

The role of expectations in the consumer satisfaction formation process: Empirical evidence in the travel agency sector

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Abstract

Many studies have examined the different components involved in the formation of expectations, as well as the influence expectations may have in the consumer satisfaction process. This paper provides empirical evidence about the formation of expectations, and the relation between expectations, satisfaction and consumer loyalty. We analyse the tourist industry, an important sector in advanced economies, and more specifically the travel agency sector. Using two structural equation models our results demonstrate the importance of 'image' in the expectations formulation process, the direct relationship between expectations and consumer satisfaction, and the close association between satisfaction and consumer loyalty. Finally, several recommendations are suggested for academics and managers.

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1. Introduction

There are many studies in services marketing literature on the concept of consumer expectations, analysing both the nature of expectations (Miller, 1977; Prakash & Lounsbury, 1984; Tse & Wilton, 1988; Walker & Baker, 2000; Woodruff, Cadotte, & Jenkins, 1983; Zeithaml, Berry, & Parasuraman, 1993) as well as their antecedents (Clow, Kurtz, Ozment, & Ong, 1997; Faché, 2000; Oliver, 1980; Parasuraman, Berry, & Zeithaml, 1991). From a review of the literature a wide variety of comparison standards can be identified in the consumer satisfaction formation process, among which are predictive expectations, as well as lists of various determinants of consumer expectations (Zeithaml et al., 1993).

There are two main objectives for this work. First, to analyse the dimensions underlying the concept of expectations, usually established in a theoretical way in services marketing literature, as well as their application to the travel agency sector. The intention is to fill the gap of empirical research related to the concept of consumer expectations and its components (Clow, Kurtz, & Ozment, 1998; Oliver & Burke, 1999). Second, to study the effect of these expectations on the post-consumption judgements of the consumer (i.e. consumer satisfaction) and to assess how this leads to recommendations to other consumers and to the intention to re-use the services of the same company (i.e. user loyalty).

With these goals in mind, the work is structured as follows: In Section 2 marketing literature is reviewed for the main theoretical contributions made in the consumer satisfaction process. Next, a number of hypotheses are tested in field work. Subsequently, a description of the methodology of the empirical research, consisting of a survey of users of the products and services of holiday-travel agencies in various urban areas in a region of

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northern Spain follows. Finally, the results obtained through two structural equation models are discussed and conclusions are drawn for both academics and managers.

2. Theoretical framework and hypotheses

2.1. Components of expectations

First, there is a lack of consensus with regard to the nature of the expectations involved in consumer judgements. Thus, previous research has proposed ‘predictive’ expectations, ‘ideal’ expectations, ‘desired’ expectations or ‘experience-based norms’ as comparison standards in consumer satisfaction judgements. This work proposes a framework based on predictive expectations, which are the comparison standard most frequently used in consumer satisfaction literature (Park & Choi, 1998; Prakash & Lounsbury, 1984; Walker & Baker, 2000; Woodruff, Clemons, Schumann, Gardial, & Burns, 1991).

Predictive expectations, which have their origin in expectancy-value theory (Tolman, 1932), have been variously defined: for example, as consumer predictions about the outcome of a transaction or interchange (Miller, 1977; Liechty & Churchill, 1979; Oliver, 1980), the most likely performance of the product (Tse & Wilton, 1988), estimates of the anticipated performance level (Prakash, 1984), pre-purchase cognition about the product performance (Park & Choi, 1998), and finally, the consumer’s prior beliefs about the future performance or attributes of a product (Summers & Granbois, 1977; Prakash & Lounsbury, 1984; Ngobo, 1997). In short, these conceptualisations adopt “anticipation” as a central idea, which allows to define the expectations as the product performance anticipated by the consumer.

With regard to the components of consumer expectations, there are many studies contributing theoretically to consumer expectations formulation in very different contexts. Given the nature of the services of travel agencies, the framework proposed by Zeithaml et al. (1993) about the determinants of customer expectations of service is adopted. Thus, the past experience and the explicit and implicit service promises as factors generating predictive expectations are emphasised.

Like Zeithaml et al. (1993), other studies postulate that a consumer’s past experience will influence positively in their expectations of a future episode (Anderson & Hair, 1972; Faché, 2000; Hoffman & Bateson, 1997; Oliver, 1997; Oliver & Burke, 1999; Prakash & Lounsbury, 1984). Two essential arguments support the effect of the past experience of the individual in the formation of his/her expectations: mere exposure effect and elaboration level of the cognitive structure. With

regards to the mere exposition effect, the theory of attitude formation proposed by Zajonc (1968) postulates that the mere exposition of the individual to a stimulus or an object enhances attitude towards it. Transporting this argument to an expectations context, Johnson and Mathews (1997) establish that repeated encounters with a service probably enhance the user expectations of a future encounter. On the other hand, Söderlund (2002) suggests that a high level of familiarity leads to a more elaborated cognitive structure, and therefore, to a different frame for evaluations compared to a low level of familiarity. In this context, individuals with a high familiarity tend to polarise their inferences and evaluations of the stimulus compared to individuals with a low familiarity (Peracchio & Tybout, 1996; Söderlund, 2002).

Additionally, user expectations can be contingent on the level of previous satisfaction with the company. It seems reasonable that the more familiarity the user has with the travel agency, the higher the expectations he/she will have about a future encounter. On this basis the first hypothesis proposes:

H₁: The experience accumulated by a travel agency user in earlier encounters with the service will be an expectations-generating factor for a future encounter.

There is a generalised consensus about intangibility as a distinctive and essential characteristic of services. This characteristic may complicate the formation of expectations because users cannot perceive the tangible outcome of the service, and therefore, they cannot clearly form their expectations of a future encounter with the service (Bebko, 2000). Consequently, the intangible nature of services may be perceived to be risky and uncertain. So, consumers seek information from a wide variety of sources to reduce the risk and uncertainty of their future experiences, e.g. advertisements, brochures and promotional material (Murray, 1991). Likewise, consumers look for tangible cues, e.g. installations and equipment, to firmly form expectations of service performance (Bitner, 1990; Clow et al., 1997; Kotler, 2000). In short, consumers will use explicit service promises—i.e. external communication—and implicit service promises—i.e. tangible cues—to anticipate the provider’s capabilities and their future encounters.

Several studies recognise the importance of both communication from the service provider (Anderson & Hair, 1972; Faché, 2000; George & Berry, 1981; Grönroos, 1984; Hoffman & Bateson, 1997; Murray, 1991; Oliver, 1980, 1997; Oliver & Burke, 1999; Prakash & Lounsbury, 1984) and of the tangible cues associated with the service (Bitner, 1986, 1990; Booms & Bitner, 1981; Clow et al., 1997; Hoffman & Bateson, 1997; Kurtz & Clow, 1991a; Parasuraman et al., 1991) in the user expectations formation process. Thus, the more the positive communication and tangible cues of a travel

agency, the higher user expectations are of a future encounter with the service. On this basis, the next hypotheses states:

H₂: The level of explicit service promises offered by a travel agency, i.e. communication, will be an expectations-generating factor for a future encounter.

H₃: The level of implicit service promises offered by a travel agency, i.e. tangible cues, will be an expectations-generating factor for a future encounter.

Corporate image has been frequently ignored in the research of the consumer expectations formation process (Clow et al., 1997). However, it seems reasonable that corporate image facilitates the prior knowledge of consumers about service performance. The analysis of this relationship requires initially an approximation to corporate image concept. Grönroos (1984, 1990) considers the corporate image as the result of how the consumer perceives the firm, or in other words, their vision of the company. Similarly, other studies describe the corporate image as the impressions, beliefs and feelings that individuals have about the company (Barich & Kotler, 1991; Barich & Srinivasan, 1993). Hence, these studies conceptualise image as the consumer's mental representation of the firm and emphasise its highly subjective nature.

Several studies have catalogued the consumer's perceived image of the firm as an antecedent of their expectations (Clow et al., 1997; Faché, 2000; Grönroos, 1984; Kurtz & Clow, 1991a; Mazursky & Jacoby, 1986). First, one support for the close relationship between image and expectations is that, in view of the high uncertainty caused by the intangibility of services, the image of the provider acts as a signal of the true capabilities of the company (Weigelt & Camerer, 1988). Consequently, users can evaluate easier the service before its use, and therefore, they can form more firmly their expectations of a future encounter with the service. Second, users' interaction with the employees and physical installations of the company, an essential element to form corporate image (Grönroos, 1990), leads to a mental representation of the service that is closer to reality. Consequently, users can anticipate more accurately the service performance. Thus, the following hypothesis is proposed:

H₄: The image perceived by a travel agency user will be an expectations-generating factor for a future encounter with the service.

2.2. *Expectations and satisfaction*

Consumer satisfaction research requires a joint analysis of both the structure i.e. content and dimensions and the process i.e. antecedents and consequences (Singh, 1991). First, this paper adopts a cognitive-affective approach in their conceptualisation (Oliver,

1997; Wirtz & Bateson, 1999; Wirtz, Mattila, & Tan, 2000; Jun, Hyun, Gentry, & Song, 2001). Therefore, consumer satisfaction is conceptualised as a consumer judgement incorporating cognitive and affective evaluations after their use or consumption experience. Second, the expectations, an antecedent frequently proposed in marketing literature is analysed with reference to consumer satisfaction and future behaviour.

An analysis of the expectation–satisfaction relationship first requires a review of the function of expectations in consumer satisfaction judgements (Oliver, 1997). According to assimilation theory (Sherif & Hovland, 1961), consumers experience a psychological conflict if they perceive a discrepancy between their expectations and their perception of the consumption experience. Subsequently, consumers will adjust their perception to become more consistent with their expectations and minimise the psychological tension (Anderson, 1973). Consequently, post-consumption evaluations are a function of consumer expectations (Oliver, 1977, 1997; Pieters, Koelemeijer, & Roest, 1995). On the other hand, the contrast theory (Hovland, Harvey, & Sherif, 1957) postulates that when expectations are not matched by actual product performance, consumers will magnify or exaggerate this discrepancy due to the contrast or surprise effect that is generated (Anderson, 1973). Thus, post-consumption evaluations are a function of disconfirmation of expectations (Oliver, 1977, 1997).

In addition the nature of the expectation–satisfaction relationship may depend on several contextual and behavioural factors. So, user expectations may have different impact on the formation of satisfaction within particular contexts. Expectations may be more important when they are unambiguous (Nyer, 1996), the product performance is ambiguous (Yi, 1993; Oliver, 1997) and/or the consumer is well experienced (Söderlund, 2002).

It is suggested that travel agency users will tend to assimilate any discrepancy between the perceived service and the expected service. So, users will reduce the psychological conflict after their experiences, and therefore, they will reinforce the travel agency choice. Similarly, a large number of studies empirically support a direct and positive relationship between expectations and satisfaction of the consumer in different contexts (e.g. Andreassen, 2000; Churchill & Surprenant, 1982; Oliver, 1980; Oliver & DeSarbo, 1988; Oliver & Burke, 1999; Pieters et al., 1995; Tse & Wilton, 1988; Voss, Parasuraman & Grewal, 1998; Yi, 1993). Under the assimilation phenomenon, the fifth hypothesis proposed is:

H₅: The initial expectations of a travel agency user will positively influence his/her satisfaction after receiving the service.

2.3. Satisfaction and loyalty

Consumer loyalty is often recognised as being a strategic objective for companies (Reichheld, 1993; Oliver, 1999). Following Petrick and Sirakaya (2004), consumer loyalty is clearly a critical aspect for firms because it is more desirable, and less expensive, to retain existing customers than to seek new ones. On the other hand, Halstead (1989) proposes that the real value of measuring consumer satisfaction is the potential it creates to anticipate clients' post-consumption responses. Therefore, it is necessary to understand the nature of consumer loyalty as well as the relationship between satisfaction and loyalty.

Previous research emphasises commitment and consistency as two key constructs in consumer loyalty conceptualisation (Bloemer & De Ruyter, 1998; Oliver, 1997). Furthermore, Oliver (1997, 1999) postulates four loyalty phases. First, consumers will be loyal in a cognitive manner (loyalty to information), second in an affective sense (loyalty to liking), later in a conative manner (loyalty to intention), and finally in a behavioural sense (action inertia). However, most studies focus on the conative phase of consumer loyalty, i.e. behavioural intention.

Repurchase intentions are therefore often used in marketing literature to analyse the relationship between satisfaction and loyalty of the consumer. Similarly, the consumer's willingness to recommend the service, i.e. positive word-of-mouth, manifests his/her intention to continue a relationship with the company. Consequently, repurchase intentions and positive word-of-mouth are considered to be two important expressions of consumer loyalty (Andreassen & Lindestad, 1998; Bei & Chiao, 2001; McDougall & Levesque, 2000; Selnes, 1993; Yoon & Uysal, 2005). A large number of studies have analysed the impact of satisfaction on consumer loyalty and provide empirical evidence of a strong relationship between these constructs (e.g. Brady & Robertson, 2001; Mooradian & Olver, 1997; Sivadas & Baker-Prewitt, 2000; Söderlund, 1998; Yu & Dean, 2001).

The satisfaction–loyalty relationship is thought to be non-linear because there are several factors that may intervene in this relationship. First, it may be strongly influenced by the personal characteristics of the customers, such as predisposition to variety seeking or by age and income (Homburg & Giering, 2001). Second, this relationship is weaker when consumers are less experienced and/or involved because they make judgements which are not elaborated on and of which they are not fully aware. Consequently, their satisfaction judgements will not necessarily lead to commitment (Bloemer & De Ruyter, 1998).

In this study it is agreed that the greater the user satisfaction with a travel agency service, the greater their

intentions are to re-use the service and willingness to recommend the service to friends and relatives. Consequently, the following hypothesis is proposed:

H₆: The satisfaction of a travel agency user with the service positively influences their loyalty.

3. Methodology

3.1. Sample design and data collection

The empirical research was carried out in various urban areas in Cantabria¹ (northern Spain). The target population was the users of travel agencies. Following Bigné, Sánchez and Sánchez (2001), since accurate data about the size of the population of travel agency users is unknown, probabilistic sampling techniques could not be applied. The sample was selected by a combination of the convenience and quota methods while distinguishing between national and regional agencies.

Subsequently 190 valid responses were obtained, representing a sampling error in the case of an infinite population (the size of the population is not available) of 7.24% for a confidence level of 95.5% ($p = q = 0.5$). The data was gathered in January–February 2002. A questionnaire was personally administered to each subject after they had completed their visit to the travel agency. It implies that pre-purchase constructs i.e. image, experience, tangibles and communication were measured retrospectively. The questionnaire consisted of four sections: travel habits of respondents, choice criteria of holiday-travel agency users, behavioural variables and sociodemographic characteristics. In selecting subjects the following sociodemographic variables were considered: gender, age, education level and occupation. The sample details are displayed in Table 1.

3.2. Measures

Each construct of the model is measured using a multi-dimensional scale, following the recommendations made by Churchill (1979) on constructing marketing measures.²

¹Cantabria is a region in the north of Spain on the shore of the Bay of Biscay. It is diverse in terms of its culture, landscape and gastronomy. Its tourist attractions include the internationally famous Altamire Caves and the Cabarceno Park, and it forms part of the so-called "Green Spain". Cantabria promotes itself outside under this logo, together with other regions in the north of Spain.

²After literature review, we have implemented several in-depth interviews and focus group to define the scales of each of the constructs (qualitative investigation). First, several interviews with experts of the tourism sector were made. Second, we enlisted two focus groups with holiday-travel agency users with different economic and social status. Taking into account the results obtained in the qualitative phase, we made a pretest of 20 surveys, whose results suggested the modification of some items.

Table 1
Profile of survey respondents ($n = 190$)

Variables	%	Variables	%
Sex		Education level	
Male	57.9	Primary	10.5
Female	42.1	Secondary	33.3
		University	45.8
		Postgraduate	10.4
Age		Occupation	
<24	32.6	Student	17.4
25–34	35.8	Housework	2.8
35–44	13.7	Employed	41.1
45–54	13.2	Unemployed	3.1
>55	4.7	Retired	1.6

n : number of valid responses.

All items are constructed on a 7-point Likert scale, anchored by “strongly disagree” and “strongly agree” (see Appendix A). For the components of expectations, the scale developed by Clow et al. (1997) was adopted. Specifically, we used three items for image (α Cronbach = 0.819), three items for experience (α Cronbach = 0.768), two items for tangibles (α Cronbach = 0.673) and two items for communication (α Cronbach = 0.682). An analysis of the true dimensionality of these constructs probably requires the use of a greater number of items. However, the purpose of this paper is to analyse the user expectations formation process based on the four components—i.e. image, past experience, tangibles and communication—and not to conduct an in-depth analysis of each of the constructs. Therefore, expectations are operationalised as a second-order factor model that includes these components.

With regard to satisfaction, although several studies have used a single item to measure overall satisfaction (Bigné et al., 2001), generally authors have opted for a multi-item scale to measure this construct. In this work, we have used a three-item scale (α Cronbach = 0.814) to measure cognitive and affective dimensions. Two items measure the cognitive dimension: “the service was better than I expected” (e.g. Kristensen, Martensen & Gronholdt, 1999; McDougall & Levesque, 2000; Yoon & Uysal, 2005) and “my choice of this travel agency was a wise one” (e.g. Brady & Robertson, 2001; Oliver, 1980). On the other hand, one item measures the affective dimension: “I am satisfied with the travel agency service” (e.g. Jun et al., 2001; Van Dolen, De Ruyter, & Lemmink, 2002; Voss et al., 1998).

Finally, the items “intention to re-use the service in the future” and “recommending travel agency to other people” were used as measures of user loyalty (e.g. Bei & Chiao, 2001; Brady & Robertson, 2001; McDougall & Levesque, 2000; Muller, Tse, & Venkatasubramaniam, 1991; Yoon & Uysal, 2005; Yu & Dean, 2001). Scale reliability was high (α Cronbach = 0.876).

4. Results

An initial confirmatory factor analysis (CFA) was undertaken to assess factor unidimensionality for the components of expectations using the procedure of maximum likelihood estimation in EQS 5.7. The following goodness of fit values were obtained: $\chi^2(29) = 55.92$ ($p < 0.001$), comparative fit index (CFI) = 0.94, goodness of fit index (GFI) = 0.93 and standardised root mean square residual (RMSR) = 0.05; all indicating an adequate fit for the model. The coefficients (loadings) of the items were significant ($p < 0.000$), with high t -values (the lowest being 6.47) and the mean standardised loading is 0.7272. These results confirm the convergent validity of the four scales.

The various chi-squared difference test results and their respective confidence intervals for the estimated correlation between pairs of constructs (Anderson & Gerbing, 1988) are shown in Table 2. As can be seen, all the chi-squared differences are clearly significant (significant differences between the chi-squared values of the restricted and non-restricted models), indicating the discriminant validity of the scales. Moreover, and confirming the discriminant validity, none of the confidence intervals around the estimated correlation between construct pairs contains a value equal to 1.0.

4.1. Estimating the second-order factor

The expectations were estimated as a second-order factor generated on basis of inter-correlations among first-order factors, i.e. image, experience, tangibles and communication. Fig. 1 shows the final estimates of the second-order model. The goodness of fit values are acceptable, indicating an adequate fit for this model. The structural coefficients for the four components of expectations are all positive and significant, with t -values exceeding 1.96. In view of these results, image, experience, tangibles and communication represent an underlying construct: expectations. This result supports hypotheses H1, H2, H3 and H4. Consequently, the four constructs are conceived as expectations-generating factors for a future encounter.

4.2. Estimation of final model

To test the hypotheses regarding the relationships between expectations, satisfaction and loyalty of the user, a new model of structural equations is proposed following the two-stage process of data analysis (Anderson & Gerbing, 1988). The first stage measures the validity and reliability of the three constructs using a CFA. The resulting goodness of fit figures were as follows: $\chi^2(24) = 43.17$ ($p < 0.011$), CFI = 0.97, GFI = 0.95 and standardised RMSR = 0.04; which indicate a close fit to the data. The loadings of the

Table 2
Discriminant validity and correlations of the antecedents of expectations

	Correlation	d.f. Restricted model	Chi-square restricted model	Chi-square non-restricted model	Confidence interval
Image–experience	0.613	9	49.65	5.9	(0.47, 0.75)
Image–tangibles	0.507	5	38.09	15.42	(0.32, 0.68)
Image–communication	0.501	5	33.59	9.81	(0.32, 0.67)
Experience–tangibles	0.241	5	21.17	9.75	(0.03, 0.45)
Experience–communication	0.552	5	32.26	4.08	(0.37, 0.72)
Tangibles–communication	0.395	2	13.07	0.161	(0.18, 0.60)

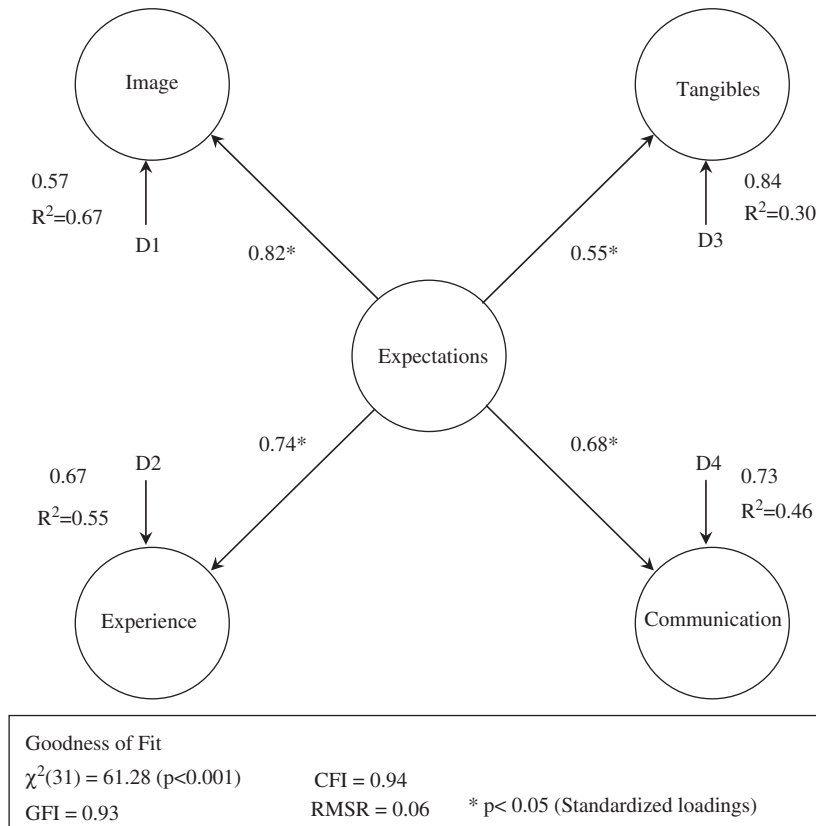


Fig. 1. Second-order confirmatory factor analysis of expectations.

items were significant ($p < 0.000$), the t -values high (the lowest t -value was 5.39) and the mean standardised loading was 0.7167. Again, these results confirm the convergent validity of the four scales. Moreover, the chi-squared difference test and the confidence intervals of the correlation for pairs of constructs confirm discriminant validity between expectations, satisfaction and loyalty of travel agency users (Table 3).

Fig. 2 shows the results of the structural model estimation. According to the goodness of fit values, the structural model fits the data well. The values for the goodness of fit are as follows: $\chi^2(24) = 43.17$, ($p < 0.011$), CFI = 0.97, GFI = 0.95 and RMSR = 0.04. As proposed in Hypothesis H5, the initial expectations of the

consumers have a positive and significant effect on their subsequent satisfaction with the travel agency. Moreover, satisfaction positively influences consumer loyalty, thereby confirming H6. In turn, expectations have an indirect and positive effect on loyalty through consumer satisfaction.

5. Conclusions and implications for managers

After completing the structural analysis the results emphasise the importance of all the components i.e. past experience, communication, tangibles and image in the user expectations formation process. However, the

Table 3
Discriminant validity and correlations of expectations, satisfaction and loyalty

	Correlation	d.f. Restricted model	Chi-square restricted model	Chi-square non-restricted model	Confidence interval
Expectations–satisfaction	0.852	14	115.46	27.56	(0.75, 0.95)
Expectations–loyalty	0.832	9	104.23	14.87	(0.73, 0.93)
Satisfaction–loyalty	0.838	5	119.23	8.81	(0.75, 0.91)

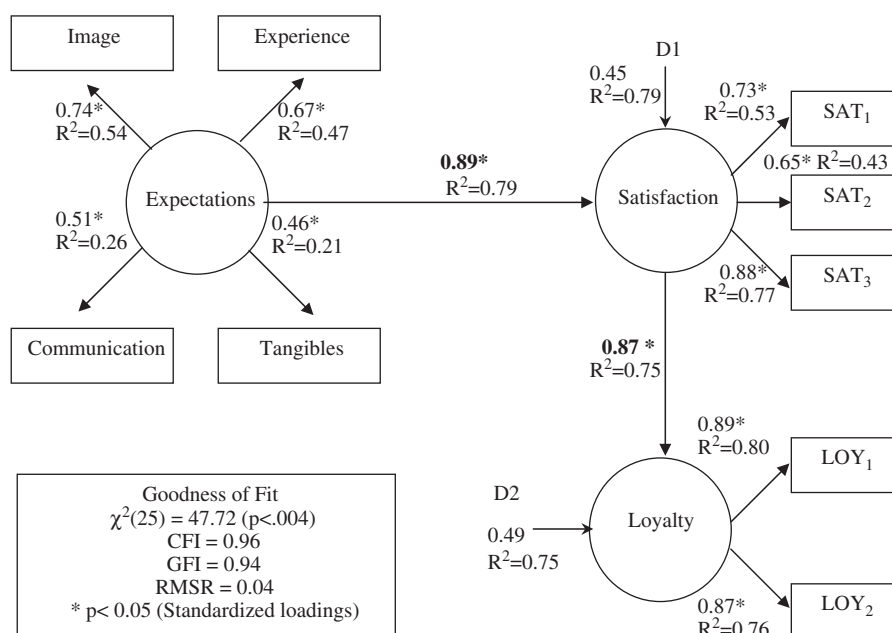


Fig. 2. Estimation of final model.

influences of each of these elements are very different. Perceived image of a travel agency is the most important factor generating the expectation of a future encounter with the service. Image represents the true capabilities and skills of the travel agency in the eyes of the user, and therefore, leads to a reliable representation of the service in the consumer mind. Thus, users will have greater confidence in their perceived image of the travel agency as a basis with which to form their expectations of a future encounter compared to other factors.

There is also a need to emphasise the relevance of the user's past experience and the travel agency communication e.g. brochures and advertisements, in the user expectations formation process. First, marketing literature suggests that external information is less available for services (Murray, 1991). Consequently, the users' past encounters with travel agencies can play a significant role in their expectation of a future encounter. Second, the communication influence may arise because the consumer gives more importance to external communication when the performance of a product is

ambiguous and difficult to evaluate (Ha & Hoch, 1989; Hoch & Ha, 1986; Oliver, 1997; Zeithaml et al., 1993).

With regards to the sequence "expectations → satisfaction → loyalty" in the satisfaction process of travel agency users, the study provides empirical support for the hypotheses established from literature review. Thus, the evidence emphasises the existence of an assimilation effect in satisfaction judgements (relationship expectations–satisfaction), as well as a direct relationship between satisfaction and future behaviour of travel agency users.

However, there are several limitations to this research. Although predictive expectations have been widely used in tourism satisfaction studies, they have been the subject of growing criticism (Yüksel & Yüksel, 2001). First, consumers may not have much motivation to process or generate expectations for certain kinds of products. Second, different standards may be used depending on contextual and personal factors. Finally, consumers often have experiences with other brands (i.e. travel agencies). So, experience-based norms may be

better than predictive expectations to explain the customer satisfaction formation process.

Furthermore, this work attempts to analyse the impact that expectations have on consumer satisfaction, but it does not consider the possible influence of other antecedents such as performance or disconfirmation of expectations, which are jointly analysed in other studies. These antecedents may either mediate or reduce the impact of expectations on consumer satisfaction (Churchill & Surprenant, 1982; Patterson, 1993). Nevertheless, several studies empirically confirm an independence between expectations and disconfirmation (e.g. Oliver, 1977, 1980; Oliver & Burke, 1999).

Another possible limitation lies in the measurement of the factors generating users' expectations after their encounters with travel agency services. So, service performance may "taint" the users' expectations causing recall inefficiencies (Oliver & Burke, 1999). A positive (negative) encounter with the travel agency service may condition favourable (unfavourable) prior expectations about the consumption experience. This phenomenon is labelled by Pieters et al. (1995) as "backward assimilation".

5.1. Implications for managers

This study applies a framework widely adopted in the marketing literature to add to academic and managerial knowledge about the consumer satisfaction formation process in the tourism sector and more specifically in travel agencies. Empirical evidence identifies two important implications: managers should understand satisfaction as an essential determinant of loyalty and they need to manage the factors that generate users' expectations. First, user satisfaction not only generates loyalty to a particular travel agency, but also leads to positive word-of-mouth communications encouraging potential users to request information about travel agency services. Therefore, managers should seek to maximise the satisfaction of their customers during all encounters. With regard to factors generating users' expectations, travel agency managers should control their promotional mix to manage appropriately the expectations of their target group. Taking into account the assimilation effect evidenced in this work (users tend to adjust the service performance to their expectations), the promotional mix for a service should lead to expectations being slightly above actual service performance in order to obtain a higher level of users' satisfaction after their encounters with services. Furthermore, this promotional mix may lead to a more positive image of travel agencies, and therefore, to higher user expectations. Undoubtedly, managers should control the tangibles associated with the service, such as installations and physical attractiveness of travel agencies, because they are cues of service quality that may

lead to more positive expectations in the minds of their users.

This work has proposed a framework for consumer satisfaction formation process in the context of travel agencies. Understanding this process is especially important for academics and for managers in this sector.

Appendix A. Measurement scales.

Experience	I have been treated adequately on past encounters This travel agency frequently offers me products that I want This travel agency resolved any problem that came up to my satisfaction
Communication	The brochures give adequate information about this agency's products I find the advertising of this travel agency attractive
Tangibles	This travel agency has modern office installations I like how this travel agency is decorated
Image	I think this travel agency has a good image The reputation of the travel agency is excellent Many people have a high opinion of this travel agency
Satisfaction	I am satisfied with the travel agency service The service was better than I expected My choice of this travel agency was a wise one
Loyalty	I would recommend this travel agency if people asked me The next time I need this service I will come back to this travel agency

Notes: 1. All scales were anchored with a 7-point Likert-Type format (1 = strongly disagree; 7 = strongly agree).

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