The Inter-relationship between Chinese Tourism Customer Experience Values and Customer Loyalty in a Virtual Brand Community

SONG Youkai [1], ZHANG Biao [2], LIANG Yezhang [3]

[1] Post-Doctoral Research Center of China Tourism Academy (Data Center of the Ministry of Culture and Tourism) & Guilin Tourism University, 2, 3 Guilin Tourism University, 541006, China

Abstract

This study aims to explore the correlation between customer experience values and customer loyalty in a virtual brand community. This study is a quantitative research and the instruments used were questionnaires. The sample includes 538 Chinese tourism customers in Bangkok, Thailand. The data were collected by multi-stage random sampling technique. Path analysis was employed as the hypothesis testing tool. The structural equation modeling (SEM) was used to test the customer loyalty model for virtual brand community. The result founded that: 1) practical value is associated with community loyalty; and brand loyalty positively; 2) entertainment value is associated with community loyalty and brand loyalty positively; 3) social value associated with community loyalty and brand loyalty positively; 4), community loyalty is positively associated with brand loyalty. The study provides implications for marketers by an integrative approach for building customer loyalty in a virtual community.

Key words: Customer experience values, community loyalty, brand loyalty, Chinese tourism customer

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I. INTRODUCTION

With the development of social media and digital technique, virtual brand community has become an efficient platform of value co-creating and co-sharing between companies and customer, customer and customer (Schau, 2009). In the virtual brand community, customer experience values were reached by means of communication with other members of the community, and companies get intangible and tangible profits by means of supplying information, services and any other consumer needs to customer. From the perspective of customer, value of customer needs is the value of co-creating and co-sharing. Customer experience value in virtual brand community is a kind of "communicative, relative and preferred experience (Holbrook, 2006)". Customer loyalty is the key to develop the virtual brand community sustainable. Also, the customer loyalty become the most important, the most valuable and the most stable property in platform. However, the researchers have shown different arguments, (Huang, 2015) and several studies were done on customer loyalty in virtual brand community in terms of defines and measurement index. They studied customer loyalty in different focuses, such as "the correlation between customer experiences and customer loyalty in virtual brand community". Different arguments studied customer experience values in virtual community, but it is lack of the study to the interrelationship among them, so, this study focused on the interrelationship among customer experience value and customer loyalty in virtual brand community. A Virtual brand community is the virtual community equipped with brand, customer perceived experience value or benefits could become loyalty. Virtual brand community is the common carrier of brand and community, in virtual community, what kinds of factors influence to customer loyalty? From perception of virtual brand community, how the customer value creating and sharing communicating value drives the customer loyalty? What is the inter-relationship between the customer experience values and the brand loyalty?

II. LITERATURE REVIEW

There are number of studies in customer loyalty influencing factors, customer value is one of the important factors influencing customer loyalty has been recognized, for example, Blackwell et al., (2009) argued value—loyalty model and Ryan (2011) argued double drive model. But customer experience value is different to customer value, some academic focus on experience drives to customer loyalty, for instance, We Qinggan (2013) study customer loyalty in medical service industry, the results reflected practical value hand

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entertainment have positive to customer loyalty. Customer experience value in virtual brand community: virtual brand community is the value, co-creating and sharing platform and customer is the core of value creating and sharing, and who experiences the value. Different researchers have different perspectives to customer experience value in virtual brand community, and found five perspectives in the literature. They are: information value, financial value, social communication vale, image value and entertainment value (Jin,2007); four perspectives: function value, knowledge value, society value and mood value (Wei,2013); three perceptions: function value, society value and entertainment value (Sicilia & Palazon, 2007; Ma, & Yang, 2014); two perceptions: practical value and virtual value (Overby, & lee, 2006; Zhang,2012). Therefore, this study adapts three perceptions as the research perceptions, that is to define customer experience values in virtual brand community into practical value, entertainment value and social value. Customer loyalty was defined as the purchase and repurchase decision making on basic of customer satisfaction to products or services (Oliver,2009), which means the definition of brand loyalty. With the development of internet and virtual brand community, customer loyalty is developed to internet customer loyalty, community loyalty and so on. Therefore, in virtual brand community customer loyalty means the response between customers and community. This study defines customer loyalty of virtual brand community into community loyalty and brand loyalty.

The influence of customer experience value to community has been verified. Wang (2011) studied the non-trade virtual brand community that has reflected that the perceived value of customer in virtual brand community has positive influence to community loyalty. The virtual brand community is one of the types of communities, practical value (information value), entertainment value and social value have positive influence to virtual brand community theme (Jin, 2007). Experience value is the core target of customer taking part in virtual brand community, for the non-limited in space and time, therefore, it is assumed their experience value co-creating and co-sharing and perceiving in virtual brand community is positively associated with their loyalty to community.

The virtual brand community features in the themes of brand, which has become the platform building customers loyalty to brand. Furthermore, customer experience value is the key to drive brand loyalty. Kim et al., (2004) argued customer have loyalty to the internet web community on condition getting information value and practical value. Positive entertainment experience drives entertainment value for customer, the entertainment experience in virtual brand community positively influence to brand loyalty (Huang,2015), thus it is assumed entertainment is associated with brand loyalty positively.

More and more companies construct the non-trade relationship between companies and customers, brand and customer by means of setting up and management to virtual brand community, furthermore, to target at constructing the selling and buying relationship, aiming at benefits and profit of companies (e.g., MI group, Alibaba group). As the important media of informal word of mouth, virtual brand community is influencing more and more customer brand attitudes and its effectiveness to influence customer attitude and behavior to brand by promoting brand and products in the platform. Thus, there is a correlation between community loyalty and brand loyalty. The above literature was expression to the customer loyalty in virtual brand community, and the relationships among the customer experience values and customer loyalty, which can be the basic theory to the frame work of this study.

III. RESEARCH OBJECTIVES AND HYPOTHESES

In light of the above theory analysis, this research aims to study 1), the interrelationship among customer experiences value and brand loyalty and virtual brand community and 2) to set up the strategies strengthening customer experience value, and constructing brand loyalty for internet companies. Hence, the hypothesis of this research are designed as following: H1: Practical value is positively associated with community loyalty; H2: Practical value is positively associated with brand loyalty; H3: Entertainment value is positively associated with community loyalty; H4: Entertainment value is positively associated with brand loyalty; H5:Social value is positively associated with community loyalty; H6: Social value is positively associated with brand loyalty; H7: Community loyalty is positively associated with brand loyalty (See figure 1).
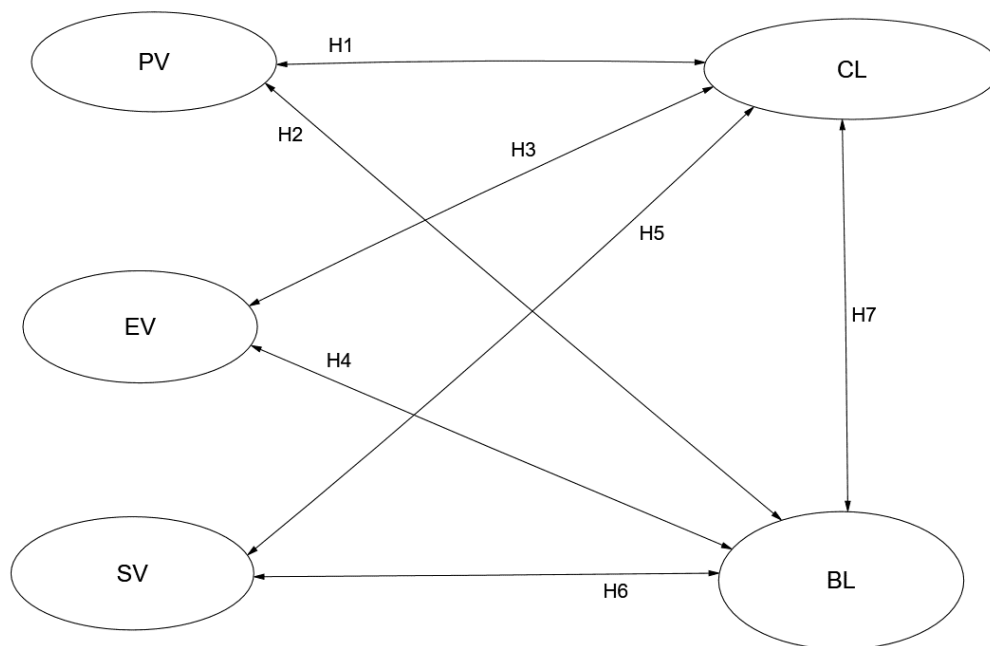
Figure 1: The conceptual framework
Source: Literature review

3.1 Research methodology
Questionnaires development: this study aims at the virtual brand customer loyalty; the data was collected through questionnaire. In light of reading and referring to abundant of academic literature, 9 questions related to customer experiences value and 7 questions related to customer loyalty are finalized (See table 1).

Table 1: Questionnaires development

Dimension	Sub-dimension	Items in sub-dimension	Reliability
	Practical value	3(PV1, PV2, PV3	α= .868
Customer experience value	Entertainment value	3 (EV1, EV2, PV3)	α= .831
	Social value	3(SV1, SV2, SV3)	α= .845
	Community loyalty	3 (CL1, CL2, CL3)	α= .821
Customer loyalty	Brand loyalty	4 (BL1, BL2, B3, BL4)	α= .892

Data collection: the data collection was started from March 1st and ended at August 30th, 2018. The measurement table of this study was designed on Questionnaire star Website. The respondents are Chinese students in Bangkok, and the sample can response the features of customer in virtual brand community. In order to get correct data, the questionnaire was distributed in two ways: first, taking part in the social media, such We-chat and QQ community, secondly, putting the questionnaire on the web forum, members of virtual brand community could answer questionnaire freely. The missed samples through online questionnaire were deleted in order to ensure the quality of the data. This study tested and kept track the time of answering the questionnaire, in average, 4.5 minutes   for answering the questionnaire. 538 samples were kept after deleting ineffective questionnaires. "Likert" 5 scales with agree level from 1=Very disagree, 2= Less disagree, 3=Agree, 4= More agree, 5= Very agree, were hired in this survey.

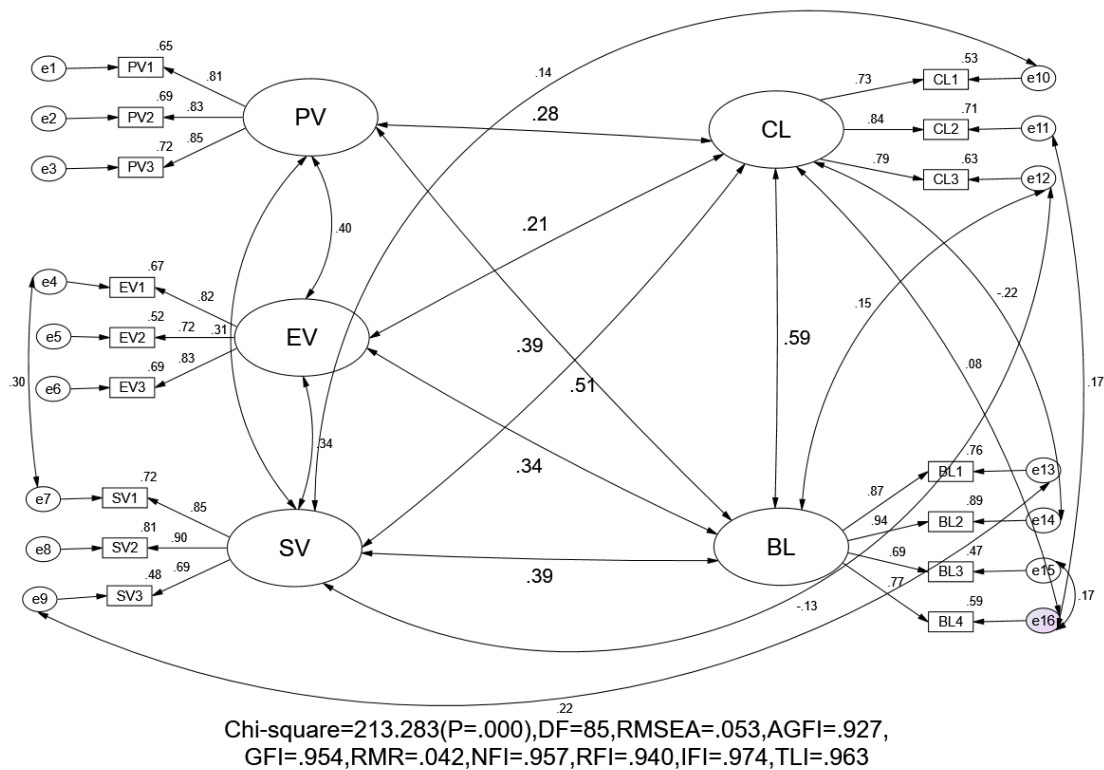Statistical analysis tools: descriptive and explanation were employed in this study. Structural equation modeling (SEM) was hired to examine the conceptual model and associated hypothesis under the literature review. Software SPSS Version 22 and AMOS 22 version were employed as the tools of measurement in this study, Maximum likelihood estimation (ML) method was employed for theory testing and developing the

conceptual model and hypotheses and an overall test of model fit.

Structural equation modeling fits: Confirmatory factor analysis (CFA) was employed to test the measurement model that set of observed (indicator) variables identified the hypothetical latent construct and confirming theory generated model. All indices of hypothesis model exceed acceptable standards of model showed a good fit to the data (See figure 2 and table 2).

Table 2: Structuring equation modeling fitting

Model goodness-of-fit statistics	Acceptable levels Criteria	Hypotheses model
Chi-square	--	213.289
DF	--	85
CMINDF	<3	2.509
p-value	>0.05	p=.713
GFI	>0.90	.954
AGFI	> 0.90	.927
RMR	< 0.08	.042
RMSEA	--	< 0.08
CMINDF	<3	2.509
CN	> 200	271

Chi-square=213.283(P=.000),DF=85,RMSEA=.053,AGFI=.927,
GFI=.954,RMR=.042,NFI=.957,RFI=.940,IFI=.974,TLI=.963

Figure 2: the hypothesis analysis result

Source: Author's calculation

IV. RESULTS OF HYPOTHESES

The hypotheses mode for the study fitted data well as above. All structural paths shown in the model were statistically significant at $p < .001$. Structural paths and their estimates were summarized in table 7 with results of hypotheses test. The results indicated: practical value is associated with community loyalty positively, (H1:β=0.281); and brand loyalty positively (H2:β=0.393); entertainment value is associated with community loyalty positively (H3:β=0.214); and brand loyalty positively (H4:β=0.339); social value associated with community loyalty positively (H5:β=0.506); and brand loyalty positively (H6:β=0.387); community loyalty is positively associated with brand loyalty (β=0.591) (See table 3).

Table 3: Summary of structural paths and hypothesis test results, standardized estimates

Hypotheses	Between		Standard Estimate	t-value	Hypotheses support
H1	PV	CL	.281	5.281**	Accepted
H2	PV	BL	.393	7.501**	Accepted
H3	EV	CL	.214	4.03**	Accepted
H4	EV	BL	.339	6.487**	Accepted
H5	SV	CL	.506	7.321**	Accepted
H6	SV	BL	.387	6.938**	Accepted
H7	CL	BL	.591	9.173**	Accepted

Significant **$p < 0.001$

Demographic profile of respondents: The profiles of the sample are insisted of gender, marriage, education backgrounds, times in virtual brand community per week, details are as indicated in table 4.

Table 4: Demographic profile of respondents

Profiles of sample		Frequency	Valid percent
Gender	male	260	48.3
	female	278	51.7
Age	<23	246	45.7
	23-27	196	36.4
	27-35	66	12.3
	>36	30	5.6
Marriage	Married	195	36.2
	Single	327	60.8
	Others	16	3
	>26	32	5.9
Education backgrounds	undergraduate	211	39.2
	graduate	173	32.2
	postgraduate	154	28.6
Times in virtual community per-week	< 3	237	44.1
	4-8	246	45.7
	>8	55	10.2
	Total	538	100

V.   DISCUSSION AND RECOMMENDATION

Customer value is the key to success marketing, firstly, it is the things that consumer needs, wants and demands, secondly, it is the profit that companies get return from consumer as the profit of the companies. In digital age, with the development of techniques, such as the mobile internet, the boundaries between online and offline will be cut, so that customers' experience value online and offline will be in the same dimension, supply the value that consumer need and want is the key to construct customer loyalty, in other words, the future research should be focused on strengthening the customer experience values by ways of increasing consumer engagement.

This study only explored the virtual community brand community from perspectives of internet in personal computer, which leads this study ignored the most important trends of internet, the mobile internet, in other words, the mobile internet has become reality of internet system, the virtual brand community that installed on mobile internet, definitely, will be the fields for future research.

It is highly recommended that for companies who supply products and services to consumer, especially, for internet companies to construct strategy of customer loyalty on the foundation of the interrelationship among the customer experience value and the virtual brand community.

VI.   CONCLUSION & IMPLICATION

The final structural model that is equipped with a good fit with observed data, statistically supported by major goodness-of-fit indices. The results of this study showed in virtual brand community, the three dimensions of customers' experience value, namely practical value, entertainment value and social value. All structural paths shown in the model were statistically significant at $p<.001$. Structural paths and their estimates summarized in table 3 with results of hypotheses tests. The result showed: Practical value correlated with community loyalty and brand loyalty. Entertainment correlated with community loyalty lightly but correlated with brand loyalty significantly. Social value correlated with community and brand loyalty at a very significant level. Community loyalty correlated with brand loyalty at a high level.

For building brand loyalty toward customer, in light of the results of this study, an integrated model with the empirical testing should be developed, focus on practical value and social value in virtual brand community the practical value, social value should be put in the priority in the virtual brand community, thirdly, community loyalty in virtual brand community should be gained by promoting practical value and social value.

In nutshell, in the course of putting the research into practice, it is efficient to equip the practical value, entertainment value and social value into the constructing and building of virtual brand community for internet companies.

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Implied (for all variables) Correlations (Group number 1 - Default model)

	Brand Loyalty	Community Loyalty	Social Value	Entertainment Value	Practical Value	BL4	BL3	BL2	BL1	CL3	CL2	CL1	SV1	SV2	SV3	EV1	EV2	EV3	PV1	PV2	PV3
Brand Loyalty	1.000																				
Community Loyalty	.591	1.000																			
Social Value	.387	.506	1.000																		
Entertainment Value	.339	.214	.337	1.000																	
Practical Value	.393	.281	.311	.400	1.000																
BL4	.769	.507	.298	.261	.302	1.000															
BL3	.686	.405	.266	.232	.270	.606	1.000														
BL2	.942	.481	.365	.319	.370	.724	.646	1.000													
BL1	.873	.516	.338	.296	.343	.671	.599	.822	1.000												
CL3	.561	.792	.320	.169	.222	.473	.385	.469	.490	1.000											
CL2	.498	.842	.426	.180	.237	.486	.342	.405	.435	.667	1.000										
CL1	.431	.729	.462	.156	.205	.370	.296	.351	.376	.578	.614	1.000									
SV1	.328	.429	.847	.286	.263	.252	.225	.309	.286	.271	.361	.391	1.000								
SV2	.348	.455	.899	.303	.280	.268	.239	.328	.304	.288	.383	.415	.761	1.000							
SV3	.268	.350	.691	.233	.215	.206	.184	.252	.312	.221	.295	.319	.585	.621	1.000						
EV1	.277	.175	.276	.818	.328	.213	.190	.261	.242	.138	.147	.127	.326	.248	.191	1.000					
EV2	.244	.154	.243	.720	.288	.188	.167	.230	.213	.122	.130	.112	.206	.219	.168	.589	1.000				

	Brand Loyalty	Community Loyalty	Social Value	Entertainment Value	Practical Value	BL4	BL3	BL2	BL1	CL3	CL2	CL1	SV1	SV2	SV3	EV1	EV2	EV3	PV1	PV2	PV3
EV3	.282	.178	.281	.833	.334	.217	.194	.266	.246	.141	.150	.130	.238	.253	.194	.682	.600	1.000			
PV1	.318	.227	.252	.324	.808	.244	.218	.299	.277	.180	.191	.166	.213	.226	.174	.265	.233	.270	1.000		
PV2	.327	.234	.259	.333	.832	.25 2	.224	.308	.286	.185	.197	.170	.219	.233	.179	.273	.240	.278	.673	1.000	
PV3	.334	.239	.264	.340	.849	.257	.229	.314	.291	.189	.201	.174	.224	.238	.183	.278	.245	.283	.686	.707	1.000

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
PV3	<---	Practical Value	1.000				
PV2	<---	Practical Value	1.097	.052	21.024	***	par_1
PV1	<---	Practical Value	1.020	.050	20.257	***	par_2
EV3	<---	Entertainment Value	1.000				
EV2	<---	Entertainment Value	.832	.050	16.614	***	par_3
EV1	<---	Entertainment Value	1.091	.059	18.448	***	par_4
SV3	<---	Social Value	1.000				
SV2	<---	Social Value	1.487	.084	17.751	***	par_5
SV1	<---	Social Value	1.397	.080	17.516	***	par_6
CL1	<---	Community Loyalty	1.000				
CL2	<---	Community Loyalty	1.107	.067	16.515	***	par_7
CL3	<---	Community Loyalty	1.022	.063	16.245	***	par_8
BL1	<---	Brand Loyalty	1.000				
BL2	<---	Brand Loyalty	1.091	.036	29.926	***	par_9
BL3	<---	Brand Loyalty	.843	.046	18.443	***	par_10
BL4	<---	Brand Loyalty	.957	.044	21.837	***	par_11

Correlations: (Group number 1 - Default model)

			Estimate
Practical Value	<-->	Entertainment Value	.400
Practical Value	<-->	Social Value	.311
Entertainment Value	<-->	Social Value	.337
Practical Value	<-->	Community Loyalty	.281
Entertainment Value	<-->	Brand Loyalty	.339
Social Value	<-->	Community Loyalty	.506
Practical Value	<-->	Brand Loyalty	.393
Social Value	<-->	Brand Loyalty	.387
Community Loyalty	<-->	Brand Loyalty	.591
Entertainment Value	<-->	Community _Loyalty	.214

			Estimate
e4	<-->	e7	.301
e16	<-->	Community Loyalty	.082
e11	<-->	e16	.172
e15	<-->	e16	.170
e9	<-->	e13	.221
e14	<-->	Community Loyalty	-.225
e12	<-->	Social Value	-.133
e10	<-->	Social Value	.136
e12	<-->	Brand Loyalty	.152

Factor Score Weights (Group number 1 - Default model)

	BL4	BL3	BL2	BL1	CL3	CL2	CL1	SV1	SV2	SV3	EV1	EV2	EV3	PV1	PV2	PV3
Brand Loyalty	.069	.054	.500	.206	.050	.022	.019	.003	.007	-.024	.005	.005	.008	.005	.005	.007
Community Loyalty	-.006	.019	-.012	.053	.250	.329	.156	.026	.037	.005	-.007	.001	.002	.004	.005	.006
Social Value	-.006	.003	.045	-.032	-.009	.024	.032	.205	.305	.102	-.039	.021	.036	.005	.005	.006
Entertainment Value	.005	.003	.021	.005	-.002	.001	-.002	-.049	.049	.015	.291	.193	.337	.012	.013	.016
Practical Value	.003	.003	.025	.009	.000	.005	.000	.002	.010	.002	.014	.011	.019	.231	.256	.322

Total Effects (Group number 1 - Default model)

	Brand Loyalty	Community Loyalty	Social Value	Entertainment Value	Practical Value
BL4	.957	.000	.000	.000	.000
BL3	.843	.000	.000	.000	.000
BL2	1.091	.000	.000	.000	.000
BL1	1.000	.000	.000	.000	.000
CL3	.000	1.022	.000	.000	.000
CL2	.000	1.107	.000	.000	.000
CL1	.000	1.000	.000	.000	.000
SV1	.000	.000	1.397	.000	.000
SV2	.000	.000	1.487	.000	.000
SV3	.000	.000	1.000	.000	.000
EV1	.000	.000	.000	1.091	.000
EV2	.000	.000	.000	.832	.000
EV3	.000	.000	.000	1.000	.000
PV1	.000	.000	.000	.000	1.020

	Brand Loyalty	Community Loyalty	Social Value	Entertainment Value	Practical Value
PV2	.000	.000	.000	.000	1.097
PV3	.000	.000	.000	.000	1.000

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