Developing a customer loyalty model for guest houses in China: A congruity-based

perspective

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Abstract

Purpose – Although the number of guest houses in China is increasing rapidly, many of them are not performing well in developing customer loyalty. Self-congruity and functional congruity represent two cost-effective but inadequately researched ways for guest houses to maintain customers. In view of the lack of empirical research explaining the post-purchase behavior of guest house customers, the present study seeks to develop a congruity-based customer loyalty model for this specialized type of accommodation.

Design/methodology/approach – Based on a review of relevant literature, we constructed a robust conceptual framework of customer loyalty comprising satisfaction, self-congruity, functional congruity, perceived value, and attractiveness of alternatives. By means of an online panel survey, we obtained 828 valid questionnaires from customers who had stayed in a Chinese guest house within the previous year. Structural equation modeling was conducted to test the conceptual model and the hypothesized relationships among the constructs.

Findings – Significant relationships were found between the two congruity constructs in guest houses, which both led to positive customer post-purchase behaviors. We found that self-congruity, functional congruity, and the attractiveness of alternatives did not affect customer loyalty directly; rather, they influenced loyalty indirectly through customer satisfaction.

Originality/value – This study developed a unique, congruity-based model of customer loyalty in the context of guest houses. It enhances the body of knowledge regarding congruity in the

field of tourism and hospitality, and it discusses relevant implications of the findings for tourism marketing researchers and for owner-managers of guest houses.

Keywords: Guest house; loyalty; satisfaction; congruity; perceived value; attractiveness of alternatives

1. Introduction

Guest houses, a type of specialized accommodation that provides tourists with an alternative to hotels, are playing an increasingly significant role in the tourism and hospitality industry. In the current sharing economy era, hospitality platforms like Airbnb and China's Xiaozhu are facilitating the popularity of this type of accommodation around the world.

Guest houses can give tourists, especially those visiting famous destinations, a nonstandard lodging experience. Accordingly, the sector has attracted large-scale investment and competition has become increasingly fierce. According to McKercher et al. (2012), when a large number of options are available at a particular location, the selection process becomes too difficult for many people, and choice overload causes them to select simple alternatives or to continue with habitual or routine behaviors. Thus, many owners and managers of guest houses have applied various marketing strategies to attract customers. Among these methods, gaining customer loyalty (as reflected in both return business and WOM recommendations) was regarded as the most effective type of marketing and a major driver of sustainable development (Shi et al., 2019).

Although studies of customer loyalty have been conducted in various small business contexts, such as coffee shops (Jang et al., 2015) and restaurants (Peng et al., 2017), the factors that determine loyalty in the guest house sector are not yet well understood. Many studies have confirmed that customer satisfaction is a significant antecedent of customer loyalty (e.g., Han & Hyun, 2018; Jani & Han, 2014). Kandampully and Solnet (2019) highlighted the interrelationship between emotional connection and the reliance on technology in the context of hospitality experience. As a type of small business, guest houses can be designed in a personalized manner, so self-congruity, or the degree to which customers' self-concept matches their perception of the brand image (Kressmann et al., 2006), may exert a positive influence on loyalty (Sirgy et al., 2008; Han & Back, 2008). In spite of the potential importance of this factor, which is widely recognized in the luxury accommodation context, the role of self-congruity in the small-scale accommodation sector has been largely ignored. Only a few recent studies have considered the impact of intrapersonal authenticity in Airbnb accommodations (e.g., Mody & Hanks, 2019; Mody et al., 2019a).

Meanwhile, functional congruity, or the match between the consumers' ideal functional image of a product or service and the perceived image of an offering (Hung & Petrick, 2012), should not be overlooked because it focuses on another vital factor, namely the utilitarian dimension of a service. In addition, the benefit of lower prices charged by peer-to-peer accommodation has been highlighted (Mahadevan, 2018), so perceived value should be considered an important factor in building customer loyalty to this type of accommodation. Furthermore, given the increasing expansion of guest houses in a particular destination, the relative attractiveness of other alternatives deserves attention (Li & Petrick, 2008).

Taking these factors into account, the present study aims to develop a robust theoretical model of customer loyalty comprising customer satisfaction, self-congruity, functional congruity, perceived value, and attractiveness of alternatives. Theoretically, renewed attention in research

has been drawn on guest houses in recent years, including studies of customer experiences, online presence, marketing strategies, and industry disruption by Airbnb (Mody & Hanks, 2019).Given the sharing economy's challenge to the hotel industry along experiential lines and the broad gaps in experience-related research, the unique nature of accommodation services calls for systematic, theory-driven research and more sophisticated models of experiential consumption (Mody et al., 2019b). This study provides further insights into micro- or small-scale accommodation businesses and adds to existing research on loyalty in the hospitality industry in general.

2. Literature Review

2.1 Customer loyalty

Increasing and sustaining the number of loyal customers is vital for a brand's long-term success (Han & Hyun, 2018). Definitions of brand loyalty have divided the concept into two distinct dimensions, attitudinal and behavioral (Russell-Bennett et al., 2007). Attitudinal loyalty reflects a predisposition consisting of commitment to a brand and expressed commitment to repurchase a brand, whereas behavioral loyalty refers to consumers' repeat purchase behavior, as reflected in patterns of continued patronage or actual spending (Wang et al., 2019).

Some recent research investigating customer loyalty in different sharing-economy services has also provided relevant theoretical foundations. For example, Yang et al. (2017) suggested that confidence, social, and safety benefits have significant positive effects on commitment, and that commitment in turn acts as a mediator influencing customer loyalty. Also, Cheng et al. (2018) identified online and offline service quality as antecedents of customer loyalty.

2.2 Satisfaction and loyalty

Satisfaction mainly describes a positive psychological state that arises in response to a customer-service experience (Chen & Chen, 2010). Satisfaction has been well researched in consumer services, and many empirical studies have indicated that satisfaction is an antecedent of brand attitude, intention, and loyalty (Gallarza et al., 2013). The close association between satisfaction and loyalty has also been confirmed (Ekinci et al., 2008; Xu et al., 2019).

In the hospitality context, a positive relationship may exist between customer satisfaction and loyalty. Although this relationship may be nonlinear, most tourism and hospitality scholars agree that satisfaction positively influences loyalty (e.g., Han & Hyun, 2018; Jani & Han, 2014). In particular, a study of Airbnb accommodations suggested a positive relationship among service quality, customer satisfaction, and loyalty, with satisfaction acting as a mediator (Priporas et al., 2017). This evidence provides the basis for hypothesis 1:

H1. Customer satisfaction with guest houses has a positive impact on loyalty.

2.3 Congruity, satisfaction, and loyalty

Self-congruity has a positive influence on brand loyalty (Sirgy et al., 2008). Most existing literature in the tourism and hospitality industry has indicated that self-image congruence can directly affect consumers' product preferences and their post-purchase behaviors (Han & Back, 2008). For example, one empirical study suggested that self-congruity exerts considerable influence on post-visit loyalty judgments (Bosnjak et al., 2011). In addition, a previous study of midscale hotels concluded that image congruence has a direct impact on customer satisfaction and an indirect effect on attitudinal brand loyalty through satisfaction (Han & Back, 2008). A study of coffee shops found that self-congruity significantly affected cognitive and affective loyalty primarily by means of persuasion (Kang et al., 2015).

In fact, small businesses can be regarded as an extension of the self-image of their owners (Russell-Bennett et al., 2007). At tourist destinations, small businesses are more likely to express the proprietor's individual personality than large hotels, and owners usually pursue differentiation from their competitors. Guest houses, an important category of small businesses in the tourism and hospitality industry, often "express" themselves in different aspects, such as the building's décor or the means of communication between guests and hosts. This consideration is particularly relevant in the context of specialized accommodations; for example, Airbnb customers frequently interact with their local hosts, gaining a sense of belonging, comfort, and identity confirmation (Mody & Hanks, 2019). In addition, self–brand connection mediates the impact of power and appeal on purchase intention at Airbnb sites (Liu & Mattila, 2017). Moreover, Mody et al. (2019a) identified two distinct pathways by which an authentic consumption experience influences brand loyalty for the leisure traveler: a brand pathway and an experience pathway.

In view of this research, hypotheses 2 and 3 are proposed:

H2. Self-congruity between customers and guest houses has a positive impact on loyalty.

H3. Self-congruity between customers and guest houses has a positive impact on satisfaction.

Functional congruity, the more rational component of congruity, also has an important impact on customer decisions. An empirical study of post-visit destination loyalty judgments indicated that among the seven congruity components (self-, functional, hedonic, leisure, economic, safety, and moral congruity), functional congruity had the greatest influence on loyalty (Bosnjak et al., 2011).

One previous study indicated that functional congruity fully explained customer satisfaction with a destination image (Ahn et al., 2013). Self-congruity positively impacts functional congruity (Hung & Petrick, 2011). A study of customer loyalty to name-brand coffee shops in Korea found that functional congruity is influenced significantly by self-congruity and that functional congruity positively influences cognitive loyalty (Kang et al., 2015). According to a study in the auto industry, functional congruity positively and significantly influences brand loyalty (Kressmann et al., 2006). In fact, a study of homestays in Malaysia suggested that although guests prefer authentic experiences, they enjoy this authenticity only for short periods of time, as they do not want to compromise the customary comforts of standard accommodations for very long (Mura, 2015). Also, another study in the context of the small- and medium-sized hotels indicated that three out of the five dimensions of SERVQUAL, namely, tangible, responsiveness and assurance, have significant positive impact on visitors' satisfaction (Ahmad et al., 2019). Thus, the following hypotheses were proposed:

H4. Self-congruity between customers and guest houses has a positive impact on functional congruity.

H5. Functional congruity between customers and guest houses has a positive impact on satisfaction.

H6. Functional congruity between customers and guest houses has a positive impact on loyalty.

2.4 Perceived value, satisfaction, and loyalty

Perceived value is rooted in equity theory and can be quantified as the ratio between the customer's input or outcome and that of the service supplier (Yang & Peterson, 2004). Customer perceived value results from an evaluation of the relative rewards and sacrifices associated with the offering, and it is the fundamental basis for all marketing activities (Yang & Peterson, 2004). Four components—namely, acquisition (relative to monetary costs), transaction, in-use, and redemption value—are used in conceptualizing perceived value

(Boksberger & Melsen, 2011). This concept has received much interest from hospitality managers and researchers as one of the most important contributors to customer satisfaction and loyalty (Prebensen & Xie, 2017; Ryu et al., 2012; Song et al., 2012).

Previous research has suggested that value is a strong predictor of repurchase intentions both before and after the experience, and the reliability of perceived value in predicting customers' revisit intention has been considered (e.g., Sun et al., 2013). The role of perceived value in influencing customer satisfaction and loyalty has been confirmed in various hospitality contexts, such as cruises (Petrick, 2004), heritage tourism (Chen & Chen, 2010), and restaurants (Cakici et al., 2019). Therefore, the following hypotheses regarding guest houses were developed:

H7. Perceived value of guest houses has a positive impact on satisfaction.

H8. Perceived value of guest houses has a positive impact on loyalty.

2.5 Attractiveness of alternatives, satisfaction, and loyalty

Although the importance of loyalty is widely discussed, some scholars believe that tourists often appear to be inherently disloyal (McKercher et al., 2012). In particular, if many guest houses are located in a tourist area, customers may want to experience a different one on their next visit. Attractiveness of alternatives, which generally refers to "customer perceptions regarding the extent to which viable competing alternatives are available in the marketplace" (Jones et al., 2000, p. 262), is a central element of customer satisfaction and loyalty (Chang & Stansbie, 2018). As suggested by regret theory, customer satisfaction and loyalty rely on the subjective evaluation of alternatives, and the attractiveness of alternatives is a predictor of regret, which influences satisfaction and repurchase intention (Liao et al., 2017).

The attractiveness of alternatives can be a strong factor that attracts customers to or pulls them away from their current service providers (Liao et al., 2017). Because of the significant relationship between attractiveness of alternatives, customer satisfaction, and repurchase intentions, Jones et al. (2000) argued that switching costs and attractiveness of alternatives should be incorporated in models of customer retention along with satisfaction. McKercher et al. (2012) argued that the unique nature of tourism actively encourages horizontal loyalty, and variety seeking was especially apparent in hotel selection decisions. In other contexts such as cruises, alternative options were also found to be a significant factor, and the presence of viable alternatives negatively influenced attitudinal loyalty (Li & Petrick, 2008). Thus, hypotheses 9 and 10 were proposed:

H9: The attractiveness of alternatives to guest houses has a negative impact on satisfaction.

H10: The attractiveness of alternatives to guest houses has a negative impact on loyalty.

A conceptual framework incorporating this study's ten hypotheses appears in Figure 1.

(Insert Figure 1 here)

3. Research Methods

3.1 Measurement scales

Measurement scales for the constructs was determined by the following process. First, a list of measurement items was identified based on a broad literature review. The items measuring self-congruity were derived from a widely accepted instrument developed by Ekinci et al. (2008). Functional congruity was measured using a scale from Wang et al. (2018), which achieved high validity and reliability in a context similar to that of the current study. The two-item scale of perceived value in Song et al. (2012) was adopted to measure that construct. Measurements of customer satisfaction and loyalty were also taken from Song et al. (2012), due to this study's high citation rate and similar research context to the present study. For the

attractiveness of alternatives, a four-item scale by Li and Petrick (2008), which has been shown to exhibit satisfactory internal consistency, was used.

As a further step in verifying the adequacy of the constructs, a focus group of seven guest house customers was set up to evaluate the suitability of these items and suggest additional items if necessary. Based on the focus group's input, one item, "I gave a positive review of the guest house on an online travel agency website (e.g., Ctrip and Quanr)" was added to measure customer loyalty to guest houses, as participants in focus groups continuously mentioned writing reviews as one of their post-visit behaviors. After the focus group, the measurement items were presented individually to an expert panel of eight tourism and hospitality researchers, who assessed the suitability of the measurement items for the study and suggested improvements.

3.2 Pilot test and questionnaire design

After the consultation with the expert panel, a pilot study was carried out to further refine the measurement process. We retained an online panel service to distribute questionnaires to customers with previous experience at guest houses. The staff at this company were trained with regard to the research purpose and methodology, to assist in reducing sampling error. A total of 150 questionnaires were collected. Exploratory Factor Analysis (EFA) was implemented using the pilot data. The results suggested that five factors effectively represented functional congruity, explaining about 60.66% of the total variance, with high reliability and validity (α >0.7; mean of factor loadings >0.6). The EFA for other constructs, including self-congruity, perceived value, attractiveness of alternatives, customer satisfaction, and customer loyalty, all indicated high KMO values (>0.8) and significance on the Bartlett test, indicating their suitability for factor analysis. In addition, the amount of explained variance and reliability were also high.

(Insert Table 1 here)

The measurement scales were reorganized for the main survey questionnaire on the basis of the EFA results. Respondents were asked to indicate their degree of agreement, from "strongly disagree" (1) to "strongly agree" (7), with each item. A filtering question was included to identify qualified respondents: "During the past 12 months, have you stayed in any guest house in Mainland China?" Those who answered "no" to the screening question were disqualified from the survey.

3.3 Sample and data collection

An online panel survey was used to collect the data, since the great majority of customers of guest houses use the Internet to explore options and make reservations (Jo et al., 2014). We hired the largest online survey company in China to collect our data. This company's panel members reflect the demographic characteristics of the Chinese population. The questionnaire, with an explanation of the research purpose and survey requirements, was distributed to its panel members who had stayed in this specialized type of accommodation in the preceding 12 months. Participants were required to answer all items before they could submit their survey, thereby eliminating the problem of missing values. Because of the aforementioned measures, the sample surveyed constituted a reasonable approximation of a random sampling. Overall, 1,066 respondents responded to the survey, and 828 valid questionnaires were retained.

4. Findings

4.1 Descriptive statistics

The demographic profile of the participants was analyzed based on the 828 valid questionnaires. The results are reported in Table 2.

(Insert Table 2 here)

Considering the unknown population proportion and the sample size (828), the sampling error of this study was about ±6.12% with 95% confidence interval. Most variables had mean values

higher than 5 (slightly agree), indicating respondents' generally very high ratings of the constructs.

Normality tests for the variables were conducted. The absolute skewness and kurtosis values of all variables were lower than 1.5. Hence, the survey data could be viewed as close to a normal distribution. Therefore, we proceeded to analyze the results in terms of measurement and structural modelling using Mplus version 7.4.

4.2 Measurement model

The measurement model was assessed to confirm that the scales were reliable and valid. Confirmatory factor analysis (CFA) was conducted using Mplus 7.4 with the survey sample data. CFA results for functional congruity indicated that the measurement model fit the data. First, the model indices exhibited good model fit: chi-square=808.6, df=265, NNFI=0.932 (>0.9), CFI=0.940 (>0.9), RMSEA=0.050 (<0.080). Second, the factor loadings and t-values suggested that the factors explained the construct well. Factor loadings of most variables were higher than 0.6, and all exceeded 0.5. In addition, the t-values were all above 1.96, suggesting that the items significantly attached to factors. Thus, the individual measurement model for functional congruity was supported. A similar conclusion was also reached for self-congruity.

CFA was also used to confirm the fit of the overall factor structure of the instrument. The model achieved acceptable results on goodness-of-fit indices: χ^2=2375.6, df=847, χ^2/df=2.805 (<3), CFI=0.924 (>0.9), NNFI=0.915 (>0.9), and RMSEA=0.047 (<0.080). Thus, the overall measurement model fit the survey data very well.

The measurement model results are listed in Tables 3 and 4. The factor loadings of all items exceed 0.5, with most higher than 0.6. The α values of all factors/constructs exceeded 0.7, which indicates acceptable construct reliability. The average variance extracted (AVE) values of all but two factors/constructs were higher than 0.5, indicating high convergent validity for the nine factors/constructs. Two factors of functional congruity, namely "sanitary conditions"

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(α=0.862; AVE=0.472) and "service and climate" (α=0.823; AVE=0.403), had high construct reliability but relatively low convergent validity. Further analysis suggested that the removal of items with the lowest factor loadings, including S2 ("clean and tidy in guest rooms") and SC4 ("sufficient sunlight"), significantly improved the degree of construct validity (raising the AVE value from 0.472 to 0.502).

Discriminant validity of the constructs was also assessed based on the comparison of AVE values with squared correlation coefficients (Table 4). The five factors of functional congruity had acceptable discriminant validity due to their relatively low correlations with other constructs when compared with AVE values. The Pearson correlation coefficients between two pairs of constructs—customer satisfaction and perceived value (0.926) and customer satisfaction and customer loyalty (0.911)—were very high. Hence, the close relationships between customer satisfaction and both perceived value and customer loyalty were supported (Song et al., 2012). The squares of the AVE values of perceived value, customer satisfaction, and customer loyalty were relatively lower than their correlation coefficients. One possible reason is that relationships among the three constructs are too closely related. Examining the influence of congruity on each separate construct may be preferable in future research. Basically, discriminant validity of the constructs is partly achieved.

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(Insert Table 3 here)

(Insert Table 4 here)

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4.3 Hypothesis testing

Five factors of functional congruity were identified, and the aforementioned hypotheses concerning the functional congruity of guest houses did not mention these dimensions. Therefore, we adopted second-order structural equation modeling (SEM), because one purpose of the study was to examine the influence of congruity on customers' psychological response. Second-order SEM was carried out using Mplus. The fit results of the model (χ^2=2631.8, df=883, χ^2/df=2.981, CFI=0.912, NNFI=0.905, and RMSEA=0.062) indicated that the structural model exhibited good fit with the survey data. SEM results suggested that self-

congruity significantly affected functional congruity (β=0.101, t=2.454 >1.96). A significant relationship between self-congruity and customer satisfaction was also revealed (β=0.146, t=5.089), whereas the proposed relationship between self-congruity and customer loyalty was not supported (β=−0.017, t=−0.259) (Figure 2). Functional congruity had a significant and positive impact on customer satisfaction (β=0.107, t=1.974), but it did not have a significant influence on customer loyalty (β=0.093, t=1.791). Attractiveness of alternative guest houses had a negative effect on customer satisfaction (β=−0.087, t=−3.148), but its association with customer loyalty was not supported (β=−0.011, t=−0.228). Moreover, customers' perceived value had a significant effect on satisfaction level (β=0.707, t=17.043), which in turn influenced customer loyalty (β=1.647, t=4.809). Perceived value also had a significant direct effect on customer loyalty (β=0.608, t=2.453).

(Insert Figure 2 here)

5. Discussion and Implications

Although the importance and effectiveness of word-of-mouth marketing in the specialized accommodation industry has been recognized (Shi et al., 2019), little attention has been devoted to the impact of self-congruity or functional congruity on customer loyalty in this business sector. The present study bridges this gap by embracing holistic customer experience theory to develop a robust model of customer loyalty for guest houses. The results provide useful contributions to theories and practice.

Self-congruity is an important indicator of customer satisfaction, and the present study extends analysis of this concept and its influence on customer loyalty to the guest house industry. The close match between customers' personal characteristics and the nature of guest houses leads to highly positive assessments of quality and high customer satisfaction. This research result shows that self-congruity is an important facilitator of service improvement and customer outcomes in the specialized accommodation sector.

From a practical standpoint, this finding suggests that managers of guest houses should facilitate guest satisfaction by targeting customers that align with their "personality" and by designing services in accordance with customer characteristics. For this purpose, guest houses should develop efficient and effective strategies for market segmentation and positioning. For example, managers can improve the self-congruity between customers and their guest houses and strengthen their sense of identity by hiring employees with similar personalities and characteristics to their target customers, creating an organizational culture and service climate that aligns with the targeted customer segment, and organizing interactive activities that can highlight the commonalities among their guests.

Although self-congruity has been found as a key contributor to tourist loyalty in some settings (e.g., Kang et al., 2015), the direct effect of self-congruity on customer loyalty to guest houses was not supported in this study. One possible reason for this result is that many customers tend to seek different guest houses to gain more experiences. This finding supplements prior research on the consequences of self-congruity.

Functional congruity of guest houses is another factor that affects customer satisfaction. Although the importance of functional congruity has been recognized previously, there has been no systematic development of this construct's application to guest houses. Wang et al. (2018) conducted preliminary research in this area, and the present study contributes further to our understanding of the role of functional congruity in the guest house sector. Treating functional congruity as a whole construct, we investigated its impact on customer satisfaction and loyalty, although different factors of the construct may impose different effects. The results of our study offer new insights. Previous research suggested that sanitary conditions and functional congruity of hotels have a significant effect on customers' perceptions of service quality (Kang et al., 2015). This research confirmed that sanitary conditions were one of the key factors of congruity between perceived and actual service function in guest houses that serve as an antecedent of customer satisfaction. Moreover, services appropriate for the target customer population and satisfying the technical and functional needs of customers should be

designed. The climate or service atmosphere of guest houses (e.g., quiet environment, homely feel, decorations), which contributes to functional congruity, should also aim to maximize customers' positive experience during their stay.

An important antecedent of customer loyalty to guest houses is the attractiveness of alternatives. Increased attractiveness of alternatives leads to a significantly lower level of customer satisfaction. This factor is affected by the degree to which a guest house is unique and whether the services provided there could be substituted by its competitors. The practical implication of this finding is that guest houses should adopt a service differentiation strategy and design their services (sanitary, service and climate, room facilities, shower, and bedding) in such a way as to meet their customers' needs without simply matching what their competitors do. With the increasing number of guest houses in some countries, such as China, the homogeneity of products has become a serious challenge and market competition is quite fierce. To avoid the potential negative effects of alternatives, managers must stimulate employees to engage in service innovations.

The relationships among perceived value, customer satisfaction, and loyalty have been established in previous studies (e.g., Chen & Chen, 2010). The present study found similar results in the context of guest houses while approaching the question from a congruity-based viewpoint that also considers the relationship between guest houses' services and customers' desires.

This study has developed a conceptual model of the factors that lead to customer satisfaction with guest houses, taking congruity into account. The resulting framework can help scholars and managers to understand more fully the key factors impacting the post-purchase behaviors of customers who patronize a type of nonstandard accommodation, especially from the standpoint of congruity. The findings of this research could be applied to other emerging markets or developing countries.

6. Limitations and Future Research

This study has several limitations. First, customer-to-customer interactions (CCIs) were not considered in this research. As noted above, self-congruity in this context refers to the match between the personality of customers and the service characteristics of guest houses. However, customers also assess self-congruity by taking other customers as references, so their assessment may be affected by their interaction with other customers. Future research could examine CCIs in guest houses and their influence on service experience.

Second, although some items of functional congruity concern the atmosphere in which customers and employees interact, which plays an important part in the service experience provided by guest houses, customer-employee interactions (CEIs) themselves were not examined. The respondents were asked to rate the functional congruity of guest house facilities and services. However, CEIs have also been identified as an important component of accommodation services. Customers' experience of their interaction with staff members should be considered in future research.

In addition, our research framework did not fully take into account the market structure in which guest houses operate. A study on nature-based experiences in tree houses emphasized that guests' experiences vary according to type of traveler (Brochado, 2019). Although this study examined the attractiveness of alternatives, deeper familiarity with the competitive market and the position of a particular guest house would be needed to assess this construct more precisely. Further studies should divide guest houses located in different areas (and with different market structures) into several groups so as to investigate more specifically the influence of alternatives on customers' post-purchase behaviors. This topic could be another area of future research.

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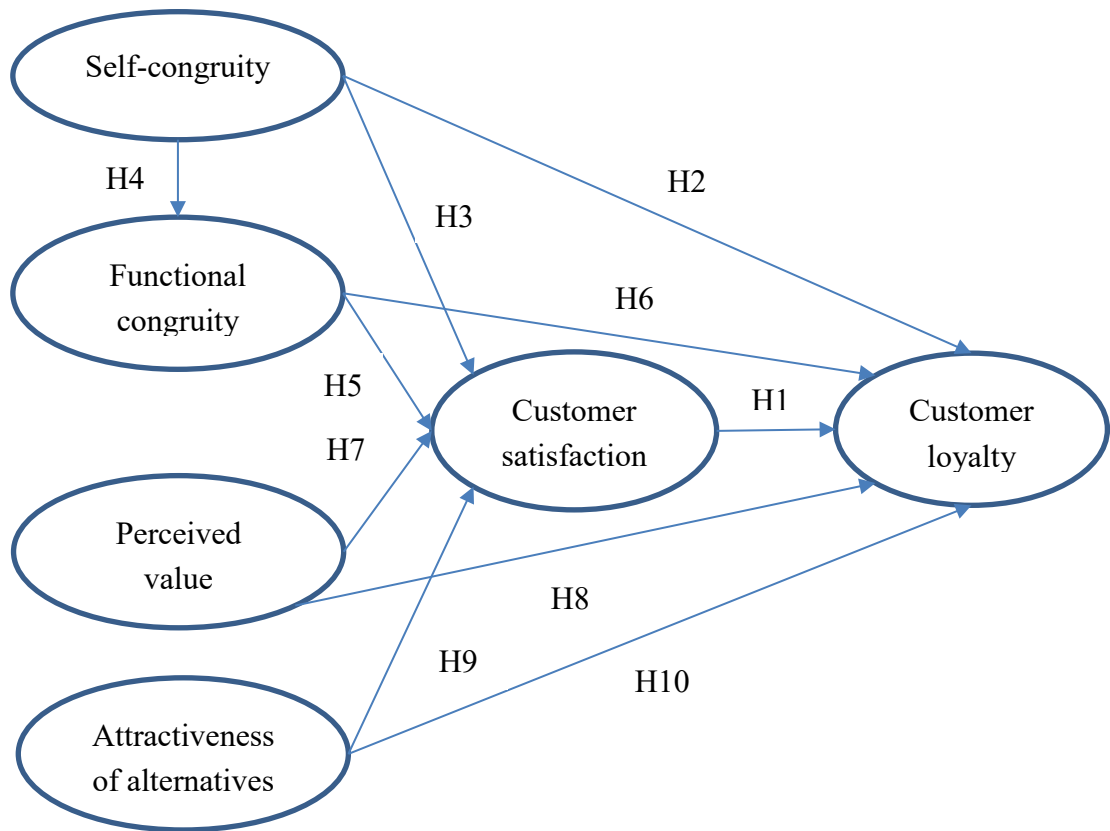
Figure 1. Hypotheses model
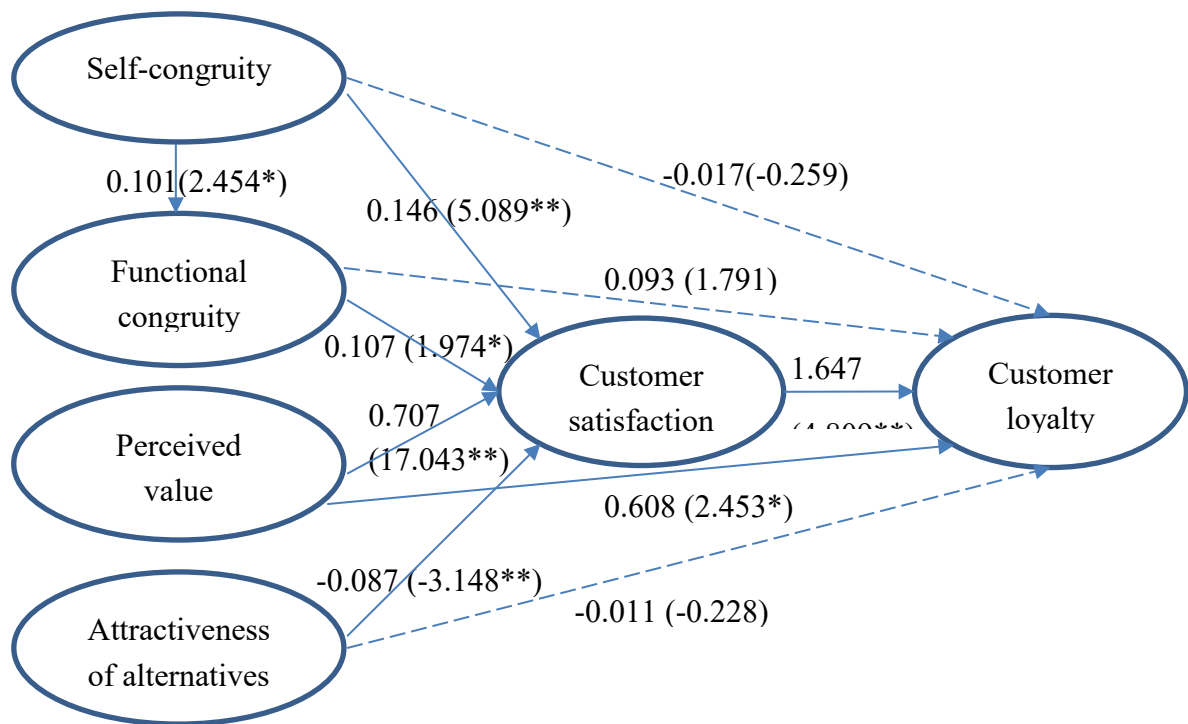
Figure 2. Structural equation model

Table 1. EFA results (n=150)

Factor/item	Factor loading	Eigen - values	% of variance	α
Sanitary [a] (KMO=.897, Bartlett test p<.01)		9.57	38.26%	.85
S1. Clean and tidy in public areas	.646			
S2. Clean and tidy in guest rooms	.635			
S3. Clean and tidy in bathrooms	.648			
S4. Clean towel	.630			
S5. No peculiar smell	.596			
S6. Clean bedding	.632			
S7. No mosquitoes/ants/roaches/mice	.734			
Service and Climate [a]		1.77	7.09%	.81
SC1. User-friendly service	.485			
SC2. Good service attitude	.583			
SC3. Quiet environment	.585			
SC4. Sufficient sunlight	.606			
SC5. Enthusiastic host	.621			
SC6. Home atmosphere	.682			
SC7. Good communication and interaction with host/staff	.655			

		Eigenvalue	% Variance	α
Room Facilities [a]		1.54	6.17%	.83
RF1. Spacious room	.591			
RF2. Exquisite decoration	.505			
RF3. Effective sound insulation	.530			
RF4. Safe door	.495			
RF5. Good quality toilet facilities	.623			
Shower [a]		1.21	4.83%	.78
SH1. Sufficient hot-water with quick outlet	.659			
SH2. Appropriate water temperature	.693			
SH3. Appropriate water pressure	.663			
Bedding [a]		1.08	4.31%	.79
B1. Comfortable bed	.663			
B2. Appropriate mattress	.494			
B3. Comfortable beddings	.668			
Self-congruity (KMO=.847, Bartlett test p<.01)		2.73	68.08%	.78
SE1. The typical guest of this guest house reflects the type of person I would like to be.	.775			
SE2. The typical guest of this guest house is very much like the person I admire.	.816			
SE3. The typical guest of this guest house reflects the type of person I am.	.879			
SE4. The typical guest of this guest house is very much like me.	.826			
Perceived Value (KMO=.883, Bartlett test p<.01)		2.99	74.76%	.89
PV1. The price is low.	.879			
PV2. It is cost-effective.	.871			
PV3. Given the price, the service experience is good.	.851			
PV4. Given the service experience, the price is reasonable.	.857			
Attractiveness of Alternatives (KMO=.843, Bartlett test p<.01)		2.46	61.59%	.81
AA1. My accommodation needs could easily be fulfilled by an alternative guest house in the same destination.	.684			
AA2. If I had not stayed at the guest house, I would be fine -- I would find another good guest house.	.711			
AA3. The guest houses other than the one I stayed are very appealing to me.	.868			
AA4. My alternatives to the guest house I stayed (e.g., staying at another guest house in the same destination) are close to ideal.	.859			
Customer Satisfaction (KMO=.917, Bartlett test p<.01)		2.43	60.67%	.78
SA1. Overall, I am satisfied with the guest house.	.774			
SA2. Compared with my expectations, I am satisfied with the guest house.	.793			
SA3. I had a pleasant experience staying in the guest house.	.790			
SA4. The guest perform well in all aspects.	.758			

Customer Loyalty (KMO=.902, Bartlett test p<.01)		2.17	72.24%	.83
LO1. I intend to choose the same guest house if I visited the destination again.	.868			
LO2. I intend to recommend the guest house to other people (e.g., friends, relatives, and colleagues).	.829			
LO3. I had given positive reviews about the guest house on OTA (e.g., Ctrip and Quanr).	.857			

[a] Functional congruity includes 5 factors: "sanitary" (7 items), "service and climate" (7 items), "room facilities" (5 items), "shower" (3 items) and "bed" (3 items).

Table 2. Demographic profile of the respondents

Demographic variables	No. of Respondents	Percentage
Gender		
Male	388	46.9%
Female	440	53.1%
Age		
18-24	115	13.9%
25-29	262	31.6%
30-39	359	43.4%
40-49	75	9.1%
Over 50	17	2.0%
Education		
High school or lower	15	1.8%
High diploma	105	12.7%
Bachelor	641	77.4%
Postgraduate	67	8.1%
Monthly household income		
Lower than ￥3,000	16	1.9%
￥3,000-7,999	74	8.9%
￥5,000-7,999	121	14.6%
￥8,000-9,999	138	16.7%
￥10,000-15,999	251	30.3%
￥15,000-19,999	131	15.8%
More than ￥20,000	97	11.7%
Marriage status		
Single	214	25.8%
Married	611	73.8%
Divorced	3	0.4%

Table 3. Measurement model results and descriptive statistics (n=828)

Factor/item	Factor loading	T-value	Mean[a]	SD
Sanitary [c] (α=0.862; AVE=0.472)				
S1. Clean and tidy in public areas	.635	NA[b]	5.40	.893
S2. Clean and tidy in guest rooms	.595	14.734	5.55	.886
S3. Clean and tidy in bathrooms	.735	17.454	5.45	.984
S4. Clean towel	.652	15.900	5.26	1.022
S5. No peculiar smell	.722	17.217	5.37	1.032
S6. Clean bedding	.748	17.683	5.45	.885
S7. No mosquitoes/ants/roaches/mice	.708	16.964	5.49	1.062
Service and Climate [c] (α=0.823; AVE=0.403)				
SC1. User-friendly service	.638	NA	5.54	1.171
SC2. Good service attitude	.553	13.924	6.03	.903
SC3. Quiet environment	.616	13.604	5.39	1.081
SC4. Sufficient sunlight	.523	12.142	5.52	1.024
SC5. Enthusiastic host	.729	15.112	5.99	.979
SC6. Home atmosphere	.705	14.812	5.75	1.114
SC7. Good communication and interaction with host/staff	.652	14.122	5.58	1.248
Room Facilities [c] (α=0.846; AVE=0.524)				
RF1. Spacious room	.637	NA	5.58	1.165
RF2. Exquisite decoration	.695	16.805	5.41	1.213
RF3. Effective sound insulation	.744	17.702	5.26	1.355
RF4. Safe door	.764	18.057	5.74	1.137
RF5. Good quality toilet facilities	.772	18.205	5.49	1.203
Shower [c] (α=0.812; AVE=0.590)				
SH1. Sufficient hot-water with quick outlet	.723	NA	5.83	1.136
SH2. Appropriate water temperature	.830	20.604	5.93	1.005
SH3. Appropriate water pressure	.748	19.243	5.82	1.015
Bedding [c] (α=0.817; AVE=0.598)				
B1. Comfortable bed	.793	NA	5.90	.941
B2. Appropriate mattress	.763	21.765	5.77	.994
B3. Comfortable beddings	.764	21.815	5.77	1.019
Self-congruity (α=0.896; AVE=0.683)				
SE1. The typical guest of this guest house reflects the type of person I would like to be.	.841	NA	4.91	1.264
SE2. The typical guest of this guest house is very much like the person I admire.	.881	26.528	4.76	1.346
SE3. The typical guest of this guest house reflects the type of person I am.	.791	21.733	5.28	.972
SE4. The typical guest of this guest house is very much like me.	.788	20.956	5.22	1.037
Perceived Value (α=0.868; AVE=0.623)				
PV1. The price is low.	.729	NA	5.62	.958
PV2. It is cost-effective.	.797	22.341	5.64	1.007
PV3. Given the price, the service experience is good.	.826	23.183	5.49	1.071
PV4. Given the service experience, the price is reasonable.	.801	22.476	5.67	.950

Attractiveness of Alternatives (α=0.846; AVE=0.590)				
AA1. My accommodation needs could easily be fulfilled by an alternative guest house in the same destination.	.535	NA	5.02	1.207
AA2. If I had not stayed at the guest house, I would be fine -- I would find another good guest house.	.639	13.852	4.88	1.296
AA3. The guest houses other than the one I stayed are very appealing to me.	.890	16.433	4.40	1.359
AA4. My alternatives to the guest house I stayed (e.g., staying at another guest house in the same destination) are close to ideal.	.934	16.533	4.40	1.442
Customer Satisfaction (α=0.817; AVE=0.530)				
SA1. Overall, I am satisfied with the guest house.	.791	NA	5.74	.836
SA2. Compared with my expectations, I am satisfied with the guest house.	.801	26.053	5.70	.941
SA3. I had a pleasant experience staying in the guest house.	.631	19.322	5.31	.833
SA4. The guest perform well in all aspects.	.675	20.941	5.73	.794
Customer Loyalty (α=0.854; AVE=0.660)				
LO1. I intend to choose the same guest house if I visited the destination again.	.808	NA	5.53	1.049
LO2. I intend to recommend the guest house to other people (e.g., friends, relatives, and colleagues).	.842	27.537	5.55	1.136
LO3. I had given positive reviews about the guest house on OTA (e.g., Ctrip and Quanr).	.787	25.164	5.68	1.010

a. 7 = strongly agree, 1 = strongly disagree

b. NA means that the regression weight has been fixed to 1.

c. These are five dimensions of functional congruity. This study used the second-order SEM, thus the 5 factors may not exist in the final findings (but only "functional congruity").

Table 4. Correlations and square root values of AVE

	Sanitary	Service and Climate	Room Facilities	Shower	Bedding	Self-congruity	Perceived Value	Attractiveness of Alternatives	Customer Satisfaction	Customer Loyalty
Sanitary	1									
Service and Climate	.645**	1								
Room Facilities	.643**	.591**	1							
Shower	.611**	.537**	.656**	1						
Bedding	.625**	.613**	.784**	.572**	1					
Self-congruity	.318**	.347**	.374**	.196**	.398**	1				
Perceived Value	.611**	.820**	.502**	.498**	.514**	.378**	1			
Attractiveness of Alternatives	-.016	.044	.121*	.009	.049	.244**	-.030	1		
Customer Satisfaction	.693**	.876**	.651**	.580**	.647**	.351**	.926**	-.036	1	
Customer Loyalty	.622**	.811**	.597**	.541**	.585**	.382**	.832**	-.060	.911**	1
SRAVE	0.687	0.635	0.724	0.768	0.773	0.826	0.789	0.768	0.728	0.812

Note: (1) SRAVE: square root values of AVE. (2) ** Correlation is significant at the 0.01 level (2-tailed); *p<0.05.