



Full length article

Exploring the nonlinear impact of critical incidents on customers' general evaluation of hospitality services



Gérson Tontini*, Graziela dos Santos Bento, Thaíse Caroline Milbratz, Barbara Kobuszewski Volles, Daniela Ferrari

Regional University of Blumenau – FURB, Brazil

ARTICLE INFO

Article history:

Received 19 June 2016

Received in revised form 24 May 2017

Accepted 26 July 2017

Keywords:

Service quality

Hospitality industry

TripAdvisor

Critical incident technique

Kano model

ABSTRACT

The literature has recognized the existence of a nonlinear impact of service performance on customer satisfaction. Thus, this study investigates use of the critical incident technique as an input to penalty–reward contrast analysis, showing the nonlinear impact of service quality on customers' evaluation of three-star hotels in Rio de Janeiro, Brazil. To do so, it conducts a content analysis of 400 complaints or compliments in online reviews provided by hotel guests, available at www.tripadvisor.com.br. The identified incidents explain 61% ($R^2_{adj} = 0.61$) of the variance in customers' service evaluation. We find that some factors that receive frequent comments on TripAdvisor have low or no impact on customer satisfaction, while others, not frequently reported by customers, have a great impact, which may be either positive or negative. Thus, alongside customers' comments, hotels should explore the nonlinear impact of these comments on customers' general perceptions of service quality.

© 2017 Elsevier Ltd. All rights reserved.

1. Introduction

With so many hotel options available, consumers frequently try to access prior information regarding the accommodation they might use in their travel. Thus, many customers look for online consumer reviews before making (online) travel arrangements (Vermeulen and Seegers, 2008; Filieri et al., 2015). These reviews are often perceived as more reliable, trustworthy and up-to-date compared to information provided by travel agencies and service providers (Gretzel and Yoo, 2008; Vermeulen and Seegers, 2008). In addition, social media is largely used after holidays for experience sharing, which strongly influences the holiday plans of others (Fotis et al., 2012). Therefore, it is necessary for companies to think about their business environments, and use websites, social media and information technology, in their strategies for service quality (Kandampully et al., 2015).

Regarding hospitality services, customers frequently use online reviews to better decide where to stay (Kandampully et al., 2015); thus, companies could use these evaluations to improve their services. According to Schuckert, Liu and Law (2015, p. 612), “online

reviews represent the best channel through which to assess additional information on service delivery, quality, and customers' demand, specifically from negative reviews with low ratings as they are more likely to reflect real problems.”

Online customer reviews have a significant impact on hotels' results. Ögüt and Onur Taş (2012, p. 210) found that “a 1% increase in online customer ratings increases Sales per Room up to 2.68% in Paris and up to 2.62% in London.” Thus, as customers may decide where to stay based on an awareness of a hotel's service quality derived from reviews provided by other customers, it is very important for hotels to identify how different aspects of their services influence customer satisfaction and word-of-mouth communication. In fact, understanding which factors affect customer satisfaction in the hospitality industry has been a major topic in the existing literature (Pizam and Ellis, 1999; Strandberg et al., 2016).

Common platforms used for online tourist reviews include websites such as TripAdvisor® (Gretzel and Yoo, 2008), which offers a hotel rating system. This website has the largest travel community in the world, reaching 350 million monthly visitors, and almost 300 million evaluations and opinions. It covers more than 5.3 million accommodations, restaurants, and attractions, across more than 45 countries (TripAdvisor, 2016), and customers' travel reviews have become widely used since its advent in 2000 (Levy et al., 2013). This type of evaluation is considered better than information provided by travel agencies (Gretzel and Yoo 2008), and its effect on the choice of services by customers depends on the number and magni-

* Corresponding author.

E-mail addresses: gersonontini@gmail.com (G. Tontini), grazithata@gmail.com (G.d.S. Bento), tcmilbratz@yahoo.com.br (T.C. Milbratz), barbarakvolles@gmail.com (B.K. Volles), danielaFerrari1987@hotmail.com (D. Ferrari).

tude of positive and negative comments present on the TripAdvisor (Filiari et al., 2015).

Several authors, such as Vermeulen and Seegers (2008), O'Connor (2008), and Jeacle and Carter (2011), have focused on TripAdvisor reviews as a research topic, pointing out that positive and negative customer comments increase consumer awareness of hotels. These effects are stronger for lesser-known hotels (Vermeulen and Seegers, 2008). In addition, the TripAdvisor system shows detailed and relevant information for use by customers when planning their travel (O'Connor, 2008). Thus, this website seems to be a trusted intermediary for independent travelers who make their own holiday arrangements, rather than using the services of traditional travel agencies (Jeacle and Carter, 2011).

Although some studies have supported the reliability of TripAdvisor comments, Jiang et al. (2010), Li, Ye, and Law (2013) and Fong et al., (2016) challenge the general understanding of comments within online hotel reviews. Explicitly including comments about negative experiences, these studies have shown that reviews are generally connected to positive ratings, and that most comments are positive (Li et al., 2013).

As negative comments are less usual, there is a need to analyze the possible impact of comments on customer satisfaction. One way to evaluate this is to consider the possible nonlinear impact of different aspects of the service on customer satisfaction. Based on facets of human and social psychology, and the theory of motivation-hygiene (Herzberg et al., 1959), the Kano model (Kano et al., 1984) explains the possible nonlinearity between attribute performance and customer satisfaction. Since the existence of a nonlinear relationship between attribute performance and customer satisfaction has been largely accepted (Gregory and Parsa, 2013), different methodologies for the identification of this nonlinearity have been developed. Besides the original Kano model (Kano et al., 1984), two other common methods are penalty–reward contrast analysis (PRCA) and the critical incident technique (CIT).

Although several authors have used PRCA (Matzler and Sauerwein, 2002; Matzler et al., 2006; Albayrak and Caber, 2015; Mikulić et al., 2016), the method uses previously defined dimensions without customers reporting specific experiences or using spontaneous memory. On the other hand, CIT uses respondents' experiences and memory based on real facts. Thus, if critical incidents can describe general customer satisfaction, the combined use of CIT and PRCA may enable investigation into which spontaneous perceptions of incidents companies should pay attention to. In regard to this aspect, we found only one study, by Zhang and Cole (2016), that explored how satisfier and dissatisfier factors can influence customers' general perceptions of hotels' service quality. Thus, this paper uses CIT in conjunction with PRCA to investigate the possible nonlinear impact of incidents on customers' general perception of the service. To do so, we research reported situations about three-star hotels in Rio de Janeiro, Brazil (since Rio de Janeiro receives many tourists from all over the world), using guest comments and ratings on TripAdvisor. The results of this study show that the use of CIT with PRCA may indicate the nonlinear impact of these incidents on customer satisfaction. Their combined use shows that dimensions that people comment on are not always those affecting overall evaluations of service quality. To present these findings, first, this paper explains the methodologies used in the research, which are PRCA and CIT. Subsequently, it provides a brief literature review regarding studies that have shown how different methods can be used to evaluate the quality of hotels, particularly nonlinear methods. It then explains the results of the proposed method, using hotel service dimensions covered by the model for the hospitality industry, in line with Cadotte and Turgeon (1988) and Pizam and Ellis (1999).

2. Literature review

2.1. Penalty–reward contrast analysis

PRCA, which was proposed by Brandt (1987), uses the coefficients of multiple regression equations to classify attributes according to the Kano model (Kano et al., 1984). The classification depends on the attributes' influence on overall customer satisfaction with the product or service, in a competitive way. An advantage of this method "is that it can be used to discriminate among attributes in terms of their relative importance in explaining a customer's overall judgment of a product/service" (Mikulić and Prebežac, 2011, p. 53). One limitation is the fact that the investigated attributes are measured using closed questions, which ask consumers about their satisfaction with each specific attribute. Thus, the number of researched attributes is limited due to the problem of multicollinearity (Mikulić and Prebežac, 2011). In addition, all attributes are previously defined, forcing customers to remember each investigated aspect, which could lead to irrelevant attributes being considered important.

In order to identify nonlinearity, PRCA recodes satisfaction with each individual attribute into two dummy variables, and uses these variables in a regression equation ($Y = \beta_0 + \beta_1 X_{1\text{pos}} + \beta_2 X_{1\text{neg}}$). When satisfaction with the attribute is above a reference level, the dummy variable of reward ($X_{1\text{pos}}$) is bigger than zero, and the dummy variable of penalty ($X_{1\text{neg}}$) is equal to zero. If satisfaction with the attribute is below that level of reference, $X_{1\text{neg}}$ is lower than zero and $X_{1\text{pos}}$ is equal to zero. When the satisfaction is equal to the reference level, $X_{1\text{pos}}$ and $X_{1\text{neg}}$ are equal to zero. Thus, two regression coefficients represent the impact of each attribute on general evaluation. There are different approaches regarding the reference level for recoding continuous variables as dummy variables (Albayrak and Caber, 2013). In the present research, positive and negative comments are coded using binary penalty and reward variables.

When the impacts of reward (β_1) and penalty (β_2) variables on customer satisfaction are similar, the attribute is critical. When the impact of the reward variable (β_1) is considerably greater than that of the penalty variable (β_2), the attribute is a satisfier. When the impact of the penalty variable (β_2) is much bigger than that of the reward variable (β_1), the attribute is a dissatisfier. Finally, when the impact of both variables is small (or not significant), the attribute is classified as neutral.

Using PRCA to explore the nonlinear impact of service factors on customer satisfaction with hotel services, Matzler et al. (2006) found that some factors affecting customer satisfaction (feeling) do not influence the value customers assign to the hotel. Albayrak and Caber (2015) used PRCA to explore the antecedents of customer satisfaction with a five-star hotel, finding that most of the factors they explored had a critical impact on customer satisfaction. Mikulić et al. (2016), used PRCA to identify potential sources of delight and frustration among hostel tourists. According to the authors, factors related to fun and entertainment have significant potential to enhance customer satisfaction, while they are unlikely to penalize it. On the other hand, factors related to local people have significantly larger potential to penalize than to reward customer satisfaction. Zhang and Cole (2016), using satisfier and dissatisfier incidents to explain general satisfaction of customers with mobility challenges, suggested prioritizing the bottom-line delivery of dissatisfier and critical factors (e.g., room access and staff attitude capability), and optionally delivering satisfier factors (e.g., luggage and equipment support and general lodging features).

Download English Version:

<https://daneshyari.com/en/article/5108274>

Download Persian Version:

<https://daneshyari.com/article/5108274>

[Daneshyari.com](https://daneshyari.com)