



A mediating and multigroup analysis of customer loyalty



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ABSTRACT

Loyalty is configured here as a key determinant of firm performance. Many studies have proposed models that analyze the relationship between loyalty and its main determinants: perceived value (PV), satisfaction, and perceived switching costs (PSC). Thus, the first aim of this work is to validate a model of the direct and indirect relationships between these variables and loyalty, analyzing the mediating roles of both PSC and satisfaction in the relationship between PV and loyalty.

The second aim is to analyze the influence of customer psychographic characteristics – tendency toward loyalty (based on customer involvement and propensity toward switching) – on the proposed model in the insurance industry. The results show that (a) PV has a direct influence on affective loyalty and an indirect influence through two mediating variables, while only PSC plays a mediating role in the case of behavioral loyalty; (b) there were significant differences between customers with a high tendency toward loyalty and those with a low tendency toward loyalty, in the relationship between satisfaction and affective loyalty and in the relationship between PSC and both affective and behavioral loyalty; and (c) the proposed model presents greater explanatory power for customers with a higher tendency toward loyalty.

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1. Introduction

The analysis of customer loyalty continues to be, at present, an area of immense relevance and interest for both marketing scholars and practitioners (Nyadzayo & Khajehzadeh, 2016). In fact, managing to achieve customer loyalty is one of the principal objectives for service firms (Polo-Peña, Frías-Jamilena, & Rodríguez-Molina, 2016)—an aim that is due to the consequences derived from loyalty. Therefore, the literature points out that loyal customers have a greater probability of completing new purchases and generating higher profits, withstanding the actions of rival firms, and they usually imply lower retention costs (e.g. El-Manstrly, 2016; McNaughton, Osborne, Morgan, & Kutwaroo, 2001).

Service firms and, in particular, those from the insurance sector find it increasingly difficult to retain the loyalty of their customers, because of the greater facility with which companies may be compared, the high influence of the digital environment, and the high levels of customer expectations (PwC-PricewaterhouseCoopers, 2013; World Insurance Report, 2016). In

fact, the data indicate that in this industry, the level of satisfactory experiences with the current supplier has fallen over the recent years, both at the Spanish and European levels (World Insurance Report, 2016). According to this study, an increase in customer expectations, above all in certain segments, has made it necessary for these firms to identify different behaviors and preferences, in order to generate more effective strategies that will require them to adapt to these factors and generate durable and beneficial relationships with their customers.

Therefore, the analysis of the literature clearly shows that the following aspects relate to customer loyalty. First, the literature that analyzes the antecedent and moderating factors of loyalty is very extensive (Kandampully, Zang, & Bilgihan, 2015), although with inconsistent results in many cases. These variations, which also generate differences in the results, may be due to the nature of the proposed (direct/indirect and mediating/moderating) relationship to (1) the set of variables under consideration, (2) the type of product or service being studied, and (3) the characteristics of the customers in those markets.

Second, although there are many decisive factors for loyalty reported in the literature, three of them stand out because of their importance: perceived value (PV), satisfaction, and switching costs (Chocarro, Cortiñas, & Villanueva, 2015; El-Manstrly, 2016; Flint, Blocker, & Boutin, 2011; Floh, Zauner, Koller, & Rusch, 2014; Lin,

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Sher, & Shih, 2005; McNaughton et al., 2001; Yang & Peterson, 2004). Many works have proposed the positive influence of the customer PV on loyalty. However, some of them propose this relationship in a direct way, while others analyze the role of other mediating variables in the relationship, such as satisfaction and perceived switching costs (PSC), proposing an indirect effect through these variables on loyalty (García, Vázquez, & Iglesias, 2006; Lam, Shankar, Erramilli, & Murthy, 2004). The literature highlights that both aspects can act on customer loyalty; hence, numerous works have attempted to define the most effective options. Nevertheless, there is a general agreement that the presence of both variables in business strategies is necessary. Centering uniquely on creating switching costs can cause difficulties for the customer when purchasing the product or service (Fornell, 1992) or can be neutralized by the actions of competitors (Burnham, Frels, & Mahajan, 2003). Moreover, mere satisfaction itself is not enough (Oliver, 1999), as this link is very sensitive to factors such as the type of customer and industry (Kumar, Pozza, & Ganesh, 2013).

Third, as pointed out earlier, the reality in this industry highlights the consideration of a key variable: customer heterogeneity. Despite this fruitful line of research, it is true that the empirical results have not been as conclusive as expected. In fact, recent research (Fuentes-Blasco, Moliner-Velázquez, & Gil-Saura, 2014; Hair, Sarstedt, Matthews, & Ringle, 2016) has pointed out that the use of an aggregated market perspective can prompt unrealistic analyses, errors, and inconsistencies in the estimated parameters, etc. Therefore, some authors have underlined the importance of studying the differences between customers because of their heterogeneous behavior patterns (Floh et al., 2014). Hence, differences at demographic, socioeconomic, and psychographic levels between customers can influence their expectations and behaviors (Castro, Martin, & Martin, 2007; Mittal & Kamakura, 2001).

Fourth, numerous works have centered on mechanisms for the identification of customer profiles with a propensity to remain loyal. This kind of customer knowledge facilitates the development of appropriate strategies for marketing actions (Roos & Gustafsson, 2007). The majority of these works center on customer-related demographic and socioeconomic factors such as age, sex, income level, and educational level. However, there are few works that center on psychographic factors related to personality, tastes, interests, and values. In addition, these works usually analyze a single variable separately (Chocarro et al., 2015). However, these variables can jointly impact the strength of the relationships between different determinants of loyalty, which makes it necessary to study customer heterogeneity.

On basis of the above findings, we seek to cover various gaps with our work. On the one hand, we set up our model in a different way from the existing literature on loyalty. Although there are many studies on marketing that sustain the relationship between value and loyalty, few have analyzed the role of the variables that mediate this relationship. In this sense, our first contribution is our proposal of a model for the generation of loyalty based on PV through two mediator variables: customer satisfaction and PSC. This model seeks to give a more complete explanation of the relationship between PV, satisfaction, PSC, and customer loyalty. Moreover, the generation of strategies that are adapted to customers from the insurance industry require the existence of heterogeneity to be considered and determined among other factors by the psychographic characteristics of the customers; this is because the effect of heterogeneity has hardly been analyzed in this field. This fact leads us to the second contribution of our work that considers the effect of these characteristics on the relationships that are established in our model through latent segmentation and multigroup analysis (MGA). Of all the customer characteristics included in this category, the one that is best adapted to the

insurance industry is their tendency toward loyalty, which is based on the level of customer involvement with the service and the degree of customer propensity toward switching. In other words, we aim to demonstrate the influence of customer heterogeneity on generating customer loyalty and its determinant variables.

In pursuit of these objectives, we first conduct a theoretical review of the determinants of customer loyalty and the relationships between these constructs and the concept of customer heterogeneity, centering on their psychographic characteristics. On the basis of this theoretical review, the research hypotheses are formulated and the conceptual model is developed that describes the aim of the study. Subsequently, we present the empirical study in the Spanish insurance industry and the developed methodology, with particular emphasis on latent segmentation, mediation analysis, and MGA. Finally, we present a discussion of the results and the main conclusions of our work.

2. Conceptual framework

2.1. Customer loyalty: determinant factors

The literature has pointed to the relevant role of loyalty as one of the principal priorities of marketing (Fuentes-Blasco et al., 2014). The degree of loyalty instilled in customers is an indicator of the probability of their remaining in a future relationship with a company. If future patterns are to be determined, the triggers of customer behavior have to be established, as the likelihood of customers continuing their long-term relationship with the company will vary according to their origins (Roos & Gustafsson, 2007). Likewise, the various approaches to the analysis of loyalty have to be differentiated. The literature has attached greater relevance to behavioral and attitudinal approaches. Thus, behavioral loyalty refers to the degree to which a customer engages in repeated purchasing behavior toward a service provider (Gremler and Brown, 1996). Affective loyalty reflects a positive feeling toward the products or services of a firm that awakens desire in the customer to maintain a relationship with the firm over time (Oliver, 1999).

Variables such as customer satisfaction, PSC, service quality, commitment, customer PV, customer trust, and brand experience (i.e. Kandampully et al., 2015) are among the principal antecedents of loyalty. In line with Lam et al. (2004) and Yang and Peterson (2004), the focus of this study is on customer PV, customer satisfaction, and PSC. These factors are critical in helping firms maintain customer loyalty and enhance it.

The literature on services argues that firms will only achieve true loyalty in their customers through the delivery of greater added value. In this sense, many investigations point to PV as one of the determining principles of loyalty, although not the only one (Chen, 2015; Floh et al., 2014). The relationship between customer value and loyalty remains one of the most fruitful lines of research in the area of marketing (Flint et al., 2011). The high level of interest in customer value and loyalty among academics and business managers is due to their joint influence on firm profitability (Olsen & Johnson, 2003) and their importance for the survival of the firm and the maintenance of competitive advantage (Grönroos, 2009).

From the marketing perspective, PV refers to the criteria or perceived value of the proposal in the mind of the customer. These criteria are based on the perceptions held by the customer in relation to the benefits obtained from the product and the service from or relationship with the provider firm (in terms of quality, image, etc.), as well as the sacrifices that have to be made for their acquisition (in terms of time, money, and effort). Moreover, the literature points out that this valuation is done in comparison with the other competing offers (Woodall, 2003).

Nonetheless, PV cannot be considered as an ultimate aim for organizations, but rather those results or consequences that flow directly from it. The role of loyalty is to be highlighted, given its influence on firm results. Thus, some authors indicate that loyalty generates better financial results, as it not only enables an increase in income – increase in sales, references, etc. – but it also reduces costs – less marketing effort, lower number of returns, etc. (McNaughton et al., 2001). Equally important are the positive references generated toward the firm that are very relevant in the services industry, as they allow the customer to reduce risk in the stages leading up to the purchasing process (Fuentes-Blasco et al., 2014).

All the above observations led us to consider PV as the starting point of our model. The literature proposes that the relationship between these two variables, value and loyalty, can occur directly (i.e., Floh et al., 2014; Polo-Peña et al., in press). Given that two perspectives toward loyalty exist, the attitudinal and the behavioral, as pointed out earlier, it leads us to propose the first hypotheses of our work (see Fig. 1):

H1. Customer PV has a direct influence on affective loyalty.

H2. Customer PV has a direct influence on behavioral loyalty.

However, as we proposed in the Introduction, one of our objectives was to propose the existence of mediating variables that help to explain the link between the PV and loyalty. Following an exhaustive analysis of these variables, we have chosen to consider the role of satisfaction and switching costs as mediator variables in the relationship between customer value and loyalty, following the lines of other works (Lam et al., 2004; Yang & Peterson, 2004). Thus, two ways are considered: one with positive connotations related to satisfaction and the generation of benefits and relational links and another that is negative and connected with those factors that hinder the switching process to a new provider. We will now explain each of these relationships.

Customer satisfaction is another of the determinant variables of loyalty of greater weight in the literature. It is considered as the degree to which the customer evaluations of service provision are positive, as satisfaction fulfills their needs, desires, and expectations (Hellier, Geursen, Carr, & Rickard, 2003). The relationship between PV and satisfaction has been widely discussed, with a positive and a direct relationship emerging between both variables (Lam et al., 2004; Lin et al., 2005; Sánchez-Fernández, Swinnen, & Iniesta-Bonillo, 2013; Xu, Peak, & Prybutok, 2015; Yang & Peterson, 2004).

Furthermore, customer satisfaction can be examined from a transactional perspective. The evaluation formed after a specific service encounter and the experiences generated throughout the different service encounters or episodes constitute a bundle (Roos, 1999) known as “global satisfaction with the service.” Indeed, most research suggests that this global or accumulated satisfaction is what turns out to be most relevant in determining customer loyalty (Olsen & Johnson, 2003). The literature points to the positive influence of satisfaction on the level of both affective loyalty (Beerli, Martín, & Quintana, 2004; Gremler, Brown, Bitner, & Parasuraman, 2001) and future behavioral loyalty (Beerli et al., 2004). Yet, loyalty is not the same in all of its dimensions: the relationship between satisfaction and affective loyalty is of greater strength. So much so that Reichheld (1993) considered satisfaction to be a “poor substitute” for loyalty.

These aspects lead us to propose the following hypotheses in our work:

H3. Satisfaction mediates the relationship between PV and affective loyalty.

H4. Satisfaction mediates the relationship between PV and behavioral loyalty.

PSC represents another variable underlined by the literature as relevant for loyalty. It is defined as “those costs which are associated with moving from one supplier to another” (Porter, 1980). In general, they imply monetary, psychological, and time losses for the customer (Bitner, 1995), which are connected with both abandoning the current relationship and starting up a new relationship with an alternative provider. Through the creation of switching costs, firms can discourage customers from attempting to abandon the relationship and increase the difficulties that the switching procedure entails. PSC has been recognized as a multidimensional construct in the recent literature (Barroso & Picón, 2012). Therefore, the nature of these costs (relational, monetary, psychological, or temporal related to the time consumed by the switching process) can be very different, depending on the industry.

Most contributions link the concept of switching costs to customer loyalty (affective and behavioral) and to provider switching behavior (Hellier et al., 2003; Picón, Castro, & Roldán, 2014). All of them point out that switching costs encourage loyalty, hindering the switch to another provider even when the satisfaction level is low.

These aspects of switching costs lead us to propose the following hypotheses:

H5. PSC mediates the relationship between PV and affective loyalty.

H6. PSC mediates the relationship between PV and behavioral loyalty.

2.2. Customer heterogeneity based on psychographic characteristics: the customer tendency toward loyalty

Although the previously mentioned relationships are valid in the majority of contexts, there are differences with regard to their intensity, which arise from the confluence of various factors, among which customer characteristics mainly stand out, although so do types of products/services. In this sense, Castro et al. (2007) underlined that consideration has to be given to market or customer heterogeneity to be able to predict the behaviors and preferences that lead to customer loyalty. Customer heterogeneity is reflected in the concept of segmentation. Customer segmentation is very important in the field of marketing and, in particular, in the services sector, where it is fundamental that firms adapt their strategies to certain segments of customers that present different needs and preferences, which can, in addition, yield further benefits (Fuentes-Blasco et al., 2014).

Segmentation on the basis of the characteristics of customers may be done through socioeconomic, demographic, and psychographic factors, making “a priori” segmentation a useful approximation to predict the feelings and future behavior of customers. In fact, nonconsideration of heterogeneity can lead organizations to erroneous and ambiguous conclusions with regard to the relationship between customer loyalty and firm performance (Castro et al., 2007). We therefore conceptualize customer heterogeneity as the existence of differences in customer characteristics (demographic, socioeconomic, or psychographic) that generate different needs and preferences. However, there is limited empirical evidence that endorses the notion of customer heterogeneity that affects the nature of provider–customer relationships (Castro et al., 2007).

The literature has shown that customers with different personal characteristics also show differences in the effects of satisfaction, value, and switching costs on future behavioral intentions, varying in accordance with customer characteristics (Ganesh, Arnold, & Reynolds, 2000; Keaveney & Parthasarathy, 2001; Mittal &

Kamakura, 2001). Although the literature has centered high attention on customer loyalty, there is no empirical evidence of the moderating effect that psychographic customer characteristics may exert on the relationship between customer loyalty and its principal antecedents. However, as we have highlighted, these characteristics, linked to customer personality, can influence customer perceptions of the service they receive, affecting their degree of satisfaction and the perception of greater provider switching barriers. These characteristics will be decisive in any decision that the customer makes to switch the provider or, on the contrary, to remain loyal. In addition, even in the case of loyal customers, the reasons upon which they base their loyalty can differ according to the type of customer. From among all possible segmentation variables to identify customer profiles, we opted to analyze two psychographic customer characteristics: the level of customer involvement with the service and the propensity toward switching (Barroso & Picón, 2012; Ho, Park, & Zhou, 2004; Ruiz, Barroso, & Martín, 2007; Sun, Wilcox, & Zhu, 2004).

Customer involvement refers to (both the cognitive and the affective) personal relevance that people attribute to a decision on the basis of their fundamental values, aims, and personality (Bienstock & Stafford, 2006). In general, those individuals with a higher level of involvement toward a provider will be more inclined to maintain their relationship with it (Jones, Mothersbaugh, & Beatty, 2002), given that their perceptions of the service value they receive will be greater and they will be ready to make further sacrifices to ensure the continued delivery of that service (Martín-Ruiz, Barroso-Castro, & Martín-Armario, 2007). On the one hand, thoroughly committed customers will have a stronger emotional link and will be more inclined to attribute considerable risk and uncertainty to possible changes (Bienstock & Stafford, 2006; Keaveney & Parthasarathy, 2001), generating higher levels of PSC. On the other hand, this group of customers will tend to be more loyal, given that their positive assessment of the service provision will yield higher levels of satisfaction (Varki & Wong, 2003).

Customers with a thorough propensity toward switching are “anxious for change” (Ganesh et al., 2000) and could therefore begin a switching process without any apparent motive. These clients conduct a broad search for alternatives and are motivated to try different products and services with different providers (Raju, 1980; Steenkamp & Baumgartner, 1995; Vázquez & Foxall, 2006). They are inclined to switch and are “risk takers,” gaining additional satisfaction in their own switching process (Antón & Rodríguez, 2004; Keaveney & Parthasarathy, 2001). This behavior will lessen their PSC and the switching process will be easier (Burnham et al., 2003).

However, this type of customer would be represented at one extreme of the continuum, with the risk-adverse customers at the other extreme. These are individual customers with a weak tendency to carry out risky actions. In any case, their behavior will depend on the degree of experience with the switching process and other factors such as the type of product/service and its personal characteristics (Bhattacharya & Bolton, 2000) and on other variables such as PV and satisfaction with the service.

In this way, the level of these variables will impact their preferences, meaning that their tendency toward loyalty will vary. Therefore, if we consider both characteristics and we center on the extreme values of both variables (high/low involvement, high/low propensity toward switching), we can differentiate two segments of customers in accordance with their tendency toward loyalty: customers with a high tendency toward loyalty (highly involved and with little propensity to provider switching) and customers with a low tendency toward loyalty (little involvement and with a high propensity to provider switching). The first segment of customers will be very involved with the service, and thus, they will

tend to value it in a positive way; moreover, they may be willing to make greater sacrifices to contract it from their current service provider. This aspect, plus its direct reference to customers unlikely to switch, implies both the perception of stronger barriers to switching and a higher propensity toward loyalty. The products and services are of little importance for the second segment, which means that they show less involvement. This aspect, together with the association of the group with customers who are attracted by risk and, therefore, likely to switch, implies greater difficulty for their retention by the firm. Therefore, if the aim is for them to maintain their loyalty toward the firm, it might be necessary to construct strong barriers against switching, as the satisfaction that they experience with the service they received might not be sufficient to maintain them.

Therefore, whether the customers are found in one or another segment (customers with a high tendency toward loyalty and customers with a low tendency toward loyalty) can affect the relationships between the different antecedents and customer loyalty. In our model, we propose that the customer tendency to loyalty (determined by propensity toward switching and customer involvement) will moderate all the relationships that constitute the conceptual model. These arguments lead us to advance the following hypotheses (see Fig. 1):

H7. The strength of the relationship between PV and affective loyalty will differ between customers with either a high or a low tendency toward loyalty.

H8. The strength of the relationship between PV and behavioral loyalty will differ between customers with either a high or a low tendency toward loyalty.

H9. The strength of the relationship between PV and customer satisfaction will differ between customers with either a high or a low tendency toward loyalty.

H10. The strength of the relationship between PV and PSC will differ between customers with either a high or a low tendency toward loyalty.

H11. The strength of the relationship between customer satisfaction and affective loyalty will differ between customers with either a high or a low tendency toward loyalty.

H12. The strength of the relationship between customer satisfaction and behavioral loyalty will differ between customers with either a high or a low tendency toward loyalty.

H13. The strength of the relationship between PSC and affective loyalty will differ between customers with either a high or a low tendency toward loyalty.

H14. The strength of the relationship between PSC and behavioral loyalty will differ between customers with either a high or a low tendency toward loyalty.

3. Research methodology

3.1. Sample and data collection

This study analyzes firms in the Spanish insurance industry. This industry contains insurance companies, mutual insurance companies, and banks that offer different types of insurance, including firms that offer these services both electronically and online. The information was gathered from 20 customers of each of the 74 companies (83.94% of the total volume of premiums in the Spanish insurance industry). All these companies operate across Spain and offer different types of insurance policies. The final sample was

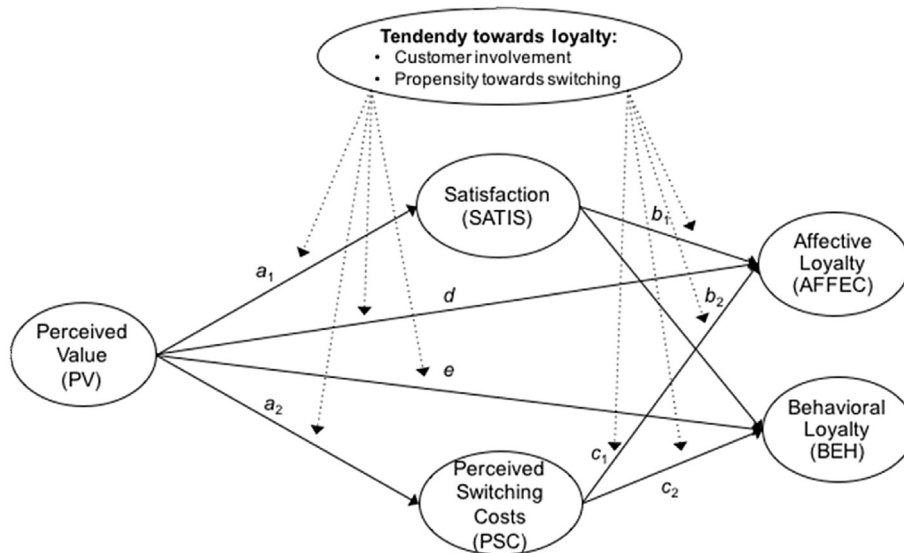


Fig. 1. Hypotheses of the theoretical model.

composed of 786 customers (response rate of 53%), distributed evenly across six age ranges and gender. The majority (60%) of respondents were male and the largest age group was 18–30 years. The data were obtained from personal interviews (648) and an online survey through a website (138). The interviews were conducted in the branch offices of the companies. An online survey meant that customers could answer the questionnaire directly, thus increasing survey penetration and reaching customers who may not visit the company offices often. A snowball sampling technique was used, whereby potential respondents (colleagues and acquaintances) received e-mail invitations with the embedded URL of the website hosting the survey. Nevertheless, we considered possible differences in the responses. Using the test recommended by Armstrong and Overton (1977), we compared the answers to the first and the last questionnaires; the results showed no significant differences between them ($p = 0.05$) in any of the items. Likewise, no differences were found in relation to the data-gathering process. The diversity of insurance services selected (cars, life, multirisk/home, funeral, and health and sickness) with different characteristics between them and the fact that the majority (56.5%) of respondents had at least a five-year commercial relationship with their insurance company facilitated the collection of heterogeneous perceptions of the variables under analysis. Given that the purchase process and customer behavior of an insurance company are determined by customer characteristics that are psychological in nature, it would not be realistic to advance a single model fitting all decision-making. In this sense, latent segmentation proposes the identification of subgroups of elements with a certain number of variables. This procedure generates segments within the general population.

It is therefore a question of a priori segmentation on the basis of a series of previously selected variables. Therefore, although we are aware of the positive results of numerous techniques to identify segments that exist in PLS-SEM, i.e., FIMIX-PLS (Hair et al., 2016), REBUS-PLS (Esposito Vinzi, Trinchera, Squillacciotti, & Tenenhaus, 2008), PLS-POS (Becker, Rai, Ringle, & Völckner, 2013), PLS-GAS (Ringle, Sarstedt, Schlittgen, & Taylor, 2013), and recently PLS-IRRS (Schlittgen, Ringle, Sarstedt, & Becker, 2016), which attempt to divide the sample according to the specific measurement and the proposed structural model, in our case, we performed an a priori market segmentation on the basis of customer tendencies toward loyalty (determined by the level of customer involvement with the service and the degree of customer propensity toward switching).

In consequence, we consider that this process involved a latent class cluster analysis (Wedel & Kamakura, 2000). There are numerous works that consider latent class cluster analysis as a powerful segmentation tool (Castro et al., 2007; Martínez Guerrero, Ortega Egea, & Román González, 2007). Latent class segmentation is a means of identifying groups of customers with similar behaviors. The technique provides the optimum number of clusters into which the market must be divided. This analysis includes a latent variable (K-category), and each category represents a different cluster. It is used to assign people who have the probability of this element belonging to a segment or latent class (Wedel & Kamakura, 2000). Thus, the main advantage of this methodology lies in the possibility of working with lost data (Kamakura & Wedel, 1995). Latent Gold 4.0 software was used to process the data.

A statistical criterion, in this case the widely employed Bayesian Information Criteria (BIC) indicator, was used to identify the number of segments for the latent class cluster segmentation (see Table 1).

The results suggested that three latent segments of customers can be identified, as this solution represented the lowest BIC value. The cluster descriptions based on the variables chosen for segmentation are shown in Tables 2 and 3, alongside their profiles and sizes. The Wald test was used to evaluate whether the association between the exogenous variables and the segments was statistically significant. As shown in Table 2, all the variables applied as segmentation criteria are significantly different in the three clusters (according to the p -values of the Wald test). In other words, they show some discriminative power between the segments. The R^2 values indicate the variance explained by each variable in the model.

Therefore, the results show how the market can be divided into three segments, according to the psychographic characteristics of the customers. The three clusters are of a similar size (Table 2):

Table 1
BIC indicator.

Model	Likelihood	No. of parameters	BIC
1-Cluster	-2490.71	4	5008.095
2-Cluster	-1909.31	22	3965.294
3-Cluster	-1743.09	40	3752.859
4-Cluster	-1683.18	58	3753.04

Table 2
Cluster parameters.

	Cluster 1	Cluster 2	Cluster 3	Wald	p-value	R ²
Level of involvement	1.3118	−1.0837	−0.2281	1210.5562	1.40E-263	0.6956
Propensity toward switching	−0.3847	0.2406	0.1441	38.3163	4.80E-09	0.0604

Table 3
Cluster sizes and profiles.

	Cluster 1	Cluster 2	Cluster 3
Size	0.3231	0.3396	0.3371
Mean Level of involvement	3.3955	1	1.8556
Mean Propensity toward switching	4.6555	5.2808	5.1843

32.31% of the respondents (254 people) are in cluster 1, 33.96% (267 people) are in cluster 2, and 33.71% (265 people) are in cluster 3, which encompasses those people with a mean position in the two variables under analysis. People in the sample with the highest level of involvement and the lowest value of propensity toward switching were included in the first cluster, which is why they have the highest tendency to be loyal. The second cluster contains those people with a very low level of involvement and who, on the contrary, have the highest propensity toward switching. These people, therefore, have the weaker tendency toward loyalty.

We decided to execute a polar extreme approach (Hair, Hult, Ringle, & Sarstedt, 2017) and used the two clusters in the extreme positions (Cluster 1 and Cluster 2) to determine whether there was a moderator effect. A total sample of 521 customers was used for the subsequent analysis. On the basis of these data obtained from the latent class segmentation, we describe the two segments in the following way:

Cluster 1: Very involved—unlikely to switch.

The analysis of these segments and their characteristics reveal that 63.4% of the people in this cluster were men, and the majority of them were below 40 years of age (73.6%). Among the types of insurance evaluated, automobile insurances were the most popular (51.2%), followed by health insurance (18.1%). Both insurances do indeed imply high levels of permanence among customers, and in the former case, even obligatory levels. Home insurance was evaluated by 16.1%, life insurance by 14.2%, and only 0.4% of customers evaluated their death insurance. This distribution may be because insurance services of this type are often not contracted and are turned into “a non-desirable product” for the customer. With regard to their relationship with the firm, almost 52.4% of customers had been linked with this insurer for over 5 years, such that 82.3% contracted a single insurance in which they invested an average of 402.55 Euros a year.

Cluster 2: Little involvement—switches very often.

The analysis of the characteristics that describe these segments show that 60.3% of the people in this cluster were men, the majority of them were below 40 years of age (60.3%). Among the types of insurance evaluated, vehicle insurance was the most prevalent (53.6%), followed by health insurance (20.6%), home insurance (13.5%), and life insurance (10.1%), and only 2.2% of the people evaluated their death insurance. With regard to their relationship with the firm, 31.5% had been with the same insurance firm for 5 years, such that 71.5% had contracted a single insurance in which they invested an average of 373.55 Euros a year.

3.2. Measurement instruments

For the measurement scales, we first began with PV. We opted for a unidimensional measurement scale (Martín, Barroso, & Martín,

2004), because the aim of this work is to obtain a global valuation by the customer and analyze its relationship with other constructs. We used the scale developed by Maloles (1997) to measure customer satisfaction levels with the usual insurance company. The operationalization of the PSC variable entails an adaptation of the instrument of Burnham et al. (2003). The PSC variable is an aggregate multidimensional construct (reflective first-order, formative second-order) with six reflective first-order dimensions, as described in previous works (Barroso & Picón, 2012). We used the two-stage approach (Wright, Campbell, Thatcher, & Roberts, 2012) to model this high-order construct. Concerning customer loyalty, we chose to measure the degree of behavioral loyalty by referring to the future repurchase intentions and the wish to maintain the relationship, as this represents the deepest loyalty (Oliver, 1999). To do so, we selected the scale developed by Gremler et al. (2001). PV, satisfaction, and affective and behavioral loyalty have been modeled with a reflective design (Mode A).

Lastly, with regard to the variables used to measure customer heterogeneity, in the case of customer involvement, we used a scale adapted from the works of Varki and Wong (2003) and of Zaichkowsky (1994). The scale proposed by Antón and Rodríguez (2004) was employed to measure the degree of propensity toward switching. All items were rated on seven-point Likert-type scales, ranging from (1) strongly disagree to (7) strongly agree.

3.3. Data analysis

Partial least squares (PLS) testing of the research model was performed with Smart PLS 3.2.3 software (Ringle, Wende, & Becker, 2015). The main reason for choosing traditional PLS instead of CBSEM or PLS (Dijkstra & Henseler, 2015a, 2015b) is the use of a composite model (Mode B) to model the high-order aggregate construct of our research model (PSC). Additionally, we found other reasons (Hair et al., 2017): (1) to test the first objective of our work, we proposed to identify key “driver” constructs to achieve loyalty, (2) the model is complex in terms of both the number of relationships and the levels of dimensionality, and (3) we used latent variable scores in subsequent analyses (PSC).

After identifying the clusters, to test the first aim of our work, we analyzed the measurement and structural model proposed with a mediation analysis (Nitzl, Roldán, & Cepeda-Carrion, 2016), both in the total sample and the subsamples. For achieving the second aim of our work, that is, to test the possible differences of the model proposed in each of the clusters resulting from the latent class analysis, we carried out a multigroup comparison approach with the use of PLS. Previously, we had tested the measurement invariance of the proposed model through the MICOM procedure (Henseler, Ringle, & Sarstedt, 2016). We then estimated the path coefficients for the total sample and for each group or subsample (Sarstedt, Henseler, & Ringle, 2011). Finally, we analyzed the differences between the coefficient paths. We opted for the permutation-based test procedure (Chin & Dibbern, 2010), and additionally, we used the parametric approach to determine the significance of the differences between the estimated parameters of each group, considering both equal and different variances (Chin, 2010).

4. Analysis of the results and discussion

4.1. Measurement model

In our work, we have modeled the conceptual variables as composite factors. Thus, we have chosen a composite model with a reflective design (Mode A) except for the high-order construct (PSC) that was modeled in mode B. In relation to the evaluation of first-order reflective constructs and the reflective dimensions, first, we performed an analysis of the measurement model for the total sample (Table 4) in which the individual reliability of each item, the reliability of the constructs, and the variance extracted (AVE) were analyzed. In the case of the behavioral loyalty construct, although it had three items on the original scale, given that their loadings were below 0.707, we decided on their elimination, as they were relatively similar to each other, leaving a single indicator to measure the construct (Hair, Hult, Ringle, & Sarstedt, 2014). We used the Fornell–Larcker Criterion and the HTMT criterion to assess discriminant validity. The results for the reflective constructs showed a higher composite reliability and AVE than the recommended values and showed discriminant validity (Roldán & Sánchez-Franco, 2012). In Table 5, we show HTMT values obtained for each construct, which are below the predefined threshold of 0.85 (Henseler, Ringle, & Sarstedt, 2015). For the PSC construct, the information is not available, as it is modeled as an aggregate multidimensional construct (Mode B).

The evaluation of formative measurement models (PSC) at the dimension level tests for potential multicollinearity between dimensions and analyzes weights (Henseler, Ringle, & Sinkovics, 2009). Weights in Table 4 show that the personal relationship loss costs (0.65), economic risk costs (0.44), and benefit loss costs (0.28) represent the most important dimensions in the composition of the PSC construct. The maximum variance inflation factor (VIF) value for the aggregate multidimensional construct was 2.05, well below the threshold of 3.3.

Likewise, the results of the measurement model for each of the subsamples were also found to be valid according to the commonly accepted guidelines (Hair et al., 2014).

4.2. Structural model

Table 6 shows the results of the structural model assessment. Consistent with Hair et al. (2014), bootstrapping (5000 resamples, one-tailed Student's *t* distribution with (n-1) degrees of freedom) was used to generate standard errors, *t*-statistics, and percentile 95% confidence intervals. This analysis was carried out both for the total sample and for the two subsamples. In the total sample and in the subsample with customers included in cluster 1, six of the eight main paths were significant, except for the relationships between satisfaction and PSC with behavioral loyalty. Therefore, PSC and satisfaction were not important factors in strengthening the behavioral loyalty of those customers included in cluster 2. However, in cluster 1, behavioral loyalty was not influenced by PV, but it was influenced by PSC and satisfaction. Moreover, there was no significant relationship between PSC and affective loyalty for those customers.

The endogenous constructs achieve R^2 values between 0.59 and 0.62 for affective loyalty and between 0.03 and 0.65 for behavioral loyalty. These values are considered to be moderate (Chin, 2010). The predictive relevance of the theoretical/structural model was assessed with the cross-validated redundancy index (Q^2) for endogenous constructs. Both in the total sample and in the subsample with customers included in cluster 1 (high tendency toward loyalty), all Q^2 values were greater than 0, and we found evidence of the predictive relevance of our model (Chin, 2010). However, there was no predictive relevance ($Q^2 < 0$) for the behavioral loyalty

variable in cluster 2 (customers with a low tendency toward loyalty). Therefore, the relationships between the different determinants of behavioral loyalty were explained better in the sample formed of customers with a high tendency toward loyalty ($R^2 = 0.65$; $Q^2 = 0.40$).

Finally, we applied the SRMR composite factor model to determine the extent to which the model fitted the data. In our three models, this indicator was below 0.08, thereby confirming the good fit of the models (SRMR total sample = 0.031, SRMR high tendency = 0.043, SRMR low tendency = 0.050) (Henseler, Hubona, & Ray, 2016).

In addition, Table 6 shows the amount of variance that each antecedent variable explains for each dependent variable, achieving the highest value for the PV variable, when explaining the variance of satisfaction (60.08%), and for the variable satisfaction, when explaining the variance of affective loyalty (36.98%). In fact, we analyzed the percentage of the explained variance of affective and behavioral loyalty. Satisfaction and PV were the main determinants of affective loyalty in both the total sample and the subsamples. The PSC has a special weight in cluster 2 (customers with low tendency toward loyalty). However, for the explained variance of behavioral loyalty, only satisfaction is relevant in the subsample that has customers with a high tendency toward loyalty (cluster 1). PV was the highest in cluster 2.

4.2.1. Mediation analysis

In our research model (Fig. 1), H_3 – H_6 represent mediation hypotheses, which posit how, or by what means, an independent variable, PV affects two dependent variables, affective loyalty (AFFEC) and behavioral loyalty (BEH), through two mediating variables, satisfaction (SATIS) and PSC (Preacher & Hayes, 2008). Fig. 1 describes the total effects of the PV on affective loyalty, d being the path coefficient of PV on AFFEC and e being the path coefficient of PV on BEH. This total effect may be arrived at through a variety of direct and indirect forces. Accordingly, the indirect effect can be formulated as the difference between the total and indirect effect. Thus, $d = d_0 + a_1b_1 + a_2c_1$, while d_0 is the direct effect of the PV on the AFFEC (H_1), controlling for both mediators (SATIS and PSC) (Taylor, MacKinnon, & Tein, 2008); in contrast, the total effect of the PV on BEH can be expressed as $e = e_0 + a_1b_2 + a_2c_2$, while e_0 is the direct effect of PV on BEH (H_2), controlling for both mediators (SATIS and PSC). The estimation of the latter uses the product of the path coefficients for each of the paths in the mediational chain. The application of bootstrapping allows us to test the mediation hypotheses (Preacher & Hayes, 2008). This study's 5000 resamples generated 95% confidence intervals (percentile) for the mediators. As shown in Fig. 1 and Table 6, PV has a significant effect on both AFFEC (H_1 : $d = 0.37$; $t = 7.05$) and BEH (H_2 : $e = 0.13$; $t = 2.77$). Therefore, the result supports H_1 and H_2 and, moreover, H_3 , H_5 , and H_6 . This finding means that indirect effects of PV on AFFEC in the research model are significant; however, only the indirect effect of PV on BEH is significant. Consequently, Table 6 shows that, on the one hand, PSC (H_5 : a_2c_1 ; H_6 : a_2c_2) partially mediates the relationships between PV and AFFEC, and PV and BEH, while, on the other hand, SATIS (H_3 : a_1b_1) partially mediates the relationship between PV and BEH. Following the mediator analysis procedure proposed by Nitzi et al. (2016), the type of partial mediation that arises in the model has to be determined, which can be complementary in cases where the product of the direct effects multiplied by the indirect ones is positive and competitive in the case where this product is negative. In our model, all the products are positive ($a_1 \cdot b_1 \cdot d = 0.10$; $a_1 \cdot b_2 \cdot e = 0.01$; $a_2 \cdot c_1 \cdot d = 0.02$; $a_2 \cdot c_2 \cdot e = 0.002$). This means that the intermediate variables or mediators explain, and even perhaps confuse, the relationships between the independent and dependent variables (Nitzi et al. 2016).

Table 4
Loadings and weights for the measurement model (total sample).

CONSTRUCT/dimension/indicator	VIF	Weight	Loading	(CR)	(AVE)
PERCEIVED VALUE (reflective construct)				0.955	0.682
PV1: Compared to what I have had to give, the ability of the firm to satisfy my needs is ...			0.831		
PV2: Considering the time, effort, and money spent, my assessment of the value received is ...			0.866		
PV3: Compared to other providers, the value of the firm's services is ...			0.765		
PV4: I think the service of the firm meets my requirements of quality at a reasonable price.			0.844		
PV5: The acquisition of this service is worthwhile.			0.746		
PV6: Given the characteristics of the service, I consider that I am getting good value for my money.			0.847		
PV7: Of all the available alternatives, the services of the company are of value.			0.846		
PV8: This company is really convenient.			0.814		
PV9: Compared with the maximum price that I would be willing to pay for a service of this type, the tariffs of this company are of good value.			0.818		
PV10: Considering the quality of services received and the sacrifices supported for their acquisition, my assessment of the company is ...			0.871		
SATISFACTION (reflective construct)				0.946	0.747
S1: This company covers my needs.			0.857		
S2: This company is as good as or even better than other companies.			0.840		
S3: My claims or problems are always dealt with quite well.			0.825		
S5: This company gives me the service that I expect.			0.890		
S6: This company gives an excellent service.			0.890		
S7: In general, my experience with the company is positive.			0.880		
PERCEIVED SWITCHING COSTS (aggregate multidimensional construct)				n.a.	n.a.
<i>Evaluation costs (reflective dimension)</i>					
	1.260	-0.181*		0.911	0.836
EC1: I cannot afford the time to obtain the information to evaluate other insurance companies fully.			0.914		
EC2: I consider that it takes a lot time/effort to get the information needed to feel comfortable evaluating new insurance companies.			0.916		
<i>Monetary loss costs(reflective dimension)</i>				0.846	0.735
	2.046	-0.200			
MC1: Switching to a new insurance company would involve some up-front costs (set-up fees, membership fees, deposits, etc.).			0.913		
MC2: In my opinion, it takes a lot of money to pay for all of the costs associated with switching insurance companies.			0.797		
<i>Benefit loss costs(reflective dimension)</i>				0.896	0.741
	1.643	0.287*			
BC1: Switching to a new company would mean losing or replacing points, credits, length of services, etc., which I have accumulated with my insurance company.			0.861		
BC2: I would lose a lot of credits, accumulated points, services that I have already paid for, if I switch to a new insurance company.			0.918		
BC3: I will lose the benefits of being a long-term customer, if I leave my insurance company.			0.800		
<i>Set-up costs(reflective dimension)</i>				0.866	0.764
	2.050	-0.062			
SC1: Switching insurance companies involves an unpleasant sales process.			0.805		
SC2: There are a lot of formalities involved in switching to a new insurance company.			0.938		
<i>Personal relationship loss costs(reflective dimension)</i>				0.937	0.832
	1.341	0.659***			
PRC1: I would miss working with the people at my insurance company if I switched providers.			0.930		
PRC2: I am more comfortable interacting with the people working for my insurance company than I would be if I switched providers.			0.944		
PRC3: I like talking to the people where I get my service.			0.860		
<i>Economic risk costs(reflective dimension)</i>				0.913	0.778
	1.986	0.444***			
ERC1: Switching to a new insurance company will probably involve hidden costs/charges.			0.911		
ERC2: If I switch to a new insurance company, I am likely to end up with a bad deal financially.			0.936		
ERC3: Switching to a new insurance company will probably result in some unexpected hassle.			0.793		
AFFECTIVE LOYALTY (reflective construct)				0.896	0.741
AL1: I really like doing business with this company.			0.860		
AL2: To me, this company is clearly the best one with which to do business.			0.860		
AL3: I believe this is a good company.			0.862		
BEHAVIORAL LOYALTY				n.a.	n.a.
FBI1: I intend to continue doing business with this company over the next few years.			1.00		

*** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

^{ns}: not significant (based on $t(4999)$, two-tailed test), $t(0.05, 4999) = 1.64791345$, $t(0.01, 4999) = 2.585711627$, $t(0.001, 4999) = 3.310124157$... n.a.: not applicable.

Table 5
Heterotrait-Monotrait ratio (HTMT) (total sample).

	AFEC_LOYAL	BEH_LOYAL	PV	SATIS
AFEC_LOYAL				
BEH_LOYAL	0.299			
PV	0.820	0.268		
SATIS	0.826	0.271	0.823	

4.2.2. Multigroup analysis

Additionally, it should be considered that the measurement invariance of composite models (MICOM) is a logical and necessary step, prior to conducting MGA (Henseler et al., 2016).

The MICOM test procedure is designed to establish whether the measurement of the (outer) model is the same between groups. The indicators in the outer model determine the meaning of the constructs in the structural (inner) model, so that a lack of measurement invariance would imply that the same constructs had significant differences in the different groups under analysis (Garson, 2016; Henseler et al., 2016). However, if the composites of the different groups under analysis were almost identical and each group in the structural model obtained the same coefficients, it would be more correct to decide to group the data together rather than perform a MGA. The MICOM process, performed with SmartPLS 3.2.3 software, generated 5000 permutations (Ringle et al., 2015).

In this work, the SmartPLS 3.2.3 software automatically established the configural invariance (step 1) (Garson, 2016).

In step 2, the composite or measured invariance was analyzed. As shown in Table 7 (Step 2), all the *c* in the original data are within the confidence interval; therefore, the null hypothesis cannot be rejected and, in consequence, no *c* is significantly different from 1, assuming the compositional invariance of our model. Step 3 evaluates the equality of means and cross-group variances. In these analyses, the null hypothesis is that the differences between the measures and the variances of the composite are 0. As shown in Table 7 (Steps 3a and 3b), in both cases, the null hypothesis is

rejected, such that the measures and the variances in the observations of group 1 (customers with high tendency toward loyalty) showed significant differences with regard to the observations in group 2 (customers with low tendency toward loyalty).

In conclusion, the results obtained in the MICOM analysis supported “full measurement invariance” for the two groups of data, showing the pertinence of the MGA tests in this study.

Once the metric invariance was guaranteed in the measurement model with the MICOM procedure and we had tested the structural model, we then performed the MGAs to test the moderating role of customer heterogeneity according to psychographic characteristics, considering both a high and a low tendency toward loyalty, on the relationships in our research model. On the basis of the review of available MGA methods in PLS path modeling, and given that the distributional assumptions of the parametric approach fail to fit the distribution-free characteristics of the PLS path modeling method (Sarstedt et al., 2011), we decided to employ the permutation-based test procedure to compare groups by using 5000 permutations for greater stability of results. As shown in Table 8, the permutation *p*-value offered similar results to the parametric approach, even though it is a more restrictive and powerful method (Chin & Dibbern, 2010), both for assuming that the variances between the two samples do not vary very much – tparametric (EV), and for assuming different variances for the two samples – Welch–Satterthwait test – tparametric (NEV). As shown below, we found statistical support for H₁₁, H₁₃, and H₁₄; thus, we found significant differences between the groups under analysis.

In summary, the results supported the reliability and validity of the measurement model, both in the total sample and in the sub-samples. Likewise, the findings also supported the validity of the relationships proposed in our research model for all individuals. First, we tested the direct and indirect relationships between the determinants of loyalty by a mediating analysis. The results supported the direct effects of PV on affective and behavioral loyalty (H₁ and H₂) and, moreover, the indirect effects of PV through satisfaction and PSC on affective loyalty (H₃ and H₅). However, only the indirect effect of PV on BEH through PSC (H₆) was significant. In

Table 6
Direct and indirect effects. Bias-correct 95% confidence intervals and indirect effect multigroup comparison results.

Total Sample				Cluster 1			Cluster 2		
				High tendency (n = 254)			Low tendency (n = 267)		
	Path	<i>t</i>	Explained variance	Path	<i>t</i>	Explained variance	Path	<i>t</i>	Explained variance
SATISFACTION	(<i>R</i> ² = 0.60; <i>Q</i> ² = 0.44)			(<i>R</i> ² = 0.53; <i>Q</i> ² = 0.38)			(<i>R</i> ² = 0.58; <i>Q</i> ² = 0.42)		
PV (<i>a</i> ₁)	0.77***	32.45	60.08%	0.72***	16.00	53.07%	0.76***	23.86	58.57%
SWITCHING COST	(<i>R</i> ² = 0.14; <i>Q</i> ² = 0.03)			(<i>R</i> ² = 0.10; <i>Q</i> ² = 0.02)			(<i>R</i> ² = 0.17; <i>Q</i> ² = 0.04)		
PV (<i>a</i> ₂)	0.38***	9.27	14.99%	0.32***	5.18	10.34%	0.41***	8.14	17.29%
AFFEC_LOYAL	(<i>R</i> ² = 0.62; <i>Q</i> ² = 0.4)			(<i>R</i> ² = 0.62; <i>Q</i> ² = 0.46)			(<i>R</i> ² = 0.59; <i>Q</i> ² = 0.43)		
SATIS (<i>b</i> ₁)	0.37***	6.92	27.29%	0.48***	7.51	36.98%	0.26***	3.42	17.61%
PSC (<i>c</i> ₁)	0.16***	4.49	7.71%	0.07 ^{ns}	1.44	2.43%	0.27***	5.48	15.28%
H1: PV (<i>d</i>)	0.37***	7.05	27.22%	0.35**	5.41	25.84%	0.38***	5.42	26.52%
BEH_LOYAL	(<i>R</i> ² = 0.07; <i>Q</i> ² = 0.05)			(<i>R</i> ² = 0.65; <i>Q</i> ² = 0.40)			(<i>R</i> ² = 0.03; <i>Q</i> ² = -0.02)		
SATIS (<i>b</i> ₂)	0.13 ^{ns}	0.69	3.62%	0.43***	4.63	26.43%	0.05 ^{ns}	0.20	0.85%
PSC (<i>c</i> ₂)	0.04 ^{ns}	1.20	0.76%	0.23***	3.60	1.96%	0.03 ^{ns}	0.74	0.30%
H2: PV (<i>e</i>)	0.13**	2.77	1.58%	0.14 ^{ns}	1.60	7.75%	0.12 [*]	2.11	2.24%
<i>Indirect Effects</i>									
		Point estimate	Confidence interval	Point estimate	Confidence interval		Point estimate	Confidence interval	
H3: PV → SAT → AFFEC (<i>a</i> ₁ - <i>b</i> ₁)		0.29	[0.22; 0.36]Sig	0.35	[0.21; 0.41]Sig		0.20	[0.10; 0.30]Sig	
H4: PV → SAT → BEH (<i>a</i> ₁ - <i>b</i> ₂)		0.10	[-0.07; 0.35]NSig	0.31	[0.20; 0.43]Sig		0.04	[-0.17; 0.36]NSig	
H5: PV → PSC → AFFEC (<i>a</i> ₂ - <i>c</i> ₁)		0.06	[0.03; 0.09]Sig	0.02	[-0.04; 0.05]NSig		0.11	[0.07; 0.16]Sig	
H6: PV → PSC → BEH (<i>a</i> ₂ - <i>c</i> ₂)		0.01	[0.01; 0.05]Sig	0.07	[0.03; 0.12]Sig.		0.01	[-0.01; 0.04]NSig	

****p* < 0.001, ***p* < 0.01, **p* < 0.05.

^{ns}: not significant (based on *t*(4999), two-tailed test), *t*(0.05, 4999) = 1.64791345, *t*(0.01, 4999) = 2.585711627, *t*(0.001, 4999) = 3.310124157. Sig. denotes a significant direct effect at 0.05.

Table 7
MICOM results of the customer loyalty model.

Composite (Step 2)	C value (=1)	95% confidence interval	Compositional invariance?
AFEC_LOYAL	1.000	[0.999; 1.000]	Yes
BEH_LOYAL	1.000	[1.000; 1.000]	Yes
PSC	0.762	[0.779; 1.000]	Yes
PV	1.000	[1.000; 1.000]	Yes
SATIS	1.000	[1.000; 1.000]	Yes
Composite (Step 3a)	Logarithm of the composite's variances ratio (=0)	95% confidence interval	Equal variances?
AFEC_LOYAL	-0.233	[-0.302; 0.285]	Yes
BEH_LOYAL	-2.393	[-2.411; 2.448]	Yes
PSC	-0.553	[-0.225; 0.229]	Yes
PV	-0.049	[-0.303; 0.297]	Yes
SATIS	-0.266	[-0.276; 0.277]	Yes
Composite (Step 3b)	Difference of the composite's mean value (=0)	95% confidence interval	Equal mean values?
AFEC_LOYAL	-0.500	[-0.175; 0.172]	Yes
BEH_LOYAL	-0.286	[-0.140; 0.142]	Yes
PSC	-0.266	[-0.175; 0.164]	Yes
PV	-0.678	[-0.174; 0.168]	Yes
SATIS	-0.654	[-0.171; 0.168]	Yes

Table 8
Multigroup comparison test results.

Relationships	Path (clu1)	Path (clu2)	Diff (clu1-clu2)	t _{parametric} (EV)	t _{parametric} (NEV)	Permutation p-values	Significance
H ₇ : PV->AFEC_LOYAL	0.354	0.380	0.026	0.269	0.270	0.824	No
H ₈ : PV->BEH_LOYAL	0.144	0.126	0.019	0.170	0.168	0.858	No
H ₉ : PV->SATIS	0.729	0.765	0.037	0.659	0.654	0.435	No
H ₁₀ : PV->PSC	0.322	0.416	0.094	1.184	1.178	0.243	No
H ₁₁ : SATIS-> AFEC_LOYAL	0.484	0.263	0.221	2.189*	2.199*	0.035	Yes
H ₁₂ : SATIS-> BEH_LOYAL	0.434	0.053	0.381	1.383	1.410	0.690	No
H ₁₃ : PSC->AFEC_LOYAL	0.074	0.279	0.206	2.891**	2.890**	0.002	Yes
H ₁₄ : PSC-> BEHA_LOYAL	0.238	0.030	0.208	2.766**	2.736**	0.006	Yes

Note: *significant at 0.05 (two-tail t distribution); **significant at 0.01 (two-tail t distribution).

general, the findings of the mediating analysis and the structural model supported the validity of placing PV at the beginning of the process, as a main antecedent of loyalty, while SATIS and PSC played mediating roles between PV and loyalty, above all in the case of affective loyalty.

We also tested the configural and compositional invariance of our proposed model by MICOM (Table 7), which constituted the necessary requirements to conduct a significant MGA (Henseler et al., 2016). Additionally, we assessed the composite equality of mean values and variances across the two groups, obtaining a full measurement invariance of our proposed model. These results support the universal validity of the constructs: PV, satisfaction, and PSC, the main pillars on which customer loyalty is based.

Nevertheless, the results in Table 8 show significant differences between these two groups for the relationship between satisfaction and affective loyalty (H₁₁). This relationship is stronger in those customers with high levels of involvement and with a low propensity to switching providers and, therefore, with a greater tendency toward loyalty. We found that the feeling of loyalty in this type of customer was principally upheld by the positive aspects of the relationship to a greater extent than in those customers with a low tendency to be loyal.

We also found significant differences between these two groups for the relationship between PSC and affective loyalty (H₁₃). In this case, this relationship was not significant for those customers with a high tendency toward loyalty. The personal characteristics of this type of customer mean that they developed their affective loyalty regardless of the perceived switching barriers, as they were very involved with the service.

Furthermore, the results in Table 7 show significant differences between these two groups for the relationship between PSC and

behavioral loyalty (H₁₄). This relationship was stronger among customers with a high tendency toward loyalty. It may be that these customers are more willing to continue the relationship in the future; first, because their personal characteristics lead them to perceive higher switching barriers, because of the implicit difficulties and drawbacks (lock-in effect), and second, because they find themselves highly involved in the service.

5. Conclusions and managerial implications

As pointed out in this work, customer loyalty continues to be one of the central research topics in the area of firm marketing and management. Its importance is due, among other factors, to its relation with profitability. In any case, if we wish to achieve customer loyalty, we should study its principal determinants or antecedents and its relationship with a view to construct effective strategies. Insurance companies must seek customer loyalty on the basis of the provision and development of a value that the customers perceive as superior. This perception of a superior value that is more than the competition can offer will generate greater customer loyalty in two ways: bringing a feeling of satisfaction to the customer and building switching barriers. Both factors will mean that the customers maintain their relationship with the firm over time. Indeed, these results obtained in the insurance industry are consistent with those of research works in other industries (Sánchez-Fernández et al., 2013; Yang & Peterson, 2004).

The results have shown the importance of offering a service to customers that is perceived as a superior value, as this not only will impact their degree of affective loyalty but will also turn into a behavior that tends toward repeated purchases from the same provider. Likewise, it demonstrates the role of the mediator

variables in both relationships, satisfaction with the service received and the PSC. In any case, the mediator role of satisfaction was only seen for affective loyalty. This result reinforces the idea, proposed in the theoretical review, that the relationship with this perspective of loyalty is stronger, considering satisfaction as a poor substitute of loyalty. We can therefore conclude that we have achieved the first objective of our research.

Our second proposal was centered on analyzing nonobservable heterogeneity in the Spanish insurance industry, according to the psychographic characteristics of its customers. This approach offers greater insight into the influence of the principal determinant variables of loyalty – PV, customer satisfaction, and switching costs. The selected customer characteristics – level of customer involvement and the degree of customer propensity toward switching – determined their tendency toward loyalty and has enabled us to segment the sample into two principal groups of different customers: a group of individuals with a high tendency toward loyalty (cluster 1) and a second group with a low tendency toward loyalty (cluster 2).

However, if we consider the characteristics of the customers, some important differences are found in relation to the determinants of loyalty. The most significant differences are in the relationships between PSC and both affective and behavioral loyalties. Moreover, there are significant differences in the satisfaction–affective loyalty link.

In the case of customers with a high tendency toward loyalty (cluster 1), we first confirmed that the generation of positive feelings toward maintaining the relationship with the current provider arises from their perception of a value that is higher than the value placed on competition, as well as the generation of satisfaction with that relationship. This competitive aspect instills a concern in firms to generate positive experiences in the service that they offer. However, the perception of high switching barriers has no effect on this loyalty feeling.

Moreover, if we analyze behavioral loyalty, the provision of a service that is valued by customers is not sufficient in itself, as it should also be based on the accumulation of satisfactory experiences over time and the construction of barriers on the basis of emotional links, economic benefits, etc. In this sense, we can affirm that this model presents a high explanatory power of the behavioral loyalty of these customers. Likewise, for this group of customers, the importance of the mediator variables is clearly shown in the PV–behavioral loyalty link.

Therefore, those customers with a low tendency toward loyalty (cluster 2) will generate positive feelings toward remaining in the relationship in the future, not only because of the PV of the service and the degree of satisfaction it generates but also because of the strategies that the companies implement to construct negative switching barriers (hindering a search for other providers and the beginning of a new relationship, etc.) or positive switching barriers (generating social or economic benefits, links, and so on).

However, whether this feeling among these clients is turned into behavioral loyalty is determined neither by their degree of satisfaction nor by their perception of switching costs. Greater effort has to be invested in this group of customers to achieve their loyalty, which is perhaps explained by the fact that their own personal characteristics (their low level of involvement and their high propensity to risk) lead them to switch provider, given that switching in itself brings them satisfaction.

In addition, when analyzing the results, we observe that the model presents a low explanatory power for this segment, above all with a view to generate behavioral loyalty. This observation points to a new line of investigation that centers on including additional variables in the model to explain the loyalty behavior of the segment.

In summary, the principal contribution of this work has centered on two complementary aspects: (a) the proposal of a model for the generation of loyalty based on PV, through two mediator variables, customer satisfaction and PSC, and (b) the effect of the psychographic characteristics of the customer on the relationships established in our model. This entails the need for firms to manage customers in a different way, in accordance with their tendency toward loyalty – an aspect that implies an advance in the study of loyalty and in market segmentation—areas of great relevance in the field of marketing.

Likewise, relevant implications for business managers have been set out. The first is the importance of customer segmentation on the basis of characteristics that differentiate their perceptions and behaviors in the relationship with the insurance firm. In this way, they can direct their investments toward those variables with greater influence on each segment of customers, making their relationship marketing both more effective and more efficient by adapting it to individual customer profiles.

Moreover, we should underline that although the literature has pointed to the relationship between loyalty and customer profitability (Helgesen, 2006), not all customers are profitable or equally profitable for insurance industry firms. Although, in general, loyalty is linked to greater benefits, there may be some markets or segments of customers with which it is not profitable to maintain a relationship because of, for example, the expectations of value of these customers, the high rates of rotation, or the high costs involved in maintaining the relationship. In some cases, where profitability is reduced or negative, the insurance companies raise the premiums for those less profitable customers (those with a higher number of parties or accidents), turning them, in effect, into an invitation to abandon the relationship.

This research presents a series of limitations, although each one could form the basis for future lines of research that would complement its principal findings. The main limitation is not to have included other variables related to the characteristics of the customer, such as the degree of attractiveness of alternatives available on the market (Capraro, Broniarczyk, & Srivastava, 2003), previous experience with alternative providers (Burnham et al., 2003), and the length of the relationship (Jones et al., 2002). The length of the relationship can be especially relevant in the case of services, where the relationships are formally established over a set period of time, as in the insurance industry, and may influence the degree of customer loyalty. Inclusion of these variables would enable us to look more closely at the differences in the relationships between the antecedents of loyalty for different groups of customers. Finally, we should point out that in our work, we have centered on the analysis of market heterogeneity based on customer characteristics; however, this segmentation could be done in accordance with the type of product or service. In our industry, the type of insurance (home, health, automobile, etc.) could generate different needs and expectations in customers. We could, likewise, compare this segmentation with the FIMIX-PLS partition and describe the segments that are identified (Matthews, Sarstedt, Hair, & Ringle, 2016).

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