



Exploring the dynamic effect of multi-quality attributes on overall satisfaction: The case of incentive events



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ABSTRACT

The extant incentive event studies are geared toward clarifying the general aspects of the incentive travel industry using qualitative and descriptive methods, while in-depth empirical research is overlooked, especially in the area of quality and satisfaction. This study investigates the dynamics (asymmetry) of multi-quality attributes towards satisfaction from the perspective of mainland China incentive travelers by (1) identifying quality attributes as frustrators, dissatisfiers, hybrids, satisfiers, and delighters, (2) prioritizing attributes for the purpose of effective satisfaction management, and (3) presenting theoretical and managerial contributions to the incentive travel literature.

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1. Introduction

An incentive travel/event, one of the MICE segments, is defined as “a modern management tool used to accomplish uncommon business goals by awarding participants an extraordinary travel experience upon attainment of their share of uncommon goals” (Sheldon, 1994, p. 23). The incentive travel market is rapidly growing in the MICE industry. According to the Society for Incentive Travel Excellence (SITE, 2013), the US incentive event market is estimated at more than USD 10 billion per year. The demand for an incentive event is also noticeable in mainland China. According to Global Business Travel Association (GBTA, 2016), mainland China is ranked first in the world business travel market including incentive travel, leaving the U.S. behind; China’s total business travel spend is forecasted to rise to USD\$320.7 billion in 2016, higher than the business travel spend of the U.S. (US\$295.7 billion). As a growing number of Chinese firms are recognizing employees’ performance using incentive events, they are becoming very important target clients to incentive travel destinations around the world (Angelini, 2012; Xing and Formica, 2007).

Given that the economic impact of the MICE industry is highly recognized around the world, the MICE literature flourishes in both quality and quantity. However, incentive event industry has been surprisingly under-researched in the MICE literature (Fenich et al.,

2015). The current incentive event literature, mostly published in the 1990s, covers a limited research domain, namely the case studies of incentive travel destinations (Mehta et al., 1991; Witt et al., 1992), reward value of incentive event (Hastings et al., 1988; Ricci and Holland, 1992), the demand for incentive travel (Sheldon, 1995), and a holistic view of the incentive travel industry (Fenich et al., 2015; Xiang and Formica, 2007). The abovementioned studies are geared toward clarifying the general aspects of the incentive travel industry using qualitative and descriptive methods, while in-depth empirical studies are overlooked, especially in the area of quality and satisfaction. Quality and customer satisfaction are central to understanding the nature of customers’ evaluative perceptions and behavior in the hospitality and tourism literature. Nevertheless, an empirical examination of multi-quality attributes and satisfaction in the incentive travel research has not been conducted, although it would form a compelling research agenda that enriches the incentive travel literature.

In response to this research gap, this study validates the multi-quality attributes of incentive travels and investigates their dynamics (asymmetry) towards satisfaction from the perspective of mainland China incentive travelers. Researchers have reached a general consensus about the linear, symmetric relationship between quality attributes and satisfaction while exploring customer perceptions and judgments. However, blindly pursuing this consensus can be a barrier to further clarifying the quality–satisfaction link, given that the consumer behavior literature provides conceptual and empirical evidence of asymmetric associations between quality attributes and satisfaction (e.g.,

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Anderson and Mittal, 2000; Mittal et al., 1998; Oliver, 1997; Streukens and Ruyter, 2004).

Overall satisfaction is a consequence of the performance of multi-quality attributes (Anderson and Mittal, 2000). The asymmetric relationship explains the phenomenon that a service firm substantially invests in the performance improvement of a particular quality attribute, but fails to observe the corresponding effect on customer satisfaction, whereas the equivalent investment in the quality improvement of another attribute leads to a more significant effect on satisfaction. This implies that the performance of quality attributes differentially influences satisfaction with an asymmetric effect (Anderson and Mittal, 2000; Mittal et al., 1998; Oliver, 1997). Overlooking such a dynamic link between quality and satisfaction may lead to model misspecification and lower predictive power (Streukens and Ruyter, 2004). Nevertheless, an empirical analysis of an asymmetric effect is largely neglected in the hospitality and tourism literature. In fact, the concept of asymmetry in the quality–satisfaction link is not novel; the asymmetric effect is qualitatively and descriptively defined with the notion of satisfiers and dissatisfiers, drawing on the analysis of complaints and compliments from hotels and restaurants (Cadotte and Turgeon, 1988) and the analysis of critical incidents from banks (Johnston, 1995). However, the qualitative assessment of anecdotes poses methodological limitations to an in-depth understanding of the dynamics of multi-quality attributes towards satisfaction (which is further discussed in the section of theoretical implications.). While complementing the limitation of the previous research, this study aims to present expanded theoretical and practical scope of satisfiers and dissatisfiers that the prior studies do not explore. To achieve such an aim, this study seeks to identify the multi-quality attributes of incentive travels as frustrators, dissatisfiers, hybrids, satisfiers, and delighters; prioritize attributes for the effective satisfaction management; and make theoretical and managerial contributions to the further development of the incentive event literature.

2. Literature review

2.1. The asymmetric effect of attributes on satisfaction

Although much of the research has generally adopted symmetric linear relationships between attributes and satisfaction, an asymmetric function has also been advocated for examining the dynamic effect of attributes on satisfaction (Anderson and Mittal, 2000; Back, 2012; Deng, 2007; Füller and Matzler, 2008; Mikulić and Prebežac, 2008; Mittal et al., 1998; Oliver, 1997). This asymmetric function is expressed in the form of negative or positive asymmetry (Anderson and Mittal, 2000). Negative asymmetry occurs when one degree of negative performance of an attribute has a more powerful effect on satisfaction than a corresponding degree of its positive performance (Mittal et al., 1998), implying that attribute dissatisfaction is more salient and draws a more serious cognitive and affective response than attribute satisfaction (Peeters and Czapinski, 1990). Similarly, positive asymmetry is observed when the increase in performance of a particular attribute has a greater effect on satisfaction than an equivalent decrease in performance of the same attribute; an attribute gives rise to positive asymmetry if its quality is unanticipated or unusually high relative to customer expectation (Anderson and Mittal, 2000).

Prospect theory (Kahneman and Tversky, 1979) offers a theoretical rationale for the asymmetric effect, stating that customer judgment exhibits loss aversion with diminishing sensitivity at high and low levels of performance. Loss aversion indicates that individuals perceive loss as more serious than gain; a loss is given more weight than a corresponding measure of gain (Einhorn and Hogarth, 1981). The loss aversion perspective holds that negative

asymmetry occurs when the negative performance of an attribute affects satisfaction more than the equivalent extent of a favorable performance. Moreover, customers display diminishing sensitivity against satisfaction when they evaluate an attribute at a high level of its positive or negative performance. In other words, when the performance of an attribute is either high or low, customer satisfaction is less influenced than at the middle range of its performance, suggesting asymmetry (Mittal et al., 1998).

The aforementioned dynamic effect of attributes on overall satisfaction has been examined using three-factor theory of satisfaction (Anderson et al., 2004; Back, 2012; Deng, 2007; Füller and Matzler, 2008; Mikulić and Prebežac, 2008; Oliver, 1997). Postulating that attributes influence satisfaction in different manners, three-factor theory arises out of Herzberg's et al. (1959) two-factor theory. Two-factor theory advocates that the factors (e.g., job security) that cause job dissatisfaction differ from the factors (e.g., challenging work) that cause job satisfaction. Inspired by two-factor theory, Kano (1984) develops attractive quality theory, which is based on five quality domains that affect satisfaction differently. Depending on the nature of the relationship between quality attributes and satisfaction, the five quality dimensions are categorized into "attractive qualities" (positively asymmetric), "one-dimensional qualities" (positive linear), "must-be qualities" (negatively asymmetric), "indifferent qualities" (non-existent), and "reverse qualities" (negative linear). Kano (1984) states that attractive qualities relate to attributes individuals do not usually expect, including surprise and delight attributes. When attractive qualities are given to customers, they are happy and satisfied, but they do not cause dissatisfaction even when they are not available. Thus, attractive qualities display a positive asymmetric relationship with satisfaction. Conversely, must-be qualities exhibit a negative asymmetric relationship with satisfaction. When must-be qualities are not offered, customers are dissatisfied. However, even when these qualities are fulfilled, customers are not necessarily satisfied, as must-be qualities are very basic attributes. One-dimensional qualities have a positive linear relationship with satisfaction, suggesting that people are satisfied with the presence of one-dimensional qualities and dissatisfied with their absence. Indifferent qualities do not trigger satisfaction or dissatisfaction, regardless of whether they are provided to customers. Reverse qualities literally suggest that they create dissatisfaction when fulfilled and satisfaction when not fulfilled.

Kano's (1984) attractive quality theory is fine-tuned later by other scholars (Anderson et al., 2004; Back, 2012; Deng, 2007; Füller et al., 2006; Mikulić and Prebežac, 2008; Oliver, 1997) into the three-factor structure of attributes that cause satisfaction and/or dissatisfaction. For instance, Oliver (1997) similarly posits that satisfaction is differently affected by three types of attributes: bivalent satisfiers, monovalent dissatisfiers, and monovalent satisfiers. Like one-dimensional qualities, bivalent satisfiers cause satisfaction or dissatisfaction, depending on whether those attributes are present. Monovalent dissatisfiers induce dissatisfaction only and do not cause satisfaction even when they are supplied, as the attributes are taken for granted. In contrast, monovalent satisfiers that are perceived as unexpected and valuable attributes trigger satisfaction and do not cause dissatisfaction even when not provided. In line with the aforementioned literature, the current study adopts three-factor theory to examine the asymmetric nature of attributes through the following zones.

- Negative asymmetry includes dissatisfiers and frustrators. Dissatisfiers are deemed as basic and must-be attributes that give rise to dissatisfaction if not provided, but do not induce satisfaction even when provided. As individuals take dissatisfiers for granted, one unit of negative performance of a dissatisfier attribute has a more consequential effect on satisfaction than a

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