An Analysis of the Influence of Customer Participation in Airline Loyalty Programs: A Multi-Group Examination

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Abstract

Loyalty programs have long been seen as a critical factor in the success of many businesses. While there has been extensive research into the benefits, satisfaction, perceived functional value, and loyalty associated with LPs, few studies have sought to compare these results across different consumer groups. This study aims to examine how user involvement levels relate to airline loyalty programs. The survey collected 429 responses from individual members of airline loyalty programs, using multi-group analysis with Partial Least Squares Structural Equation Modeling. The findings indicate that satisfaction and perceived value mediate the relationship, while consumer involvement moderates it. A distinction was found between the two consumer groups regarding hedonic benefits, satisfaction, and loyalty. This research makes a valuable contribution to the airline industry by emphasizing the importance of loyalty program benefits and highlighting consumers' role in these programs. Furthermore, it offers practical insights for future research endeavors.

Keywords: Loyalty Programs; Benefits; Loyalty; Perceived Functional Value; Involvement.

1. INTRODUCTION

Loyalty programs are a strategic approach for businesses to actively involve their customers, enhance loyalty, and achieve competitive benefits (Koklič et al., 2017). Customer participation has the potential to bolster loyalty, trust, and evaluations of the company or product. Well-crafted LPs have been shown to yield favorable outcomes by fostering loyalty through consumer contentment (Meyer-Waarden, 2013).

The marketing field is well known for asserting that consumers hold the power over brands. This assertion suggests that consumers have the drive (involvement), means (awareness), and opportunity (empowerment) to impact companies (Parahoo, 2013). However, only a small number of consumers engage with the company, and this engagement is often short-lived (Dorotic, 2012). Most consumers have little or no interest in forming a relationship with a company beyond purchasing and using products and services. If this engagement leads to loyalty, it underscores the importance of finding effective methods to further influence consumers (Bruneau et al., 2018).

Researchers have consistently explored the relationship between consumer engagement and loyalty across various industries (Itani et al., 2019), highlighting a consistent research theme. However, there remains a lack of additional investigation in this area. Wei and Martin demonstrate the existence of diverse forms of consumer engagement, emphasizing the importance of examining these differences due to their impact on behavioral and psychological aspects (So et al., 2014). It is crucial to tailor approaches for different groups

with varied characteristics and combinations. Furthermore, understanding the factors influencing levels of consumer involvement in value perceptions is essential. Some scholars recommend that future studies on consumer involvement employ robust statistical tests to mitigate potential methodological biases (Vivek et al., 2014). Fournier's work suggests that gaining a more comprehensive understanding of how consumers engage with brands could enhance knowledge about different types of relationships between them. Our research aims to address this identified need by exploring levels of consumer involvement in order to contribute further insights into loyalty programs (Henderson et al., 2011).

The primary concept of a loyalty program is to establish a strong and enduring bond with the customer. The reasons for consumer participation in these programs can be elucidated by their perceived benefits (Mimouni-Chaabane & Volle, 2010). Consumer perceptions play a significant role in determining the effectiveness of relationship marketing initiatives. The perceived benefits associated with LPs reflect the value that customers perceive in their interactions with the program (Keller, 1993). Perceived functional value has been identified as the key influencer on consumer choice regarding LPs, preceding consumer satisfaction according to these researchers. As noted earlier, satisfaction is linked to loyalty trajectories. While existing studies suggest interconnections among these elements, research indicates potential variations across different consumer segments' responses (Chen et al., 2021).

Our research employed involvement as a control variable to examine our entire sample of respondents and subgroups with varying levels of involvement (high and low). Our aim was to investigate the connections at different degrees of engagement among airline loyalty program users or members, encompassing hedonic benefits, symbolic benefits, utilitarian benefits, perceived functional value, loyalty, involvement, and satisfaction with LPs(Mimouni-Chaabane & Volle, 2010). Initially, we explored the moderating impact of involvement levels (high and low) on the link between perceived benefits and perceived functional value. Subsequently, we investigated the association between perceived benefits and loyalty while considering the mediating role played by perceived value and satisfaction. This study aims to enhance comprehension regarding LPs across diverse consumer segments(Kivetz & Simonson, 2002) By conducting this analysis, our study addresses an important gap in research contributing towards further development in literature as well as a deeper insight into marketing strategies for LPs.

2. Loyalty programs

Loyalty programs enhance businesses by promoting offers that create competitiveness, provoke consumer resistance, and establish connections in the medium and long term as a result. The adoption and utilization of LPs are common in various sectors of the economy, with the airline industry being a notable example(Kristiani et al., 2014). LPs are one of the most commonly employed marketing techniques by companies to collect data, enhance customer retention, and bolster consumer relationships and loyalty (Alshurideh et al., 2020).

The interaction with clients involves a mutual exchange, which can create either positive or negative reliance(Breugelmans et al., 2014). Hence, businesses aim to enhance value at a reduced cost and offer multiple benefits. Customers evaluate the rewards and drawbacks along with their own viewpoints to decide whether they want to engage in a partnership for the company's products and service (Bravo & Vieira, 2019). Therefore, different levels of the relationship need to be taken into account when creating or adjusting an LP.

2.1 Involvement

Customer engagement can be characterized as either positive or negative, and as involving high or low

levels of customer behavior (Bruneau et al., 2018). It is important because it provides an active and trustworthy voice for the brand, helps other customers understand their product and service needs, identifies how the company can fulfill those needs, and bridges gaps between the company and its customers (Breugelmans et al., 2014).

Based on a literature review findings suggest that most studies on loyalty programs compare LP members with non-members while solely considering LP membership to evaluate program effectiveness (Lewis, 2004). However, this method may not distinguish between engaged and disengaged members nor identify those who join but do not actively participate in the program. Some studies propose using more detailed classifications to discern various behaviors related to the LP (Kristiani et al., 2014).

We utilized the research by (Bruneau et al., 2018) to explore how customer involvement with loyalty programs is formed and what factors contribute to it. The authors explain that customer involvement in LPs encompasses behaviors related to the company's LP, beyond just purchasing a product or service. This type of involvement plays a crucial role in enhancing the overall connection between customers and the company through its LP. Thus, customer involvement involves various consumer actions resulting from the company's LP strategies (Bruneau et al., 2018). Understanding this concept requires focusing on psychological dimensions from the customer's viewpoint as it has potential to enhance consumer loyalty and satisfaction, fostering emotional bonding, commitment, training, concessions (Brodie et al., 2013).

2.2 benefits and the relationship with perceived functional value

Customizing services or loyalty plans has a positive impact on consumer behavior and enhances the company's relationship with customers. It is essential to continually customize consumer needs, including rewards in loyalty programs, as this helps improve retention and profitability while strengthening brand-consumer ties(Kumar & Reinartz, 2018). Rewards can come in various forms such as utilitarian (monetary savings), hedonic, and symbolic benefits. Utility benefits include discounts on products or invoices, points, coupons, and vouchers (Chen & Hu, 2013).

Hedonic advantages refer to the leisure and exploration benefits provided to consumers by loyalty programs through the accumulation and redemption of points. These rewards encompass opportunities to try out new products or services, stay updated on trends, take part in events and festivals, or access special offers for unique experiences (Kristiani et al., 2014). Additionally, symbolic benefits are external values offered by loyalty programs that can include social status, a sense of group belonging, exclusive treatment at specific locations, social recognition and approval from the company(Dorotić et al., 2011).

Oliver suggests that the effects of three types of satisfaction benefits are driven by different processes according to the expectation-disconfirmation theory. Utility benefits, which consist of more tangible attributes, induce satisfaction through cognitive processing and evoke feelings of trust and security (Chitturi et al., 2008). On the other hand, hedonic and symbolic benefits have experiential and emotional attributes associated with them. They lead to satisfaction by evoking emotional responses such as joy and excitement(Aurier & Guintcheva, 2014). To succeed in business and retain customer loyalty, airlines must ensure satisfactory service to their customers.

Benefits from a loyalty program can be utilitarian, symbolic, or experiential. An important factor that may link customer loyalty to company loyalty is the experiential aspect. In this context, engagement is an evolving research concept and has a significant association with loyalty; evident in various marketing areas (Raïes et al., 2015). Marketers emphasize the importance of interaction between customers and the company because increased engagement leads to more customer involvement and benefits from its offerings Benefits of loyalty programs include monetary rewards(So et al., 2014), personalized

communication like emails and birthday cards, and special treatment during purchases. These aspects engage the customer's mindset to connect program loyalty with brand loyalty. This relational aspect can result in perceived value for the consumer based on their assessment of the product or service's usefulness and what they receive(Banytė & Dovalienė, 2014).

In this fashion, customers are more likely to stay loyal to a brand when the advantages surpass their expectations. According to (Liljander, 2000), in his study, asserts that the perceived benefits lead to an increase in perceived value which subsequently boosts satisfaction and fortifies the brand relationship. Consequently, we propose:

H1 - The hedonic (a), utilitarian (b), and symbolic (c) benefits positively influence the perceived functional value.

2.3 perceived functional value and the relationship with satisfaction

Value refers to the overall evaluation of a product's advantages based on consumer perceptions of what is given and received (Gupta et al., 2018). Perceived value, as Duque-Oliva & Mercado-Barboza suggest, goes beyond the perceived quality of service. It can be understood as the result of customers balancing their perception of quality with both monetary and non-monetary sacrifices (Gupta et al., 2018). There are different categories for perceived value such as utilitarian, functional, experiential, hedonic, symbolic, and expressive(Meyer-Waarden, 2013). In their research on loyalty plans, they perceived functional value serves as a moderator between benefits and loyalty. They also established PFVas as an antecedent to satisfaction in LPs, stating that satisfaction occurs when benefits meet or exceed consumers' expectations and that customer satisfaction and repeat purchases are linked to how well a product or service meets the expected value of the customer (Kristiani et al., 2014). This is determined by the cost-benefit analysis conducted by customers when engaging with a brand. According to Kumar and Shah, brands can enhance value for customers beyond their products and services by offering customer-centric rewards through loyalty programs(Mimouni-Chaabane & Volle, 2010). The customers often place high value on the rewards they receive and strive to maximize the benefits provided by loyalty programs rather than focusing solely on the product or service itself. The study (Hu et al., 2010) found that loyalty programs have an impact on both perceived service value and customer loyalty.

H2 - The perceived functional value positively influences satisfaction.

2.4 Satisfaction and the relationship with loyalty

One of the primary motivations for creating loyalty programs is to uphold customer relationships. Consequently, companies typically evaluate their effectiveness based on relational outcomes. The term "relational results" encompasses the company's goals and its performance in relation to a particular marketing initiative(Mimouni-Chaabane & Volle, 2010). Loyalty represents the key objective, with satisfaction being identified as a prominent factor in customer loyalty within marketing literature.

Customer satisfaction has long been a crucial factor in fostering customer loyalty, and it has been widely regarded as a key driver of customer loyalty for an extended period (McCall et al., 2010). Consumers frequently join loyalty programs with the anticipation that their individual needs will be met. Satisfaction typically arises from favorable evaluations of the program's performance and its advantages(Henderson et al., 2011).

The strong dedication of the LPs' outcomes is associated with the attributes that influence consumers to choose a specific brand, product, or service. These factors affect customers' inclination to repurchase, reluctance to switch to competitors, and readiness to endorse the service, product or other brands(Uncles et al., 2003). Loyalty also depends on the level of consumer engagement with the company and its brand

Relationship marketing is essential for building and maintaining customer loyalty through loyalty programs. It involves creating and nurturing individual relationships with customers to achieve long-term outcomes (Mohd-Any et al., 2019). Airline loyalty programs play a vital role in fostering consumer allegiance, not just when buying plane tickets, but also across various products associated with the brand (Gilbert, 1996).

Organizations utilize loyalty programs to increase the frequency of customer purchases, boost the level of buying activity, and enhance customer allegiance to the organization. Furthermore, customers' perceptions of loyalty program benefits influence their commitment to such programs(Evanschitzky et al., 2011), selection of loyalty programs as well as satisfaction with enrolling in a loyalty program.

Many researchers have found a strong and favourable correlation between customer satisfaction and loyalty (Lee et al., 2016) Satisfied customers are more likely to remain loyal by continuing to use the services or products. This can lead to positive word-of-mouth impact and an increased willingness to pay higher prices. Furthermore, according to Lee et al., a study of cruise passengers revealed a direct link between their overall satisfaction and loyalty, highlighting the importance for managers in similar industries to monitor customer satisfaction levels closely to maintain loyalty(Han & Hyun, 2018).

H3 - Satisfaction positively influences loyalty.

3. Methodology

We used a quantitative approach to achieve the research goals. This study involved examining symbolic, hedonic, and utilitarian benefits, as well as perceived functional value, loyalty, and satisfaction (Mimouni-Chaabane & Volle, 2010). These aspects formed the basis for creating hypotheses outlined in the theoretical framework(Yi & Jeon, 2003). To maintain data quality and reliability, established scales from prior research were applied to each construct tested. The outcome variable was measured using a 5-point Likert scale.

After gathering the data, a statistical analysis was carried out using the post hoc Harman single-factor approach to assess whether a single factor sufficiently accounted for the variance in the data. The factorial analysis, conducted without rotation, indicated that one factor explained 55.89% of the variance, exceeding the minimum threshold of 40 percent(Babin et al., 2016). A pre-test was also undertaken to confirm that the questionnaire was easy to use and validate respondents' understanding of all statements.

The research was carried out, and two screening questions were used to verify that the participant was a member of a loyalty program. The first question asked about the respondent's LP membership status, while the following question aimed to determine their affiliation with a specific LP.

We gathered information from 461 individuals. After eliminating unusual data points using the Mahalanobis test, we acquired a validated set of 429 surveys. To establish the minimum sample size for each subgroup, we used the Free Statistic Calculator and input parameter values such as anticipated effect size (0.3), desired statistical power level (0.8), and probability level (0.01). According to Soper's recommendations, the required sample size was determined to be 203. In this research, there were 212 participants with low engagement and 217 with high engagement, meeting the necessary sample size criteria. For our initial analysis, Statistical Product and Service Solutions software version 23 was utilized. For this study, we utilized structural equation modelling, a method commonly used to validate predictive models. According to Hair et al., PLS-SEM is particularly suitable for our research. Additionally, as noted by (Pereira & Anjos, 2021), PLS-SEM offers the advantage of estimating the measurement model and is well-suited for conducting multi-group analysis while avoiding biased estimations due to unknown data

characteristics. We conducted two main steps using SmartPLS version 3: firstly testing the entire sample in the proposed model, allowing us to analyze the measurement model and test relationships between constructs(Pereira & Anjos, 2021); then separately analyzing users with high and low involvement with LP company using SmartPLS software to calculate their respective measurement models. Finally, for bootstrapping, we used 5000 subsamples to compare the path coefficients of both groups with those of the entire sample.

In the second stage of the analysis, we employed the Multi-Group Analysis method to assess the consistency of the measurement model for both groups, as outlined by (So et al., 2014). To compare subgroups and confirm any substantial variation in path coefficients between them, we utilized a permutation test to examine significant differences in estimated parameters for each group. The upcoming figure illustrates the proposed model **(figure 1)**.

Figure 1 - Proposed theoretical model
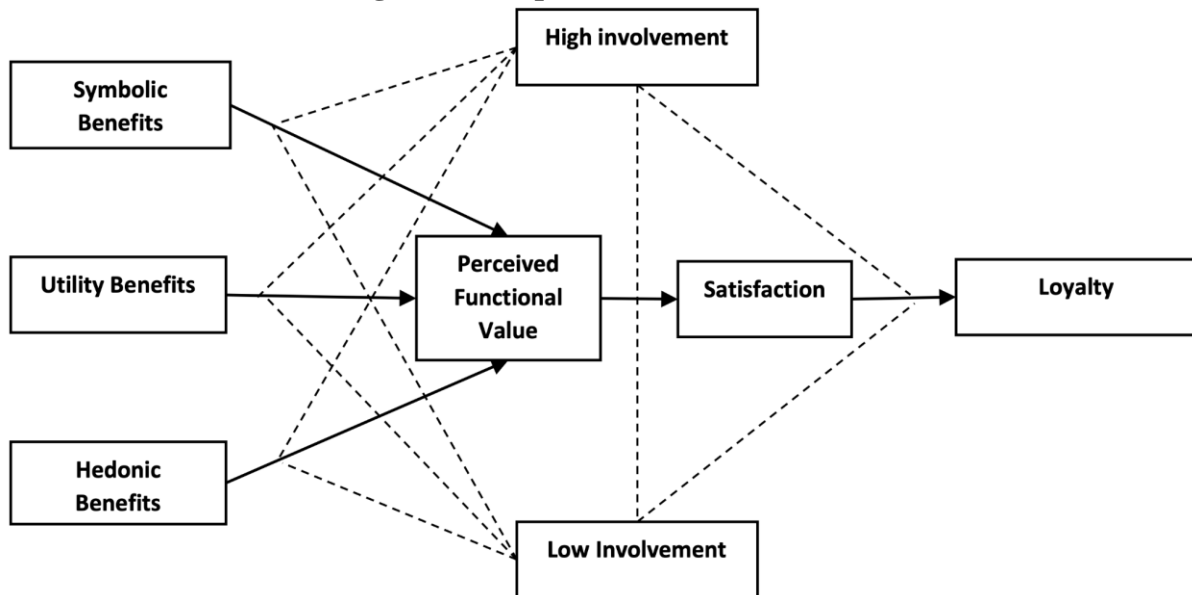
3.1 Sample characterization

Following data refinement, we categorized the sample into two distinct groups based on their level of engagement with the company. For those highly involved, 49.30% were male (107) and 50.69% were female (107). In terms of age distribution, 39.63% fell between 18 and 38 years old, 33.64% between 39 and 58 years old, and the remaining 33.64% were over 58 years old. The majority of this group were salaried (45.16%), followed by retirees (21.20%), self-employed individuals (16.59%), entrepreneurs (8.29%), interns or students (4.61%), and those without occupation (4.15%). In terms of education, 45.16% had completed postgraduate studies, while 31.8% had completed higher education.

Conversely, in the sample exhibiting low involvement, 46.23% were between 18 and 38 years old, 29.25% were between 39 and 58 years old, and 24.53% were over 58 years old. Those with higher education tended to hold better jobs and, consequently, had higher incomes. The majority of this group were salaried (38.21%), followed by retirees (17.92%), self-employed individuals (20.75%), entrepreneurs (12.26%), interns or students (6.60%), and those without occupation (4.25%). In terms of education, 44.34% had completed postgraduate studies, while 30.19% had completed higher education.
(table 1).

Table 1 - Demographic data

		Low involvement N = 212	High involvement N = 217
Age	Above 58 years old	52	58
	18 to 38 years old	98	86
	39 to 58 years old	62	73
Gender	Female	97	110
	Male	115	107
Educational level	Complete elementary or lower	1	0
	Complete high school	8	13
	Complete graduate	94	98
	Incomplete graduate	10	12
	Graduated	64	69
	Incomplete higher	35	25
Profession	Retired	38	46
	Self-employed or self-employed	44	36
	Salaried employee	81	98
	Businessperson	26	18
	Trainee / student	14	10
	Not working / unemployed	9	9

4. Results

The measurement model enabled us to assess the reliability and validity of the constructs, along with their relevant dimensions. We verified convergent validity, discriminant validity, and internal consistency reliability. According to (Fong & Law, 2013), convergent validity has two criteria: the extracted average variance should exceed 0.5, and factors must be above 0.5 as well. Discriminant validity necessitates that the external loading of specific items in a construct is higher than any cross-loading in other constructs. For internal reliability, Cronbach's Alpha should exceed 0.7 and composite reliability should be over 0.6 According to the findings in **table 2**, the assessment of the measurement model indicates a stroke above the specified threshold. Given that the proposed model is reflective, items with low external loads were excluded to enhance path analysis (Fong & Law, 2013). Specifically, items BH3 and BS4 were eliminated due to their low values. Following this adjustment, all remaining items surpassed the minimum criterion of 0.5. The results demonstrate that all constructs exhibit strong internal consistency; furthermore, their reliability consistently exceeds 0.6 for consistency and surpasses literature-recommended Cronbach's Alpha value by at least 0.7 across all constructs, which supports convergent validity and internal consistency within all three models.

Table 2 - Evaluation of the measurement model

	Composite Reliability			Cronbach's Alpha			AVE			Indicator loading		
	All	High	Low	All	High	Low	All	High	Low	All	High	Low
Hedonic	0.863	0.856	0.817	0.788	0.775	0.704	0.612	0.598	0.527			
BH1										0.816	0.782	0.746
BH2										0.772	0.750	0.671
BH4										0.813	0.830	0.750
BH5										0.725	0.728	0.735
Loyalty	0.962	0.965	0.934	0.941	0.945	0.896	0.894	0.901	0.826			
LEAL1										0.927	0.942	0.883
LEAL2										0.960	0.960	0.930
LEAL3										0.949	0.946	0.914
Satisfaction	0.963	0.960	0.942	0.948	0.944	0.917	0.866	0.856	0.801			
SAT1										0.896	0.895	0.826
SAT2										0.947	0.933	0.933
SAT3										0.926	0.929	0.879
SAT4										0.952	0.943	0.938
Symbolic	0.958	0.956	0.931	0.945	0.942	0.907	0.820	0.813	0.728			
BS1										0.890	0.865	0.861
BS2										0.902	0.898	0.861
BS3										0.884	0.898	0.794
BS5										0.941	0.944	0.895
BS6										0.911	0.903	0.854
Utility	0.965	0.965	0.958	0.946	0.945	0.935	0.902	0.901	0.885			
BU1										0.929	0.925	0.920
BU2										0.969	0.968	0.963
BU3										0.951	0.954	0.937
F. P value	0.951	0.957	0.912	0.922	0.933	0.856	0.866	0.882	0.776			
VL1										0.913	0.927	0.845
VL2										0.951	0.960	0.908
VL3										0.926	0.931	0.888

Two measures were utilized to assess discriminant validity. The cross-loading matrix was employed to confirm that the loading of each item within a construct exceeds its cross-loading, as suggested by (Fong & Law, 2013). Table 3 displays the results of the cross-loading matrix, demonstrating that each item is distinct and not overlapping with others.

Table 3 - Discriminant validity based on the cross-loading matrix.

Cross Loading						
	Hedonic	**Symbolic**	**Utility**	**Loyalty**	**Satisfaction**	**F. P value**
BH1	0.816	0.623	0.423	0.556	0.589	0.539
BH2	0.772	0.579	0.419	0.473	0.523	0.478
BH4	0.813	0.611	0.546	0.642	0.596	0.56
BH5	0.725	0.533	0.52	0.553	0.521	0.489
BS1	0.72	0.89	0.558	0.617	0.635	0.644
BS2	0.666	0.902	0.551	0.652	0.684	0.656
BS3	0.624	0.884	0.544	0.633	0.677	0.658
BS5	0.717	0.941	0.623	0.716	0.743	0.744
BS6	0.675	0.911	0.552	0.631	0.672	0.677
BU1	0.559	0.588	0.929	0.64	0.626	0.67
BU2	0.563	0.571	0.969	0.657	0.639	0.705
BU3	0.617	0.622	0.951	0.696	0.684	0.734
LEAL1	0.698	0.706	0.707	0.927	0.869	0.822
LEAL2	0.662	0.666	0.636	0.96	0.805	0.729
LEAL3	0.661	0.663	0.637	0.949	0.792	0.723
SAT1	0.62	0.648	0.587	0.773	0.896	0.691
SAT2	0.686	0.695	0.646	0.847	0.947	0.773
SAT3	0.658	0.731	0.645	0.792	0.926	0.788
SAT4	0.692	0.73	0.667	0.83	0.952	0.778
VL1	0.595	0.668	0.695	0.704	0.73	0.913
VL2	0.615	0.721	0.697	0.751	0.761	0.951
VL3	0.638	0.698	0.677	0.788	0.782	0.926

In the second assessment of measurement, the discriminant validity was determined by the criterion of (Fornell & Larcker, 1981), in which the square root of the average variance extracted for each construct exceeds its correlation with all other constructs in the model (Fornell & Larcker, 1981). Table 4 presents the findings indicating that the square root of AVE for each building is higher than the strongest correlation with any other building.

Table 4 - Fornell-Larcker criteria

Complete						
	Hedonic	**Loyalty**	**Satisfaction**	**Symbolic**	**Utility**	**F. P value**
Hedonic	0.782					
Loyalty	0.714	0.945				
Satisfaction	0.714	0.872	0.930			
Symbolic	0.751	0.719	0.754	0.906		
Utility	0.611	0.700	0.685	0.626	0.950	
F. P value	0.662	0.804	0.815	0.748	0.741	0.930
High						
	Hedonic	**Loyalty**	**Satisfaction**	**Symbolic**	**Utility**	**F. P value**
Hedonic	0.773					
Loyalty	0.679	0.949				
Satisfaction	0.691	0.872	0.925			
Symbolic	0.736	0.702	0.764	0.902		
Utility	0.636	0.769	0.743	0.659	0.949	
F. P value	0.647	0.829	0.834	0.750	0.748	0.939
Low						
	Hedonic	**Loyalty**	**Satisfaction**	**Symbolic**	**Utility**	**F. P value**
Hedonic	0.726					
Loyalty	0.599	0.909				
Satisfaction	0.577	0.786	0.895			
Symbolic	0.620	0.539	0.558	0.853		
Utility	0.462	0.531	0.516	0.446	0.940	
F. P value	0.501	0.654	0.677	0.568	0.654	0.881

4.1 Evaluation of the structural model

At this point, the structural model was assessed to examine the connection between the components according to the suggested hypothesis and parameters from (Fong & Law, 2013). The bootstrapping method with 5000 subsamples, a two-tailed approach, and a significance level of 0.05 were utilized to produce standard error and statistics for both the complete sample and two subsamples. As indicated in Table 5, scrutiny of the structural model demonstrated that the connections across the entire sample are meaningful.

The findings from the highly-engaged sample indicate a significant positive relationship between satisfaction and loyalty ($\beta = 0.018$, $p = 0.000$), suggesting that satisfaction positively influences loyalty. Both symbolic and utilitarian benefits were found to significantly contribute to perceived functional value, with $\beta = 0.071$, $p = 0.000$ and $\beta = 0.063$, $p = 0.000$ respectively, indicating their positive impact on perceived functional value. Moreover, the association between perceived functional value and satisfaction was significant ($\beta = 0.22$, $p = 0.000$), suggesting a positive effect. However, the hypothesized relationship between hedonic benefits and perceived functional value was not supported ($\beta = 0.068$, $p = 0.344$).

In contrast, the results from the low-engagement sample demonstrate a positive effect between perceived functional value and satisfaction ($\beta = 0.040$, $p = 0.000$). Both utilitarian and symbolic benefits exhibited a significant relationship with perceived functional value ($\beta = 0.60$, $p = 0.000$ and $\beta = 0.66$, $p = 0.022$

respectively), and satisfaction was found to significantly influence loyalty. This also suggests a favourable impact on these connections. The pleasure-related advantages for the perceived practical worth were not noteworthy in the group with minimal engagement with the organization, suggesting that the perceived practical value remains unaffected by pleasure-related benefits.

The empirical findings indicate that the positive impact of symbolic and utilitarian benefits is greater in the highly involved sample ($\beta = 0.071$ and $\beta = 0.063$, respectively) compared to the less-involved sample ($\beta = 0.066$ and $\beta = 0.060$, respectively). In contrast, the low-involvement user group demonstrates a stronger relationship with satisfaction ($\beta = 0.040$) than their high-involvement counterparts ($\beta = 0.022$), as well as satisfaction with loyalty ($\beta = 0.026$; $\beta = 0.018$). The results suggest that both value and satisfaction are statistically more significant for consumers exhibiting low involvement with the company.

Table 5 - Results of hypothesis tests

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Hedonic -> F. P. Value	0.092	0.094	0.046	2.006	0.045
Satisfaction -> Loyalty	0.872	0.872	0.012	71.301	0.000
Symbolic -> F. P. Value	0.411	0.411	0.046	9.014	0.000
Utility -> F. P. Value	0.428	0.426	0.041	10.537	0.000
Value F. P. -> Satisfaction	0.815	0.815	0.018	46.132	0.000
High					
Hedonic -> F. P. Value	0.064	0.068	0.068	0.946	0.344
Satisfaction -> Loyalty	0.872	0.872	0.018	49.548	0.000
Symbolic -> F. P. Value	0.418	0.417	0.071	5.930	0.000
Utility -> F. P. Value	0.432	0.430	0.063	6.823	0.000
Value F. P. -> Satisfaction	0.834	0.834	0.022	37.224	0.000
Low					
Hedonic -> F. P. Value	0.097	0.105	0.061	1.580	0.114
Satisfaction -> Loyalty	0.786	0.787	0.026	29.957	0.000
Symbolic -> F. P. Value	0.295	0.293	0.066	4.463	0.000
Utility -> F. P. Value	0.478	0.475	0.060	8.012	0.000
Value F. P. -> Satisfaction	0.677	0.678	0.040	17.125	0.000

4.2 Evaluation of measurement invariance

We conducted the invariance test to assess whether construction measures are similarly interpreted in both groups. Initially, we established invariance between all groups' data sets in the measurement model (Table 2 and Table 3). Subsequently, a permutation test confirmed that none of the c values differed significantly from each other. As indicated in **Table 5**, all permutations with the values (=1) fell within the upper and lower limits of the 95% confidence interval, thus establishing compositional invariance in the research model. The study's measure exhibited partial invariance which suggests the potential for multi-group analysis involving relationships among latent variables within our research model(Fong & Law, 2013).

Table 6 - Invariance

Composite	Mean - Permutation Mean Difference (High - Low)	2.5% - 95% confidence interval		Variance - Original Difference (High - Low)	Mean - Original Difference (High - Low)
Hedonic	0.003	-0.187	0.190	0.209	0.875
Loyalty	0.005	-0.191	0.199	0.197	0.984
Satisfaction	0.007	-0.174	0.209	0.219	0.982
Symbolic	0.006	-0.192	0.187	0.700	0.952
Utility	0.002	-0.188	0.189	0.199	0.623
Value F. P.	0.005	-0.187	0.200	0.542	0.861

Following the metric invariance test of the measurement model, a multi-group analysis (MGA) was conducted to examine the coefficients of the two groups. Utilizing 5000 subsamples and employing a two-tailed test with a significance level of 0.05, the MGA aimed to identify significant differences in path relationships between consumers highly involved and those with low involvement with the company. The results of the MGA parametric test are presented in Table 6. The analysis revealed significant disparities between the satisfaction and loyalty groups (t = 2.751, p = 0.006), as well as perceived functional value for satisfaction (t = 3.482, p = 0.001). However, no significant differences were observed between consumers highly involved and those with low involvement with the company regarding hedonic benefits for perceived functional value (t = 0.348, p = 0.728), symbolic benefits for perceived functional value (t = 1.291, p = 0.197), and utilitarian benefits for perceived functional value (t = 0.537, p = 0.591).

Table 7 - Parametric test

	Path Coefficients-diff (High - Low)	t-Value (High vs Low)	p-Value (High vs Low)
Hedonic -> F. P. Value	-0.033	0.348	0.728
Satisfaction -> Loyalty	0.086	2.751	0.006
Symbolic -> F. P. Value	0.123	1.291	0.197
Utility -> F. P. Value	-0.046	0.537	0.591
Value F. P. -> Satisfaction	0.157	3.482	0.001

The results of the Welch-Satterthwaite test in Table 7 indicate that there was a significant difference in the path between satisfaction for loyalty and perceived functional value for satisfaction, with t = 2.771, p = 0.007; as well as between perceived functional value for satisfaction and hedonic benefits (t = 3.452, p = 0.001). However, there were no significant differences found between the two groups regarding perceived functional value and symbolic benefits (t = 1.291, p = 0.1958), utilitarian benefits (t = 0.538 ,p=0 .591), or hedonic benefits (t= 0.349, p=0.728).

Table 8 - Welch-Satterthwaite test

	Path Coefficients-diff (High - Low)	t-Value (High vs Low)	p-Value (High vc Low)
Hedonic -> F. P. Value	-0.033	0.349	0.728
Satisfaction -> Loyalty	0.086	2.741	0.007
Symbolic -> F. P. Value	0.123	1.291	0.198
Utility -> F. P. Value	-0.046	0.538	0.591
F. P. Value -> Satisfaction	0.157	3.462	0.001

In the model involving high involvement, the coefficient of determination (R^2) for loyalty is 0.618, while for satisfaction and perceived functional value, it is 0.459 and 0.529 respectively. Similarly, in the model with low involvement, R^2 for loyalty is 0.618, with satisfaction and perceived functional value both at 0.459 and 0.529 respectively. The Stone-Geisser Q^2 values obtained through blindfolding procedures for both groups were greater than zero, indicating the model's predictive validity(Henderson et al., 2011).

While assessing relationship tests is crucial, considering effect sizes (f^2) of the paths is also necessary (Cohen, 1988). In the low involvement group, perceived functional value is influenced by hedonic benefits ($f^2 = 0.012$), symbolic benefits ($f^2 = 0.108$), and utilitarian benefits ($f^2 = 0.0361$). Satisfaction is impacted by perceived functional value ($f^2 = 0.847$), which in turn affects loyalty ($f^2 = 1.615$). In the high involvement group, perceived functional value is influenced by hedonic benefits ($f^2 = 0.005$), symbolic benefits ($f^2 = 0.217$), and utilitarian benefits ($f^2 = 0.0300$). Satisfaction is impacted by perceived functional value ($f^2 = 2.277$), subsequently influencing loyalty ($f^2 = 3.182$).

Comparatively, in the high involvement group, the effects of perceived functional value on satisfaction and satisfaction on loyalty are higher than those in the low involvement group. However, concerning

benefits, it's evident that symbolic benefits have a greater impact in the high involvement group. In contrast, utilitarian benefits have a higher impact than symbolic benefits in the low involvement group. This suggests that for the low involvement group, the exchange value holds more significance than the status value.

5. Discussion

Table 5 The hypothesis tests were conducted to examine the relationship between hedonic benefits and perceived functional value in the total sample and two sub-samples (high and low involvement). The results indicated that all hypotheses were supported in the total sample, but both sub-samples showed no significant relationship between hedonic benefits and perceived functional value. Hedonic benefits are considered relevant as they encompass exploration and entertainment dimensions. According to (Mimouni-Chaabane & Volle, 2010), consumers perceive a sense of entertainment akin to being players when experiencing these benefits. These findings suggest that loyalty programs can elicit pleasure associated with redeeming points by capitalizing on this benefit, as argued by (Suh & Yi, 2012). Moreover, Suh and Yi demonstrate that LPs are moderated by both hedonic and utilitarian benefits. Despite widespread acknowledgement of these arguments across different fields, their impact has not been thoroughly explored within distinct groups in a given sample. Therefore, generalizations about models may overlook specific nuances; for instance,this research did not confirm any clear relationship between hedonic benefits and perceived value.

Upon receiving symbolic and utilitarian benefits, both the overall sample and smaller groups experienced a notable positive influence on perceived functional value. Gupta, (Gupta et al., 2018) It is argued that while economic/utilitarian gains are important for loyalty program members, non-economic rewards like symbolic benefits can also play a significant role in influencing their loyalty. Symbolic benefits encompass the desire for self-expression, self-worth, and social validation (Keller, 1993). They lead to intangible qualities that provide a means to distinguish and identify consumers, who may perceive this as a sign of respect or uniqueness Mimouni-Chaabane & Volle, 2010).

The findings from our multi-group analysis revealed notable distinctions between customers with high and low levels of engagement in terms of the connection between hedonic benefits and perceived functional value. As previously indicated, these results affirm the significance of involvement within our model. The findings also indicated a disparity in satisfaction and loyalty across the groups, with higher involvement correlating to greater emphasis on these aspects. Enhanced satisfaction with the LP is expected to lead to increased consumer allegiance toward the company. Owning an LP does not always lead to a strong sense of loyalty (Stathopoulou & Balabanis, 2016). Our research provides evidence for this assertion as individuals within the same customer loyalty programs reacted in unique ways. Nonetheless, greater consumer engagement with the brand leads to increased satisfaction and loyalty agreeing with (Lindefeldt et al., 2019).

6. Conclusion

Our research makes significant contributions to the study of engagement in multiple key aspects. It enhances the existing literature on involvement by introducing a fresh conceptual framework that goes beyond traditional measurement models. This includes presenting a general model, as well as separate models for low and high levels of involvement. Furthermore, our multidimensional approach to involvement incorporates subgroups, necessitating additional focus from communication departments.

This is important because not all tools utilized in promoting consumer loyalty through company loyalty programs may be suitable for every subgroup.

In the survey by (Bruneau et al., 2018), Divergence in studies on involvement has been identified. The authors note that many studies on loyalty programs compare members and non-members to assess program effectiveness, neglecting research on levels of member involvement with the company. Our research addresses this gap by advancing theoretical and empirical understanding of user-profiles in a loyalty program. Additionally, our measurement instrument confirmed that involvement is multidimensional and may vary across different member groups.

Also, we tested the nested scale of (Bruneau et al., 2018), and (Stathopoulou & Balabanis, 2016)In three distinct studies to assess participation in airline loyalty programs, previous research has offered a range of generalized measures involving multiple dimensions. However, these scales have not fully captured the intricacies of involvement across various member groups. By utilizing multi-group analysis, our study adds significant value to existing literature. Ultimately, this research provides valuable insights for researchers and managers looking to enhance both literature and marketing management strategies.

The research also holds practical significance. Prior studies have indicated that finding joy in discovering new products and enjoying the rewards of redeeming points can contribute to fostering customer loyalty (Suh & Yi, 2012), Our study's findings suggest that loyalty programs should prioritize symbolic and functional advantages. This means that airlines need to offer rewards in their loyalty program that are related to monetary benefits, allowing customers to access products and services at reduced costs. Additionally, members anticipate that participating in an airline's loyalty program will provide features related to care, recognition, differentiation, values, and inclusivity for the members. Satisfaction with these perks will enhance the perceived value of service quality and the fairness of payment (Meyer-Waarden, 2013). Ultimately, this will directly impact member retention across both highly engaged and less engaged individuals by influencing their preferences for the loyalty program as well as their likelihood to recommend it to others.

Our research also highlights the significance of implementing methods to engage customers in their loyalty programs. The varied behaviors observed within the sample suggest a key factor, as this engagement can lead to cost reduction and more effective promotion strategies (Vivek et al., 2014). One approach to engaging consumers could be to initiate promotional initiatives emphasizing the distinction between program members and incorporating gamification elements into the platform to enhance attractiveness and participation.

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