and positive impact on recommendation intention, the relationship being stronger in the case of reliability and empathy, and less intense in the case of tangibles.

Even though the  $H_{2(ijk)}$  hypotheses are rejected when “k” is “gender” (the relationship between service quality and recommendation intention is similar in the case of men and women), there are several such hypotheses confirmed considering other demographics and travel frequency. Thus, the correlation between service quality and recommendation intention is stronger: within older respondents for tangibles and assurance, within lower educated respondents for reliability, assurance and

empathy, within the lower income group for all service quality dimensions except for reliability, and, respectively, within more frequent travelers for all dimensions except for assurance.

**Table 7.**

*Bivariate correlations between service quality dimensions and actual recommendation (\*\* =  $p < 0.01$ ; \* =  $p < 0.05$ )*

Grouping variable	Sample group	Pearson bivariate correlation coefficients				
		T	RI	Rs	A	E
	Entire sample	.234**	.453**	.398**	.374**	.391**
Gender	Men	.231*	.436**	.372**	.328**	.401**
	Women	.233**	.460**	.419**	.428**	.408**
Age	19-25 years	.132	.324**	.296**	.314**	.312**
	26-50 years	.310**	.542**	.476**	.417**	.447**
Education	High-school / Bachelor	.240**	.497**	.410**	.414**	.432**
	Master / PhD or higher	.219*	.350**	.370**	.266**	.286**
Income	Up to 2000 lei	.295**	.486**	.444**	.453**	.463**
	More than 2000 lei	.106	.384**	.305**	.213*	.225*
Travel frequency	2-3 times a year or less	.201*	.295**	.333**	.388**	.318**
	4-5 times a year or more	.253**	.521**	.427**	.370**	.423**

(T=Tangibles; RI=Reliability; Rs=Responsiveness; A=Assurance; E=Empathy)

Finally, table 7 shows that all  $H_{1(ij)}$  hypotheses are confirmed when “j” is “actual recommendation”, each of the five dimensions of service quality having a significant and positive impact on actual recommendation, the correlation being more intense in the case of reliability, and less intense in the case of tangibles.

Hypotheses  $H_{2(ijk)}$  are entirely confirmed when “k” is “age” and, respectively, “income”. Thus, in the case of older respondents and, respectively, in the case of the lower income group, the relationship between actual recommendation and service quality is significantly more intense (on all dimensions). Moreover, the correlation is also stronger: within the lower educated respondents (for reliability, assurance and empathy), and, respectively, within more frequent travelers (for reliability, responsiveness and empathy).

Furthermore, multiple regression analyses were conducted both considering the entire sample and the sample groups generated using the binary variable form of gender, age, education, income, and, respectively, travel frequency, all in order to investigate the combined impact of the set of five dimensions reflecting service quality on loyalty related items

(tangibles, reliability, responsiveness, assurance, and empathy, as potential predictors, on one hand, and overall satisfaction, repurchase intention, recommendation intention and actual recommendation, as dependent variables, on the other hand) – hypotheses  $H_{3(j)}$  – and to test whether demographics and travel frequency have any sort of impact on this combined impact – hypotheses  $H_{4(jk)}$ .

**Table 8.**

*Multiple linear regressions for the proposed model regarding the relationship between service quality dimensions and overall satisfaction*

Grouping variable	Sample group	Standardized coefficients					$R^2$	F-test result
		T	RI	Rs	A	E		
	Entire sample	-.050	.344	.151	.094	.059	<b>.319</b>	26.25
		p=.404	p=.000	p=.090	p=.285	p=.506		
Gender	Men	.030	.400	.071	-.045	.175	<b>.333</b>	9.772
	p=.769	p=.005	p=.598	p=.750	p=.235	p=.000		
	Women	-.106	.285	.217	.189	-.009	<b>.328</b>	17.192
	p=.162	p=.007	p=.080	p=.102	p=.936	p=.000		
Age	19-25 years	-.054	.151	.105	.250	.136	<b>.269</b>	10.180
	p=.529	p=.163	p=.362	p=.021	p=.213	p=.000		
	26-50 years	-.101	.550	.229	-.112	.028	<b>.394</b>	17.708
	p=.245	p=.000	p=.098	p=.442	p=.851	p=.000		
Education	High-school / Bachelor	-.080	.305	.171	.088	.101	<b>.318</b>	17.242
	p=.294	p=.004	p=.124	p=.428	p=.369	p=.000		
	Master / PhD or higher	-.004	.401	.117	.129	-.008	<b>.330</b>	8.761
	p=.971	p=.004	p=.449	p=.389	p=.961	p=.000		
Income	Up to 2000 lei	-.051	.253	.176	.177	.125	<b>.403</b>	24.797
	p=.478	p=.012	p=.103	p=.106	p=.231	p=.000		
	More than 2000 lei	-.072	.484	.088	.005	-.114	<b>.210</b>	4.771
	p=.528	p=.001	p=.578	p=.973	p=.501	p=.001		
Travel frequency	2-3 times a year or less	.005	.185	.234	.243	-.107	<b>.278</b>	7.538
	p=.959	p=.163	p=.149	p=.148	p=.430	p=.000		
	4-5 times a year or more	-.072	.429	.074	.026	.158	<b>.364</b>	20.133
	p=.350	p=.000	p=.497	p=.805	p=.183	p=.000		

(Predictors: T=Tangibles; RI=Reliability; Rs=Responsiveness; A=Assurance; E=Empathy)

As it can be seen in table 8,  $H_{3(j)}$  hypothesis is confirmed when “j” is “overall satisfaction”. The multiple regression model with all five predictors produced  $R^2 = .319$ , and therefore it might be stated that almost one third of the variation of overall customer satisfaction can be explained by the considered dimensions of service quality altogether. Nevertheless, only reliability significantly contributes to the model.

Regarding the effect of demographics and travel frequency on the relationship between service quality and overall satisfaction, hypotheses  $H_{4(jk)}$  are confirmed when “k” is “age”, “income”, or “travel frequency”. Thus, the variation of overall satisfaction can be more widely explained by the considered dimensions of service quality altogether within the group of older respondents ( $R^2=.394$  compared to .269), within the lower income group ( $R^2=.403$  compared to .210), and, respectively, within the group comprising more frequent travelers ( $R^2=.364$  compared to .278). It is also notable that in the case of younger respondents the service quality dimension which significantly contributes to the model is assurance, and not reliability.

**Table 9.**

*Multiple linear regressions for the proposed model regarding the relationship between service quality dimensions and repurchase intention*

Grouping variable	Sample group	Standardized coefficients					$R^2$	F-test result
		T	Rl	Rs	A	E		
	Entire sample	-.004 p=.953	.263 p=.002	-.020 p=.830	.214 p=.018	.142 p=.953	<b>.291</b>	23.030 p=.000
Gender	Men	-.028 p=.791	.226 p=.117	-.028 p=.841	.121 p=.414	.282 p=.066	<b>.284</b>	7.782 p=.000
	Women	.001 p=.990	.279 p=.010	-.040 p=.751	.291 p=.014	.078 p=.509	<b>.305</b>	15.418 p=.000
Age	19-25 years	-.066 p=.455	.103 p=.355	.020 p=.869	.288 p=.010	.169 p=.134	<b>.221</b>	7.843 p=.000
	26-50 years	.014 p=.877	.406 p=.002	-.050 p=.725	.098 p=.515	.168 p=.278	<b>.357</b>	15.086 p=.000
Education	High-school / Bachelor	-.047 p=.528	.277 p=.008	-.052 p=.632	.324 p=.003	.115 p=.298	<b>.341</b>	19.172 p=.000
	Master / PhD or higher	.103 p=.354	.209 p=.151	.000 p=.998	-.047 p=.771	.283 p=.104	<b>.222</b>	5.077 p=.000
Income	Up to 2000 lei	-.023 p=.758	.176 p=.095	-.007 p=.949	.322 p=.005	.163 p=.138	<b>.345</b>	19.390 p=.000
	More than 2000 lei	.016 p=.889	.369 p=.010	-.019 p=.902	.095 p=.511	.071 p=.674	<b>.182</b>	5.241 p=.000
Travel frequency	2-3 times a year or less	.008 p=.934	.048 p=.718	-.098 p=.549	.337 p=.047	.255 p=.065	<b>.266</b>	7.119 p=.000
	4-5 times a year or more	.006 p=.943	.434 p=.000	-.014 p=.904	.198 p=.067	.007 p=.954	<b>.342</b>	18.257 p=.000

(Predictors: T=Tangibles; Rl=Reliability; Rs=Responsiveness; A=Assurance; E=Empathy)

As table 9 shows,  $H_{3(j)}$  hypothesis is rejected when “j” is “repurchase intention”. The multiple regression model with all five predictors produced only  $R^2 = .291$ , and therefore, it might be stated that less than 30% of the variation of repurchase intention can be explained by the considered dimensions of service quality altogether. Though, reliability and assurance are the only dimensions that significantly contribute to the model.

Hypotheses  $H_{4(jk)}$  are confirmed in all “k” cases, except for when “k” is “gender”. It can be stated that the variation of repurchase intention can be more widely explained by the considered dimensions of service quality altogether within the group comprising older respondents ( $R^2=.357$  compared to .221), within the lower education group ( $R^2=.341$  compared to .222), within the lower income group ( $R^2=.345$  compared to .182), and, respectively, within the group containing more frequent travelers ( $R^2=.342$  compared to .266).

It is also notable that in several demographic (as well as travel frequency) groups, either reliability, or assurance, loses its significant contribution to the model. For example, in the case of older respondents, lower income respondents and, respectively, more frequent travelers, only reliability significantly contributes to the model, while in case of younger ones, higher income ones, and, respectively, less frequent travelers, only assurance is a significant model contributor.

**Table 10.**

*Multiple linear regressions for the proposed model regarding the relationship between service quality dimensions and recommendation intention*

Grouping variable	Sample group	Standardized coefficients					$R^2$	F-test result
		T	Rl	Rs	A	E		
Gender	Entire sample	-.012 p=.843	.369 p=.000	.044 p=.613	.038 p=.657	.193 p=.028	<b>.342</b>	29.080 p=.000
	Men	.023 p=.824	.400 p=.004	-.002 p=.989	.018 p=.901	.200 p=.173	<b>.342</b>	10.169 p=.000
	Women	-.051 p=.496	.302 p=.004	.075 p=.539	.056 p=.620	.245 p=.033	<b>.350</b>	18.992 p=.000
Age	19-25 years	.005 p=.954	.303 p=.004	.074 p=.503	.062 p=.548	.208 p=.049	<b>.316</b>	12.777 p=.000
	26-50 years	-.039 p=.661	.453 p=.001	.014 p=.921	.021 p=.886	.175 p=.256	<b>.367</b>	15.762 p=.000
Education	High-school / Bachelor	-.074 p=.300	.472 p=.000	.023 p=.824	.026 p=.804	.201 p=.055	<b>.406</b>	25.292 p=.000
	Master / PhD or higher	.132 p=.226	.170 p=.232	.087 p=.592	.015 p=.924	.203 p=.232	<b>.255</b>	6.077 p=.000

Grouping variable	Sample group	Standardized coefficients					R <sup>2</sup>	F-test result
		T	RI	RS	A	E		
Income	Up to 2000 lei	-.010 p=.893	.295 p=.004	.005 p=.963	.139 p=.204	.264 p=.012	<b>.406</b>	25.158 p=.000
	More than 2000 lei	.004 p=.970	.463 p=.001	.134 p=.382	-.070 p=.621	-.018 p=.912	<b>.264</b>	6.473 p=.000
Travel frequency	2-3 times a year or less	.033 p=.752	.093 p=.496	.133 p=.428	.068 p=.697	.218 p=.126	<b>.219</b>	5.489 p=.000
	4-5 times a year or more	-.021 p=.769	.555 p=.000	-.023 p=.824	.034 p=.734	.138 p=.216	<b>.438</b>	27.422 p=.000

(Predictors: T=Tangibles; RI=Reliability; RS=Responsiveness; A=Assurance; E=Empathy)

The results summarized in table 10 show that  $H_{3(j)}$  hypothesis is confirmed when “j” is “recommendation intention”. The multiple regression model with all five predictors produced  $R^2 = .342$ , and therefore, it might be stated that more than one third of the variation of recommendation intention can be explained by the considered dimensions of service quality altogether. Reliability and empathy are in this model’s case the only dimensions that have significant contributions.

Also, hypotheses  $H_{4(jk)}$  are confirmed when “k” is “education”, “income” or “travel frequency”. Thus, the variation of recommendation intention can be more widely explained by the considered dimensions of service quality altogether within the lower education group ( $R^2=.406$  compared to .255), within the lower income group ( $R^2=.406$  compared to .264), and, respectively, within more frequent travelers ( $R^2=.438$  compared to .219).

It can be also emphasized that in some demographic (as well as travel frequency) groups, empathy loses its significant contribution to the model.

**Table 11.**

*Multiple linear regressions for the proposed model regarding the relationship between service quality dimensions and actual recommendation*

Grouping variable	Sample group	Standardized coefficients					R <sup>2</sup>	F-test result
		T	RI	RS	A	E		
	Entire sample	-.026 p=.690	.314 p=.000	.060 p=.528	.069 p=.466	.083 p=.387	<b>.218</b>	15.64 p=.000
Gender	Men	-.033 p=.769	.297 p=.051	.066 p=.649	-.077 p=.618	.225 p=.160	<b>.211</b>	5.255 p=.000
	Women	-.041 p=.613	.309 p=.006	.004 p=.978	.216 p=.079	.032 p=.796	<b>.240</b>	11.102 p=.000

Grouping variable	Sample group	Standardized coefficients					R <sup>2</sup>	F-test result
		T	Rl	Rs	A	E		
Age	19-25 years	-.059 p=.525	.165 p=.160	.027 p=.827	.161 p=.166	.120 p=.308	<b>.142</b>	4.555 p=.001
	26-50 years	-.034 p=.715	.465 p=.001	.125 p=.399	-.067 p=.667	.060 p=.712	<b>.300</b>	11.655 p=.000
Education	High-school / Bachelor	-.059 p=.458	.377 p=.001	-.013 p=.910	.098 p=.397	.119 p=.307	<b>.260</b>	13.000 p=.000
	Master / PhD or higher	.039 p=.735	.164 p=.280	.246 p=.159	.002 p=.992	-.022 p=.904	<b>.151</b>	3.176 p=.011
Income	Up to 2000 lei	-.015 p=.848	.265 p=.018	.040 p=.734	.112 p=.354	.157 p=.175	<b>.266</b>	13.367 p=.000
	More than 2000 lei	-.023 p=.847	.383 p=.010	.108 p=.510	.033 p=.826	-.120 p=.492	<b>.158</b>	3.375 p=.008
Travel frequency	2-3 times a year or less	.036 p=.741	.045 p=.751	.026 p=.880	.295 p=.104	.037 p=.800	<b>.156</b>	3.616 p=.005
	4-5 times a year or more	-.037 p=.651	.459 p=.000	.038 p=.745	.004 p=.974	.063 p=.616	<b>.274</b>	13.301 p=.000

(Predictors: T=Tangibles; Rl=Reliability; Rs=Responsiveness; A=Assurance; E=Empathy)

Table 11 suggests that  $H_{3(j)}$  hypothesis be rejected when “j” is “actual recommendation”. The multiple regression model with all five predictors produced only  $R^2 = .218$ . Less than one quarter of the variation of actual recommendation can be explained by the considered dimensions of service quality altogether. Nevertheless, just as in the case of overall satisfaction, only reliability significantly contributes to the model regarding actual recommendation.

Nevertheless, expect for when “k” is “gender”, hypotheses  $H_{4(jk)}$  are confirmed entirely. Therefore, the variation of actual recommendation can be more widely explained by the considered dimensions of service quality altogether within older respondents ( $R^2=.300$  compared to .142), within the lower education group ( $R^2=.260$  compared to .151), within the lower income group ( $R^2=.266$  compared to .158), and, respectively, within more frequent travelers ( $R^2=.274$  compared to .156).

## 5. Conclusions, research limitation and future research directions

Considering the objectives of the current paper, the first conclusion to be drawn is that in the case of traditional travel agencies there is a significant and positive relationship between service quality reflected

by the five traditional dimensions (tangibles, reliability, responsiveness, assurance, and empathy), on one hand, and brand loyalty related aspects such as overall satisfaction, repurchase intention, recommendation intention, and actual recommendation, on the other hand. Reliability is the composite dimension of service quality which is the most correlated with all brand loyalty related aspects, tangibles being the least correlated.

Moreover, demographics and travel frequency have significant effects on the nature and intensity of the relationship between service quality and the loyalty related aspects taken into consideration.

Even though the relationship between tangibles (as service quality composite dimension) and overall satisfaction is significantly stronger within men, gender does not generally have a significant effect neither on the nature nor on the intensity of the relationship between service quality and the loyalty related aspects analyzed. Nevertheless, the intensity of the relationship between service quality and loyalty depends on age, education, income, and travel frequency. Thus, considering all loyalty related aspects (satisfaction, repurchasing, and word of mouth), there are several demographic and travel frequency segments among which the intensity of the relationship with service quality is significantly stronger in the case of traditional travel agencies: older travelers (above 25 years of age), travelers with lower income (up to 2000 lei individual monthly net income), travelers with lower education (no more than bachelor studies), and, respectively, travelers with higher travel frequency (4-5 times a year or more).

These findings have several practical implications for marketing travel agencies. The fact that the relationship between service quality, satisfaction and loyalty depends on consumers' demographics and travel frequency implies that travel agencies should not address their market homogenously, but rather try to segment it and adapt their service components to each targeted segment. More specifically, travel agencies which target older, poorer, lower educated and/or more frequent travelers should pay extra-attention to the five dimensions of service quality. Obviously, these implications are mainly relevant to Romanian travel agencies, given the specific sample investigated.

However, the current paper has some obvious research limitations, as well as some potential for future research developments. Some of the main limitations can be outlined as follows: firstly, the investigated sample only comprised Romanian customers, while the sampling method was

empirical and non-probabilistic, the nature of the research being rather exploratory; secondly, the data was collected online, limiting the sample only to those potential respondents who had access and were using the Internet; thirdly, the number of items considered as depicting each of the five service quality dimensions is reduced in comparison to the classic model, while the number of dimensions reflecting brand loyalty is rather limited. Moreover, not all specialists agree on the accuracy of considering gap scores as representative for evaluating service quality – the model could have been better focused on perceptions, rather than gap scores between perceptions and expectations (Cronin & Taylor, 1994). Another concern regarding the validity of the research could be the fact that the investigated population was set to comprise people who have used travel agencies at least once in the last five years, a time scale that could be considered too long to accurately extract experience elements from respondents' memory. Nevertheless, analyzing the sample's structure (Table 1), almost 99% of the sample consists of respondents who usually travel once a year (most of them even more frequently). Therefore, it is very probable that most of the respondents had used the services of a travel agency recently enough so as to accurately assess their most recent customer experience.

As future research developments, some of the directions could be outlined as follows: firstly, the data could be reanalyzed in order to investigate whether a model including only perceptions could be more explanatory for the variation in customer satisfaction and brand loyalty towards traditional travel agencies; secondly, a future data analysis could be better conducted by grouping service quality individual items differently, considering the fact that the traditional five-dimension grouping of service quality items might not be the most appropriate in the case of traditional travel agencies; last, but not least, the study could be revisited comprising a more diversified sample, using a more representative sampling procedure, and an offline collecting data procedure.

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