



Service attributes as drivers of behavioral loyalty in casinos: The mediating effect of attitudinal loyalty



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ABSTRACT

This study takes its cues from the Theory of Reasoned Action (TRA), service quality, and the broaden-and-build theory of positive emotions to investigate the effect of casino service attributes on gambler loyalty. The posited theoretical model was tested using Structural Equation Modeling with a sample of 4511 gamblers. Findings indicate that the intention to return fully mediates the effect of casino ambiance and emotions on return patronage. Feelings pertaining to emotions have the greatest effect on casino players' intention to return. Additionally, emotions have the strongest indirect effect on return patronage. Results highlight the importance of player intent in order to secure their actual return to casinos. In the context of gambling loyalty research, service quality attributes influence return patronage through intention to return. Theoretically, this study shows that attitudinal loyalty is a strong predictor of action loyalty in casinos in a causal fashion.

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1. Introduction

Casino gambling is an important contributor to many world economies and attracts millions of visitors to destinations (Wong and Rosenbaum, 2012). The United States is no exception where prior to 1977, only one state (Nevada) featured full-fledged casino operations. By 1995, twenty-two states had such operations (Au and Hobson, 1997; Mason and Stranahan, 1996). The boom in casino gambling continued even during the economic recessions in the United States where gambling increased 100% between 1996 and 2008 (American Gaming Association, 2010). Now in 2015, the gaming industry continues to generate more revenues than other forms of entertainment worldwide which leads to a peaked interest in gaming research (e.g. Hendler and LaTour, 2008; MacLaurin and Wolstenholme, 2008; O'Donnell et al., 2012; Tanford and Baloglu, 2013) and the subsequent publication of several academic gaming journals and special issues in various journals. Understanding customer loyalty is paramount for the casino industry (Tanford and Baloglu, 2013). Also, loyalty research has theoretical implications to the extent that research can be validated across different settings, therefore establishing external validity (Campbell, 1957).

Customer loyalty is a fundamental construct in marketing

scholarship (Toufaily et al., 2013); from a managerial perspective, it is among the most enduring assets possessed by a company (Kandampully et al., 2015). Creating and maintaining customer loyalty helps organizations to develop long-term, mutually beneficial relationships with customers (Pan et al., 2012). Research shows that loyal customers show attachment and commitment toward the company, and are less likely to switch to a competitor (So et al., 2013). Therefore, it is important for organizations to have a loyal customer base, and also investigating the precursors of customer loyalty should be a top research priority for services marketing researchers (Kandampully et al., 2015). Widely studied constructs in service loyalty research such as customer satisfaction are necessary but not sufficient conditions to elicit customer loyalty (e.g. Izogo, 2015; Dixon et al., 2010; Oliver, 1999). It is the examination of other precursors such as customer emotions, service ambiance and staff attitude that motivated this paper. Moreover, customer loyalty has been rarely investigated with simultaneous consideration of its attitudinal and behavioral dimensions (Bodet, 2008). Having identified this research gap, the present study integrates service attributes and loyalty dimensions into a comprehensive model.

Given the importance of casino marketing and customer service, it is plausible that service attributes are the true drivers of customer satisfaction and loyalty among casino players. Offering more insight into this relationship is important for policy makers. Several researchers (e.g., Bowen and Chen, 2001; McCain et al., 2005) argue that unlike other businesses, customer satisfaction

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has little impact on player loyalty in casinos. This is because, player loyalty may depend on players' winnings. However, Shi et al. (2014) demonstrate that service quality has both a direct and indirect effect (via customer satisfaction) on player loyalty particularly among player's club members. While this is encouraging news for casino companies that invest in service quality, there exists a need to understand how service quality influences different types of loyalty. That is, extant research offers very scant evidence of how service quality influences the two key types of loyalty: attitudinal and behavioral loyalty in gambling business. This is disconcerting since casino companies invest in service quality training not only to increase player loyalty but also to dispel the myth that players visit casinos due to compulsive behaviors. In other words, it is of paramount importance to confirm that service quality – as opposed to compulsive behavior – drives casino loyalty.

To fill the gap discussed above, the present study employs the Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980) and 'broaden-and-build theory' of positive emotions (Fredrickson, 2001), to investigate how service quality and emotions influence the intention to return and actual return patronage among casino players. This study contributes to the existing body of knowledge by demonstrating that attitudinal loyalty, which manifests itself through intention to return, fully mediates the relationship between service quality and return patronage. Thus, this paper offers a fine-grained support for TRA in the context of casinos. More specifically, this study shows that humans (i.e., gamblers) make rational behavior decisions with the available information on the basis of their past experience. At the empirical level, the study captures the time lag between behavioral intention (intention to return) and behavioral action (actual return patronage) of more than 4500 casino players in the United States. The distinct separation between intention and action using a large sample with objective data (number of return visits) offers solid evidence that on average casino players "do what they say" in relation to their service experience in casinos.

To date, there is a shortage of studies that rigorously examined the specific influence of gamblers' emotions, casino atmospherics, and casino staff attitude on gamblers' behavioral intentions and behavioral actions using data from player's club member loyalty cards and gambler satisfaction surveys. Additionally, very few studies examine the mediating role of intention to return on the relationship between service quality dimensions and return patronage.

The paper first briefly reviews antecedents of casino loyalty and subsequently puts forward relevant hypotheses. Next, this study explains methodology and reports findings. Last, this project offers a discussion of results against previous studies and offers

suggestions for future research.

2. Theoretical framework and model development

This study derives its theoretical foundations from marketing and social behavior literature: the TRA (Ajzen and Fishbein, 1980), service quality, (Parasuraman et al., 1985), broaden-and-build theory of positive emotions (Fredrickson, 2001), emotions (Bagozzi et al., 1999), and consumer loyalty constructs (Oliver, 1999). The definition of loyalty is a repeat purchase behavior which is a function of favorable attitudes or as a consistent purchase behavior resulting from the psychological decision-making and evaluative process (Jacoby and Kyner, 1973). Oliver (1999) portrays different phases of loyalty and states that the return intention is "transformed into readiness to act" at the action loyalty phase. The action loyal customers hold a deep commitment to repurchase and therefore action loyalty is linked with continuous customer retention.

In the casino industry, customer loyalty has a positive relationship with profitability (Kale and Klugsberger, 2007). The factors that affect gambler loyalty have significant implications for casino profitability (Shi et al., 2014). However, in the gambling industry, the issue of player retention for gambling is a very significant challenge for casinos (Jolley et al., 2006). Previous studies indicate that service quality and customer satisfaction play a key role in achieving gamblers' loyalty, however a large portion of variance in gambler loyalty remains unexplained (see Prentice, 2013a, 2014).

Foregoing research that investigates the impact of casino service quality on customer loyalty (e.g. McCain et al., 2005) has some limitations. This is because customer loyalty measurements generally consist of self-administered surveys where gamblers are 'self-perceived loyal customers' on the basis of their self-reported casino visits. Therefore, such a measure does not capture the action loyalty, which is a critical issue for casino operators. To address these shortcomings, the present study combines two separate datasets to establish the link between behavioral intentions and behavioral action. In one of the datasets, players are uniquely tracked on the basis of their player identification numbers to record their visits to capture actual behavioral action.

Customer loyalty is of critical importance in the casino industry and therefore it is vital to examine the factors that are antecedents to customer loyalty. Figs. 1 (direct effects model) and 2 (mediation model), display theoretical models to understand why gamblers return to a casino. The outcome variable in the model is action loyalty. The following sections present and discuss the nature of the constructs of the model.

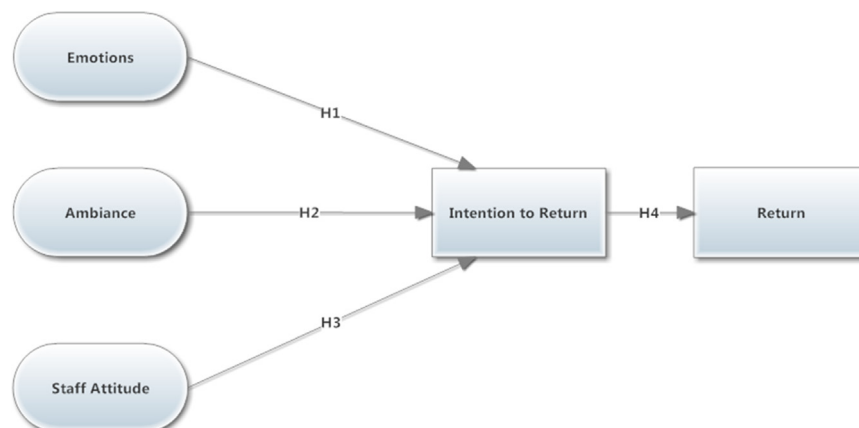


Fig. 1. Direct effects model.

2.1. Positive emotions

The broaden-and-build theory of positive emotions suggests that positive emotions extend habitual modes of thinking (intention) and acting (behavior) (Fredrickson, 2001). Emotions represent a key factor in defining consumer experiences and reactions (Babin et al., 1998). Positive emotions result in increased purchasing and time spent in a shopping location (Yüksel and Yüksel, 2007). The role of emotions is comparable in service settings. For instance, in festival contexts, positive emotions tend to be linked to both consumer satisfaction and loyalty (Lee et al., 2008). Emotions influence customer loyalty toward the service provider by playing a strong role in willingness to return (Barsky and Nash, 2002). Customer loyalty stems from consistently positive emotional experiences. In service domain, positive emotions help companies create a loyal customer base (Kandampully et al., 2015). In casino contexts, Sui and Baloglu (2003) demonstrate that emotional attachment of customers to the casino is the most critical attitudinal dimension of relationship marketing as emotions positively influence behavioral outcomes of loyalty. Therefore, this project posits that emotions trigger intention to return in casinos which serves as the basis of first hypothesis.

H1. Positive emotions construct relates positively to intention to return.

2.2. Ambience

Service companies acknowledge that their growth hinges on their ability to create unique, memorable, and positive experiences for customers (Walls et al., 2011). Some casinos attempt to change their strategy from “the loosest slots in town” to “a memorable experience” to cultivate brand loyalty (McKim, 1999). In service contexts, “physical environment” or “atmospherics” is an important stimulus of the service experience (Jang and Namkung, 2009). Since Kotler (1973) introduced the notion of atmospherics, there has been a growing interest in understanding and predicting the impact of the atmosphere, and on customer responses to it. The various atmospheric elements within a service setting include visual and auditory cues such as function, space, design, color, lighting, and music (Jang and Namkung, 2009).

Previous research shows that physical settings influence human behavior (Bitner, 1992). A positive casino ambience can make gamblers feel better about staying in a service area (Lam et al., 2011) which subsequently can increase casino revenues. For instance, gamblers will feel physically uncomfortable if the casino is too cold or too hot, and the air quality is too poor (Lam et al., 2011). Similarly, the ease of navigating the casino (e.g., signage) and interior décor are important factors determining the perceived quality of the casinos. Johnson et al. (2004) demonstrate that casino atmospherics is a precursor of gaming customer satisfaction. Therefore, this paper contends for the existence of a similar effect on intention to return which leads to the second hypothesis.

H2. Casino ambience relates positively to intention to return.

2.3. Staff attitude

Previous research highlights that the displays of positive affect in service interactions have a favorable influence on important customer outcomes, such as intention to return, intention to recommend a store to others, and perception of overall service quality (e.g., Parasuraman et al., 1985; Pugh, 2001). Casino frontline employees are positioned in the boundary-spanning interface between casinos and customers (Prentice and King, 2011) which can explain the importance of the casino employees in casino management.

Lam et al. (2011) call for research that investigates the role of staff in casinos.

Previous research indicates that customers have frequent interaction with staff in betting shops, and such interaction can have important impact on the perception of service environment (Cockrill et al., 2008). Companies, including casinos such as Caesars Entertainment Corporation (formerly Harrah's Entertainment), recognize the prominence of frontline staff when dealing with customers (DeLong and Vijayaraghavan, 2002; Pfeffer, 1995). Bitner (1992) crafts a framework of the servicescape which describes the mix of internal responses that are influenced by environmental factors, and the external behaviors of employees and customers. Prior research refers to interaction between customers and employees as a social aspect of the servicescape (Arnould and Price, 1993; Cockrill et al., 2008; Martin and Pranter, 1989). Studies on the interaction between frontline employees and customers confirm the essential role of employees in customer satisfaction (Lam and Lau, 2008; Hartline and Ferrell, 1996; Schneider et al., 1998). Similarly, employee service performance may affect the player retention and casino revenues (Prentice and King, 2011). Therefore, this paper proposes:

H3. Staff attitude relates positively to intention to return.

2.4. Customer loyalty

When assessing the relationship between intention and behavior, previous scholars use the TRA (Ajzen and Fishbein, 1980). The theory addresses the impact of intentions on behaviors. The theory postulates that behavioral intent is the precursor of actual behavior. TRA rests on the assumption that “people do what they intend to do and do not do what they do not intend.” (Sheeran, 2002, p.1). According to TRA, “behavior is a function of a person's intention” (Bagozzi et al., 1992, p. 500). Ajzen and Fishbein (1980) define behavioral intention as a person's possibility of engaging in the behavior of interest, and thus, intention is the direct antecedent of the actual behavior. Sheeran (2002) reports that on the basis of 422 hypotheses in 10 meta-analyses, intention accounts for approximately 28% of the variance in behavioral action. Thus, the next hypothesis states:

H4. Intention to return relates positively to actual return.

2.5. Attitudinal loyalty as a mediator of behavioral loyalty

The previous hypothesis which receives support in hundreds of studies states that intentions serve as a good predictor of actual behavior. That is, in consumer research, consumers' positive attitude toward a product or service influences action loyalty (i.e., actual repurchase behavior). However, some consumers fall short of realizing their intentions (Sheeran, 2002). To understand why some consumers are able to translate their intentions into actual behavior, there exists a need to uncover the effects of cognitive and affective antecedents such as service quality, satisfaction, and confidence on loyalty (Dick and Basu, 1994). This is because these factors may exert both a direct and indirect effect on action loyalty. Particularly, the indirect effect of these antecedents on actual return patronage in service settings remains unexplored. On the basis of predictions of TRA, intention (attitudinal loyalty) is not only a predictor of behavioral loyalty but it is also a mediator of behavioral loyalty (Sheeran, 2002). Fig. 2 shows the mediating effect of attitudinal loyalty on the relationship between service quality intention and behavioral loyalty.

Previous research shows that an exogenous construct such as service quality is positively related to attitudinal loyalty (Prentice, 2013b). Attitudinal loyalty in turn has a positive influence on

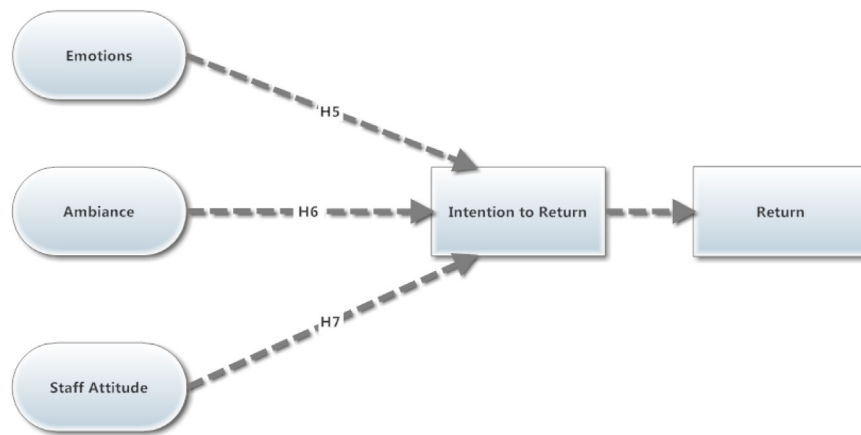


Fig. 2. Mediating models.

behavioral loyalty (Bandyopadhyay and Martell, 2007). In this case, on the basis of arguments of TRA (Ajzen and Fishbein, 1980), it is very likely that attitudinal loyalty acts as a mediator between service quality and behavioral loyalty. In the context of casinos, factors such as service staff, emotions, and ambience are very important predictors of attitudinal loyalty. Consequently, these variables should have an indirect effect on return patronage. However, at this stage, it is not clear whether service attributes affect behavioral loyalty directly, indirectly (through attitudinal loyalty), or both. Therefore, this paper posits that intention to return will mediate the relationship between these exogenous constructs and behavioral loyalty. These arguments lead to the following hypotheses:

- H5.** Attitudinal loyalty mediates the relationship between emotions and behavioral loyalty.
- H6.** Attitudinal loyalty mediates the relationship between ambience and behavioral loyalty.
- H7.** Attitudinal loyalty mediates the relationship between staff attitude and behavioral loyalty.

3. Methods

3.1. Sample

This study uses data from three casinos which operate in the United States. This paper uses two datasets to test the posited model. The first dataset includes player demographics and casino play data. The second dataset includes player responses pertaining to their experience with casino services (i.e., post-play survey). Players who filled out more than one survey were eliminated from further analysis to prevent distortion of results. The merging of the two datasets resulted in 4511 distinct observations.

3.2. Measures

A proprietary survey developed by a leading marketing firm forms the basis for measurement of variables and constructs. This study consists of three constructs and several endogenous and control variables. This paper employs a five-point scale (ranging from 1=poor to 5=excellent) to measure casino ambience and staff attitude. In order to measure gamblers' emotions semantic differential scales were employed. A semantic differential response format serves as an alternative scale for reducing the acquiescence bias (Friborg et al., 2006). Using a semantic differential format is very effective in measuring positive psychological constructs

(Friborg et al., 2006). Semantic differential question types do not label each rating point with an individual descriptive like a Likert scale. Instead, the scale places one statement on the far left of the scale and places the opposite of that statement on the far right. It uses a numbering system within the scale; the respondent is then asked to select the number on the scale that falls between the two statements.

Emotions (EMOT) construct uses five indicators while ambience (AMB) encompasses three items (Table 1). Three statements about staff friendliness form the basis of staff attitude (STAFF) construct. The first endogenous variable in this study is attitudinal loyalty which is measured as intention to return (INTRET). A three-point scale (1=Not likely, 2=Possibly, 3=Very likely) captures this attitudinal loyalty variable. The key endogenous variable in this study is behavioral loyalty which is measured as return patronage. Number of actual return visits within 30 days of completing the survey represents this variable. To capture actual behavioral loyalty, this study includes only players who returned at least once to gamble to one of the three casinos.

The study statistically controls for player age (AGE), residency (RESIDENT), player level (VIP), and player's theoretical worth (WORTH). Player age is calculated as number of years since birth. Residency is a categorical variable where 1 denotes local resident and 0 indicates non-local resident. Player level is also a categorical variable where 1=VIP and 0=Non-VIP. Player level is the loyalty program that rates players based upon frequency of play. VIP players in this study are elite players on the basis of their casino play. Player's theoretical worth is in U.S. dollars and is reported by

Table 1
Questionnaire items.

Constructs/variables	Label	Question items
Emotions	EMOT1	1. Bored ----- Entertained
	EMOT2	2. Dull ----- Excited
	EMOT3	3. Unimportant ----- Important
	EMOT4	4. Unwelcomed ----- Welcomed
Ambience	AMB1	1. Effectiveness of casino signage
	AMB2	2. Overall casino ambience
	AMB3	3. Design and décor
Staff attitude	STAFF1	1. Friendliness of dealers
	STAFF2	2. Friendliness of players club staff
	STAFF3	3. Friendliness of security
Intention to return	INTRET	1. If you return to this area, how likely is it that you will return to
Actual return	RETURN	Computed: actual return visits within 30 days of completing the survey

the casinos.

Casinos deploy VIP programs as a marketing tool to foster customer loyalty and provide incentives for gambling. For instance, Caesars Entertainment Corporation's Total Rewards Program provides complementary privileges such as free meals and access to special events. The benefits provided to the customers differ depending their level of spending. Most programs have tier levels on the basis of customer's historical gaming behavior. Also, casino operators evaluate a customer's worth according to the amount of money they expect to win from that customer. Such measures reflect the individual player's historical play level per day or trip (Lucas and Kilby, 2008). Socio-demographics characteristics such as income, age, education, and residency might differentiate individual perceptions in casino industry (Back and Lee, 2005). For example, residency is expected to increase actual returns due to convenience. Therefore, residency was included as a covariate because customers that live in the same state or region are more likely to return to a casino. Likewise, older players may have more free time and thus visit a casino more frequently.

3.3. Data analysis

This study employs the two-step approach of Anderson and Gerbing (1988) to test the present hypotheses. In the first step, this paper utilizes a measurement model with confirmatory factor analysis (CFA) which confirms the factor structure of constructs and the second step employs Structural Equation Modeling (SEM) to test the relationships among constructs. In the measurement model, reliability of constructs is evaluated by Cronbach's alpha and composite reliability for each construct (Anderson and Gerbing, 1988). Convergent validity is assessed by the statistical significance of indicator loadings on each factor. Average variance explained (AVE) is used to test discriminant validity. In the structural model, this paper follows Zhao et al. (2010) and tests whether mediation is at work by including intention to return as a mediator between the exogenous constructs and return patronage.

4. Results

4.1. Measurement model

The measurement model for the latent constructs was first assessed by a confirmatory factor analysis (CFA) using STATA 14. The first step in the analysis involves the assessment of internal consistency, composite reliability, and validity of observed variables representing the three exogenous constructs. Table 2 shows that Cronbach's alpha for three constructs ranges between 0.81 and 0.94 which denotes acceptable internal consistency (Nunnally, 1978; $\alpha > 0.70$). Results also indicate that all factors exceed the

Table 2
Measurement model results.

Construct	Variables	S.L	E.V	C.R	α	AVE
Emotions (EMOT)	EMOT1	0.91	0.16	0.94	0.92	0.81
	EMOT2	0.91	0.16			
	EMOT3	0.88	0.21			
	EMOT4	0.85	0.27			
Ambience (AMB)	AMB1	0.81	0.35	0.85	0.83	0.70
	AMB2	0.83	0.29			
	AMB3	0.79	0.36			
Staff Attitude (STAFF)	STAFF1	0.76	0.40	0.81	0.80	0.65
	STAFF2	0.77	0.40			
	STAFF3	0.76	0.40			

Notes: S.L: Standard Loadings; E.V: Error Variance; C.R: Composite Reliability, AVE: Average Variance Extracted.

threshold value of 0.70 (Fornell and Larcker, 1981) for composite reliability. All indicator loadings have significant *t* values ($p \leq 0.01$) which denote convergent validity. In addition, all constructs have Average Variance Extracted (AVE) values higher than 0.50 which help further establish convergent validity. Additionally, discriminant validity was assessed by comparing the AVE with the squared correlation between constructs (Fornell and Larcker, 1981). The squared correlations between pairs of constructs were less than the AVE (Table 2) which provides a supportive evidence for discriminant validity. The goodness-of-fit measures were used to assess the overall model fit. The final measurement model indicates good level of fit: CFI=0.97, and TLI=0.95 (Bentler, 1992). The standardized root mean square residual (SRMR) has a value of 0.03 which is indicative of a model with a good fit (Byrne, 1998). The other residual measure, the root means error of approximation (RMSEA) has a value of 0.08, which is acceptable (Hair et al., 2006).

4.2. The proposed model and hypotheses testing

After confirming the unidimensionality of each construct, this study deploys the structural model to test the hypotheses. The proposed model was tested by SEM using STATA 14. Estimation shows desirable goodness of fit values (CFI=0.97; TLI=0.95). Residual measures also display suitable values (RMSEA=0.06; SRMR=0.02). Additionally, posited variables explain 26.7% of the variance in intention to return, and account for 24.3% in the variance in actual returns.

A total of seven hypothesized paths were tested for significance in the current research. Table 3 indicates that five of the seven paths were statistically significant.

Results show that EMOT has a positive significant influence on INTRET ($\beta=0.40, p < 0.001$) which supports H1. AMB has a positive significant effect on INTRET ($\beta=0.17, p < 0.001$) which is consistent with H2. The effect of STAFF on INTRET is not significant ($\beta= -0.05, p > 0.05$); therefore, results do not provide support for H3. H4 predicts that INTRET has a positive significant relationship with RETURN. Findings indicate that this relationship is statistically significant ($\beta=0.04, p < 0.05$) which lends supports for H4.

Section 5 conducts mediation analysis. The specifications of Baron and Kenny (1986) and Zhao et al. (2010) form the basis of mediation analyses. That is, full-mediation (Baron and Kenny, 1986) or indirect-only mediation (Zhao et al., 2010) is present when the inclusion of a mediating variable renders the relationship between the exogenous and dependent variable insignificant. However, when both the direct and indirect effects are significant, this situation results in a partial (Baron and Kenny, 1986) or complementary mediation (Zhao et al., 2010).

The first mediation hypothesis (H5) reveals that INTRET acts as

Table 3
Standardized path coefficients for the structural model.

Parameter estimates structural paths	Direct effect	Indirect effect	Hypotheses supported yes/no
H1: EMOT → (+) INTRET	0.40***		Yes
H2: AMB → (+) INTRET	0.17***		Yes
H3: STAFF → (+) INTRET	-0.05 ^{n.s.}		No
H4: INTRET → (+) RETURN	0.04*		Yes
H5: EMOT → INTRET → RETURN	-0.03	0.02*	Yes
H6: AMB → INTRET → RETURN	-0.08	0.01*	Yes
H7: STAFF → INTRET → RETURN	-0.01	-0.00 ^{n.s.}	No

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

a full-mediator between EMOT and RETURN ($\beta=0.02$, $p < 0.05$) which is consistent with the predictions of H5. The second mediation hypothesis (H6) indicates that intention to return fully mediates the relationship between AMB and number of return visits to a casino. Thus, findings support H6 ($\beta=0.01$, $p < 0.05$). Finally, results show that the indirect effect of STAFF on return patronage is not significant which does not offer support for H7.

The structural model shows that among control variables age has a positive significant influence on both INTRET ($\beta=0.14$, $p < 0.001$) and RETURN ($\beta=0.06$, $p < 0.001$). Residency has a positive effect on RETURN ($\beta=0.10$, $p < 0.001$). Player level (VIP) is a strong predictor of RETURN ($\beta=0.45$, $p < 0.001$).

5. Discussion and conclusions

This study uses service quality, TRA, and customer loyalty theories to develop and empirically test a model of the mediating role of intention to return on the relationship between service quality attributes and return patronage. Using data from three U.S. casinos, this paper finds that the intention to return fully mediates the effect of casino ambience (AMB) and emotions (EMOT) on return patronage. More specifically, this project shows that casino operators should focus on service quality attributes that influence their players' intention to return. Only once this is achieved will casino companies ensure actual return patronage of their players. This research identifies the specific service quality attributes that casino managers and services researchers need to recognize to nurture customer loyalty. Casino service quality along with the customer positive emotions were found to be important triggers of intention to return. Theoretically, our findings highlight the key role of emotions (feeling entertained, excited, important, and welcomed) in services. People place more emphasis on emotions compared to service ambience and staff attitude in service contexts. Service organizations try improve customer loyalty but during this journey they often emphasize the utilitarian aspects rather than how they make customers feel. This study exhibits the robust link between emotions and customer loyalty and lays out the directions for casino operators and service researchers.

The present paper offers strong support for TRA by showing that behavioral intention leads to behavioral action in gambling. In addition, results reveal that among service quality factors, emotions and ambience have an indirect effect on return patronage (action loyalty). Jointly, all these variables explain about 26% of the variance in action loyalty which is similar to the percentage of behavioral action (28%) which Sheeran (2002) reports in a study of 10 meta-analyses. Among exogenous latent constructs, emotional aspects such as feeling excited and entertained seem to have greater indirect effect on return patronage compared to items pertaining to ambience such as décor and signage. The findings of the present paper are consistent with the study of Prentice (2014) which indicates that player attitude influences player loyalty which manifests itself through repeat patronage. As a novelty, this paper establishes this relationship by allowing for a time lag between the service experience and the actual future visits to a casino. This finding is very important empirically because having a time lag between intention and action permits testing for causality of intention on action. In addition, the use of objective return patronage data that casinos report increases the validity of present results compared to self-reported measures used in previous studies.

None of the three exogenous latent variables has a direct effect on RETURN. However, in the mediation model, the inclusion of intention to return fully mediates the influence of AMB and EMOT on return patronage. This finding indicates that ambience and emotional attributes still influence return patronage albeit

indirectly. Therefore, similarly to the study of Prentice (2014), casino operators should be cognizant of factors that drive attitudinal loyalty (i.e., intention to return) among casino players. Findings of the current research study also emphasize the significance of control variables in casino operations. Among covariates, customer age, player level (VIP) and residency all have positive significant influences on customer repeat patronage. This finding denotes that casinos should consider these covariates when assessing the effect of service attributes on player loyalty.

Prentice and Woodside (2013) find that the severity of problem gambling increases when customers visit casinos in Macau more than 5 times a year. The results in the present project show that casino players that participate in the survey and returned at least once to that particular casino, had mean return visits of 3.55 in one month. The number of return visits in the present paper is higher because casinos are located in close proximity to metropolitan areas and thus enjoy a high proportion of visits by local residents.

There is something to be said about the results of this study and its contribution to understanding of problem gambling. In their study of gamblers' habits, Mizerski et al. (2013) indicate that many scholars sample addictive gamblers who make up between 0.5% and 2% of gamblers' population. However, the addictive gamblers' category captures several kinds of gambling such as lottery, sports betting, and casino play. Since the present paper focuses solely on casino players and reports that service attributes and emotions influence repeat casino visitation, it is less likely that addictive gambling is a major driver of casino loyalty. Therefore, the results of the present study should help alleviate some of the societal concerns about problem gambling at least in the context of the casino industry.

6. Implications

This study offers implications for both theory and practice. At a practical level, this study informs that feelings pertaining to emotions have the greatest effect on casino players' intention to return. In addition, emotions have the highest indirect effect on return patronage. This finding shows that casino operators should design games and promotions that create excitement among players and keep these players entertained. In addition, casinos should help gambling players feel welcome and recognize them for their loyalty. Operators can perhaps conduct focus groups with casino players and uncover how marketing strategies can address each of the manifest indicators that represent the emotions construct.

The present paper offers theoretical insights about the mediating effect of attitudinal loyalty. On the basis of specifications of Zhao et al. (2010), the model in this study identifies a mediator that is consistent with a hypothesized theoretical framework and serves as evidence that the presence of omitted mediator(s) is (are) not likely. That is, in the context of gambling loyalty research, service quality attributes influence return patronage through intention to return. Theoretically, this project shows that attitudinal loyalty is a strong predictor of action loyalty in casinos in a causal fashion. This is because the attitudinal loyalty takes place before the occurrence of behavioral loyalty.

This study also contributes further to the broaden-and-build theory of positive emotions by signifying that positive emotions (i.e., feeling entertained, excited, important, and welcomed) extend habitual modes of thinking (intention). Such emotions are the key factors in defining consumer experiences and reactions in a service context.

In sum, this research provides empirical implications to various sectors that are trying to reveal the relationship between service quality and loyalty, and it also attempts to fill an important

research gap that investigates the relationship between intention and behavior in consumer research.

7. Limitations and future research

This study comprises only players who are members of casino loyalty programs. This means that results may not be generalized to players who do not belong to casino loyalty programs. Another limitation of this project is that it does not capture player satisfaction which is considered a mediator between service quality and intention to return (Prentice, 2013a). Therefore, future studies should include player satisfaction to investigate whether both customer satisfaction and attitudinal loyalty mediate the relationship between service quality and action loyalty. In addition, future studies should consider the role of habits in casinos which can manifest itself through player loyalty club status, proximity to casinos etc.

Another suggestion for future research is to consider the intervening effect of service recovery on the relationship between service quality and types of loyalty (attitudinal and behavioral). Extant research shows that effective service recovery can enhance customer satisfaction and thus increase repeat patronage intentions (Smith and Bolton, 1998). This way, it will be possible to better understand whether service quality, service recovery, or both drive attitudinal loyalty and thus, action loyalty.

Future studies should consider other attitudinal variables such as switching cost, trust, and commitment to better understand types of loyalty (e.g., true, latent, spurious) (Baloglu, 2002) by using objective data of return patronage. This is because numerous studies use retroactive self-reported measures of loyalty such as number of casino visits for a given period prior to the administration of the survey questionnaire (Prentice, 2014).

Confirming the mediating effect of attitudinal loyalty still solves half of the behavioral loyalty puzzle in casinos. It is plausible that EMOT and AMB may not only have an indirect effect on behavioral loyalty but these constructs may also moderate the relationship between attitudinal and behavioral loyalty. For example, higher ratings on EMOT may strengthen the positive effect of intention to return on actual return visitation. Future studies should employ mediated moderation model to disentangle the complex relationship between service attributes and different types of loyalty in other major casino destinations around the world.

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