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Restaurant Customer Loyalty: A Qualitative Assessment of Niche Brands

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Abstract
Using the Loyalty Triangle framework developed by Lewis and Shoemaker (1999) and focus group methodology, the study examined how a niche brand restaurant best achieved long-term loyalty. Results indicate that customers are loyal to a niche brand because of the unique characteristics inherent to the brand. Customers have higher perceptions of such qualities as the presentation of service, consistency of product, and the benefits offered by the loyalty program than characteristics that are shared across all brands. Niche brand restaurants can be more effective in developing these qualities to promote customer loyalty.

Keywords
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By Billy Bai, Matthew Buxton, Gail Sammons and Stowe Shoemaker

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Introduction

Loyalty is exemplified by customers who repurchase the same brand over a period of time. It has been shown that truly loyal customers are highly satisfied, display behavioral and attitudinal characteristics, are willing to pay a premium, and act as advocates for the particular brand. Many companies have developed reward programs as a value incentive to generate loyalty. Both academic and practical perspectives on loyalty have also been researched (e.g. Dowling & Uncles, 1997; Reichheld & Sasser, 1990; and Verhoef, 2003). The focal point has been on the retention of customers by creating loyalty. In hospitality businesses, Lewis and Shoemaker (1999) developed a theoretical loyalty triangle to explain how a company can best achieve long-term loyalty. The triangle has three sides including (1) process; (2) value creation (value-added and value recovery strategies); and (3) database management and communication.

However, there is a scarcity of research that has been done connecting various brand types to loyalty. There are many types of brands other than just traditional whereas much greater research can be developed. Because of this, loyalty methodologies are important as they relate to niche brands, characterized as having small market share, a unique product, and more loyal followers. Therefore, this study meant to fill the void in the stream of loyalty research by investigating how niche brands could extend their loyalty program through acquiring and retaining more customers in a restaurant setting.

Literature Review

Types and Phases of Loyalty

There are many definitions used by researchers to explain loyalty. Each places an emphasis on different characteristics of loyalty. Oliver (1999) places importance on the frequency of purchase and the effects of switching behavior. He states that loyalty is "...a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 33). He also states that satisfaction becomes less relevant when other loyalty mechanisms set in like fortitude and social bonding at the personal level.

Oliver (1999) makes the case that there are four phases of loyalty: cognitive, affective, conative, and action. A consumer can pass through all four phases until he reaches the action phase, also called action inertia. Cognitive loyalty is the first phase and is based on a customer's information only. A person who is in this phase is merely loyal to the performance of the product or service and has minimal loyalty. It is more directed at the costs and benefits. If it fails in either of these two categories, then the customer is easily swayed to another brand. Affective incorporates cognitive attributes but goes one step further. It incorporates behavior based on repeated purchase of the brand. Sensory perception and enjoyment begin to take hold at this stage. However, it may be subject to switching if competitors can enhance their product or service while putting down the original brand. The third type of loyalty, conative loyalty (also called behavior intention) is motivation based and is influenced by repeated purchase. It incorporates an intent and commitment to repurchase. The fourth and final phase of loyalty is also the strongest. It is action-loyalty and incorporates all of the previous stages but adds the dimension of a customer being willing and ready to act. In addition, it incorporates a commitment level equal to overcoming obstacles presented by brand competitors that may inhibit a customer from purchasing the product. Referring to the action phase, Oliver (1999) concludes that "...only insurmountable unavailability would cause such a consumer to try another brand" (p. 37).

Behavioral and attitudinal elements are key components of loyalty. Using the loyalty typology developed by Backman and Crompton (1991), Baloglu (2002) demonstrates four types of loyalty. The most sought after type of loyalty, true loyalty, is distinguished from others as having both a high degree of behavioral and attitudinal elements. Like Oliver's (1999) action-loyalty, customers in this level are committed to the brand, act as advocates, and have a high propensity to repurchase. The second type of loyalty is latent loyalty, characterized by low behavior and high attitude. This means that customers may advocate for a product or service and be highly committed to it. However, they may be unable to purchase the item on a regular basis. It could be because they limited by distance, or may be low on finances. A third type of loyalty described here is spurious loyalty, also described as artificial loyalty. This type of loyalty is characterized by high customer behavior, but low attitude. This means that they regularly purchase the item, but hold no emotional attachment to it. Spurious loyalty has many examples. Perhaps they purchase habitually or for convenience. Possibly there is a financial motive (inexpensive, discount, or reward), or, there are not alternative brands to choose from. Finally, the fourth level is low loyalty, characterized by low behavior and attitudes towards the brand.

Loyalty Drivers

Now that action loyalty has been shown to be the most sought-after type of loyalty, it is essential that there is a clear presentation of how organizations can maximize their ability to develop action-level loyalty among their customer base. For the purpose of this research, these necessary loyalty ingredients will be called loyalty drivers. If action loyalty is to be achieved, these ingredients must be present. As will be shown, some drivers are more important than others.

The creation of value is seen by many researchers as the most important driver of loyalty. Neal (1999) believes that value predicts choice. This value is determined by a decision set in the minds of the customers. Managers or researchers can measure value by placing weights on each of these decision sets. They include utility of price, tangible attributes of the product, switching barriers, and brand-related image drivers. Neal (1999) reports that "If you are measuring and reporting satisfaction, but not value, you may be in the right woods but barking up the wrong tree" (p. 23).

Oh (2000) claimed similar findings. Oh conducted a study in a restaurant to determine whether quality, value, or satisfaction was the clearest indicator of customers' behavior and propensity to return. Oh found that satisfaction was not measured to have long-lasting predictive power. Value was the most significant factor of the customers' intentions before and after the meal indicating that managers may want to incorporate strategies that will place quality as a component of value.

At the core of most loyalty definitions is the customers' behavior of repurchasing a particular brand. Various characteristics of this behavior have been explained by different researchers. Matilla (2001) explained that emotional bonding is a necessary ingredient of commitment, the main characteristic of true loyalty and stressed the importance of attitudinal behavior in her research. She mentioned that there are two types of commitment levels necessary for loyalty to exist. They are cognitive and affective commitment. Cognitive commitment refers to the customers' beliefs about the brand. The deeper and more important commitment level is affective commitment. Affective commitment is distinguished from cognitive commitment by customers' feelings towards a particular brand. It is an emotional attachment. Fournier (1998) stated that emotional bonding is a prerequisite to strong brand relationships. Matilla's (2001) study reveals that affective commitment discourages customers from switching to another brand, encourages advocacy, and forgives service inadequacy.

Likewise, Baloglu (2002) found that attitudinal variables carry more weight than other characteristics when it comes to loyalty. On one hand, behavior measures can be described by time spent and cooperation with the business or brand. This form of loyalty at least has the appearance of loyalty. Attitudinal variables, however, measure the truest forms of loyalty including trust, commitment, emotional commitment, and advocacy. These variables measure how a customer feels about the brand and can be displayed not only by their ability to repurchase, but also by their propensity to spread positive word-of-mouth and share information with the company. By separating and measuring behavioral and attitudinal attributes, managers can learn more about why their customers are loyal and determine the best relationship marketing tools. This finding has the best implications for companies that attempt to build loyalty through developing higher customer attitudes. Customers have a higher lifetime value because of their commitment to repurchase and spread positive word of mouth. Customers on the low attitude side (spurious and low) are subject to switching due to their lack of enthusiasm about the brand.

Fullerton (2003) conducted research separating commitment into the two separate categories of affective and continuance. Continuance commitment is related to a binding or necessary commitment. The terms of this commitment are contractual and binding. Continuance commitment is often sought after when there is a lack of competitors, to avoid high switching costs, or, when vendors are not easily replaceable. Like Matilla (2001) and Baloglu (2002), Fullerton's (2003) study supported affective commitment in that affective commitment develops strong relationships between the customer and the brand and encourages positive word-of-mouth. Customers who have affective commitment also are willing to pay more for a brand. The stronger the bond, or, the stronger one feels a part of the organization's shared beliefs and values, the stronger the commitment. Both affective and continuance commitment have a positive affect on customer retention. However, continuance commitment leads to "dependence and entrapment" while affective commitment leads to "attachment and identification," a much stronger type of attitudinal behavior. Fullerton (2003) concluded by stating that companies can realize a stronger type of loyalty through "positive affect and identification rather than continuance."

The Loyalty Triangle

Lewis and Shoemaker (1999) developed a three sided triangle known as the Loyalty Triangle to explain how a company can best achieve long-term loyalty. They mention that a company must pay equal attention to each side in order to foster the most loyalty from their customer base. These sides are known as process, value creation, and database management.

Process is concerned with how the service works. It is characterized by analyzing the parts of the service encounter that make up the whole. In order for the process to be effective, each step of service must be developed to its full potential. It includes looking at the service from the perspective of the customer. It involves every part of the service encounter. For example, in a restaurant, it could mean everything from picking up the telephone and making a reservation to the time customers are thanked as they are walking out of the restaurant at the end of their meal. Process is described as effectively managing the first three gaps as related in the GAP model of Service Quality (Zeithaml & Bitner, 1996).

The first of these, GAP 1, is concerned with the difference between how the company perceives customer expectations and the actual customer expectations. The best way to close this gap is for management to find out more about their clientele through personal encounters or by research. Gap 2 is management in favor of an operationally-driven mentality versus a customer driven mentality. It includes a poor service design. A company with a wide gap here might be cutting corners to save costs without concerning itself with how it affects the customer. Finally, Gap 3 is the difference between the service design/delivery and the reality of implementation by the staff responsible for delivering the service. This gap presents a case for communication and follow through. Sometimes it is easy to come up with the ideas, but, much harder to fully implement. An example might be getting a hotel clerk to mention room upgrades to every customer that checks in. However, when the manager's back is turned, the clerk decides not to provide this service. Hiring and training the right staff, setting standards of service, and effectively getting a buy-in from the line staff is essential to shortening this gap.

The second side of the Loyalty Triangle described by Lewis & Shoemaker (1999) is value-added and value-recovery strategies. The goal here is to enhance the customers' perceptions of the rewards versus the costs associated with the brand. Strategies to more keenly build upon the existing relationship and strengthen the commitment level are the most beneficial to the company or brand. Value-added strategies are concerned with increasing the rewards associated with the customer and the brand. Many companies offer their best customers preferential treatments. Examples of this would be offering special promotions, discounts, upgrades, recognition, or personalized service encounters. Many companies offer some type of reward or frequency program to create the value proposition in the minds of their customers. These programs typically offer points in return for money spent on the product or service. These points can then be exchanged for cash, airline tickets, discounts, vacations, or just about anything you can think of. It is hoped that as purchases are made, these rewards engender loyalty to the core product, and not to the promotion itself. However, many companies in a crowded market are necessitated to offer these programs as a way to stay competitive. Brand switching can occur when the reward has been realized. These problems are worrisome to any company who attempts to add value by offering a reward program.

Value-recovery strategies are concerned with rewarding the guest when there is a service failure. These are sometimes seen as moments of truth, when the customer is paying special attention to see what type of reaction they will have with the service staff from whom they are dealing. When service fails and nothing is done, it is easiest for most guests to say nothing and switch brands. However, when the failure is turned around in favor of the customer, trust and loyalty can result. For example, a restaurant patron is overcharged by having two drinks charged to his/her check instead of the one ordered. When the issue is brought to the attention to a conscientious food server, the server then offers an apology, takes both drinks from the check, and requests that the guest ask for the food server personally the next time so that better service will be guaranteed. When mistakes are turned around in favor of the guest, it often creates a memorable experience that results in repeated business and affective commitment.

The third leg of the Loyalty Triangle (Lewis & Shoemaker, 1999) is database management and communication. This is an essential part of loyalty creation because "it is the foundation of one-to-one marketing" (p. 363). A smart company will keep track of their customers' preferences and offer services that cater to those preferences during the service encounter. Understanding the spending habits, likes and dislikes, beliefs and behaviors of their customers is marketing power. This power can be exemplified from the top of the organization down to the service personnel who interact with the customer on a personal basis. The more a service staff knows about the customer, the more comfortable the customer feels towards the organization as a whole, and, the more likely they are to purchase and repurchase on a greater scale. The attitudinal variables of bonding and personal fortitude can set in when customers begin to feel like they are known and rewarded by the organization.

Methodology

Study Setting

The chosen restaurant chain has several restaurants in the US and franchise operations overseas. The study setting was in their Las Vegas location in Nevada, USA. The restaurant has a frequent diner program, known as VIP Program. This loyalty program attempts to build loyalty through rewarding repeat customers with discounts and reward certificates. There is a $20 enrollment fee for each individual that wants to become a member. Enrollment entails filling out a short application giving the names of an individual and spouse, as well as, immediate family members under the age of 18. Telephone numbers and email addresses are taken for marketing and reward distribution. Initial incentives include the mailing of a reward's card, $25 reward certificate, and a personalized restaurant chain's seasoning salt and pepper. After this offering, members enjoy reward certificates that are mailed on birthdays and anniversaries. In addition, members are rewarded with $25 reward certificates for every $250 spent in the restaurant. Points show up after a food server places the points into a computer software and provides the guest with a receipt. Members can check their accounts by looking at the receipts or calling a 1-800 number and speak with VIP services to ensure credit was given. Members receive a quarterly newsletter discussing the happenings of each restaurant and any special promotions that may be scheduled.

Marketing for VIP memberships are done in various ways. A table tent on every guests' table explains the basic criteria of the program. Food servers are required to verbally mention the VIP program to each guest table and explain the benefits. There are VIP brochure/applications displayed in the restaurant lobby for customers in waiting. The VIP program is also extended to local hotel concierge workers. This is done by members of the restaurant's host department who are designated with hotel accounts. The host department contacts the hotels monthly to sign up concierge members who will call the restaurant for reservations from hotel guests and visitors looking for a place to dine. The restaurant chain tracks the reservations and provides the participating concierge with the points accumulated from the accompanying check.

Research Design

Qualitative research, comprised of four focus groups, was used to determine the characteristics of the chosen niche brand restaurant and its most loyal customers. Data derived from focus groups have been proven (Churchill & Iacobucci, 2002) as an effective way to generate hypothesis and consumer questionnaires; it can provide product background information and secure impressions on new product concepts. Based on the research by Lewis and Shoemaker (1999), a moderator's guide was developed to organize the questions. The attributes that make the niche restaurant brand unique and foster loyalty were also determined. Data was collected internally in one of the niche brand restaurants in Las Vegas, Nevada, USA, during March 2004. The research examines responses given by participants in four focus groups. Members in each group were asked by a restaurant manager either in person or over the telephone if they would like to participate. A $50 dinner-for-two letter was provided as an incentive for each participant. Individual members of the focus groups were screened to ensure that they met the qualifications set forth below.

The first two focus groups involved guests that were VIP members and had displayed regular dining habits. The first group had seven members that dined at least once per month. This group was referred as "true loyal." The second group was comprised of ten members that dined once every one to three months. This group was referred to as "moderately loyal." These groups were considered to be competent resources for the focus groups based on their regular patronage and use of the VIP program. The third group involved the restaurant co-workers that sell the loyalty program. It was comprised of ten members, nine food servers and one host. Each of these members had been trained to sell the VIP program. Prior inquiry had shown that food servers had become accustomed to presenting the VIP program to the guests that dined at their tables. The single host was accustomed to selling the program to hotel concierge members, as well as, presenting the program to inquisitive guests in the lobby of the restaurant. The purpose of conducting this research from the restaurant co-workers was to explore their perspective about the restaurant and the effectiveness of the VIP program. The fourth group was comprised of 3 hotel concierge agents that participated in the loyalty program as agents and as guests. By placing reservations for guests and visitors at the restaurant, they acted as agents by advocating the restaurant. Due to their dining behavior, they are qualified as guests of the restaurant. The purpose in obtaining information from this group was also to get their perspective about the restaurant and the effectiveness of the VIP program. The same questions were asked of this group as the first two groups. However, additional questions were posed to determine how and where they make reservations. Connections were made relating to their VIP membership and their willingness to suggest the restaurant to their guests.

Each focus group session lasted for approximately one hour. All interviews were recorded by a tape recorder and the collected data was transcribed into text. General themes and contrasts were derived after examining the converted text from the four focus groups.

Results and Discussions

The focus groups effectively provided the conclusion that the studied restaurant could be considered a niche brand. While there were many restaurants in the market, none had the unique qualities found at the chosen one. None of the groups interviewed could place the restaurant into a specific restaurant food category along with other restaurants. As one respondent put it, "It's in a class of its own."

Both true loyal and moderately loyal groups made comments that they loved the restaurant and felt a close association with the brand. These comments showed a close emotional attachment and affective bond felt by the groups' members. Because the respondents were chosen for the focus groups based on their high degree of loyalty, it could be said that attitudinal qualities are strongly associated with the concept of true loyalty. The more strongly the groups felt about the brand, the more likely they were to buy the brand and advocate it to others. In the case of the restaurant being a niche brand, the uniqueness of the product and service was what drove their commitment. The qualities that make a niche brand can be successfully developed into strategies that foster loyalty. It was discovered that customers had higher perceptions of the qualities that characterize niche brands than qualities that are shared across all brands. Such qualities were the presentation of service, consistency of product, and its VIP program.

Similarities and differences between the studied restaurant as a niche brand versus competing brands could be shown within the constructs of the Loyalty Triangle. Aspects of process similar to competing brands were the reservation/seating process and all guests getting the same treatment (VIP members and all guests). Many restaurants utilized reservations and standard seating procedures. The comment that it was difficult to get through to a reservationist could mean there is a problem with the reservation system. It indicates that other guests may be having the same difficulty, which could lead to a loss of potential reservations. Once the respondents were in the restaurant, it was viewed that the restaurant gets the reservations seated on a timely basis. Respondents mentioned that they rarely had to wait longer than 10-15 minutes. They were given no preferential treatment as a result of being VIP members at the front desk or in the restaurant. While these attributes were mentioned by the group, they were not emphasized as leading factors in their decision to choose the restaurant over competing brands.

There were many mentions, relating to process, that would distinguish it from competing brands. One of these is the execution of service. This presentation was viewed as something that they could not get anywhere besides the studied restaurant. The presentation of the spinning bowl salad and being carved prime rib in silver carts were not only unique, but also considered essential in their decision to choose the restaurant.

In developing a VIP program, the restaurant had created a reward feature that is generous to guests and fosters loyalty. Very few restaurants in general, have a rewards program. The characteristics of this VIP program relating to process includes extending the VIP program to restaurant guests and concierge members, accruing points for rewards, and the transferability of rewards.

In extending the rewards to restaurant guests, there is a major difference between the restaurant's objectives to sell the VIP program and the actual line-level implementation. The only area that the restaurant has been effective in selling the VIP program is to local concierge members. The restaurant co-workers displayed a stout unwillingness to sell the VIP program to restaurant patrons, although it is a job requirement. They believed that it was time consuming and that it cultivated low-tipping customers. Their attitude would preclude any program from being successful because the co-workers need to be enthusiastic about the program in order to sell it. However, research of true loyal and moderately loyal group members indicated that nearly all of the members tipped on the pre-discounted amount, implying that the co-worker's belief was unfounded. There could also be a psychological effect that they remember the bad tippers more than the good tippers.

One aspect of the VIP reward process that the respondents enjoyed was their ability to transfer their reward certificates as incentives to friends or relatives. This would happen because the respondents would sometimes not always be able to use the certificates or wanted to get others to try the restaurant. Respondents acted as advocates and gave these certificates to family, friends, and work associates.

The value-added component of the Loyalty Triangle by Lewis and Shoemaker (1999) can be broken into two categories: first, qualities that are inherent of most competitors within the market, and, second, qualities that are unique to the studied restaurant as a niche brand. Characteristics that were similar include location, ambiance/atmosphere, seating arrangement, special occasion offerings, and value-recovery.

The location of the restaurant was seen as convenient for everyone participating in the focus groups due to its centrality within the city. The art deco ambiance/atmosphere was also seen as an advantage, but there are other restaurants that have the same type of dining environment. Many other restaurants have a comfortable, yet classy, dining atmosphere. Here, the only complaint was that they did not like sitting under the dome or sitting in the middle banquettes. The restaurant may want to analyze the functionality of these areas of the restaurant in order to make everyone's experience more comfortable.

Special occasion offerings were mentioned to include birthday and anniversary desserts. This type of offering was not unique to the studied restaurant. Most restaurants offer the same value offering. There may be an opportunity for the studied restaurant to develop something unique to distinguish itself from competing restaurants in this area.

Value-recovery responses showed that group members in the true loyal and moderately loyal category were over-compensated by management or a food server when there was a service failure. This indicated that the studied restaurant reacts well to problems experienced by dining room guests. However, while the respondents viewed value-recovery as a necessary component of customer service, it was not perceived as a major loyalty driver.

There were several value-added strategies that set the studied restaurant apart from its competition. These strategies (shown to be related to the restaurant qualities as a niche brand) are precursors to action loyalty. These included the high level of food quality/consistency and incentives provided by the VIP program.

While the studied restaurant is essentially a one-item concept, the respondents were united in their declaration that the restaurant had a more-consistent, higher-quality product than its competitors. The comments made indicated that they always know what to expect whenever they dine at the restaurant. While other restaurants have similar goals to meet the consistency standard, the studied restaurant maintained a competitive advantage as a result of this perception. This one attribute led some to say that they would be loyal with or without the VIP program.

A possible value-added recommendation listed by the respondents was to carry more menu offerings. Such a decision could prove beneficial if the offerings are limited and the consistency is not sacrificed by adding too many items. The VIP program was also a major component in the minds of the respondents that drives their loyalty. It is also a component that distinguishes the studied restaurant from its competitors and more fully establishes it as a niche brand. The concierge members, familiar with many restaurants in Las Vegas, mentioned that there was no other restaurant frequency program that provided as many incentives as the one that the studied restaurant offers. They viewed the relationship that they had with the restaurant's hostess and marketing manager as a leading reason to send people to the restaurant. From the responses, it is clear that developing loyalty among concierge members could be accomplished through personal contact and reward disbursement. This would indicate that relationship marketing is an essential part of value perception and affective commitment, precursors to true loyalty. This finding indicates that it would be highly beneficial for the studied restaurant to maintain this program. The concierge advocates spread word-of-mouth and increase the amount of business.

All respondents that participated as members in the VIP program were highly satisfied and enjoyed the rewards for points, birthdays, and anniversaries. These were considered value-added incentives for their patronage. Although highly satisfied, it would seem beneficial for the studied restaurant to consider the recommendations for making the VIP program even better. Making exceptions for expired certificates by extending or creatively redefining the offer was mentioned. Other suggestions included creating a tiered or variety-based incentive program that incorporates the restaurant unique style of service and product. Combining certificates or offering other reward alternatives could also prove beneficial. While these suggestions could enhance the value proposition, it would prove detrimental if the rewards already offered were taken away without a careful strategy.

Results of this study indicates that in order for a loyalty program to be successful, value must be created and perceived at the external and internal customer level. The studied restaurant co-workers provided multiple responses suggesting that loyalty program sales are not being initiated by the co-workers at the level expected by the restaurant. The suggestions to automatically add the gratuity or to disclose the proper tip procedure on the check would only upset the customers leading to a negative perception of the program or the brand. The suggestion to give the loyalty program away for free or to provide a larger incentive for selling the program could increase sales, however, it could also increase the costs of maintaining the program and build a larger, non-loyal database. Dropping the check with a VIP brochure was a good suggestion to introduce the program. It would increase sales based on a repetitive and visual sales approach.

If selling the VIP program is truly a mandatory part of the food servers' job, then holding co-workers accountable for reaching sales levels would be an appropriate measure. At this point, it is unclear if management is willing to enforce the sales requirements. Doing so would almost guarantee the desired increase of sales and prove that management is serious about selling the program. Holding sales contests or posting sales results could also rally the co-workers into selling more memberships.

In the area of database marketing, the studied restaurant had several promotions going on that is similar to the competition. This included mailings, advertisements, and special event promotions. Each of these areas was respectively mentioned by members of the groups, however, none was shown to link loyalty to the various promotions being offered. Most of the database marketing techniques used by the studied restaurant involved the VIP membership database. Once again, the VIP program is proven effective as a niche strategy to increase repeat-purchase behavior. The restaurant use of this database creates a list of their most loyal patrons. It is used as a tracking device to see who is dining, when they dine, and how much is spent during each experience. This database has been used to send VIP members reward certificates, newsletters, and promotional materials. The newsletter, for example, was read and deemed informative by most group members. Some had even attended events as a result of reading it. Overall, the members enjoyed the frequent contact of receiving the rewards and newsletters. More importantly, they felt a stronger association and desire to dine as a result of receiving the material in the mail.

Email blasts were also used to promote special events and keep the VIP members updated about the happenings at the restaurant. The concierge members were especially enthusiastic about the email blasts because they check their email on a daily basis. One idea is to create a subgroup of concierge members' email addresses to enhance the marketing relationship. As the concierge membership gets larger and more difficult to manage, emailing would provide an easier way to keep in touch and promote special offers.

The comment that promotions were directed at guests that consume alcohol suggests that the studied restaurant could benefit from conducting further research into the desires and spending habits of their VIP members. It could be that the restaurant isolates many members because their promotions include the sale of alcohol. It also suggests that alternative promotions should be considered when choosing a marketing program.

In accruing points for VIP rewards, there were mixed responses with some saying that they were completely satisfied and others saying that they were unsure. When promotions such as double-points were offered, the VIP members were unable to immediately view the additional points on their receipt. While co-workers agreed that they make an earnest effort to give the points, they do not always succeed. This would suggest that there is a lack of consistency with accumulation and disbursement of the rewards. If the customers do not get their rewards, this could lead to a negative effect on guests' trust and commitment levels and have an opposite effect on loyalty. Also, if database promotions are utilized, co-workers should be informed and be able to give information about programs and events to the customers.

Conclusion

The study presented a qualitative analysis of customer loyalty as it pertains to a niche restaurant brand by demonstrating a successful application of the Loyalty Triangle theory. Because the respondents were chosen for the focus groups based on their high degree of loyalty, it could be said that attitudinal qualities are strongly associated with the concept of true loyalty. It attests that for a restaurant being a niche brand, the uniqueness of the product and service, value creation, and effective communication are what drive their commitment that leads to long-term loyalty. Limitations of focus groups are that they produce qualitative responses that may not be generalized and limited to the number of participants questioned. It would be useful to conduct quantitative research at the niche brand level, to determine the spending habits and demographics of members that participate in frequency programs. Also, calculating the lifetime value of members that participate in frequency programs would be beneficial to determine if the costs outweigh the benefits when implementing such a program.

There are opportunities to conduct an abundance of research as it relates to niche brands across industries. This might include research that looks at the commitment attributes that distinguish users of niche brands from common brands. Also important would be to consider at what point a niche brand becomes a common brand.

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