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Author

Boonnark, K, Ross, M, Surachartkumtonkun, J, Quach, S

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**Customer perceptions in Possession Processing Services: Factors and indicators of
behavioral loyalty**

Kittisorn Boonnark

kittisorn.boonnark@griffithuni.edu.au

Griffith University, Australia

Mitchell Ross

m.ross@griffith.edu.au

Griffith University, Australia

Jiraporn Surachartkumtonkun

j.surachartkumtonkun@griffith.edu.au

Griffith University, Australia

Sara Quach

s.quach@griffith.edu.au

Griffith University, Australia

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Abstract

This chapter investigates behavioral loyalty in the service sector. The research framework consists of seven factors influencing behavioral loyalty which are trust, satisfaction, perceived risks, loyalty reward, price, time, people, and effort. The researcher collected data from 305 hand car wash customers and was analyzed quantitatively. The findings confirm that price and people are critical drivers that heavily influence customer behavioral loyalty. Trust and satisfaction demonstrate a moderating impact on loyalty. Perceived risks, time, and effort demonstrate a weak correlation with behavioral loyalty while loyalty reward does not affect loyalty behavior in this researched context. This chapter reveals that especially price and people are the crucial drivers of customer loyalty. It is highly recommended that the service company should manage pricing policy and human resource strategically. On the other hand, company's management must ensure the professionalism of service staff with a helpful service mind to satisfy customers. Both constructs highly increase the degree of behavioral loyalty.

Keywords: Customer Perceptions; Behavioral Loyalty; Trust; Satisfaction; Services Marketing; Relationship Marketing; Possession Processing Services.

1. Introduction

The presence of marketing strategies is to retain existing customers (Curry & Gao, 2012; Thaichon et al., 2014). Because the marketplace's competition is aggressive; the cost of approaching new customers is more expensive (Villacé-Molinero et al., 2016). Therefore, the investigation of customer loyalty within the service sector which enhance the chance of future success deserves attention (Thaichon et al., 2014).

The well-known factors influencing behavioral loyalty consists of trust (Nyadzayo & Khajehzadeh, 2016), satisfaction (Kotler & Keller, 2012), loyalty reward (Beck et al., 2015), and price (Ryu & Jang, 2007). The service sector is viewed as a unique segment where further research to explained customer behavior may be required (Thaichon and Quach, 2015). Therefore, this paper integrated other factors that affect behavioral loyalty namely perceived risks, time, effort, and people which aimed to enlarge the possibility of yielding a unique result. Although service marketing research has been conducted frequently, the research that addresses the issue of customer perception in possession processing service is quite limited and the little is known about customer possession processing service. Therefore, this context deserves further investigation.

This chapter aims to address the gaps found in the existing literature which are: (1) the absence of factors influencing behavioral loyalty in customer possession processing service, and (2) the lack of the investigation of the hand car wash customers' perception regarding behavioral loyalty and influential factors. This study investigated the issue of customer behavioral loyalty to the service provider in the customer possession processing service, particularly a hand car wash. The increment of passenger and commercial vehicle benefit the car wash and detailing providers. In general, the three main categories of car wash consist of (1) automatic wash, (2) self-service wash, and (3) hand car wash. The total revenue of the United States car washes is forecasted to

reach 8.38 billion US\$ in 2020 (Statista, 2018). The following section presents the literature review and the formation of hypotheses.

2. Literature review

Service refers to the intangible process or activities performed by the provider which primarily aimed at conveying benefit to customers (Lovelock, 2015). In general, goods refer to things, objects or devices while services refer to efforts, needs, or performances; however, the term product can be used interchangeably among goods and services offering (Hoffman et al., 2009). Specifically focus on service, Kotler & Keller (2012) describe that “A service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything” (p. 378). Nature of services consists of three main characteristics: intangible, non-ownership, and non-physical object. The four categories of service consist of (1) possession processing, (2) people processing, (3) mental processing, and (4) information processing; all of them include both tangible and intangible actions (Lovelock, 2015). The distinction of each category depends on what matter to be processed (Lovelock, 1991). In this study, customer possession processing service (i.e. hand car wash service) has been investigated.

2.1 Customer loyalty

Customer loyalty is a crucial part of marketing; it indicates business’s success of every organization (Baloglu et al., 2017; Thaichon et al., 2014). Company's profitability is strengthened when a business has more loyal customers (Baloglu et al., 2017). It has been empirically proven that the cost of acquiring new customers is significantly higher than create a loyal customer (Thaichon et al., 2014). Researchers define the concept of customer loyalty in two different

categories: behavioral and attitudinal. Behavioral loyalty is described as the actual repetition of purchase (Thaichon & Quach, 2015) while attitudinal loyalty refers to the predisposition of the customer about a brand that is a function psychological processes (Bennett and Rundle-Thiele, 2002). However, Sharp et al. (2002) argue that operationalizing behavioral loyalty in research is sufficient and able to capture customer loyalty phenomenon on the brand of interest. This research particularly focuses on behavioral loyalty only. Behavioral loyalty is posited as a dependent variable which is influenced by a set of independent variables.

2.2 Trust

Customer trust is an important issue and is a focal point in marketing (Paparoidamis et al., 2017). Even though the process of building customer trust is complex, the achievement in trust is required as trust significantly influences consumer behavior (Nilashi et al., 2015). Trust is defined as a set of beliefs in customer perception toward supplier's characteristics and their possible behavior in future (Coulter & Coulter, 2002). Besides, customer perception of trust also refers to expectation fulfilment, trustworthiness, and reputation of the company (Kim et al., 2008). The frequently used dimensions in marketing context consist of honesty —i.e. credibility which refers to sincerity and promise of doing business (Gundlach & Murphy, 1993) and benevolence —i.e. consumer belief that the firm is concerned in his welfare (Larzelere and Huston, 1980). Trust appears to be a kind of customer perception regarding their relationship with companies that significantly affect consumer behavior. Numerous studies reveal that customer trust of service providers strongly influences behavioral loyalty positively (Nyadzayo & Khajehzadeh, 2016). Therefore:

H₁: Trust influences behavioral loyalty positively.

2.3 Satisfaction

Customer satisfaction refers to a comparison of performance from the consumption of products or service which consequently result in pleasure or disappointment of an individual (Kotler & Keller, 2012). Satisfaction plays a critical role in the service industry where service quality is essential (Cengiz & Fidan, 2017) as failures and mistakes are commonly experienced by customers; those two threats are unavoidable and impossible to eliminate (Kim et al., 2009). Service quality is essential and enhancing competitive advantage (Prentice, 2013), generally, the customer will be pleased when service provider delivering a high-quality service; service quality is the most important predictors of customer satisfaction (Izogo & Ogba, 2015). From a customer perspective, satisfaction demonstrated to moderate the relationship between product performance and loyalty; for instance, at low-level of satisfaction (i.e. dissatisfied), the customer likely to discontinue the purchase and spread bad word-of-mouth while a high-level of satisfaction creates a tight connection between customers and companies which encourage repurchase actions and contributing good word-of-mouth (Kotler & Keller, 2012). Therefore:

H₂: Customer satisfaction influences behavioral loyalty positively.

2.4 Perceived risks

Perceived risk refers to a consumer's feeling of uncertainty when considering making a purchase or consuming products and services (Kotler & Keller, 2012). The six types of perceived risks that customer usually confronted are (1) functional risk, (2) physical risk, (3) financial risk, (4) social risk, (5) psychological risk and (6) time risk (Kotler & Keller, 2012). Perceived risk generates an impact on their purchase decision which may result in postponement or cancellation of purchase (Yeung et al., 2010). Therefore, customer reflection on perceived risks results in the

development of a strategy that affects decision-making behavior. When customers try to minimize risk perception, the possibility to cancel or postpone the purchase is high (Yeung et al., 2010). It could be argued that if the risk perception enlarges the possibility of cancellation or postponement of purchase, customers are no longer loyal if perceived risks existed. Therefore:

H₃: Perceived risk influences behavioral loyalty negatively.

2.5 Loyalty reward

The complexity of the marketplace today allows loyalty program to play strategic roles in securing the loyalty of existing customers (Villacé-Molinero et al., 2016). Loyalty reward allows a business to create a key differentiation to competitors to retain existing customers or recruiting new customers (Beck et al., 2015). Since the process to acquiring brand new customers is much more complicated and increasingly expensive (Villacé-Molinero et al., 2016); the main objective of rewarding customers is to encourage repetition of purchase by offering customers some form of incentives (Farfan, 2017). Loyalty reward is a marketing promotion strategy adopted by many companies (Gandomi & Zolfaghari, 2013). In most studies, the reward techniques reflect the high-effective rate in terms of customer relationship management as the incentive increases behavioral loyalty and enlarging future financial benefit (Gandomi & Zolfaghari, 2013). Therefore:

H₄: Loyalty reward influences behavioral loyalty positively.

2.6 Price

Price is a foundation of customer perceived value when customer compare the amount of money spent in the trade of quality of products or services (Pedraja Iglesias & Jesus Yagüe Guillén, 2004). Marketers determine the price as a critical marketing domain that influences other

constructs significantly (Kim et al., 2014). In service marketing, the customer spends money to obtain the bundle of benefits delivered by the service provider (Hoffman et al., 2009). Price refers to the sale price that customer supposed to pay for products or services acquisition (Pedraja Iglesias & Jesus Yagüe Guillén, 2004). Customers take price into account as monetary costs consideration by comparing the benefit they received and the expense of acquiring those products or services which consequently result in customer-perceived value (Day, 1999). Price is found to be a significant factor that influences behavioral loyalty positively and negatively (Ryu & Jang, 2007). Customer loyalty is heavily influenced by price (Salloum et al., 2015). Therefore:

H₅: Price influences behavioral loyalty.

2.7 Time

Time refers to what the clock tells that is an indefinite period from past, present, and future (Hornby et al., 2015). Time in marketing studies is considered as a certain period “when something happens or when something should happen” (Hornsby et al., 2015, p. 1640.). Time management for service providers is complicated as service cannot be inventoried (Zeithaml et al., 1985). Reilly’s (1982) illustrates the impact of time in terms of “Role overload” that is defined as a result of excessive demand of the time supply of a person (Reilly, 1982). Role overload raises many significant issues to customers (Jha et al., 2017). Some person even put more priority on their time than the money when obtaining services (Carothers and Adams as cited in Lapierre, 2000). Customers searching for the service provider that able to minimize expenditure of their time (Srinivasan et al., 2002). The measurement of service quality, SERVQUAL scale, has included items about time which categorized reliability and responsiveness perception of customers (Parasuraman et al., 1991). Parasuraman et al. model represent that customer seriously take time

into account to judge the service quality provided by the service provider. The researcher has investigated in many contexts, however, in the context of customer possession processing service is still underrepresented and under-researched. Therefore:

H₆: Excessive demand of time influences behavioral loyalty.

2.8 People

People are critical and influence the level of success of the organization (Park & Tran, 2018). Hoffman et al., (2009) define service business as a people business as it consists of the tasks performed by employees (Hoffman et al., 2009). Service firms confront between customers, service attendants, and service quality which the great attention of management is required (Lewis & Entwistle, 1990). Service attendant's main roles including interaction with customers, which the interaction between them influences the quality of the service (Salanova et al., 2005). It is expected that highly-engaged service staff will perform well by delivering good service quality to the customer (Park & Tran, 2018). As a result, satisfied customers convey the positive word of mouth (WOM) to their peers toward the service staff's performance and their service experiences (Parasuraman et al., 1991). The SERVQUAL scale has included items about employees that fall in four dimensions of perceived service quality of customers which are tangible, responsiveness, assurance and empathy (Parasuraman et al., 1991). Therefore, the role of the employee in the service sector is highly influential; the good relationship between employees and customers is required (Ahn et al., 2014). There is a need for firms to satisfy employees as well as customers because a satisfied service staff serves customers far better than the dissatisfied staffs (Awan et al., 2015). This conclusion has been reinforced by numerous marketing scholars. Therefore:

H₇: People's performance influences behavioral loyalty.

2.9 Effort

An effort is generally spent by customers to acquire services (Hoffman et al., 2009). Many pieces of research considered customer effort as the non-monetary cost of consumption (Clark & Bryan, 2013). The concept of effort has been included in customer non-monetary cost of consumption (Clark & Bryan, 2013). Hornby et al., (2015) describe the effort as mental or physical energy of an individual that requires when doing something. In marketing, customer effort refers to customer financial, mental, and physical resources to obtain a product or services (Sweeney et al., 2015). Dixon et al. (2010) indicate that customer effort is a key indicator of customer loyalty. The empirical evidence suggests that when acquiring services, customers likely evaluate service providers and searching for the one that able to minimize expenditure of their time and effort (Srinivasan et al., 2002). In addition, Srinivasan et al. conclusion is also reconfirmed by Sweeney et al. (2015) who conclude that consumers prefer to spend a little amount of effort rather than greater effort to acquire services (Sweeney et al., 2015). Customer effort consists of four dimensions: (1) cognitive effort– i.e. the level of mental energy required to do something, (2) time effort– i.e. the amount of time requires to consume, wait, and transact (3) physical effort– i.e. physical energy required to process something, and (4) emotional effort– i.e. comparison between positive and negative emotional aspects (Clark & Bryan, 2013). Some research indicates that customer satisfaction is may also be higher when customer spend a modest amount of effort to obtain product or services (Cardozo, 1965). It could be seen that the relationship between the service sector and customer effort is clarity as service providers earn financial benefit by minimizing effort and charge for a fee. Therefore:

H₈: Effort influences behavioral loyalty.

According to the preceding discussion, a conceptual framework is proposed in Figure 1.

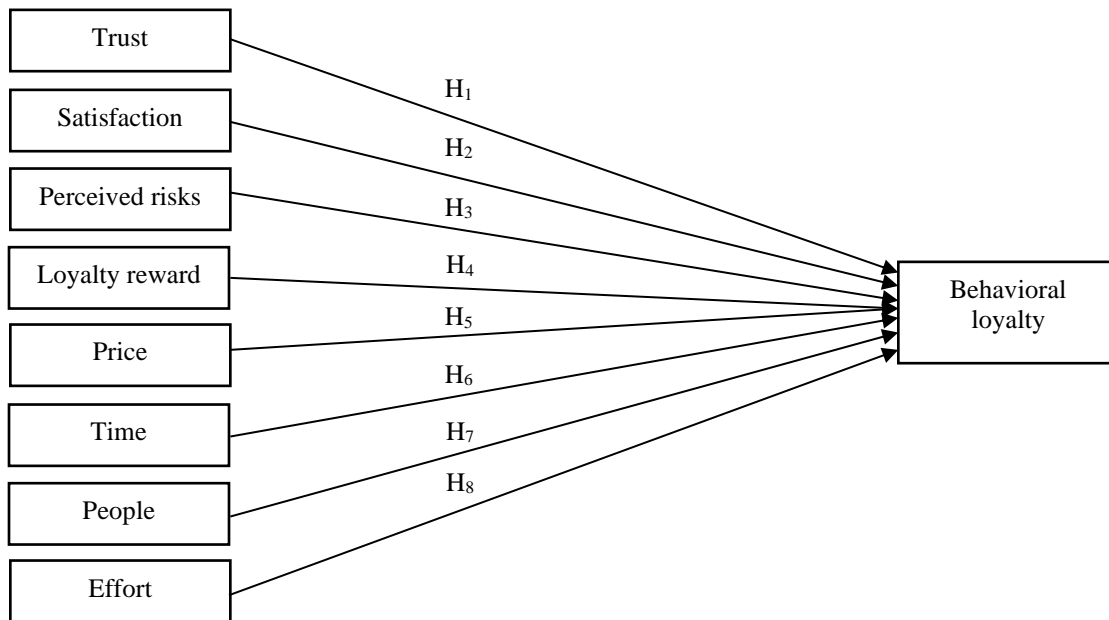


Figure 1: The conceptual framework of customer loyalty in possession processing service

3. Methodology

Data was collected from the residents of the United States. The respondents were those who were a car owner and using hand car wash service. The survey instrument was managed online; given a total of 305 completed response for analysis. For the respondents' profile, the majority of respondents were male at 63.6% while the rest of 36.4% were female. In terms of age, 41.3% were between 18 and 28 years old, 49.2% were between 29 and 39 years old, 7.2% were between 40 and 50 years old, 1.6% were between 51 and 60 years old, and 0.7% were 61 years old or older.

The respondents were requested to rate their perception for measuring items on a seven-point Likert scales (1= strongly disagree to 7 = strongly agree). The constructs which proposed in the conceptual model were operationalized using the scale items adapted from the existing scales. The

items were modified to suit the context of this study. The scales sources include Aydin & Özer (2005) which was used to operationalize trust measurement. Chiou's (2004) scale was taken to measure customer's satisfaction. Chen & He's (2003) scale was adapted to measure customer perceived risks since the scale has high Cronbach's alpha ($\alpha = .959$). The scale measuring loyalty reward was adapted from the existing literature and reveal high Cronbach's alpha ($\alpha = .873$) above the acceptable level ($\alpha = .70$). Reilly's (1982) scale was taken to measuring time. To measuring price perception, Kim & Niehm's (2009) scale was operationalized. Parasuraman et al.'s (1991) scale were used to examine people construct. Lu et al.'s (2015) scale were used to investigate customer effort, and finally, Zeithaml, Berry & Parasuraman's (1996) scale was taken to measure behavioral loyalty. All items have reasonable factor loadings above .70 excepted an item measuring behavioral loyalty which using negatively word.

4. Analysis

The statistical measurements have been adopted to reporting the data and the correlation among factors. Firstly, a preliminary analysis was conducted to editing and preparing the data for further analysis. Table 1. summarize the details of preliminary analysis.

Table 1: Preliminary analysis

Label	Items	Factor loading	Cronbach's Alpha	AVE
TRT	I trust this car wash	.856	.751	66.76%
	I feel that I can rely on this car wash service	.843		
	This car wash is reliable because it is mainly concerned with the customer's interest	.748		
SAT	I am happy about my decision to choose this car wash	.881	.805	72.13%
	I believe that I did the right thing when I chose this car wash	.835		
	Overall, I am satisfied with this car wash	.831		
PCR	My expected monetary loss resulting from purchase service from this car wash is high	.863	.959	83.14%
	My expected failure of service quality if I buy service from this car wash is high	.914		
	If I buy service from this car wash, I think I will experience high difficulty in gaining social recognition (from family, friends, etc.)	.903		
	I will feel uneasy psychologically if I buy service from this car wash	.931		
	I do not think it is safe to get my car wash at this car wash	.926		
	I feel uncertainty as to whether this car wash is time-efficient in terms of dealing with the service (i.e. getting my car wash) and delivery	.932		
LRW	I am a loyalty card holder of this car wash	.927	.873	79.78%
	I use my membership card every visit	.937		
	When price increased, I would retain the membership with this car wash	.810		
PRI	The service provided by this car wash is worth my money	.901	.892	82.28%
	I would consider this car wash service to be a good buy	.923		
	I feel that I purchased a good car wash service with a reasonable price	.897		
TME	There are too many demands on my time	.924	.894	82.78%
	I need more hours in the day to do all the things which are expected of me	.921		
	I feel I have to do things hastily and may be less carefully in order to get everything done	.884		
PPL	Because the staffs at this car wash give you prompt service, this encourage you to repeat your purchase	.894	.885	81.36%
	Because the staffs at this car wash have knowledge to answer your questions, this encourage you to repeat your purchase	.906		
	Because the staffs at this car wash understand your specific needs, this encourage you to repeat your purchase	.906		
EFF	It took me a great effort to wash my car at this car wash	.818	.504	66.91%
	To wash a car by myself (Do-it-yourself) is a difficult process	.818		
	This car wash was able to get my problem resolved in my first visited (-)*	Deleted		
BHL	I would consider this car wash as my first choice to buy services	.895	.626	63.09%

I would do more business with this car wash in the next few years	.879
I would do less business with this car wash in the next few years (-)*	.565

Note: Behavioral loyalty (BHL) is the dependent variable while the independent variables consist of trust (TRT), satisfaction (SAT), perceived risks (PCR), price (PRI), loyalty reward (LRW), time (TME), people (PPL), and effort (EFF).

A series of linear regression analysis was performed using SPSS version 20. Regression analysis was adopted to inspect the degree to which the independent variables predicted the dependent variables that is the estimation of the relationship between variables (Selvanathan et al., 2017). For this study, regression analysis is an appropriate statistical technique to be employed for addressing research questions and hypotheses as it is critical to estimate the correlation between behavioral loyalty and the other independent variables.

For trust (TRT), the result reveals a significant regression equation ($F(1,303) = 57.795, p < .01$), with an R^2 of .160, where ($\beta = .400, p < .05$). The strength of the association between trust and behavioral loyalty is moderate ($r = .40$); trust positively influence behavioral loyalty (Selvanathan et al., 2017). Therefore, H_1 is supported. In terms of satisfaction (SAT), the result reveals a significant regression equation ($F(1,303) = 64.204, p < .01$), with an R^2 of .175, where ($\beta = .418, p < .05$). The strength of the association between trust and behavioral loyalty is moderate ($r = .42$); customer satisfaction positively influences behavioral loyalty. Therefore, H_2 is supported. According to perceived risks (PCR), the regression analysis reveals a significant regression equation ($F(1,303) = 27.078, p < .01$), with an R^2 of .082, where ($\beta = -.286, p < .05$). The strength of the association between perceived risks and behavioral loyalty is weak ($r = .29$); perceived risks negatively influence behavioral loyalty. Therefore, H_3 is supported. Next, the relationship between loyalty reward (LRW) and behavioral loyalty was examined, a regression was run to test the hypothesis, predicting behavioral loyalty based on loyalty reward. The result indicates an insignificant regression equation ($F(1,303) = 6.603, p > .01$), with an R^2 of .021. On this basis,

there is insufficient evidence to conclude that behavioral loyalty is influenced by loyalty reward. Therefore, H_4 is not supported. In terms of price construct (PRI), the shows a significant regression equation ($F(1,303) = 261.927, p < .01$), with an R^2 of .464 where ($\beta = .681, p < .05$). The strength of the association between perceived risks and behavioral loyalty is strong ($r = .68$); behavioral loyalty is influenced by price. Therefore, H_5 is supported. See Table 4.19. for a summary of the analysis. Next, the relationship between time (TME) and behavioral loyalty has been investigated, to test the hypothesis, a regression was run to predict behavioral loyalty based on time. The result reveals a significant regression equation ($F(1,303) = 20.579, p < .01$), with an R^2 of .064., where ($\beta = .252, p < .05$). The strength of association between time and behavioral loyalty is weak ($r = .25$); behavioral loyalty is influenced by time. Therefore, H_6 is supported. In terms of people (PPL), a regression was run to predict behavioral loyalty based on people. The result reveals a significant regression equation ($F(1,303) = 306.029, p < .01$), with an R^2 of .502 where ($\beta = .709, p < .05$). The strength of association between people and behavioral loyalty is strong ($r = .71$); behavioral loyalty is influenced by people. Therefore, H_7 is supported. Finally, the relationship between effort (EFF) and behavioral loyalty was hypothesized as stated in H_8 . To test the hypothesis, a regression was run to predict behavioral loyalty based on effort. The result reveals a significant regression equation ($F(1,303) = 11.031, p < .01$), with an R^2 of .035, where ($\beta = .187, p < .05$). Therefore, H_8 is supported. See the summary in Table 2.

Table 2: Summary of Hypotheses testing - results

Hypotheses	Hypothesis Support
<i>H</i> ₁ : Trust influences behavioral loyalty positively.	Supported*
<i>H</i> ₂ : Customer satisfaction influences behavioral loyalty positively.	Supported*
<i>H</i> ₃ : Perceived risk influences behavioral loyalty negatively.	Supported*
<i>H</i> ₄ : Loyalty reward influences behavioral loyalty positively.	Not supported*
<i>H</i> ₅ : Price influences behavioral loyalty.	Supported*
<i>H</i> ₆ : Excessive demand of time influences behavioral loyalty.	Supported*
<i>H</i> ₇ : People's performance influences behavioral loyalty.	Supported*
<i>H</i> ₈ : Effort influences behavioral loyalty.	Supported*

Note: Significance level of .05 ($p < .05$)

5. Discussion

All hypotheses were supported, except *H*₄, that raise an assumption toward the *effects of loyalty reward*, was rejected due to insufficient evidence (Figure 2). In this context, the role of *trust* that the customer has with the service provider is frequently underestimated. However, this study shows a significant relationship between trust and behavioral loyalty. Based on findings, trust moderately contributes to behavioral loyalty. This finding mirrors previous research on customer loyalty (Paparoidamis et al., 2017). For a service organization, trust also transforms regular customers to be the promoter. Secondly, the result indicates that behavioral loyalty is positively influenced by *satisfaction*. In this context, satisfaction has a moderate effect on the behavioral loyalty that is the degree of behavioral loyalty increases when satisfaction increases which mirroring a recent study (Ali et al., 2016).

Thirdly, this study supports the hypothesis that *perceived risks* negatively influences behavioral loyalty, however, the strength of the association is weak. In this case, when perceived risks increase, behavioral loyalty decreases. Although the relationship between perceived risks and behavioral loyalty is significant, it is not always the case. This result supports the findings of the previous customer loyalty literature which examines the impact of perceived risks (Yang et al.,

2015). The recent research also concludes an indirect impact of perceived risks; risk perception impact customer trust consequently decreases the degree of loyalty behavior (Jin et al., 2015; Yang et al., 2015). Therefore, perceived risks impact loyalty behavior directly and indirectly (i.e. via a trust). In this context, the value of possession is considered greater than the other type of general cleaning works. However, for cars, customer perceived values are diversity due to the difference in car values (i.e. the price of cars varies). As a result, perceived risks might not impact a customer who owns a low-value vehicle. In contrast, perceived risks might be a highly influencing customer who owns an upper-class vehicle. Hence, perceived risks are not always the case due to the variation in possession values that raise the different level of concern from consumers.



Figure 2: Affective and Cognitive Factors of behavioral loyalty

In terms of *loyalty reward*, this study concludes that the reward program may not be relevant in this context. This result mirrors Söderlund & Colliander's (2015) work in electronic store context where loyalty reward does not increase customer loyalty, at the same time, it may decrease loyalty among non-member customers. Additionally, in casino context, loyalty program does not influence word of mouth positively; it encourages customers to revisit (Baloglu et al., 2017). In contrast, this study contradicts the research that concludes the strong positive effects of loyalty reward on customer loyalty (Baloglu et al., 2017; So et al., 2015). Therefore, the repetition of purchase, in this case, could be determined by other factors such as conditions of cars, condition of the environment, the use of vehicle, trust, satisfaction, service quality, etc. Overall, although this study is unable to claim the relationship of loyalty reward and behavioral loyalty.

Regarding *price*, it appears that price is a critical factor that highly influencing behavioral loyalty which means customers are considering price seriously. The similar conclusion has been drawn by a recent study (Khuong & Dai, 2016). Based on the findings, customers have favorable feelings once they feel that the service charge is: reasonable, worth money, and it is a good buy. Strategic pricing policy or service quality management may be required to compromise the line where service charge meets the expectation of customers. It appears that car wash service in customer perception is a general cleaning service which does not significantly different from other cleaning industries where price always matter. As a result, a niche car wash provider and charge for a higher price may not relevant to the majority to target market yet.

Next, in terms of *time*, this study supports the hypothesis that behavioral loyalty is influenced by an excessive demand of time of customers; the association is not strong, time positively influences behavioral loyalty. This finding could be criticized as role overload or time constraints force an individual to outsourcing possession processing service rather than do it by themselves,

which in turns enhance the degree of behavioral loyalty and repetition of purchase. This research introduces a new finding of direct effects between excessive demand of time on behavioral loyalty; the excessive demand of time linearly increases the degree of behavioral loyalty.

Interestingly, it appears that *service staff* is the key ingredient that enlarging behavioral loyalty in possession processing service. The result suggests that when customer perception toward service staff's performance increases; their behavioral loyalty linearly increases. This mirrors a previous study (Wang et al., 2015). The importance of staff in hand car wash context is under-researched. This research claims that customer loyalty is strongly influenced by service staff. The staffs that provide the customer a prompt response, knowledge, and understand customer needs are required to increase behavioral loyalty. This finding can be rationalized by the fact that a hand car wash processes customers passion by hand with care, unlike the automatic machine wash. Consequently, the unique selling proposition of this hand wash industry is people processing which the higher level of care and quality are expected by customers; the role of the human provider is critical. USP is the marketing strategy that a business employs to create sustainable competitive advantage by differentiating services from others in the same market (Kotler & Keller, 2012).

Lastly, this study confirms that *effort* positively affects behavioral loyalty. The provider is a solution to minimize the customer's effort. The respondents perceived a greater effort toward self-service than using hand car wash service providers, and although driving a car to service providers may requires some effort, the greater loyalty to service provider could be seen. This mirrors the previous research regarding the relationship between effort and loyalty (Dixon et al., 2010; Clark & Bryan, 2013). The weak association between effort and loyalty could be assumed that customers may put prioritize on the other factors that result in the reduction of importance in effort factor. Although the relationship between effort and behavioral loyalty is weak in this study, however, it

is found to be significant and the construct may be relevant in other service industry as the evidence empirically suggested that the strategy to minimize customer effort is required to enhance behavioral loyalty.

6. Implications

6.1 Theoretical contribution

Marketing literature was originally established from good-based oriented, not service, and therefore, the study marketing in service industry requires more attention. Although the marketing theories from good-based logic are relevant for some service settings, Grönroos (2007) claims that classic literature is insufficient to understand all service industries because of the distinction of service; the development of service marketing theory is encouraged. This research makes several contributions that benefit the study of service marketing by investigating a pure service context, as a result, the finding and discussion in this research enhance the body of knowledge toward the service industry. Furthermore, the context of hand car wash is very under-researched. Surprisingly, people who are service staff plays an important role in this industry. Trust and satisfaction demonstrate a moderating influence on behavioral loyalty in hand car wash service. Perceived risks, time, and effort demonstrate a weak correlation with behavioral loyalty while loyalty reward is not relevant in this study as the evidence to confirm the relationship between loyalty reward and behavioral loyalty was insufficient.

6.2 Managerial Implication

This chapter reveals that especially price and people are the crucial drivers of customer loyalty. It is highly recommended that the service company should manage pricing policy and human resource strategically. Company's management must ensure the professionalism of service

staff with a helpful service mind to satisfy customers. Both constructs highly increase the degree of behavioral loyalty. Service loyalty is not only applicable to the private sector and for-profit organization. Traditionally, customer loyalty and satisfaction may not be an important concern of government and public services. However, the world of service has changed which consequently forces public and government services to ensure their performance of driving successful organization by delivering high-quality services to delight their clients. Although most of the government services are not highly associated with customer possession processing, the constructs investigated in this thesis could be helpful to provide the acknowledgement of factors influence customer loyalty in service organizations for strategic marketing management of government and public service sector.

7. Limitations and future research directions

This chapter has limitations due to budget and time constraints. The findings were drawn based on the perception of the United States respondents only; the generalizability could be limited. Second, due to time constraint, this research does not investigate the correlation between each construct; the investigation of the relationship between independent variables could provide a better insight into research. Finally, the model of service quality should also be included in the literature review and conceptual framework according to the importance of service quality attributes are obvious in this study context.

The future study might consider examining service loyalty in the different countries, for instance, Australia, UK, and other low to medium-income as well such as Thailand, Malaysia and Laos. It is believed that customer loyalty's structure may vary from country to country. Second, the relationship between independent variables should also be investigated to generate a more

insightful finding. Third, the model of service quality should also have applied to the conceptual model as this is recognized as one of the highly influential concepts in service literature.

8. References

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