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# Predictors and behavioural outcome of personal loyalty dimensions in Johannesburg haircare service providers

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## ABSTRACT

The hairstyling service industry is attractive, fast growing and competitive. With its competition, hairstylists strive to secure personal loyal from their clients for their commission security and business sustainability. Some of the ways to develop personal loyalty are through good service quality, customer value provision and relationship building, in terms of customer satisfaction and personal-commercial friendship establishment. The mechanism by which these lead to reported dimensions of personal loyalty and other outcomes needed an integration of models for a comprehensive explanation. This study first determined the types of personal loyalties clients form with hairstylists. It then integrated elements of Bove and Johnson's (2002) model, Han, Kwortnik and Wang's (2008) model and the SERVQUAL model to examine a chain of service quality, customer value and relationship factors, which drive four dimensions of personal loyalty. It also examined how the dimensions of personal loyalty impact a client's willingness to pay a premium price because the extent to which customer loyalty leads to this outcome is rarely investigated. While Bove and Johnson's (2002) model suggests that trust and commitment are the service customer value drivers of personal loyalty, the SERVQUAL model provided other important service quality constructs which can drive personal loyalty. Han, Kwortnik and Wang's (2008) model suggests four dimensions of loyalty and provides their predictors, which include commercial friendship and customer satisfaction.

An integrated conceptual model proposing fourteen hypotheses was developed. To test it, a survey was conducted on 562 respondents who had maintained the same hairstylist for ten months in Johannesburg metropolis. The hypotheses were tested using partial least squares (PLS) structural equation modelling in SmartPLS3® software. The empirical results revealed that hairstylists' service quality attributes of service customisation, reliability and trustworthiness positively and significantly affected client satisfaction and attributed to 53% of its variance. Additionally, client satisfaction positively related to commercial friendship, which was explained by 49% variance. Commercial friendship positively impacted affective, intentional and behavioural personal loyalty dimensions and explained 40%, 36% and 35% of the variances respectively. Of the four dimensions of personal loyalty, only behavioural loyalty positively influenced the willingness to pay a premium price and explained 27.5% of the variance. Surprisingly, affective personal loyalty had a negative relationship with the willingness to pay a premium price. The effects of hairstylist mobility and relative advantage attributes, as well as cognitive personal loyalty, were inconclusive due to lack of reliability.

The study contributes to the loyalty theories by not only revealing the dimensions of personal loyalty applicable in the hairstyling service sector, but by also suggesting that the consequences of the dimensions are delimited to their respective domains. The findings also show the predictive power of commercial friendships and, therefore, the need for building such interpersonal relationships in personal services. Although the focus of this research was on personal loyalty, the findings can be useful to service firm managers. The findings show marketers and managers of haircare service firms how much and for what reasons clients value their service employees. The marketers can use these findings in their human resource management programs as well as for employee retention programs. Theoretically, this study contributes in the areas of customer relationship management, consumer behaviour and service marketing by exposing the drivers and outcomes of customer-to-employee relationship building and loyalty development. Unlike customer–to-business and business-to-business relationships that are commonly researched on, the customer-to-employee relationship building and loyalty is rarely studied.

It is recommended that mangers use this study's findings to enrich their internal marketing, customer-to-employee and, ultimately, customer-to-business relationship building strategies. Theoretically, the predictability of this study's model can be improved by further exploring other customer value and relationship building factors that boost clients' personal loyalty as well as its outcomes. This study examined only the willingness to pay a price premium as an outcome of the loyalty dimensions. Other outcomes, such as word-of-mouth, resistance to competitive pressure, increased profitability and lower marketing costs in relation to personal loyalty, should be also explored with further research.

**Keywords: personal loyalty, hairstylist, commercial friendship, personal services**