



# If you install it, will they use it? Understanding why hospitality customers take “technological pauses” from self-service technology



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## ARTICLE INFO

Available online 2 February 2015

### Keywords:

Self-service technology  
Hospitality  
Technology  
Macau  
Technology preferences

## ABSTRACT

This study extends the self-service technology (SST) paradigm by revealing a relatively unexplored area; namely the under-utilization of SST systems, within service settings. Focusing on an SST kiosk system installed within one of Macau's most luxurious hotel/casinos, this research shows that regardless of a customer's perceived technology readiness, overall, customers deem many SST options unimportant. The results reveal that the hotel's guests rate the SST option that helps them obtain discounts for entertainment and dining options as highest in importance compared to all the other SST options. Thus, fun emerges as an antecedent to SST usage. A qualitative follow-up study reveals that the customers also shun the hotel's SST system because customers may avoid using SST while on vacation—to engage in a so-called technological pause. This finding is original to the SST paradigm.

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## 1. Introduction

Prior research discusses the growing popularity of self-service technologies (SSTs) in service settings and thoroughly investigates questions such as how SSTs affect customer satisfaction and how customers decide whether to employ SSTs during service exchanges (Massey, Khatri, & Montoya-Weiss, 2007; Meuter, Bitner, Ostrom, & Brown, 2005; Meuter, Ostrom, Roundtree, & Bitner, 2000). Customers grow more comfortable with using SSTs over time (Lin & Hsieh, 2011), and SSTs are now permanent mainstays in service industries, including hospitality, financial, transportation, and retail consumption settings. For example, on a global level, customers increasingly are familiar with automated teller machines in banks, self-checkouts in retail locales, and self-service kiosks in hotel lobbies and car rental locations.

A vast amount of literature exists on consumer behavior toward SSTs, indicating the emergence of SST as a research paradigm. As such, dominant themes consistently supported in replicated studies indicate that consumers' technological readiness (Lin & Hsieh, 2006; Massey et al., 2007; Victorino, Karniouchina, & Verma, 2009) and perceptions of SST ease of use (Oh, Jeong, & Baloglu, 2013) affect their willingness to adopt and use SSTs during service exchanges (Lakshmi & Ganesan, 2010; Stockdale, 2007).

The SST paradigm is extensive and insightful but also possesses a shortcoming—namely, marketing researchers exploring consumer

behavior toward SSTs tend to regard organizational SST offerings as an encompassing, broad-based concept. Researchers exploring customers' attitudes toward SST offerings tend to probe responses to all facets of an SST system, assuming that customers respond to all SST options or none at all (Lin & Hsieh, 2011; Meuter et al., 2005). For example, researchers tend to query respondents with macro-level questions about organizational SST offerings, such as whether they can “complete their service transactions with a firm's SST” (Lin & Hsieh, 2011) or whether they “believe that a firm's SST would be helpful in their completing the check-in process” (Oh et al., 2013).

As a result of this macro-level research focus, researchers probe customer responses to SST systems, rather than exploring customer responses to specific technological offerings inherent within an SST system. For example, a hotel's customers may respond favorably to an SST system that helps them check in, they may not view all SST system check-in options equally and may even view some options as useless or even negatively. A kiosk touch screen offering more than a dozen options in 25 languages may be too overwhelming for some guests to comprehend.

In addition, practitioners may assume that their customers view all SST options favorably. Consequently, they invest in ever-increasingly-complex SST systems that their customers in turn under-utilize because they do not perceive a need for a multitude of SST-based options.

This case study breaks new ground in the SST paradigm by exploring a relatively unknown topic—namely, understanding why customers shun complex SST systems. This study addresses this question by engaging in both descriptive and survey research, with samples obtained from customers of a leading luxury hotel and casino based in Macau. Overall, the descriptive findings reveal two novel reasons hotel customers

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refrain from using the property's SST system. First, many customers perceive themselves as being on a “technological pause” during vacation and thus avoid using technology during their sojourns. Second, many customers prefer interacting with service staff in lieu of an SST (Bolton & Saxena-Iyer, 2009; Oh et al., 2013). Specifically, luxury hotel guests in Macau perceive themselves as on vacation from using technology. In addition, the empirical findings reveal that regardless of their technology readiness, customers do not perceive all SST options as equally useful and are drawn to options that offer them fun and entertainment. These findings should help management understand why many of the hotel's SST kiosks are under-utilized.

The plan for this case study proceeds as follows. Section 2 introduces the situation regarding SST under-utilization at Hotel X, followed by both a review of the SST literature to understand the drivers of consumer SST usage and adoption and the research hypotheses. In Section 3, the study empirically tests the hypotheses through the use of questionnaires to a convenient sample of 43 randomly selected Hotel X customers. Section 4 presents the findings, followed by the quantitative interviews in Section 5. Section 6 concludes with a discussion of the theoretical and managerial implications and research limitations.

## 2. Positioning within the literature

### 2.1. Hotel X's SST system

Hotel X is among Macau's largest and most exclusive hotel/casino operations. To increase the efficiency of its human resources, especially in Macau where hotels, casinos, retailers, and restaurants continually compete for employees, and to enhance customers' service experience, the hotel purchased and installed a specifically designed SST application from the leading computer hardware manufacturer and software developer firm. Hotel X's management team speculates that high-end customers would embrace the SST technology, which allows them to seamlessly transit through the check-in and checkout process, obtain room keys, and view their account/folio at the lobby-based SST kiosks. The SST system also permits guests to print out welcoming information (e.g., maps, hotel information, incentives/coupons for hotel activities), make reservation changes, and make room selections. In addition to the SST, Hotel X offers guests technology offerings, including internet (Wi-Fi) access, online reservation capabilities, online virtual tours, and e-mail confirmations. Although these SST and technology offerings seem sound, the management soon realized that many of the hotel's customers opted to wait in queues for services that could be immediately processed at the SST kiosks—most notably, guest check-in, guest checkout, and receipt of current account reports.

The management was perplexed why many of the hotel's guests shunned the lobby-based SST kiosks, especially because the hotel targets high-income customers, with an average room rate of \$250 per night, who should be comfortable with using modern SST technology. Unfortunately, Hotel X failed to test the SST system in the Macau context before purchasing the kiosks, despite understanding the risks associated with implementing new service innovations (Khan & Khan, 2009). Consequently, the return on investment has been slow to materialize, and customer complaints associated with their longer-than-expected waiting times increasingly have become problematic.

### 2.2. SSTs in hospitality

The hospitality industry continues to expand technological offerings to guests, the impetus of which often stems from guest demands (DiPietro & Wang, 2010). Thus, hoteliers have installed computers for reservation systems, business centers in the public areas, online websites for information and reservations, wireless internet in public and guest areas, online check-in and checkout, and so forth, all in an effort to enhance guest satisfaction (Law & Jogaratnam, 2005). Similarly, hotels increasingly employed the use of handheld order-taking devices

to minimize mistakes and guests' waiting time; for example, these devices are linked to kitchen display system (Kimes, 2008) and self-check-in and checkout systems, which lower operational expenses and guests' waiting time (Jungki & Allaway, 2002; Zhao, Mattila, & Tao, 2008).

Overall, extant literature espouses that technological innovations, in the hospitality industry, help satisfy guests' needs and simultaneously lower operational expenses (DiPietro & Wang, 2010; Siguaw & Enz, 1999). In addition, research suggests that these innovations increase the level of service quality and customer satisfaction industrywide (Piccoli, 2008). A recent literature review, however, reveals that negative attributes are discussed rarely with technology innovations in hospitality, except for the costs (Koutroumanis, 2011). The notion that hotel customers may look askance at a hotel's technology offerings or even avoid using them remains under-researched, even though guests' desire for technology seems unwavering.

Given their high operating and labor expenses, hospitality organizations are at the forefront of implementing SSTs as well as other enhancements that may simultaneously lower expenses while increasing customers' satisfaction (Khan & Khan, 2009; Rust & Espinoza, 2006) by creating a more constant service atmosphere (Curran, Meuter, & Surprenant, 2003). Many travelers now consider hotel technology offerings, such as computerized reservation systems (Meuter, Ostrom, Bitner, & Roundtree, 2003), mobile information guides (Riebeck, Stark, Modsching, & Kawalek, 2008), wireless internet (DiPietro & Wang, 2010), and check-in and checkout self-service kiosks, routine business practices (Griffy-Brown, Chun, & Machen, 2008).

### 2.3. Understanding why hotel guests shun SSTs

Although most hospitality settings are considered interactive services (Bolton & Saxena-Iyer, 2009), meaning that customers often interact with various aspects of a hotel's technological offerings, customers are not necessarily using SSTs with steadfast enthusiasm. For example, Lui and Piccoli (2010) note that hotel guests' acceptance of self-service kiosks largely depends on whether or not they perceive the technology as beneficial. They also forewarn hoteliers that they should not anticipate instantaneous enthusiasm among guests regarding SST usage and therefore should offer a variety of service delivery channels, including those that encourage social interaction between hotel personnel and their guests.

On the one hand, the role of technology in hospitality settings likely will expand as hotels continue to automate service processes and to meet customer demands for enhanced computing and connectivity needs (Victorino et al., 2009). Furthermore, hotel guests will employ technology when they perceive doing so as convenient, enjoyable, and easy to use (Meuter et al., 2000). On the other hand, literature reveals that some hotel guests are frustrated by technology interactions during their stay and that managerial understanding of customers' acceptance of technology is warranted to improve the potential of success for further technological innovations (Victorino et al., 2009).

Within the SST paradigm, researchers refer to technology readiness to describe a person's likelihood to use and appreciate new technologies (Massey et al., 2007; Parasuraman, 2000; Tsikriktsis, 2004). Technology readiness is a relatively broad construct that focuses on issues such as innovativeness and the tendency to be a technology pioneer (Meuter et al., 2003). Parasuraman and Colby (2001) propose and support a taxonomy of five types of technology-ready customers based on their technology beliefs: explorers, pioneers, skeptics, laggards, and paranoids. Tsikriktsis (2004) replicates Parasuraman and Colby (2001) and puts forth a four-customer-type taxonomy, noting that consumers are no longer paranoid about technology. Along these lines, Victorino et al. (2009) demonstrate empirical support for a reduced three-customer-type taxonomy, based on a sample of 2500 hotel guests, thus supporting the reality that consumers' attitudes toward technology in service settings has coalesced into traditional high, medium, and low categories.

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