



Refreshing hotel satisfaction studies by reconfiguring customer review data



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ABSTRACT

This study reconfigures the user generated content in online hotel reviews to provide comparative and benchmarking insights about customer satisfaction. Hangzhou, an emerging tourism city in China, was selected for the study. Over a thousand user-generated reviews about four and five star hotels that were posted on Agoda.com were coded and analysed. Seventeen attributes influencing customer satisfaction were identified. The attributes were classified on the type of influence exerted: satisfiers (work in a solely positive direction), dissatisfiers (work in an exclusively negative direction), bidirectional forces (influence either positive or negative outcomes), and neutrals (no marked influence). The approach enabled the comparison of customer satisfaction between 4 and 5 star hotels, properties with different ownership, and the views of guests from different origins. The study suggests that a focused reclassification of the online review data can deliver powerful customer feedback messages for both researchers and hotel managers.

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1. Introduction

Following an extensive review of hospitality marketing research, Line and Runyan (2012) proposed that special attention needed to be directed to the unique conditions inherent in the hospitality industry, the dramatic role of the digital world, the value of qualitative data and the importance of cross-cultural studies. Hotel accommodation reviews are now a key component of the tourism and hospitality management (Leung et al., 2013). Researchers are increasingly realising that the tourists' online commentaries represent a rich vein of data that can contribute to the analysis and management of the hospitality sector (Kim and Hardin, 2010; Lu and Stepchenkova, 2012). This study focuses on the possibilities inherent in hotel booking and review sites to investigate the components of guests' satisfaction. It specifically analyses the rich hotel review data available on a major international accommodation site, Agoda.com. The work seeks to develop a convenient and succinct approach to appraise the components of hotel satisfaction. The 97, four and five star rated hotels studied, are located in the important Chinese tourism city of Hangzhou. In evaluating guests' satisfaction with these hotels, the study seeks to demonstrate the usefulness

and practicality of modifying and manipulating the internet site data.

2. Literature review and research aims

2.1. Conceptual background: satisfaction studies and the digital tourist era

The background for this research resides in the rich literature on customer satisfaction. Three major approaches identified in the literature are: meeting expectations, benchmarking and direct assessment. All of the approaches require the collection of considerable amounts of data.

There has been considerable work done using expectations as an approach to satisfaction studies; benchmarking with comparable facilities as a tool; and a strand of work that uses direct assessment of attributes which influence customers' experiences (Noe, 1999; Pizam and Mansfeld, 2000; Kozak and Decrop, 2009; Pearce, 2005). All of the approaches require the collection of considerable amounts of data. The expectations approach directly equates the level of customer satisfaction with the expectations of the customer. If customer expectations are exceeded, high satisfaction results; if they are simply met, moderate satisfaction is assured; and if expectations are not fulfilled, dissatisfaction follows. The expectation approach effectively equates the definition of satisfaction with a specific approach to its measurement; notably the level of agreement between prior experience and post experience appraisals. As

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a number of commentators have noted, expectations may be vague, as well as, being very difficult to measure in advance of the actual participation in the experience, in this case the hotel stay (Botterill, 1987; Decrop, 2001; Pearce, 2005). Even if it is possible to access guests' views prior to their hotel stay, there remains the potential bias created by asking questions about a hotel characteristics both prior to and after the stay (Barsky, 1992). The opportunity to use the online hotel reviews avoids viewing satisfaction through expectation based measurements and is more akin to other approaches such as benchmarking (Pearce and Benckendorff, 2006).

The benchmarking approach is built on comparisons between the rated or assessed performance of the target hotel and its competitors. It is widely recognised as a valuable method and has been developed in sophisticated ways in some European communities (Fuchs, 2002). Wober (2002), for example, provides a range of statistical techniques to improve tourism and hospitality benchmarking practices. The approach carefully selects similar organisations and uses direct comparison among aspects of hotel performance. Wober's work avoids expectation based measures, however, collecting the necessary data can, be both time consuming and expensive. It can also require widespread hotel cooperation. The rise of internet based hotel review sites can stimulate the wider adoption of benchmarking assessments by reducing the burden of primary data collection.

The third approach to assessing hotel satisfaction is described by Kozak as one of direct post consumption appraisal (Kozak, 2000). This approach ignores expectations and focuses on how customers rate aspects of the specific accommodation. Sometimes, but not always, this approach also assesses the importance of the components of the guests' experience (cf. Noe, 1999). It has strengths for management actions of a specific property but the lack of commonality of complaints or areas of satisfaction does not enable comparison across similar accommodation offerings. The limitations of the existing approaches to assess customer satisfaction prompted the search for efficient and data rich alternatives. With the dramatic changes in the market, especially the coming of the digital tourist era (Wu and Pearce, 2013; Xiang and Gretzel, 2010), research topics and approaches need to be updated (Line and Runyan, 2012). The voluntary information posted by customers online offers rich insights and research opportunities to understand customer satisfaction (Mauri and Minazzi, 2013). The advantages of using the online reviews include the large amount of information available; it is well organised and diverse; and it is inexpensive to obtain. It bypasses the need to assess expectations and, therefore, avoids potential bias of subsequent responses. It also overcomes the issue that guest surveys in the hotels, which often only collect incomplete or inaccurate information and may not help hotel managers with decision making about improving customer satisfaction (Barsky, 1992).

Nevertheless, some notes of caution about online hotel reviews need to be highlighted. Some commentators have expressed concern about the trustworthiness of the data and the representativeness of those who post the information (Kozinets, 2010). Research by Yoo and Gretzel (2008) indicate that the desire to assist others has been seen as a key positive motivation of those who write their accounts. The altruistic nature of hotel review sites also tends to support the argument that the data is generally trustworthy (Zehrer et al., 2011). The volume of the data being posted also suggests that there are many types of individuals familiar with, and comfortable with, the online environment as a location to express their views about their hotel experience.

2.2. The Chinese hotel sector: a context

The growth of the Chinese hotel industry since China opened its door to international trade and visitors in 1978, has been

substantial (Gu et al., 2012; Pine and Phillips, 2005). The number of hotels and hotel rooms across China has been increasing quickly due to the growth of both domestic tourism and international tourism. At the end of 2012, there were 11,706 star rated hotels in China and it was suggested the growth rate of hotel rooms has been higher than 10% annually (China Tourism Academy, 2013a). It was also stated that the number of five star hotel rooms increased fivefold from 2000 to 2012, and the numbers are expected to keep growing to meet the market's demand for high quality accommodation. Accordingly, research activities have flourished as well (Kong and Cheung, 2009; Tsang and Hsu, 2011).

Recently, Gross et al. (2013) reviewed a wide range of hotel research undertaken in China, that has been published in English. They identified the majority of research focuses on hotel management and performance, hotel development strategies, and hotel business environment analyses. For the hotel management and performance area, Gross and his colleagues found that the primary interest was human resources management, followed by hotel operations and performance, and then marketing and finance. The high interest in employee satisfaction studies, rather than customer satisfaction research, is consistent with the review of hospitality marketing research undertaken at the global level by Line and Runyan (2012).

A dramatic change in hotel ownership in China has occurred since 1978 when China opened its door. During the 1980s and 1990s, overseas Chinese and those from Hong Kong, Taiwan and Macau played a large role in investing and building the top level hotels in the first and second tier tourism cities (Lew, 1995). Joint ventures between the Chinese government, at both the national and local level, and companies owned by overseas Chinese were common. In addition, international hotel chains entered the Chinese hotel market, due to the positive forecasts of growth (Guillet et al., 2011). Both franchise and joint ventures were and are used by international companies (Xiao et al., 2008). At present, most of the top international hotel companies are operating in China. Those companies offering more than 10,000 rooms in China are IHG (InterContinental Hotels Group), Wyndham Hotel Group, Accor, Starwood Hotels and Resorts Worldwide, and Marriott International (Gu et al., 2012). In addition, numerous domestic hotel chains have been established since the 1990s and have formed either national or regional networks, with some investing overseas (Gross and Huang, 2011).

It has been suggested that hotel ownership can be a strong factor influencing hotel economic performance (Guillet et al., 2011). Pine and Phillips (2005) compared the performance of hotels using groupings based on ownership, size and star rating. They found that better economic performance occurs in hotels that have foreign ownership connections (especially those with partners from Hong Kong, Macau and Taiwan); those that have more rooms; and those which have a higher star rating. Another performance study conducted by Mak (2008) indicated that a large number of Chinese state owned hotels incurred economic losses. Recently, Hsu et al. (2012) suggested that hotels of different ownership varied significantly in their managerial ties, which influences their management strategies and performance. The authors of the present study, however, are not aware of any research assessing and benchmarking customer satisfaction at hotels with different ownership.

China is a large country with considerable socio-economic differences, so the development of hotels has been uneven across the different regions (Huang et al., 2012). Jones Lang LaSalle Hotels & China Tourist Hotel Association (2012) pointed out that researchers need to consider both the leading destinations and developing tourism cities in their work. In the first tier Chinese tourism destinations (e.g. Beijing, Shanghai, and Guangzhou) and the second tier tourism destinations (e.g. Hangzhou, Nanjing, and Tianjin), hotels with different ownership co-exist. A lack of experience among the

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