

# **The Utilization of Three Justice Dimensions in Online Complaint Responses: a Case Study of Small Hotels and Chain Hotels in Thailand**

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Master of Science

in International Tourism Management

Submitted to Dr. Christian Weismayer

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Vienna, January 17<sup>th</sup>, 2014



## **AFFIDAVIT**

I hereby affirm that this Master's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

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## **ABSTRACT**

The emergence of Web 2.0 and user generated content have changed many industry's business operations and marketing strategies, particularly in the hotel and hospitality industry where the customer generated reviews have a great impact on customers' pre-purchase decision. Responding to those customers generated reviews especially to the negative one is essential for hotels as they can either influence customers satisfaction or dissatisfaction with the recovery efforts. Therefore, in order to obtain better insight into how hotels respond to negative reviews in the online context, this master thesis aims to analyze 300 online management responses, which are posted on [www.TripAdvisor.com](http://www.TripAdvisor.com) by chain hotels and small hotels in Thailand. Different aspects of the three justice dimensions theory are used as indicators to evaluate recovery efforts in the online context from both small hotels and chain hotels. The findings reveal chain hotels have a better performance in utilizing two out of the three justice dimensions, which namely the procedural as well as the interactional justice dimension whereas the utilization of distributive justice demonstrates no difference between both types of hotel.



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# TABLE OF CONTENTS

Affidavit.....	I
Abstract.....	III
Acknowledgements.....	V
List of Figures .....	XIII
List of Abbreviations .....	XV
1 Introduction .....	1
1.1 Context and Previous Research .....	1
1.2 Research Aims and Objectives.....	2
1.3 Thesis Structure .....	3
2 Literature review .....	5
2.1 Service Failure.....	5
2.1.1 Types and Factors Influencing Service Failures in the Hotel and Hospitality Industry.....	6
2.1.2 Understanding Customer Reactions to Service Failures.....	8
2.2 Service Recovery.....	9
2.2.1 Identification of Different Aspects of Service Recovery Strategies in Various Service Industries .....	10
2.3 Perceived Justice Theory .....	14
2.3.1 Equity Theory.....	14
2.3.2 Procedural Justice.....	15
2.3.3 Distributive Justice.....	16
2.3.4 Interactional Justice.....	17
2.4 The Role of Perceived Justice Theory in the Service Recovery Process .....	19
2.5 Customer Satisfaction and Service Quality.....	21
3 The Emergence of Web 2.0 and Its Importance in the Tourism and Hospitality Industry.....	23
3.1 Web 2.0 phenomenon and Customer-Generated Content.....	23
3.2 Travel Review Websites and their Importance to the Hospitality Industry .....	25
3.3 Online Complaint Responses as Part of Service Recovery Strategies in the Hotel and Hospitality Industries.....	27
4 Research methodology .....	31
4.1 Hypotheses Development .....	31
4.2 Research Method Used .....	36
4.2.1 Content Analysis .....	36
4.2.2 Quantitative Content Analysis .....	37

4.2.3	The Approaches to Analytical Process Used in this Study.....	38
4.3	The List of Categories Used in This Research.....	40
4.4	The Introduction of Sampling Procedures .....	45
4.4.1	Identification of Data Collection Platform .....	45
4.4.2	Data Collection and Formulation .....	46
4.4.3	Approaches to the Hypotheses Testing Process in This Study .....	50
5	Results .....	51
5.1	Introduction .....	51
5.2	Characteristics of Selected Hotels .....	51
5.2.1	Location of Hotels .....	51
5.2.2	Hotel Star Ratings.....	52
5.2.3	The Rating of Online Reviews as Part of the Data Collection Process .....	52
5.3	Testing the Hypotheses.....	54
5.3.1	Hypotheses Concerning Sub-Dimensions in Three Justice Dimensions .....	54
5.3.2	Testing Hypotheses Regarding the Three Justice Dimensions .....	75
6	Discussion.....	81
6.1	Distributive Justice Dimension.....	81
6.2	Procedural Justice Dimension.....	81
6.3	Interactional Justice Dimension.....	82
7	Conclusions .....	84
7.1	Further Implications for Hotel Managements .....	86
8	Limitations and Future Research .....	89
9	Bibliography .....	90
	APPENDICES.....	103
	Appendix 1: Location of Hotels .....	103
	Appendix 2: Star Rating.....	105
	Appendix 3: The Cross-Table of the Variables <i>compensation</i> and <i>apology</i> and <i>hotels by type</i> .....	107
	Appendix 4: The Cross-Table of Variables <i>need</i> and <i>hotels by type</i> .....	110
	Appendix 5: Results of Group statistics of the Variable <i>time used in responding to complaints</i> and the grouping variable <i>hotels by type</i> .....	112
	Appendix 6: The Cross-Table of the Variables <i>addressing guests by name</i> and <i>hotels by type</i> .....	113
	Appendix 7: The Cross-Table of the Variables <i>ending statement</i> and <i>hotels by type</i> .....	115
	Appendix 8: The Cross-Table of the Variables <i>thank you for complaints</i> and <i>hotels by type</i> .....	117
	Appendix 9: The Cross-Table of the Variables <i>formal or informal responses</i> and <i>hotels by type</i> .....	119

Appendix 10: The Cross-Table of The Variable <i>sender's name</i> and <i>hotels by type</i> .....	121
Appendix 11: The Cross-Table of the Variables <i>sender's company</i> and <i>hotels by type</i> .....	123
Appendix 12: The Cross-Table of the Variables <i>sender's department</i> and <i>hotels by type</i> .....	125
Appendix 13: The Cross-Table of the Variables <i>sender's position</i> and <i>hotels by type</i> .....	127
Appendix 14: The Cross-Table of the Variables <i>further queries</i> and <i>hotels by type</i> .....	129
Appendix 15: The Cross-Table of the Variables <i>welcome guests back</i> and <i>hotels by type</i> .....	131
Appendix 16: The Cross-Table of the Variables <i>appreciation for complaints</i> and <i>hotels</i> <i>by type</i> .....	133
Appendix 17: The Cross-Table of the Variables <i>explanation</i> and <i>hotels by type</i> .....	135
Appendix 18: The Cross-Table of the Variables <i>solutions offered</i> and <i>hotels by type</i> .....	137
Appendix 19: The Cross-Table of the Variables <i>personal contact information</i> and <i>hotels</i> <i>by type</i> .....	139
Appendix 20: The Cross-Table of the Variables <i>post-complaint contact encouragement</i> and <i>hotels by type</i> .....	141
Appendix 21: The Cross-Table of the Variables <i>Initiation of investigation</i> and <i>hotels by</i> <i>type</i> .....	143
Appendix 22: The Cross-Table of the Variables <i>repetition of paragraphs or sentences</i> and <i>hotels by type</i> .....	145
Appendix 23: The Factor Analysis of the three variables in distributive justice dimension .....	147
Appendix 24: The Factor Analysis of the four variables in interactional justice dimension .....	148



## LIST OF TABLES

Table 1: Types of customers and proposed service recovery actions .....	11
Table 2: Qualitative and quantitative data and analysis.....	36
Table 3: Elements and sub-elements of the distributive justice dimension.....	41
Table 4: Element and sub-element in procedural justice dimension .....	42
Table 5: Elements and sub-elements in interactional justice .....	43
Table 6: The overall rating of the reviews.....	53
Table 7: The results of the Cross-table of the variables <i>compensation</i> and <i>types of hotel</i> .....	55
Table 8: The findings of the Cross-table of the elements <i>apology</i> and <i>hotels by type</i> .....	56
Table 9: The Cross-table of the aspects <i>need</i> and <i>types of hotel</i> .....	56
Table 10: Results of mean ranks and levels of significance for man-Whitney u-test of the variable <i>time taken in responding to complaints</i> and grouping variable <i>types of hotels</i> .....	57
Table 11: The results of the Cross-table of 6 sub-variables in the politeness dimension across two types of hotel.....	58
Table 11: The results of the Cross-table of 6 sub-variables in the politeness dimension across two types of hotel (Continued) .....	59
Table 12: The results of the Cross-table of sub-variables ( <i>Sender's position</i> and <i>Sender's department</i> ) in the politeness dimension and types of hotel .....	62
Table 13: The conclusion table presents the results of the analyses of each sub-variable in the politeness dimension. ....	64
Table 14: The Mann-Whitney U- test for the variables <i>the number of We, Us, Our, The number of I, Me</i> and grouping variable <i>Types of hotel</i> .....	65
Table 15: The results of the Cross-table sub-variables in the empathy dimension across two types of hotel .....	66

Table 16: The conclusion table presents analytical results of each sub-variable in the <i>empathy</i> dimension.....	68
Table 17: The results of Chi-square test for the Cross-table of the variable <i>explanation</i> and grouping variable <i>Types of hotel</i> .....	70
Table 18: The overall results for the Cross-table of 5 sub-variables in the posting of <i>effort</i> and <i>Types of hotel</i> .....	71
Table 19: Overview of results of 5 sub-variables of the <i>effort</i> dimension .....	75
Table 20: The results of Mann-Whitney U-test of the variables for the distributive justice dimension .....	76
Table 21: The results of Mann-Whitney U-test of the variable in the procedural justice dimension .....	77
Table 22: The results of the KMO test and the Bartlett test for factor analysis .....	77
Table 23: The results of Total Variance Explained for the factor analysis test .....	78
Table 24: The results of Mann-Whitney U-test for the summed value of the interactional justice dimension .....	79

## LIST OF FIGURES

Figure 1 Service recovery process.....	13
Figure 2 Example of hotel’s negative review in the TripAdvisor website .....	47
Figure 3 Example of online compliant response by hotel management .....	48
Figure 4 Number of tourist arrivals and the hotel occupancy in Thailand. ....	49
Figure 5 Example of the step used in testing the hypotheses .....	50
Figure 6 Location of the hotels .....	51
Figure 7 Star rating of the hotel sample .....	52
Figure 8 Overall rating on 5-point scale as a part of data collection process in this research .....	54
Figure 9 Scree plot .....	78





## **LIST OF ABBREVIATIONS**

WOM – Word Of Mouth

IPA – Important Performance Analysis



# 1 INTRODUCTION

## 1.1 Context and Previous Research

The cornerstone of every service industry is to provide the best service to customers in order to ensure customer satisfaction. However, once a service failure occurs, it is crucial that the company develops an effective service recovery strategy to deal with dissatisfied customers to prevent switching behavior as well as negative word of mouth (Tax et al. 1998, pp. 75-76). Furthermore, it is essential for companies to develop marketing strategies that will enhance customer satisfaction. Much research shows that satisfaction has a strong influence on customer loyalty, word of mouth, and intention to buy (Maxham and Netemeyer 2002; Chandrashekar et al. 1998). Given the importance of service recovery and customer satisfaction, an analysis of online complaint responses, as a part of service recovery strategies, will be introduced in this study.

Service can be perceived as a performance and is, thus, intangible (Bateson 1997; Berry 1980; Lovelock 1981; Shostak 1977). Customers will not be able to evaluate or experience it before buying or testing. Moreover, service can be defined as *heterogeneous*, which means it can be performed differently from one person to another. Customers might also perceive the quality of the service differently than companies do. Time should also be taken into account as the nature of service can change from day to day (Parasuraman et al. 1985, pp.41-42).

Service-delivering industries nowadays are faced with the need to maintain high quality service. First, service-delivering companies must try to develop a greater relationship with their existing customers, but, at the same time, attract potential new ones. Additionally, customers are now more aware and have become highly knowledgeable about the service process. Therefore, there is little room for error. However, it is rather difficult to avoid failures in a service process as, at some point, conflicts or dissatisfaction will happen in the relationship between a company and its customers (Lin 2010, p.873). Therefore, once a service failure occurs, companies must develop effective service recovery strategies. Gronroos (1988) describes service recovery as “the actions an organization takes in response to a service failure.” After the failure occurs, companies must retain or improve the customer’s satisfaction level and, most importantly, maintain customer loyalty and dissuade them from turning to a service from the company’s competitors (Bolton and Wagner 1999, p.356).

Once the unsatisfactory action occurs in the service process and a complaint has been raised, customers most likely prefer to receive feedback from the company. They would like to see either fair behavior or justice being taken into account when a company responds to their complaints (Nikbin et al. 2010, p.48). This notion of perceived justice theory is mentioned in various studies. It is a framework that defines the customer’s evaluation of a company’s responses to a

service failure (Nikbin et al. 2010, p.48). It is essential for a company to acknowledge the importance of fairness theory in order to apply it in a service recovery strategy. Ghalandari et al. (2012) studied the effect of perceived justice dimensions on post-recovery overall satisfaction, post-recovery revisit intention and post-recovery word-of-mouth intention. The results show that distributive justice and procedural justice have significant influence on the intention to revisit and post-recovery word-of-mouth, whereas interactional justice has a positive effect on all of the criteria. Thus, companies should provide fair outcomes to customers once complaints occur. Reducing the cost of complaints can be an outcome if the company is willing to provide fair interactions and procedures (Tax et al. 1998, p.73). Therefore, this thesis aims to evaluate and analyze the utilization of the three dimension justice theory (distributive justice, procedural justice and interactional justice) to examine the performance of small hotels and chain hotels when it comes to service recovery in an online context.

In the tourism industry, it is no surprise that complaints occur frequently (Tyrrell and Woods 2004, p.193). Moreover, it is also important to point out that hotel businesses are widely connected to the online world. New technology nowadays has changed the marketing strategies of many service businesses and the hotel industry is one of them. Lee and Hu (2004, p.168) point out that the hotel industry now relies on technology-based approaches as a marketing tool. Internet technology not only provides current updated information, but also enhances opportunities for people to conduct two-way communications (Page et al. 2001). The hotel industry uses the Internet as the main distribution channel in order to communicate and deliver information to customers (Lee and Hu 2004, p.168).

Internet technology is not only used for hotel businesses to promote their products, but also as a platform for customers to express their satisfaction or dissatisfaction with the service. The emergence of web-based complaint forums is clearly seen in the online world. These forums offer customers a chance to share their opinions in public. At the same time, both positive and negative reviews in a forum also provide companies with inside information. They will be able to understand the nature of the complaints and, at the same time, develop efficient complaint response strategies to manage negative reviews (Tyrrell and Woods 2004, p.168).

## **1.2 Research Aims and Objectives**

The tourism and hospitality industries are primarily service-oriented. Because service itself is not tangible and can only be experienced during and after consumption, therefore Word of Mouth (WOM) plays an important role in customer decision-making (Litvin et al. 2008 cited by Maurer and Schaich 2011, p. 499). The hotel industry needs to recognize the importance of user-generated content posted on the internet as a form of WOM. In the offline world, word of mouth (WOM) refers to the verbal interaction between people or within a small group: in other words, “the water cooler effect.” Word of mouth (WOM) has become helpful for the customer to form an opinion and assist in the decision-making process in a situation where information is densely

provided. Travelers tend to rely on other opinions in order to minimize risk. The reason is that WOM is easy to obtain and perceived as more credible than firms' provided information (Smith et al. 2007 cited by O'Conner 2010, p.756). In the online world, customer-generated reviews can also be perceived as another kind of online word of mouth. With the diffusion of social media platforms, WOM in the offline context corresponds to a mass communication medium in the online context (O'Conner 2010, p.756). According to Ellis-Green (2007), the importance of user-generated reviews to online travel activities is frequently discussed. Either positive or negative comments can benefit hotels if correct actions are implemented. From the marketing perspective, dealing with all available information on social network sites can be challenging. A better understanding of "data-driven marketing" should be developed (Levy et al. 2013, p.49).

Much of the existing online service recovery research mainly attempts to discover the most frequently mentioned service failures concerning customer complaints or offer an analysis of the different types of service failure and recovery actions (Levy et al. 2013, p.50). There is limited research in the hotel and hospitality field that analyzes online complaint responses from companies (Park and Allen 2013, p.65).

Accordingly, concerning the importance of online complaints and responses in the hotel industry, this master's thesis provides an analysis of online complaint responses posted on the website *www.tripadvisor.com* by small hotels and chain hotels in Thailand. Furthermore, the online complaint responses as a part of a service recovery strategy by hotel management in Thailand will be investigated through the application of perceived justice theory. Online complaint responses by management will be collected from the TripAdvisor website. The motivation behind the idea of using TripAdvisor as a data collection platform is the importance of online consumer complaints and responses. Additionally, the researcher will be able to evaluate responses by hotel managements to unbiased complaints.

### **1.3 Thesis Structure**

This master's thesis consists of 8 distinct sections:

The introduction is given in the first section as an overview of the thesis. The importance of service recovery and complaint handling is also mentioned. The significance of perceived justice theory is emphasized as well. Additionally, the influences of online technology in the tourism industry and the use of complaint forums are discussed.

The second section provides the objectives of the study as well as its research aims. This part contributes mainly to the focus on objectives: the quality of online responses and the utilization of the three justice dimensions of online complaint responses. The data used for this study is based on the online complaint responses from hotel managements on the TripAdvisor website. The data will be analyzed and evaluated by employing SPSS software.

The literature review is located in the third section of this master's thesis. It provides theoretical background information of service failures as well as service recoveries. The perceived justice framework will also be presented. The relevant theory regarding complaint handling and customer dissatisfaction will be investigated. The significance of online service quality and new technology will be emphasized as well in this section. Furthermore, the importance of Web 2.0 and user-generated content will be discussed after the introduction of the literature review. The Web 2.0 phenomenon and the emergence of travel review websites will be highlighted.

This study then continues with the research methodology, which introduces the research design and the procedures employed to gather the relevant data. The online qualitative complaint responses from hotel managements on the TripAdvisor website will be changed into quantitative measurements. The list of criteria, which will be applied for measuring the quality of responses, will be explained within this chapter.

The results of the data collection are acquired by applying SPSS software. This section also includes the presentation of the outcome and discussion of results. By analyzing the outcomes of this study together with observations from the literature review, the conclusions will be presented. The implications for hotel management will also be included within the conclusions.

The last section indicates the potential limitations of the study.

## 2 LITERATURE REVIEW

### 2.1 Service Failure

Among service-delivery businesses, and particularly hotels, service failures are a typical problem as it is challenging to establish a definition of service. Parasuraman, Zeithaml and Berry (1985, p.42) define service as a form of activity. Because it cannot be counted as an object, it is rather difficult to measure or evaluate. Therefore, it is challenging to marketers to understand to what extent customers perceive service. Moreover, they also point out that service can be observed as *heterogeneous*, i.e., the notion of what service is frequently changes from service providers to customers as it is sometimes subject to variations. As pointed out earlier, the distinctive nature of service has a significant impact on service failure as such and may lead to a greater number of mistakes (La and Kandampully 2004 cited by Wang and Chang 2013, p.103).

The perception of an important service provided by the company can be changed once a service failure happens (Lee and Hu 2004, p.170). Bitner, Booms, and Tetreault (1990) conducted a study based on three service industry settings: restaurants, hotels and airlines. Assuming the customer's point of view, they attempted to note the various events and behaviors that triggered failure in the delivery of service. Three main categories of service failure were subsequently identified:

- The failure that is caused by a delivery system which includes slow responsiveness and inaccessibility.
- The failure that relates to customer preferences and requests and which mainly focuses on the reaction of service personnel to individual guest needs.
- The failure that is associated with service provider actions, which include unprompted gestures and ignorance. The amount of attention given to customer and cultural norms are also included in this category.

However, in 1994 Bitner et al. endeavored to extend the scope of their previous study in 1990. Instead of investigating behavior and events from the customer's perspective, which related to critical service encounters, they examined a new context: the employee's point of view. Their findings indicate that the reviewed classification, which is failure connected to fundamental service, service customization and inappropriate employee actions are still reported in research conducted from the employee's perspective. However, a new group, problematic customers, has been added to the list of variables. Thus, the findings of this research introduced another type of service failure which is caused by unexpected and problematic customer behavior (Bitner et al. 1994, pp.101-103).

In the retail setting, Kelly et al. (1993) introduced the typology of retail failure and recovery strategies. Mainly developed from the taxonomy system of Bitner et al. (1990), the findings did not completely suggest a different direction compared to those researchers. However, the failure related to policy is emphasized in research (Kelly et al. 1993, p.433). In a restaurant setting, however, Chung and Hoffman (1998) investigated service failure from the three failures classification as a point of departure. The results demonstrate that the failure related to the product condition, such as a defective product, is an error that has been mentioned the most, whereas a less common error is the failure connected to customer requests (Chung and Hoffman 1998, p.69).

Despite a substantial amount of empirical research on service failure in diverse industries, the critical incident studies in a service failure and service recovery context regarding hotel operations industry are still limited (Lewis and McCann 2004, p.6). The following chapter will introduce the types and factors influencing service failures in the hotel and hospitality industry.

### **2.1.1 Types and Factors Influencing Service Failures in the Hotel and Hospitality Industry**

Nowadays, the hotel business is struggling to manage the quality of basic day-to-day service (Lee and Hu 2004, p. 170). It is challenging for hotel managers to be able to control all aspects of service delivery in their hotels because of the nature of service itself. Various aspects of service are highly interactive, which means that the interface between customers and employees is constantly active. Additionally, an around-the-clock operation may hinder the hotel manager's ability to have overall control of every service presentation. That situation accounts for certain difficulties within the hotel setting and includes explicit factors such as unexpected demands (e.g., over-booking) which need to be taken into account. As a result, the nature of hotel business provides for the occurrence of an ever greater number of potential service failures. The complexity of hotel systems, particularly those that connect one department to another, allows many failures to happen at the time of interaction (Lewis and McCann 2004, p.6). Not only may the failures be caused by the complexity of hotel operations, but frontline employees might also play significant roles in creating failures in the service delivery process as well as affecting the outcome. As the latter might be due to the fact that they have to face a large number of customer demands on a daily basis, their tolerance level toward problematic customers might be reduced at times (Hoffman and Bateson 2001, cited by Lee and Hu 2004, p.170).

The limited hospitality research in exploring different factors influencing service failure and service recovery strategies in the hotel industry has been recognized by two scholars, Lewis and McCann. In 2004, they conducted further research with respect to exploring the various types and levels of service failures specific to the hotel industry. Recovery strategies management and efficiency were analyzed. The behavior of two types of customers, leisure and business guests, was also taken into account in their investigative process.



Their findings suggest that despite the kind of guest, two types of common service errors found in the service delivery process emerged from their research. These are related to the restaurant service and the check-in, check-out operation. The slow service in the hotel's restaurant accounts for 61.7% of all respondent complaints (Lewis and McCann 2004, p.10). The second service failure is in respect to frontline employee efficiency. Negative actions of hotel staff, such as discourteous or unhelpful behavior, are given as examples that caused the service errors experienced by the respondents (Lewis and McCann 2004, pp.10-14).

Of the failure-severity reviews highlighted by most of the respondents, the failure regarding the cleanliness of the room was the most critical. The study by Knutson (1988) also suggested that the condition of the room was a concern among hotel guests. She attempted to discover hotel attributes which might influence a guest's return. Her findings indicated that the factor both leisure and business guests were concerned about the most was the good condition of rooms, which included cleanliness and proper maintenance (Knutson 1988, p.83-84). Moreover, failures related to hotel employees accounted for half, out of a total of ten, serious service errors. Failures of security and staff issues are also considered more critical for leisure guests than business customers (Lewis and McCann 2004, pp.11-14). The findings regarding the safety and security here are corroborated by the study of Chu and Choi (2000). They explored the importance magnitude of six hotel factors by using the IPA (Importance Performance Analysis). Their results state that the security issue was chosen to be the most important factor by leisure guests with a higher mean score compared to that of business guests (Chu and Choi 2000, p.373-374).

The evidence from the study of Lewis and McCann (2004) suggests there are many hotel aspects that need to be addressed in order to prevent the occurrence of service failures. First, hotels must recognize which type of errors appears to happen more frequently than others. Likewise, maintaining the quality of the service-delivery process should be emphasized by management and service presentation in particular should be handled in a timely manner. The attitudes and behavior of staff are other factors of concern. Appropriate training concerning complaint handling is necessary and should involve all staff, especially frontline employees. Additionally, safety and security factors should be well maintained. Even though hotels receive higher ratings for serious failures, more by leisure guests than business customers, hotel managers should continue to provide high standards of safety and security within the hotel environment for all types of guests. By doing so, hotels might be able to reduce the number of service failures related to safety issues. Once hotels acquire a strong and acceptable reputation in respect to security, they can ultimately attract more leisure guests and, at the same time, separate themselves from competitors (Marshall 1993 cited by Chu and Choi 2000, p.374).

In order to develop an efficient system and to better satisfy guest preferences, it is essential that hoteliers understand customer perspectives because eventually the outcomes of service

recovery efforts can affect customer satisfaction and influence guest repatronage (Atkinson, 1988 cited by Chu and Choi 2000, p.374).

### **2.1.2 Understanding Customer Reactions to Service Failures**

Hart et al. (1990) identified complaint handling as a form of strategy. Once service failures occur, firms will use complaint handling as a form of strategy to manage the problem and at the same time acknowledge the issue. The primary outcomes will be to restore credibility of companies in the customer's mind (Tax et al. 1998, p.61). A complaint can be identified as a type of negative feedback from customers in response to a failure of service. The nature of a complaint can be either reasonable or unreasonable. It can be filed because customers expect some sort of tangible or intangible compensation for an unpleasant experience or because they need to see some action taken or expression of a sincere apology (Singh and Widing 1991; Bell et al.2004; McCole 2004 cited by Larivet and Brouard 2010, p.539).

It is important that companies acknowledge customer complaint behaviors in order to develop the appropriate complaint handling techniques. Zeithaml et al. (2006, pp.220-221) reviewed four types of customer complaint behavior:

- *Passive* – refers to complainants who do not say anything. Usually this type of customer doubts the purpose of complaining, as they believe it will not be worth their time and effort.
- *Voicers* – frequently file complaints, but usually do not spread negative word of mouth. They also expect to see some improvement from service providers. These types of customers are the most valuable for companies.
- *Irates* – complainants tend to engage in spreading negative word of mouth to their close parties, for example, peers and family. They are more likely to switch to other service providers, as well.
- *Activists* – complainants are optimistic as they believe that complaint results will be positive.

A significant amount of literature describes different types of reactions to service failures. In order to better understand the notion of service failure and service recovery, it is essential to study the different customer reactions to service failure.

Larivet and Brouard (2010, p.539), as discussed by Hirschman (1970), divide customer reactions to service failures into two stages based on typology:

- *The initial stage*— refers to the first reaction after the transaction. This stage describes how the customer reacts to the company's response and can be further categorized into *exit response* and *voice response*. *Exit response* explains the reaction in which customers are very dissatisfied with the outcome and switch completely to other firms.

*Voice response* is when the customer complains directly to firms or to close parties, such as family or friends as well as third parties, which can directly affect a hotel's reputation and credibility (such as complaining in public or on an online forum).

- *The second stage*— explains the customer's behavior after receiving some kind of response to a complaint.

The level of loyalty may include additional customer reactions to service failure. Loyalty can be distinguished by different characteristics, such as *pure loyalty*, *latent loyalty* and *spurious loyalty* (Dick and Basu, 1994 cited by Colgate and Norris 2001 p.216). The aspect of loyalty is very important to companies as they do not have to invest in developing the relationship with customers because loyal customers already understand offered operations and services. As a result, devoted customers can help the company reduce marketing spending which eventually results in higher revenues (Mittal and Lassar 1998 cited by Colgate and Norris 2001, p.216). However, loyal customers do not always have to be satisfied with the service. One example of this is *spurious loyalty*. Once customers develop this type of loyalty, even though they might experience unsatisfactory service, they remain with the firm, but at the same time hold a negative attitude toward it. The consequences might not affect the company economically as customers remain with the company, but they might engage in negative word of mouth (Hirschman, 1970 cited by Colgate and Norris 2001, p.217).

An insight into customer reactions to service failure can benefit companies in various ways. It can serve as an information source for firms to see which service components frequently create problems in the service process. The company will be able to understand various factors that drive customers to remain with firms or choose to exit. Firms should further apply this knowledge to develop the appropriate service recovery process in dealing with different types of customer behavior.

## **2.2 Service Recovery**

Bailey (1994 p.25) explains service recovery as "Putting right what has gone wrong." It is very important for every service provider to recognize the importance of the recovery process as it is one of the approaches that can keep existing customers with the firm. Recent evidence from substantial research indicates that once service recovery has been implemented after a failure happens, the magnitude of customer satisfaction and loyalty increases. Service recovery is further defined as "the process of dealing with a situation whereby a customer has experienced a failure in the firm's offering." The goal in applying service recovery is to affirm that the magnitude of customer satisfaction is restored after the failure has occurred.

The concept of service recovery has been developed from the social exchange and equity theory. Customers expect to receive compensation to substitute for what they have lost. Smith et al. (1999, pp.357-358) further identify two dimensions of service recovery encounters which are

correlated with the equity theory: *the utilitarian dimension* and *the process failure*. In the first dimension, customers believe they should receive economic resources, such as money or time, to remedy their unpleasant experience. This type of effort usually associates with the first type of service encounter failure: *outcome failure*. This type of failure explains the action when firms are not able to deliver service as they promise. The second type of service encounter failure is referred to as *process failure* and focuses on the delivery process. For example, a customer is not satisfied with a frontline employee's actions because they are not respectful or are rude. In response to this type of failure, the exchange in terms of psychological resources is suitable as customers expect an apology or some sort of emotional compensation for their bad experience. This type of recovery effort falls into the second dimension of service recovery encounters, referred to as *the symbolic dimension*.

Service is intangible as it involves a high level of customer involvement with the service process. It is challenging for firms to avoid failures that might happen. Furthermore, the perception of failure between company and customer can be perceived differently. Various elements, which consumers perceive as important, might not be considered in the same light by companies. Therefore, in order to implement a successful recovery action, a company must understand which type of service failures have occurred and the type of actions to be taken in response to those failures (Smith et al. 1999, p.358).

### **2.2.1 Identification of Different Aspects of Service Recovery Strategies in Various Service Industries**

Several researchers have studied different effective service recovery strategies and elements in order to introduce efficient approaches worth including in a company's response actions. Bell and Zemke (1987, pp.32-33) claimed that in order for managers to understand how to deal with the service error, it is essential to define the level of seriousness of failures which customers have experienced. This concept has been utilized in their research. The condition of customer dissatisfaction is divided into two dimensions (Bell and Zemke 1987, p.33):

- *Annoyed*— accounts for customers who have had a negative experience that is considered minor. The following example illustrates this type of experience: the product does not work as promised and a customer brings it to the repair store.
- *Victimized*— presents the case where the level of disappointment is severe. The negative experience creates hurt or aggravation. For example, a customer takes the broken product, which presents the same problem repeatedly, to the same repair store for the fifth time.

Based on the different magnitudes of customer dissatisfaction, the researchers found that an *annoyed customer*, with a lower degree of dissatisfaction, could be managed with greater ease. After applying a recovery action, this type of customer tends to return to his normal state. The *victimized customer*, however, needs to have more a complex magnitude of recovery action.

Table 1 summarizes five important elements proposed by Bell and Zemke (1987) as appropriate recovery strategies for both types of customers:

Type of Customer	Service Recovery Action
<b>Annoyed Customer</b>	<i>Apology</i> – Delivering a sincere apology in person is more convincing to customers than responding in the name of a firm.
	<i>Urgent Reinstatement</i> — No matter whether the attempt to fix the error is successful or not, responding to service failure in a timely manner is essential.
<b>Victimized Customer</b>	<i>Empathy</i> — Perceived empathy refers to the acts of someone trying to understand the feeling of the victim. It is different from sympathy in that sympathy suggests taking sides with the victim.
	<i>Symbolic atonement</i> — Offering compensation for a service breakdown.
	<i>Follow-up</i> — This post-service recovery action should be implemented to make sure customers are satisfied with the recovery presentation.

TABLE 1: TYPES OF CUSTOMERS AND PROPOSED SERVICE RECOVERY ACTIONS (BELL AND ZEMKE 1987, PP.33-35)

Bell and Zemke finally concluded that the process of effective service recovery involves the concept of service quality. Service recovery allows service providers to be able to understand customer preferences and respond to those needs in an effective way (Bell and Zemke 1987, p. 35).

The magnitude of failure severity is the key objective in several studies. It is considered the vital factor to define the success of a service recovery strategy. The importance of the level of failure seriousness was discussed as well in the finding by Matilla (2001). Her base study involved a three-service delivery industry: a hair salon (a service which has a high amount of interaction between service provider and customer), a dry-cleaner (categorized in group two which represents non-personal services) and restaurants (chosen for group three as examples of service that

requires direct customer contact). The aim is to explore the interaction between the diverse levels of failure seriousness and different types of service contexts. The findings indicate that problem severity should be taken to account when applying different service recovery strategies for different types of service. Once people feel that the condition of failure is severe, perceived fairness in relation to service recovery will be considered to a lesser degree than ones who perceived failure to be less serious. In response to the perception of fairness in service recovery, subjects who experience less serious service errors tend to have greater interactional fairness representation. The results are congruent with the perceptions of distributive fairness. This perception is greater when the error is less serious (Matilla 2001, pp.589-591).

Different elements in respect to service recovery actions are identified in several other research studies. Many scholars have attempted to explore effective service recovery strategies utilizing the “critical incident technique” in their exploratory work. Bitner et al. (1990) suggested that the critical incident technique is a useful process to discover what might trigger customer dissatisfaction in service encounters. The nature of the technique, which is an open-ended survey, is such that it allows subjects an opportunity to specify their unsatisfactory experiences in a service encounter. The received information is more precise and can be better used to develop different elements in the service recovery process and policy (Bitner et al. 1990, pp.81-83). By using this technique together with the customer’s perspective, they explored major situations causing service breakdowns and further introduced appropriate responses to service errors, which included *apology*, *acknowledgement*, *explanation* and *compensation* (Bitner et al. 1990 cited by Johnston and Fern 1999, p.72).

Specifically, in the retail product-based context, Kelly et al. (1993) conducted research again using the critical incident technique. The findings introduce appropriate successful service recovery actions as follow:

- *Discount*- refers to the act of discount as atonement.
- *Correction*- failure action is corrected by service providers.
- *Management/Employee Intervention*-management and staff take part in responding to a service breakdown.
- *Correction Plus*- firms offer additional compensation.
- *Replacement*- replacement of the broken product.
- *Apology*- the effectiveness of this type of recovery depends on the seriousness of failure.
- *Refund*- this is the act of reimbursement.

It is challenging for service delivery companies, especially in tourism industries, to deliver “perfect” service with no defects. It is unlikely that service can be delivered without any defects or failures or can be achieved error-free the first time. Effective service recovery strategies can be seen as one predictor where customers can distinguish between one service firm and another. Therefore, it is essential for service firms to develop effective service recovery strategies.

Tax et al. (1998, pp.76-77) adopted a four-stage service recovery process (see figure 1) to assist the service provider in developing an effective strategy.

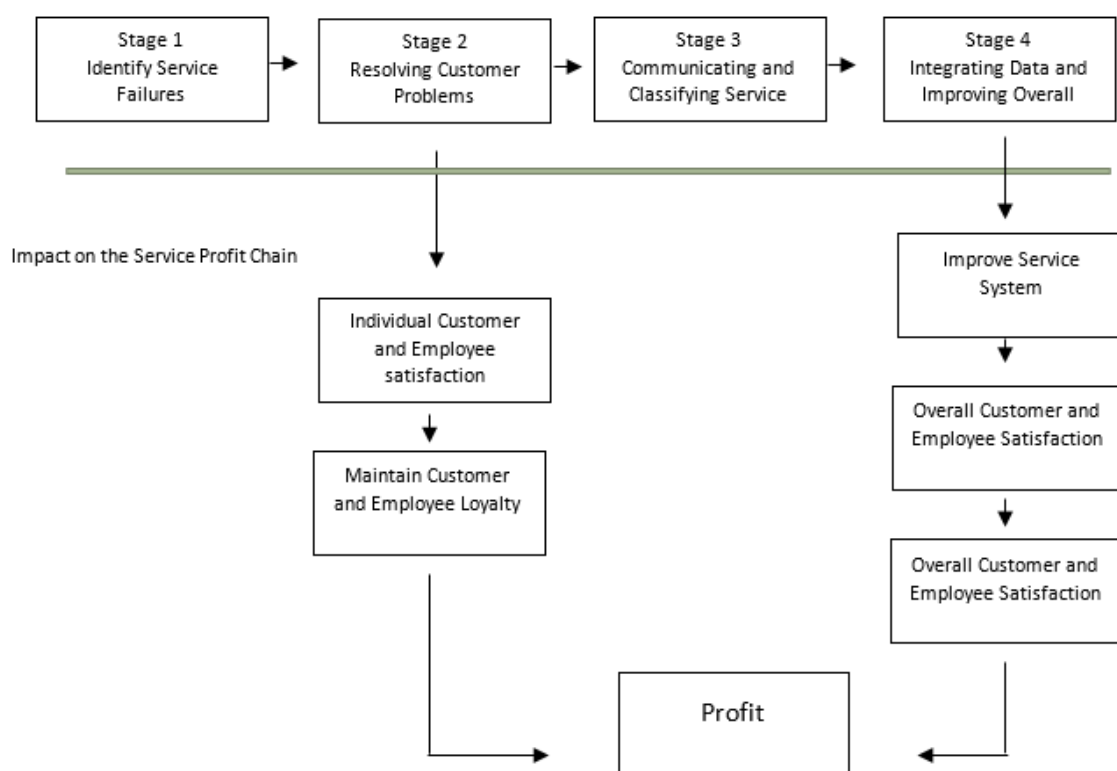


FIGURE 1: SERVICE RECOVERY PROCESS (TAX AND BROWN 1998, P. 76)

The model is divided into 4 stages. The reorganization of the customer's problem is located in the first and second stages, whereas the third and fourth stages include the process of managing recovery information in order to make use of the data to develop service improvements.

Lewis and McCann (2004) conducted research using the survey questionnaire technique. A questionnaire was constructed based on the evaluation of different research methods: a scenario case, the cumulative encounter approach and the critical incident technique. They proposed different appropriate types of service recovery strategies in hotel settings. As claimed, apology as well as collective correction were commonly used among the participants. However, 60% of respondents expressed the opinion that hoteliers did not apply any corrective actions in order to remedy the unsatisfactory experiences. They further suggested that the hotel's response performance in terms of follow-up after service recovery was lacking as only a few participants reported that they were infrequently informed of any follow-up efforts. Moreover, explanations which, compared to other remedies, were less complex, were not appropriately delivered by hotels as research results indicated two-thirds of participants did not receive proper explanations for failures that occurred (Lewis and McCann 2004, pp.14-15).

Furthermore, Johnston and Fern (1999) conducted an exploratory study in an attempt to discover the relationship between the reactions of customers after service recovery and recovery expectation that might occur in responding to magnitude of service breakdowns. From their findings, the development of a comprehensive structure in identifying different types of service recovery strategy is suggested:

- *Fast response and correction*- these two types of recovery actions are paramount in every recovery strategy.
- *Apology*- delivering an apology depends on different scenarios.
- *Information*- divided into verbal and written confirmation and assurance
- *Compensation*- referred to as reimbursement of any costs or charges.

Collectively, typical recovery elements mentioned in many of the studies above include: apology, explanation, correction, and fast response. It can be seen that most of the recovery actions are directly involved with the interaction between service providers and customers. This implies that service provider behavior is one of the top priority factors when customers evaluate the overall service recovery (Suprenant and Solomon 1987; Bowen and Schneider 1988 cited by Spark and McColl-Kennedy 2001, p.210).

Different types of service recovery strategies mentioned in theoretical frameworks, in collaboration with various elements in justice theories, serve as a point of departure to determine elements used in this research. In the next section, the theoretical framework in respect to perceived justice theory will be outlined.

## **2.3 Perceived Justice Theory**

### **2.3.1 Equity Theory**

The notion of equity theory suggests that people tend to judge outcomes they receive as compared with a certain level of fairness or rightness (Oliver 1997, p.194 cited by Yim et al. 2003, p.37). People who are involved in a transaction expect a fair outcome in that the volume of output they spend has to be equal with the volume of outcome they receive. The equity theory in service recovery states that customers who experience an unfair action from a service provider perceive it as inequity. Consequently, they might switch to another service provider or file a complaint. In contrast, customers who receive fair treatment and a fair outcome that fulfills their expectations will perceive such outcome as equitable (Tyrrell and Woods 2004, p.186).

The emphasis on perceived fairness of the outcome is not the only element customers usually evaluate. The fair process which is employed by service providers together with the fairness of interpersonal behavior of the service providers is also judged and assessed by customers. All in all, the three fairness dimensions serve as primary components for a firm to understand customer evaluations of service recovery. These elements are components of the perceived justice



theory (Schoefer and Ennew 2005, p.262). The perceived justice theory is widely implemented in empirical research to investigate customer satisfaction with complaint handling. Tax et al. (1998) evaluated customer satisfaction with complaint handling based on the fairness theory. The results show a positive relationship between fairness and service recovery satisfaction. Moreover, Smith et al. (1999) used a mixed- design experiment to investigate the influence of perceived justice on service-encounter satisfaction. Hotels and restaurants were the settings for this study. The result from both hotels and restaurants suggests that the three justice dimensions significantly influence customer satisfaction. Perceived justice theory will be explained in detail in the following section.

A number of procedural sequences are involved in the process of complaint handling from the start until the outcome is delivered. Fairness behavior needs to be taken into account concerning each action. Bies (1987) states that “each part of the sequence is subject to fairness considerations and each aspect of a complaint resolution creates a justice episode.” Perceived justice theories are a concept consisting of three dimensions: procedural justice, interaction justice and distributive justice (Tax et al. 1998, p.61). Justice theory has fundamentally developed from equity theory (Adams 1963; Festinger’s 1957 cited by McCollough 2000, p.430).

### **2.3.2 Procedural Justice**

Procedural justice is operationalized as “the perceived fairness in policies, rules and procedures,” (Al-Zu’bi 2010 cited by Wang and Shang 2013, p. 105). It is further defined by Tax et al. (1998) as “flexible, convenient, and timely.” Procedural justice is significant because during the decision-making process, procedural justice allows customers to participate in the interaction freely.

Much research not only focuses on the relationship among the three dimensions, but also the attempts to investigate two-way correlations within the three dimensions. The interaction effects of two justice dimensions (procedural and interactional) have been observed by Goodwin and Ross (1992). Four cases of service settings were used in order to gauge the effect of voice, service, outcome and apology on perceived fairness and satisfaction. The results indicate that two aspects (voice and apology) positively affected perceived satisfaction and fairness.

An aspect of procedural dimension in the Goodwin and Ross study is defined as the opportunity for customers to present their views, comments, and feelings (voice). The theoretical background of voice is observed to be an important element in explaining procedural dimensions and is well presented in their research. Furthermore, according to Hirschman (1960 cited by Goodwin and Ross 1992, p.151), the description of voice is not limited to an opportunity for customers to express their feelings or comments, but it concerns to whom the information is presented as well. The significance of voice has been noted in the research of various social

contexts. For example, in an employment or educational situation, the level of loyalty and respect to the firm or organization is greater if people have a chance to express their feelings and comments (Tyler and Caine 1981 cited by Goodwin and Ross, p.151). Furthermore, the concept of voice is again mentioned in two other contexts:

- *The Functional view*— the presentation of voice in this theory derives from the study of Katz (1960 cited by Goodwin and Ross 1992, p.152). In this context, he is concerned with the way information is presented. People have an opportunity to express their feelings, though the personality of the listeners also plays a role. If the person who is responsible for providing the feedback is not approachable or tends to ignore comments, the result may be negative.
- *Complaint context*— the definition of voice in this setting might have an effect on the service delivering company's opportunity to compensate (Goodwin and Ross 1992, p.152).

Forret and Love (2008) pointed out that there is a strong correlation between procedural fairness and trust. Once the complaint occurs and the procedure of complaint handling is conducted in a timely manner, the loss of trust in the company can be rectified (Wang and Shang 2013, p. 105). Additionally, Tax et al. (1998, p.61) explained the five sub-dimensions of procedural justice which respond to complaint evaluation: flexibility, time and speed, accessibility, process control and decision control. This present study focuses on analyzing complaint responses by management in an online setting. The aspect of procedural justice which is appropriate to this experimental setting is time and speed; therefore, the amount of time taken by hotels to reply to online complaint reviews will be collected and further analyzed.

### **2.3.3 Distributive Justice**

Distributive justice references the perceived fairness of the outcome by a complainant (Wang and Chang 2013, p.105). Distributive justice, mentioned by Deutsch (1975 cited by Goodwin and Ross 1992, p.151) and Park et al. (2008), mainly emphasizes the theory of equity and the allocation process and compensation which is given to consumers once a service failure has occurred. Distributive fairness can be differentiated from procedural fairness. According to equity literature, distributional fairness fails to define the settlement process of the problem, whereas procedural fairness constitutes process standardization in resolving any problems (Goodwin and Ross 1992, p.151).

In the context of complaint resolution, service providers offer a variety of compensation to customers as an outcome of failure recovery. A favorable outcome is expected once consumers have received some sort of resource to replace errors. However, if compensation is not offered, customers experience an unfavorable outcome (Goodwin and Ross 1992, p.151). Commonly,

compensation is expected from service providers when a service failure occurs in order to substitute for the loss of fairness or any other difficulties customers experience. However, dissatisfaction does not solely arise from a lack of tangible compensation. Customers unhappiness can also be caused by a lack of psychological compensation or, in other words, an apology (Andresen 1988 cited by Davidow 2000, p.477). Davidow (2000, p.477) mentioned that compensation does not have to be in the form of financial resources or tangible objects; it can be offered in the form of an apology, which is considered psychological compensation in the service recovery context. Once an apology is given after a service failure, it demonstrates that the service providers are attentive and willing to seriously solve the problem (Goodman et al. 1987 cited by Davidow 2000, p.477).

The study of Tax et al. (1998) suggests that customers expect compensation in the form of an apology as recompense for being inconvenienced. Such inconvenience can affect their emotional state. The different types of perceived justice of assessment involving cognition have been investigated in prior research. Moreover, the findings from Mattila (2001, p.590), reveal distributive justice has a higher effect on service recovery satisfaction in non-personal direct service and direct interaction service settings. Moreover, compensation is one of the elements in distributive justice and is likely to be a common element and priority concern of customers (Goodwin and Ross 1989; Tax et al. 1998 cited by Yim et al. 2003, p.40).

In 1999, Smith et al. conducted research to measure the influence of perceived justice on service encounter satisfaction. The outcomes allowed them to observe the importance of distributive justice in service encounter satisfaction. The research demonstrated that the effect of distributive justice on satisfaction indicated a greater percentage compared to the other two dimensions. Previous research based on the social exchange theory yielded similar results. One of the reasons for such an outcome might have been the fact that customers have a way to obtain information easily with the distributive dimension compared to the procedure or interaction dimensions (Smith et al. 1999, pp.366-367).

In prior research, it has been noted that tangible compensation has an influence on customer evaluations of distributive justice; therefore, this attribute is used by a wide range of firms in the service delivery industry to remove the sense of unfairness received by customers (Kim et al. 2010, p.983). The variables used to measure distributive justice are: need, value, fairness and reward (Nikbin et al. 2010 p.48; Tax et al. 1998, p.62) and apology (Tax et al. 1998, p.72; Davidow 2000, p.477).

#### **2.3.4 Interactional Justice**

Another essential aspect of perceived fairness is referred to as interactional justice. It is based on the perception of interactional fairness treatment during the service recovery process. This type of fairness can further pertain to “interpersonal treatment,” (Tax et al. 1998, p.62; Wang

and Shang 2013, p.106; Nikbin et al. 2010, p.49). Interactional justice in a service failure context can be defined as the evaluation of interpersonal reactions from service providers which the customer perceives as fair during the service delivery and has an influence on customer commitment as well as customer satisfaction (Kendauer and Deller 2009; Clemmer 1998; Goodwin and Ross 1992 cited by Tax et al. 1998, p.62). Furthermore, the aspect of interpersonal interaction during service delivery could be the key to understanding why service processes and consequences, while perceived as fair, leave a perception of unfairness with customers toward the decision-making process (Bies and Shapiro 1987 cited by Tax et al. 1998, p.62).

In the service failure context, many findings from a number of research works emphasize the importance of elements within interactional justice dimensions. The low and high levels of interactional justice are utilized by Hocutt et al. (1997) to determine customer satisfaction after the recovery process. Their finding indicates that customer satisfaction is enhanced once he or she receives a strong feeling of interactional justice from employees, such as responsiveness or compassion (Hocutt et al. 1997, pp.460-462). Moreover, Davidow (2000) studied post-complaint customer behavior by applying the six organizational response dimensions framework. The results suggest the interpersonal dimension has great influence on customer repatronage, word-of-mouth engagement, and satisfaction. His research further suggests that managers should include this vital information in the recruitment process and guide service personnel about how to respond to a service breakdown (Davidow 2000, p.486). Similarly, many findings have noted customer trust and overall satisfaction with service providers are dominant in the interactional dimension (Tax et al. 1998, p. 72).

The commonly known term for this type of fairness perception is an apology. An apology can be defined as an action that provides a restoration of psychological equity (Walster et al. 1973 cited by Goodwin and Ross 1992, p.152). It is normally used to make up for bad-mannered employees or discourteous behavior. Moreover, even though a token atonement has not been offered or is not available, an apology is a priority action chosen by the service provider in the service recovery process (Sellers 1988 cited by Goodwin and Ross 1992, p.152). However, the aspect of apology is still doubtful. Different research describes an apology as merely one aspect of distributive justice.

Most of the aspects of perceived interactional justice generally include the manner in which service providers interact with customers. Providing courteous treatment and explanations is one such aspect (McColl-Kennedy and Sparks 2003, p.253). To conclude, these are the sub-dimensions which are involved in this type of fairness: politeness, concern or empathy, honesty: Tax and Brown (1998, p.81), and apology (Goodwin and Ross 1992, p. 152). Subsequently, Tax et al. (1998, p.62) gathered the related interactional components and proposed five important elements, including two more: effort and explanation.

## 2.4 The Role of Perceived Justice Theory in the Service Recovery Process

Customer evaluation of justice during service recovery is essential. Therefore, it is at the center of this topic and has been applied in many research efforts. An increasing amount of research is mainly investigating customer insights once complaints have been established.

In a retail-based scenario, Blodgett, Hill and Tax (1997) conducted research into the connection between aspects of perceived justice theory and customer responses to complaints. This research specifically draws attention to the impact of each justice dimension on post-complaint behavior, such as negative word-of-mouth engagement and repeating intention. The results highlight the importance of each dimension. It can be seen that two dimensions of perceived justice theory, distributive and interactional justice, have positive effects on the repeating intention, whereas negative effects were found from negative word-of-mouth engagement. It is interesting to note that no effects were found on procedural justice. The following example illustrates their findings: customers who received an excessive degree of distributive and interactional justice intend to come back and are less likely to engage in negative word of mouth. However, the timing factor does not have any effect on customer post-complaint behavior.

Blodgett et al. (1997, p.202) further addressed the importance of justice theory in the retail industry. They claimed that it is essential for employees in the retail business to have comprehensive knowledge of the three justice dimensions. The sub-elements of the three dimensions of justice (apology, treating customers respectfully, allowing customers to explain what the cause of the complaint is and always presenting a gesture of appreciation for complaints by responding with a thank-you statement) are recommended for retailers to further apply this theory in practice.

Sparks and McColl-Kennedy in 2001 investigated the relationship between different factors of perceived justice and their influences on customer satisfaction. Their major focus was in hotel settings. By using a videotape scenario-based approach, they investigated the influence of four key factors of three justice dimensions on customer satisfaction. The independent factors used in their study and which relate to aspects of the three justice dimensions are as follows:

- *Concern* – refers to empathy reactions from the service provider's side. It is essential as it can have an impact on the level of service quality and guest service evaluations (Zeithaml et al. 1990; Johnston 1995 cited by Sparks and McColl-Kennedy 2001, p.211). It has been demonstrated that the level of customer satisfaction will increase in the service failure setting if a service provider is able to express a high level of concern and honesty in the service recovery procedure (Ulrich 1984).
- *Voice and Neutrality* — are presented as two aspects of the procedural justice dimension. The determinant of fairness within the process is relevant to these two factors. Voice can be referred to as the opportunity that customers have to express their

reactions to the failure experience. The possibility to express their views and thoughts about unfair treatment is highly important as it can influence the level of satisfaction (Bies and Shapiro 1988 cited by Sparks and McColl-Kennedy 2001, p.211). Neutrality can be used to describe the reaction of the service provider and includes different processes in order to rectify the service failure (Sparks and McColl-Kennedy 2001, p.211). The procedure in responding to service failure is as important as determining how consumers perceive the fairness of the service recovery process. The consistency of the procedure is one factor that influences customer comprehension of the service recovery as fair (Leventhal 1980 cited by Sparks and McColl-Kennedy 2001, p.212).

- *Outcome*— concerns directly the element of distributive justice. The distributive justice dimension commonly refers to the tangible outcome of service recovery. Two examples of financial compensation are included: refunding and discounting. The consequences of the outcome on customer satisfaction levels are addressed in various research works. The research by Goodwin and Ross in 1990 suggests that once the service failure occurs, customers would prefer to have some sort of tangible compensation. However, there remains some doubt regarding the connection between the volume of compensation and different failure scenarios (Sparks and McColl-Kennedy 2001, p.212).

Their findings demonstrate that *concern* and *outcome* factors yield the most influence on customer satisfaction and intention to revisit, whereas *voice* and *neutrality* do not have a significant influence on customer satisfaction levels. In terms of interaction between each factor, the *voice* and *neutrality* factors interact significantly with each other. *Neutrality* and *outcome* as well produce a two-way interaction effect (Sparks and McColl-Kennedy 2001, pp.214-216). Despite all findings regarding the level of interaction among four variables as well as the influence on customer satisfaction and future intention to revisit, comprehensive insights on how customers react to a service recovery process in a hospitality setting is still lacking (Schoefer and Ennew 2004, p.85).

Hocutt et al. conducted another important study in 1997 and attempted to examine the influences of two justice dimensions on the degree of dissatisfaction and the customer's likelihood to complain after a service failure. To test their hypotheses, service failure in a restaurant setting is used for their empirical research. They examined two of the three justice dimensions, distributive and interactional, in order to discover factors that can have an impact on the efficiency of the service recovery process. The findings suggest that the two justice dimensions have a positive relationship with consumer satisfaction. The researchers further discovered that customers tend to frequently complain and, at the same time, have lower levels of satisfaction if the service failure is caused by the company itself. Even though service providers apply different aspects of interactional justice, customers still have a lower level of satisfaction than those who do not experience a service failure. Interestingly, the degree of satisfaction, in fact, does not change if service failure does not occur. Concerning all the findings, it can be concluded that the

number of complaints will either decrease or increase due to the friendliness of service providers during the service recovery process (Hocutt et al. 1997, pp.459-462).

The notion of perceived justice theory is widely recognized in service recovery literature and it has been noted that there exists an increasing amount of research in this field. Most of it examines customer evaluations of complaint handling. Perceived justice theory as the key indicator for customer evaluations of complaint handling techniques is reviewed in numerous complaint handling research efforts (Schoefer and Ennew 2005, p. 262). For reasons previously mentioned, it is important that companies integrate aspects of perceived justice dimensions into their service recovery process. The process of responding to complaints should include an appropriate time and be easy for customers to access. Furthermore, the procedure should be adaptable in order to enhance the concept of justice and fairness into firms' complaint handling system. The outcome elements should also be considered as prior studies suggest that compensatory action should be included to rectify the losses and needs of consumers (Schoefer and Ennew 2004, p.90).

## **2.5 Customer Satisfaction and Service Quality**

In order for an organization to handle service quality in an effective way, knowledge regarding customer satisfaction and quality must be evaluated (Rust and Oliver 1994, p.3). The different conceptualizations of these two topics are widely discussed in several areas of the literature. Therefore, it is necessary to have a theoretical overview.

Satisfaction can be defined as "a state of fulfillment related to reinforcement and arousal" (Rust and Oliver 2004, p.4). According to Oliver (1989) the states of satisfaction are:

- *Satisfaction as contentment* – this stage refers to fulfillment to a low-arousal degree, which implies that satisfaction will be met once the service is carried out in an ongoing manner. He illustrates by explaining that the function of a refrigerator is a suitable example to describe this type of satisfaction, i.e., the customer is satisfied if the refrigerator functions well enough to prevent the food inside from decaying.
- *Satisfaction as surprise* – is in contrast to the previous stage. In this dimension, the customer has a high-arousal degree of satisfaction, which has both positive and negative aspects.
- *Satisfaction as pleasure* – is an outcome when extra pleasure or utility is included in the service. It can be further explained as "the resting stage."
- *Satisfaction as relief* – is an outcome of "negative reinforcement." It can be further explained as "the removal of an aversive state."

Zeithaml (1988) offered a definition of perceived service quality as "a customer's judgment of the overall excellence or superiority of a service." It can be further explained as a customer's weighing expectation against the perception of performance (Parasuraman et al. 1988, p.15).

Moreover, Gronross (1988, p.11) suggested that the concept of quality is not usually clearly or precisely communicated. It is not an efficient idea for the company to improve its quality without acknowledging the importance of quality as well as the perception of quality from the customer's point of view. He further explains that a business provider must perceive the concept of quality in the way the customer tends to do. He states, "It is quality as it is perceived by the customers that count." There are two dimensions regarding perceived service quality from the customer's point of view.

An outcome from the service production process in the service context is: "what the customer receives from an interaction with service providers." This is usually understood as perceived service quality. Nonetheless, Gronross (1988, p.11) argued that it can only be recognized as one quality dimension. This first dimension is referred to as "the technical quality of an outcome." The outcome can be referred to differently in various service contexts, e.g., the hotel industry or the airline industry. The overall quality perceived by the customer not only determines the technical quality, but also the outcome of the service. They all matter regarding service in the perception of the customer. Therefore, technical quality cannot be considered as total quality.

The second dimension is associated with the manner in which the customer is treated and how the process is presented to the customer. It is called "the functional quality of the process". The interactional process between customer and service provider emphasizes and influences the customer's view of service quality. As he further mentions, the evaluation of this dimension will be primarily subjective, whereas the technical dimension can be measured objectively (Gronross 1988, p.11). However, these two quality dimensions are not the only elements used to judge which types of service quality are represented. In his 1988 research, Gronross proposed the six criteria of good perceived service quality:

- Professionalism and skills
- Attitude and behavior
- Accessibility and flexibility
- Reliability and trustworthiness
- Recovery
- Reputation and credibility



### **3 THE EMERGENCE OF WEB 2.0 AND ITS IMPORTANCE IN THE TOURISM AND HOSPITALITY INDUSTRY**

#### **3.1 Web 2.0 phenomenon and Customer-Generated Content**

“The worldwide web” allows consumers to gain easy access to various kinds of information. It also permits people to distribute information, communicate and engage in business activities more effectively (Puri 2007; Bellman et al. 2006 cited by O’Connor 2010, p.755). With the help of the Internet, control over information in a business context has shifted into the hands of consumers. In the period before the Internet, marketing departments had the responsibility to decide which information should be released or distributed, but now customers do not need to visit a hotel’s homepage or read a hotel’s brochure. The needed information is provided by entering the key information onto a search website (O’ Conner 2010, p.756).

Web 2.0 represents current technological developments that have a significant impact on the diverse models and business plans of firms today (Wirtz et al. 2010, p.273). Moreover, the emergence of Web 2.0 has greatly impacted how information is delivered, used, and managed by consumers. As mentioned, the importance of Web 2.0 has been widely recognized. However, Web 2.0 has become somewhat controversial. Because of the lack of clarity in defining Web 2.0, many studies have suggested a number of diverse characteristics. Dearstyne (2007, p.25) defines the term in this way: “Web 2.0 is participatory, collaborative, inclusive, creator-/user-centric, unsettled, and very information-intensive.” It can further be referred to as “a perceived second generation of web-based service such as social networking sites, wikis and communication tools and folksonomies that emphasize online collaboration and sharing among users” (Wikipedia n.d. cited by Dearstyne 2007, p.25).

Web 2.0 is having a great impact on the way people create, use, and exchange information. This online collaboration between users generates a long-term process where, over time, the adjustment version of reviews or entries generated by users will be observed as more concrete and precise. This collaboration is termed as “wisdom of the crowd.” O’Connor (2010, p.757) exemplifies this process in a publishing setting. In a traditional approach, time and flexibility are common problems for any publisher in order to publish printed matter. A comparison with Wikipedia is instructive: this website gives users an opportunity to add, edit and create any content with minimal restrictions and is considered a tool for cooperative authoring (Dearstyne 2007, p.27). Through Wikipedia, information is added or edited at any time and by anyone. With this approach, the various edited articles ultimately, over time, will become more comprehensive, up to date and accurate than articles or entries processed by traditional publication systems.

Another aspect associated with Web 2.0 is “folksonomies.” This method emphasizes how information is organized and how it can be retrieved. With this approach, people will be managing

their information online and defining their own content. The organization of contents will be done by users instead of website owners or, in other words, “tagged.” Websites such as flickr or Del.icio.us are an example of Web 2.0 sites which emphasize this approach (Tredinnick 2006, pp.230-231).

There is no doubt that the increasing popularity of online social networking has had a major impact on individuals and business operations. Many successful social network websites, such as Facebook and Myspace, are examples of websites which enhance diverse aspects of Web 2.0 (Hendler and Golbeck 2008, p.15). The power of information creation and organization of information is now returning to consumers. Social networking is a platform which allows people to exchange information, activities, and news within their communities (O’Conner 2010, pp.756-757). The term social networking later came to describe webpage interactions in the online world and not only the interaction within a community in a physical location. Valkenburg et al. (2006) identified three types of online social network platforms:

- *Dating sites* – these sites assist users whose main objective is to find a partner.
- *Social sites* – social sites allow users to keep in touch with friends in their network.
- *Common interest sites* – refers to sites which give users who share the same interests and similar goals an opportunity to exchange ideas, information and concerns.

As mentioned above, different aspects of Web 2.0 have been incorporated directly into company business plans. Many firms are now trying to integrate different features into their business models in order to respond to the change in information consumption by users. Evidence from The Pew Internet and American Life Project (2005) revealed that in the United States of America alone nearly 50% of internet users generate different kinds of online content, such as reviews or videos. These results confirm those indicated by Forrester (2007), who reports that 60% of Europeans are involved in generating online reviews and writing blogs (O’Connor 2010, p.758).

From the marketing perspective, different types of user-generated content are changing the way marketers develop different marketing strategies to promote products and services. User-generated content itself enables users to share their thoughts and comments on different platforms. At the same time, they are able to view content contributed by other users. This new way of communication can be referred to as a form of *Electronic Word-of-Mouth (E-WOM)*. Gelb and Sundaram (2002, pp.22-23) suggested that the differences between the traditional word of mouth and the newly emerged aspects of e-word of mouth include the communication between two individuals who know each other. However, compared to its untraditional counterpart, individuals may not be able to identify one another in an online forum and will refer to others by using their nicknames. As the sense of social restriction within the online environment is compromised, people tend to extensively exercise their freedom of speech. Hence, the e-word of mouth mostly tends to encompass strong thoughts and particularly negative comments. Word-

of-mouth in the online context is considered significant because of its ability to deliver content in a timely manner to a large number of individuals (Phelps et al. 2004 cited by Sun et al. 2006, p.1106). Online word of mouth, subsequently, may be perceived as more reasonable than an oral interaction as the written statement can be seen as a “step-by-step linear progression” (Sun et al. 2006, p.1106).

Word-of-mouth engagement is very influential in a wide range of industries, particularly in the service industry as service can be considered a high-risk product. As customers will not be able to experience service or assess service before consumption, it is more likely that consumers tend to rely heavily on different sources of information in order to minimize risk or frustration prior to purchasing. WOM further helps in differentiating firms from their competitors (Walker 2001, p.62). Therefore, it is necessary for marketers to be able to adapt their marketing strategy to respond to customer WOM engagement in an online context.

Nevertheless, in order for firms to differentiate themselves from their competitors, learning from negative reviews is necessary. By monitoring the negative reviews posted online, firms will be able to learn from complaints and further use information to improve products or services. As a result, a company can improve in customer-relations management and marketing planning (Gelb and Sundaram 2002, p.24). In the next section, the significance of customer-generated reviews in the hospitality industry will be evaluated. Additionally, TripAdvisor, one of the better known travel review sites, will be introduced.

### **3.2 Travel Review Websites and Their Importance to the Hospitality Industry**

TripAdvisor is a travel review site. It allows participants the opportunity to exchange information about their travel experiences, ideas and concerns with other users. This platform also provides useful information regarding other aspects of tourism products, such as restaurants and destination attractions. Users have an opportunity to express their opinions by posting reviews. This site has become highly popular among travelers because reviews posted by travelers represent actual experiences (without any marketing drive) and can be considered authentic without influence from service providers. The reviews come from real travelers who have actually been to the locations under discussion. However, the classification of the TripAdvisor site is subject to some debate. According to O’Conner (2010, p.761), TripAdvisor’s features can be described as composed of three elements of Web 2.0: “Social network, virtual community, and blog.” Nevertheless, the website’s increasing popularity emerges from the major functions of the site that allow customers to be able to exchange content which includes reviews, videos, and photos (as forms of qualitative and quantitative data). Contents are not limited regarding variety of hotels; users are also able to see different comments regarding restaurants or a number of tourist attractions (O’Connor 2010, p.761).

In the tourism industry, Web 2.0 applications such as TripAdvisor are platforms for users to create their own content, or user-generated content, on travelling (Sigala 2008 cited by Ye et al. 2011, p.634). As a consequence, the hotel industry is highly influenced by online reviews or “consumer-generated media.” The reason for this is that people believe it is honest, current and reliable information when compared to user-generated content posted by tour providers (Levy et al. 2013, p.49). Statistics indicate the increasing influence of customer-generated online reviews in the travel decision process as well as purchasing decisions. Half of the travelers who make a booking with a hotel rely on online travel reviews from other users. The amount of these hotel purchases is estimated to be more than USD10 billion. Moreover, it is estimated that more than 95% of travelers read reviews that have been posted by other travelers. (Gretzel and Yoo 2008; Vermeulen and Seegers 2009 cited by Levy et al. 2013, p.49).

There is no doubt that social travel sites such as TripAdvisor have a significant impact on the hotel industry because online-generated reviews posted on these websites can either increase or decrease the credibility of hotels. Negative reviews obviously will have a negative impact on the company’s image. Moreover, a customer’s negative attitudes toward a hotel can be determined by online negative reviews. In a sales and marketing context, negative reviews may limit the chance for a hotel to raise the price of their services as research has shown that a hotel’s rating influences its pricing (Litvin et al. 2008, Jeong and Jeon 2008, Vermeulen and Seegers 2009, Ogut and Tas 2012 cited by Levy et al. 2013, p.49). An effective response to online complaints is highly important. Statistics show a correlation between a customer’s loyalty behavior (such as positive word of mouth and repeat business) and appropriate complaint responses. According to Barsky and Frame (2009 cited by Levy 2013, p. 49) customer loyalty generally increases more than 20% when efficient complaint responses are delivered.

Therefore, it is important for service delivering companies to implement an effective service recovery strategy when responding to online complaints. The managerial guidelines in respect to online complaint responses have been mentioned in a number of studies. Lee and Hu (2004) conducted a content analysis in attempting to discover common keywords which are used in online complaints. Another objective was to understand the structure of responses by hotel management to online complaints. Their findings are rather surprising: only 31 complaint cases received answers from hotel managements out of the 222 evaluated complaints examined in their study. Consequently, they suggested that hotel managers need to develop an effective strategy to handle online complaints. Strategic recovery actions should be emphasized because customers are likely to evaluate the attentiveness of hotels through company responses (Lee and Hu 2004, pp.177-180). Maurer and Schaich (2011) evaluated online complaints to discover the most frequent failures, the characteristics of customers who are likely to complain and company performance in utilizing reviews to modify their complaint handling procedures. Their results are congruent with the Lee and Hu (2004) study as from the tally of 352 complaints evaluated, responsible hotels answered only 13 negative reviews. The researchers further suggested

that hotels perceive the value of online complaints as a form of information to improve performance rather than refining service recovery management (Maurer and Schaich 2011, pp. 508-509).

### **3.3 Online Complaint Responses as Part of Service Recovery Strategies in the Hotel and Hospitality Industries**

In service industries, applying an effective service recovery is crucial. Service recovery is the process implemented after a service error in order to rectify customer satisfaction (Boshoff, 1999 cited by Mount and Maltilla 2000, p.515). Many studies as well attempt to investigate posted responses by hotel management (Schegg et al. 2003; Law and Kua 2009). Law and Kua (2009) examined hotel e-mail responses by categorizing the objective into two dimensions: responsiveness and the quality of the post. Schegg et al. (2003) also investigated the nature of posted responses to e-mail enquiries. The results suggest that in the hotel context, a lack of online communication is evident, thus hotel customer-relationship management needs to be developed. However, few online complaint responses posted on travel review sites were investigated. Maurer and Schaich (2011, p.509) attempted to discover the number of hotel responses to online reviews which were posted on the holiday check website. They suggested that the usage of online negative reviews as part of a complaint handling strategy was still limited as hotel managements did not respond to many complaints. Interestingly, only one factor in a traditional service recovery strategy has extended to the online context: responsiveness. Likewise, an analysis of online complaint responses as part of a service recovery strategy was mentioned only in passing by Lee and Hu (2004) in their online complaint study in a hotel setting. Again, they mainly focused on analyzing other factors which had caused service failure in the online reviews. It can be seen from the previous literature that the focus was solely on the evaluation of e-complaints. The apparent disinterest in further analyzing different aspects of online responses has been noted.

A number of scholars have focused on the responsiveness aspect in their research. In a study by Mattila and Mount (2003), this factor is used to determine the effects on satisfaction and a return-to-purchase intention. The results suggest that in the online environment, the time taken to respond to complaints has an influential effect on customer satisfaction and repurchasing behavior (Mattila and Mount 2003, pp.140-143). The results conform with the traditional complaint handling strategy that speed is important to customer satisfaction. It also has a major influence on word-of-mouth engagement as mentioned in Davidow (2000, p.482). He further suggested that it is a good business practice for service providers to actively contact complainants as soon as possible.

Much research has been undertaken to consider online complaint responses as a part of the service recovery strategy because it reflects the same elements as those included in recovery actions mentioned in a traditional context. Studies show that comprehensive online responses

can affect customer repurchasing and satisfaction. In an online context, not a great deal of research mentions the different elements of service failure and recovery action. In hospitality research, as well it has been observed that there is a lack of studies that provide suggestions to hoteliers about how to respond to negative online reviews on travel review sites and with structural and comprehensive online complaint responses as a part of recovery strategies (Levy et al. 2013, p.50). Additionally, not much research captures the development of various aspects of service recovery actions into analyses of online responses in service recovery action to complaints on travel review platforms. Scholars frequently explore elements such as speed and frequency of occurrence in the responses, but still neglect to analyze other aspects of service recovery strategies, especially in the hotel industry.

Recently, Web 2.0 and the customer-generated content has increased the importance of online communication and this fact has further broadened the many essential areas for the researcher to explore. Park and Allen (2013) and Levy et al. (2013) recognizing the importance of online response by management in travel review platforms, conducted further research to investigate and analyze the hotel management response behavior.

The study by Park and Allen (2013) revealed that many techniques and structures are implemented in dealing with online complaints. In the hotel business, in particular, brand-name hotels have various methods to respond to online reviews. However, inconsistencies have often been observed in that one hotel might actively respond to online reviews whereas another can be seen neglecting to answer even one (Park and Allen 2013, p.64). The ground theory approach serves as a theory to support their research methodology. Open-question interviews and the open-coding method were chosen for their observations. The results from the four cases they studied reveal that there are extreme differences in organizing online responses. Hotels which regularly answer online reviews tend to have well-informed management and utilize internal employees to answer online reviews. Whereas, hotels which do not respond to online reviews often lack effective internal communication and are heavily dependent on outsourcing for social media management (Park and Allen 2013, pp.68-69).

Furthermore, two approaches have emerged from their findings: *problem solving* and *a strategic approach*.

- *The problem-solving approach* has as its ultimate goal the hotel's reputation management. The aim is to resolve problems with fast responses in a professional and modest manner. Customer online reviews are essential to this approach as they are seen to be another way for hotels to manage customer dissatisfaction.
- *The strategic approach*, on the other hand, is a method by which hotels try to build relationships with customers. The major aim of this technique is a long-term relation-

ship with guests. Online reviews are considered a factor to extend hotel operation competency. It further emphasizes good organization and cooperation between hotel management and operational employees (Park and Allen 2013, p.70).

Answers provided by hotel management to online reviews on the TripAdvisor platform have been thoroughly investigated by Levy et al. (2013). Their recent study mainly focused on the context of online reviews and responses. Their aim was to investigate the different aspects mentioned in the online complaint reviews and further conceptualize various factors used in the complaint responses. Hotels rated as one star in Washington D.C. were used in their case study. Content analysis was performed in order to analyze both online complaints and responses. They further developed a comprehensive complaint framework based on different aspects of service recovery strategy. They proposed 8 responses under the complaint responses framework: *active follow-up*, *apology*, *appreciation*, *compensation*, *correction*, *explanation*, *passive follow-up* and *requests for further patronage* (Levy et al. 2013, p.53). The results demonstrate that most hotels that actively respond to guest reviews are typically those that are highly rated by guests. Two attributes, *appreciation* and *apology*, are commonly used in hotel responses. These two account for approximately 66.67% of the whole sample. Hotels that are more highly rated properties are more likely to include follow-up statements, whereas lower-rated hotels may not even share their contact information. The lack of explanations as to what causes service failure is observed in hotels with lower guest ratings. However, lower rated hotels commonly mention the “corrective action” in their responses, which appears to be more often than in more highly rated hotels. Surprisingly, the findings reveal that compensation is more likely to be offered by lower-rated hotels with a significant difference level of 8.1% over higher-rated hotels whose compensation offers account for only 1.8% (Levy et al. 2013, p.56-57). As a result of their findings, the authors suggest that it is essential for hoteliers to recognize the importance of online responses. Hotels should actively answer online reviews. They further indicated that response speed is also crucial, especially when responding to negative reviews, because, in some cases, hotel guests might still be at the hotel when they post their negative comments online. Responding to those complaints in a timely manner offers the hotel an opportunity to rectify the problem in good time and may help minimize the magnitude of severity indicated in the negative online review, particularly if the review is posted later after guests leave the hotel (Barlow and Moller 1996 cited by Levy et al. 2013, p.59).

In respect to the significance of the Web 2.0 phenomenon and the importance of customer-generated reviews on the travel review platforms, recent studies have attempted to analyze online complaint responses by management posted on travel review websites. Even though lack of research in this field is clear, their studies serve as a point of departure for other researchers to consider doing academic work in this field. Particularly in this study, the importance of various aspects of perceived justice theory in service recovery and their significant influences on customer levels of satisfaction and post-complaint behavior serve as a point of

departure to further refine a complaint response framework. The list of attributes used in analyzing online complaint responses will be introduced in the next section.



## 4 RESEARCH METHODOLOGY

### 4.1 Hypotheses Development

Travelers nowadays are using the internet as a platform to search for relevant information for their trip or vacation. It is estimated that 85% of travelers in Europe use the web in order to design their trips (Tjostheim et al. 2007 cited in Syed-Ahmad and Murphy 2010, p.702). As more and more travelers prefer to use Internet technology as a platform to plan their trips, therefore, it is important for hotel businesses to affirm that the quality of information they provide is reliable and complete. However, it is impossible for any service business to have zero defects. An online negative review posted by one customer is viewed by many others at the same time because “today, with the proliferation of the Internet, everyone can be an author and the world is their audience,” (Tyrrell and Woods 2004, p.184). Different hotels tend to have their own strategies to answer complaints in an online context. Even within the same chain, each hotel may have different response behavior. It is noteworthy that some hotels are advanced in their responses to online reviews, while others demonstrate a lack of consistency. Park and Allen (2013) investigated the different factors which influence the varied online response styles employed by hotel management. The results imply that certain luxury hotels do recognize the importance of online responses to online reviews. Some employ specific hotel personnel in order to manage all communications on various media platforms (Park and Allen 2013, p.69). Even though the performance of small hotels was not evaluated in their study, it is interesting to explore the differences between small individual hotels and chains in terms of their responses to complaints in an online setting. Therefore, the objective of this study is to investigate the online communication of both small hotels and chain hotels under the framework of justice dimensions. The reason that the justice dimension framework was chosen for this study is that it has a strong impact on service recovery satisfaction (Nikbin et al., 2010, p.51). Thus, it is a good business practice for a company to apply different aspects of perceived justice theory to its online communication strategy.

Justice theory has been widely utilized in a number of research efforts, mostly in order to determine post-complaint customer behavior. The impact of the three fairness dimensions on customer evaluations of service recovery has been investigated by Tax and Brown (1998). They suggested that three-dimension justice has significantly influenced the evaluation of customers concerning service recovery satisfaction. The data indicates that 85% of customer responses suggest satisfaction with the way service providers deal with complaints. Davidow (2003) researched the influence of different justice dimensions on customer behavior after complaints. Customer post-complaint behaviors included word-of-mouth engagement and repurchasing intention together with the level of customer satisfaction in respect to the complaint handling manner. The outcome of his study was that distributive fairness is proven to have the biggest impact on word-of-mouth engagement of customers (Davidow 2003, p.76). Distributive justice

has also been examined in the restaurant context by Hocutt et al. (1997). Their findings have shown that an increased perception of distributive justice enhances the magnitude of customer satisfaction (Hocutt et al. 1997, p.461). Thus, the hotel industry must implement different aspects of distributive justice. In the present study, the following has been hypothesized:

*Hypothesis H1a: The utilization of distributive justice dimensions in online complaint responses posted by chain hotels is different from that of small hotels.*

**Distributive justice** can be referred to as the perceived fairness of equity. Simply put, customers want some source of both tangible and intangible compensation for their mistreatment during service encounters. Tax et al. 1998 stated that compensation is an influential factor in restoring a customer's sense of perceived distributive fairness. They further suggest apologies should be categorized in the distributive dimension as they represent psychological equity and can be perceived by customers as an outcome of service recovery (Tax et al. 1998, p.72). Davidow (2000, p.477) emphasized that apologies should be considered as an element in distributive justice. He stated that, "An apology should be thought of as psychosocial compensation in that it assists customers to restore equilibrium." In respect to previous literature, this study proposes the following hypotheses:

*Hypothesis H1b: Compensation as an aspect of distributive justice is higher in online complaint responses posted by chain hotels than by small hotels.*

*Hypothesis H1c: Apology as an aspect of distributive justice is higher in online complaint responses posted by chain hotels than by small hotels.*

*Hypothesis H1d: There is a difference between chain hotels and small hotels regarding their specific responses to specific needs of dissatisfied customers in online complaint responses.*

**Procedural justice** can be referred to as the perceived fairness of the process. It can be determined by various aspects of the service recovery method. An important aspect of procedural justice is the speed with which service providers respond to complaints. Service providers should respond to complaints in a timely manner because the time response in which firms correct errors can determine the perceived fairness of the procedural dimension by customers. The delay in the service recovery process can lead to an unfavorable outcome and customer dissatisfaction (Tax et al 1998, p.72). Many studies have investigated customer reactions to an organization's delay in responding to complaints. The results suggest that once the recovery process is not delivered in a timely manner, customers form a perception of unfairness which eventually leads to dissatisfaction (Kat et al. 1991; Venkatesan and Anderson 1985 cited by Blodgett et al. 1997, p.189). Therefore, the following hypothesis is proposed:

*Hypothesis H2a: The utilization of the procedural justice dimension in online complaint responses posted by chain hotels is different from that of small hotels.*

The impact of response time has been investigated by Davidow (2000, p.482) in order to discover its impact on customer satisfaction and word-of-mouth intentions. He found that there is a positive relationship between the amount of time in which service providers correct service errors and customer satisfaction. Moreover, compared to other aspects of the service recovery process, a quick response has the highest effect on word of mouth. He further states that service providers should consider “time” as a very influential factor in responding to complaints. Quick responses should be undertaken because they can determine a customer’s word-of-mouth engagement (Davidow 2000, p.482). Mattila and Mount (2003, p.143) stated that in order for firms to establish successful electronic complaint management, the factor of response time to complaints is significant. Hotels should consider the fact that nowadays technology allows information to travel faster and customers realize this. Therefore, customer expectations for immediate responses are rising. A successful e-recovery reflects how well hotels embrace current technology. Accordingly, the following prediction is presented:

*Hypothesis H2b: Response time to online complaints by small hotels is greater than that of chain hotels.*

Many studies have highlighted the impact of **interactional justice** on customer post-complaint behavior. Robbins and Jeffords (2004) investigated the impact of different justice dimensions on a customer’s perceived service quality at a small accounting firm. The results demonstrate that interactional activities by service providers have a great impact on a customer’s perceived service quality. Their findings further suggest that politeness and empathy are necessary when interacting with customers because they increase the magnitude of customer trust and loyalty in service firms. As a result, companies will have long-term benefits from rising perceptions of positive interpersonal treatment as loyal customers tend to spread positive word of mouth and minimize exit behavior (Robbins and Jeffords 2004, pp.87-88).

Wang and Chang (2012) conducted research on the impact of multiple dimensions of perceived justice on relationship quality. These dimensions are *trust and commitment* and *positive word of mouth*. A questionnaire was designed for undergraduate students who had undergone a negative experience in a restaurant. The findings demonstrate that throughout the service recovery process all three justice dimensions have a strong influence on customer trust in service firms. The study further reveals that the strongest influence on consumer trust in service providers is interactional justice. Trust is a very important element in the service business. It determines to what degree customers can remain devoted to a service provider even after the occurrence of a service failure. Therefore, it is essential for service providers to apply interactional justice in order to regain the trust of customers (Wang and Chang 2012, pp.105-108). Furthermore, the impact of interactional justice is shown to be significant and can even be substituted for a low magnitude of distributive justice. Customers might return even though only a little atonement is expressed. However, once they are treated with no respect or even rudely by the service providers, they are more likely not to return and might spread negative word of

mouth (Blodgett et al. 1997, p.201). Evidence from previously mentioned research demonstrates that it is necessary for service providers to utilize different aspects of the interactional justice dimension when handling complaints. The reason is that it can be an important predictor to determine the severity of customer complaints.

Cho et al. (2003) examined the effect of the justice dimension on customer perceptions of service quality in an online context. In a traditional setting, customers and service employees were able to interact face-to-face. Once service errors occur, the severities of complaints are more or less serious depending on how effectively firms utilize different aspects of interpersonal fairness in face-to-face interactions. However, in an online context where interpersonal treatments have to be delivered via email or telephone, it is still necessary that service providers handle online complaint responses through interactional justice (Cho et al. 2003, p.110). Their findings imply that it is crucial for companies to develop effective procedures in dealing with the justice dimension and service failures as customer complaints can be reduced once service providers apply positive interpersonal treatments via electronic channels (Cho et al. 2003, pp.116-117). Previously mentioned findings and the importance of positive interpersonal communications provide the basis for hypothesis H3a:

*Hypothesis H3a: The utilization of interactional justice dimensions in online complaint responses posted by chain hotels is different from that of small hotels.*

Different elements of interactional justice have been defined by many scholars. Tax et al. (1998) mentioned fair perceptions, which are involved in interpersonal elements. They propose five distinct elements that customers use in evaluating complaint handling. These include: *politeness, concern or empathy, honesty, effort and explanation*. The results of their study suggest various aspects of interpersonal treatment have an influence on how customers perceive fairness in recovery processes (Tax et al. 1998, p.69). Moreover, from their study, two elements emerge from framework: *empathy* and *politeness*. Impact on customer fairness evaluations is greater as customers are mostly likely to account for the perception of politeness (48 percent) and for empathy (44 percent). Thus, these two elements are considered the most reliable predictors when compared to other aspects of interpersonal justice (Tax et al. 1998, pp.68-69). Goodwin and Ross (1989) conducted research in order to examine the impact of justice dimensions on satisfaction and complaint handling. They attempted to discover the effects of different characteristics in the justice dimension that represent customer perceptions of fairness. The findings reveal that interactional treatments are the strongest predictors of customer perceptions of satisfaction and future return intentions. The differences between the mean of customers who experienced politeness and those who experienced rudeness in complaint handling are significant. This implies that consumer perceptions of fairness depend on positive interactional treatments such as politeness and consideration from firms (Goodwin and Ross 1989, pp.90-91).

Given the importance of two distinct aspects corresponding to the interactional justice dimension, the following hypotheses are proposed:

*Hypothesis H3b: Politeness as an aspect of fairness in interpersonal treatment is higher in online responses by chain hotels than in online responses by small hotels.*

*Hypothesis H3c: Empathy as an aspect of fairness in interpersonal treatment is higher in online responses by chain hotels than in online responses by small hotels.*

Many researchers in the field of marketing and management have identified different aspects of justice dimensions. Various studies apply those elements to investigate customer post-complaint behavior, satisfaction, customer evaluations of complaint handling as well as recovery strategy (Park et al. 2008, p.522). *Explanation* or *information* and *effort* are two elements of interpersonal styles that reveal themselves through interpersonal fairness (Bies and Moag 1986; Mohr 1991 cited by Blodgett et al. 1997, p.189). Tax et al. (1998, p.62) further mentioned that much consumer behavior research, including studies in the marketing organizational behavior context, recognize the importance of fair treatment through interactional justice and its influence on customer evaluations of the complaint process. Interpersonal communication in the complaint handling process is crucial because the notion of interactional justice can be utilized to explain customer behavior after filing complaints (Blodgett et al. 1997, p.189) and the essential elements of interpersonal communication and their effects on customer post-complaint behavior. Therefore, the following hypotheses are derived:

*Hypothesis H3d: The provision of an explanation in online responses as an aspect of interpersonal treatment fairness is different across between small hotels and chain hotels.*

*Hypothesis H3e: The provision of effort as an aspect of interpersonal treatment fairness is higher in online responses by chain hotels than in online responses by small hotels.*

Differences between hotel chains and small hotels will be tested based on single sub-items of the respective dimension. The list of justice elements used in this study will be explained in the following chapters.

## 4.2 Research Method Used

### 4.2.1 Content Analysis

Both quantitative and qualitative analysis approaches can be applied to quantitative and qualitative data. Bernard (2012, p.393) suggested four different ways to combine qualitative and quantitative analysis with qualitative and quantitative data.

	Data	
Analysis	Qualitative	Quantitative
Qualitative	a. Interpretive text studies; hermeneutics, grounded theory	b. Search for and presentation of meaning in results of quantitative processing
Quantitative	c. Turning words into numbers. Classic content analysis, word counts, free lists, pile sorts, etc.	d. Statistical and mathematical analysis of numeric data

TABLE 2: QUALITATIVE AND QUANTITATIVE DATA AND ANALYSIS (BERNARD 2012, P. 393).

The main focus of this study is the quantitative analysis of qualitative data which refers to cell (c) in Table 2. Generally, this type of analysis emphasizes changing the data, which presents in word or picture form, into numbers. It is widely used in the communication field of research, such as advertising or newspapers. Quantitative analysis of qualitative data can also be referred to as quantitative content or text analysis. Franzosi (2007, p.1), proposing that content analysis is another form of quantitative technique, states that, "Indeed, content analysis was born as quantitative technique." Researchers, such as Krippendorff (2004) and Berelson (1952) have offered a variety of definitions for content analysis: to Krippendorff (2004, p.18), content analysis is "a research technique for making replicable and valid inferences from text (or other meaningful matter) to the context of their use." Content analysis is further described by Berelson (1952 cited by Krippendorff 2004, p.18) as "a research technique for the objective, systematic and quantitative description of the manifest content of communication," (Krippendorff 2004, p.19). However, there are still some unclear definitions when it comes to indicating whether text analysis is a quantitative or qualitative technique. Text or content analysis can be accounted for in both quantitative and qualitative approaches. Shapiro and Markoff (1997) stated that it is "any systematic reduction of a flow of text (or other symbol) to a standard set of statistic manipulable symbols representing the presence, the intensity or the frequency of some characteristic relevant to social science" (Shapiro and Markoff 1997 cited by Mehl, 2006, p.153). Content analysis

should provide a reliable result in the sense that if other researchers used this same technique with the same data, the outcome should yield similar results. This type of analysis helps researchers increase understanding about the subject being explored. The researcher will be able to gain deeper insight into the data when applying this technique (Krippendorff 2004, p.19).

#### **4.2.2 Quantitative Content Analysis**

The main goal of utilizing quantitative content analysis aims to provide objectivity to a document's content in an electronic context. This technique became well recognized and addressed in the marketing research from the work of Berelson in 1952 and 1971 (Langer and Beckman 2005, p.193; Altheide 1987, p.68). According to Berelson, quantitative content analysis provides an opportunity for the researcher to be able to define a document's content using a systematic approach. Thus, written content will be divided into "countable units". It further allows analysts to derive a statistical analysis according to pre-determined classifications (Langer and Beckman 2005, p.194).

Furthermore, quantitative content analysis, according to Berelson, should be categorized as "objective" because the protocol allows the analyst to count the frequency of occurrence within the text (Langer and Beckman 2005, pp.193-194). This technique allows analysts to be able to test hypotheses associated with relationships. The pre-determined concepts serve as a fundamental procedure of the quantitative content analysis process. From this procedure, analysts will be able to observe the measurement as the data is preset in a numerical form. Methodological stages begin with the development of classifications used and then move on to the collection of data. Once this process is completed, data analysis can be initiated. The last stage is the interpretation of data. In terms of data collection and the sample's coding, the researcher's responsibility is to perform the coding, data analysis and interpretation. However, "inter-coder reliability" must be performed in order to check the validity of data interpretations (Altheide 1987, p.68).

However, the fact that this type of content analysis is considered objective raises numerous critical comments. A number of scholars have noted that subjectivity in the interpretation of written documents is essential; a lack of subjectivity is problematic. In the process of quantitative content analysis, the textual units are counted for their frequency. Thus, the regularity of pre-developed categories will be later interpreted. The criticisms underscore the point that the misinterpretation of original context and meaning of certain units can occur if analysts only interpret the number of occurrences (Langer and Beckman 2005, p.194). Therefore, the risk of an incorrect interpretation of certain textual units should be considered by analysts (Fuhiau 1982 cited by Langer and Beckman 2005, p.194).

As mentioned in the previous chapter, user-generated content, travel review sites and their influences on customer pre-purchasing decisions are widely recognized in the hotel and hospitality

industry. Thus, in this study online complaint responses posted on the TripAdvisor website are chosen as the data sample for this research. Therefore, quantitative content analysis has been chosen to be the research tool for this study because the researcher is trying to avoid subjects' biased responses that might occur in the traditional way of marketing research. People will have an awareness of being observed in a traditional setting such as interviews and focus groups. Thus, it is subject to greater bias (Krippendorff 2004, p.40).

Furthermore, the relevance of using online complaint responses from TripAdvisor is that the available context in the responses does not have any influence from the researcher. This point accounts for the greater validity of this study's findings. Quantitative content analysis includes the interpretation of content in online reviews by hotel management according to the pre-determined dimensions. A hotel response in an online complaint framework is adopted by evaluating previous research on service recovery actions as well as the relevant justice dimension elements. The list of different elements used in this research will represent pre-determined classifications. Thus, the content of online responses will be coded according to the relevant pre-determined categories. For example, if phrases which represent a solution offered by hotel management are not mentioned in a response, that response will be coded to the sub-dimension of "effort". The content analysis in this part will later be translated into quantitative conditions. The quantitative analysis of the quantitative data of this study will encompass the analysis of numerical data such as the hotel star or review ratings.

#### **4.2.3 The Approaches to Analytical Process Used in this Study**

Various approaches have been utilized relevant to analyzing qualitative data. Miles and Huberman (1994 cited by Berg 2008, p.238) introduced three main approaches to analyze qualitative data. The first approach is called *social anthropological*. This type of approach requires researchers to spend a large amount of time understanding and familiarizing themselves with the chosen sources. Researchers must observe various aspects such as characters of a community as they will be beneficial for the analyzing process in the later stages because researchers will be able to better understand subject behaviors. This approach mostly involves an evaluation of the different types of communities using interviews and observations. The aim of this approach is to understand general behavior, the usage of language, and the interaction of subjects within communities. Furthermore, the main goal of the social anthropological approach is to note the pattern that is used by subjects in a certain context. Most of the time, the theoretical framework will be evaluated in the initial phase. The process of gathering information from the given community or source will be implemented in the second step. The present study is taking this approach in order to answer research questions.

In the initial phase, in order to identify the online community that will serve as a data collection source, the researcher must get to know the source closely, which means that intensive obser-



vation of hotel responses in the online community is required. The reason for this close observation of the source is to better understand the nature of responses, the usage of language as well as the context of the textual unit. All this will have an impact on the development of a complaint response framework which will be helpful in the analytical process at the later stages. Moreover, another benefit of closely observing the source or online community, in this case the TripAdvisor site, is that data interpretation can be confirmed regarding their trustworthiness. To ensure the trustworthiness of interpretation in this study, the researcher not only observes the sample of this study, but also monitors other hotel responses as well. The reason is that the researcher will be able to understand and get to know TripAdvisor in terms of the website's concepts as well as its functions.

Mehl has identified alternative approaches to quantitative text analysis in his 2006 research. He proposes four dimensions in order to define different approaches to quantitative text analysis. The identification of each dimension will be presented. These approaches, which are correlated to the present study, will be examined as well:

- *Instrumental analyses*— Text analysis can be differentiated based on the two aims of the research: *representational* and *instrumental*. In respect to the aims of the research, the *representational* approach is to present the original text in both context and meaning. The main interest here is the content of certain textual units. On the other hand, an obvious characteristic of the *instrumental* approach is that a number of certain textual units are observed according to pre-assigned categories. The difference between the two approaches can be seen as an operational difficulty. "Instrumental analysis" requires a lower level of specialization in terms of analytical skills, whereas "representational analysis" involves the higher order critical skills of computation as well as specific equipment. Therefore, in terms of this research's aim, "instrumental analysis" is considered the relevant approach as occurrences of pre-determined classifications will be counted according to the content of the textual units (Mehl 2006, p.144).
- *Thematic*— the second dimension refers to the approach to text analysis. The two approaches emerge from quantitative text analyses. The first approach can be defined as *thematic*. It aims to capture predetermined concepts of the content stated in a message. The amount of target text units will be computed and later analyzed in terms of their frequency. Conversely, the *semantic* dimension aims to find "information on the conversational meaning of a theme." In the process of semantic analysis, the relationship internal to different themes will be focused on. For the purposes of answering the research questions of this study, the thematic approach is considered appropriate to analyze this research because in order to test the hypotheses the occurrence of pre-targeted concepts will be evaluated (Mehl 2006, p.144).
- *Specific Bandwidth*— According to the theory, text analysis can be seen to have either broad or specific bandwidth. In terms of specific approaches, the intensive theoretical framework is presented as broader approaches tend to continue from certain facts to a

general conclusion. In this present study, the bandwidth can be related to specific approaches because the main goal is to discover different aspects of justice dimensions which are mentioned by hotel management in online complaint responses. The random selections of complaint responses derive from user reviews that are already rated as negation (complaints) (Mehl 2006, p.145).

- *Style*—the last dimension emphasizes an analytical approach to ascertain whether the *content* or *style* of the message was addressed. *Content* analysis aims to investigate the reason for the mentioned statement. Its goal is to enhance the understanding of *why* subjects wrote the text in a particular way. The focus emphasizes the content of certain textual units. On the other hand, *style* analysis focuses on *how* texts are constituted. Therefore, quantitative content analysis of this study can be seen as a *style* approach because this study aims to evaluate certain text units, such as type of language used (formal or informal), the structure of answers and whether they provide the appropriate ending statement or address guests by name (Mehl 2006, p.145).

### 4.3 The List of Categories Used in This Research

Increasing numbers of research studies have attempted to examine the importance of perceived justice theory in a complaint or service recovery context. It is further emphasized by various studies that this theory can influence the way customers judge or evaluate the overall service recovery system. Schoefer and Ennew (2004) investigated the concept of perceived justice theory and its impact on customer perceptions of tour operators in complaint handling. The outcome of the study suggests that managers should consider the concept of justice theory in their complaint handling strategies. In terms of distributive dimensions, managers should pay attention to the aspects of loss and need in the compensation context, whereas elements such as flexibility and accessibility in procedural dimensions should also be considered in constructing a complaint-handling system. They further mention that quick responses to complaints from companies have a positive influence on customer judgments concerning complaint handling. Furthermore, components such as information and explanation, which are considered important aspects of interactional justice dimensions, present the strongest weight on customer evaluations.

Customers' emotional responses to complaints were investigated by Schefer and Ennew as well (2005). The aim was to evaluate the impact of perceived justice theory on different customer emotions after service recovery. The outcome demonstrates that the emergence of negative emotions such as anger or rage is more likely to happen if there is a low degree of three justice dimensions, whereas the degree of happiness and satisfaction is likely to be increased with a high level of perceived justice. Therefore, it is important that a company should recognize the importance of utilizing the three justice dimensions theory in its complaint handling strategies because the degree of each aspect can either enhance or reduce a customer's positive or negative emotional response.

Smith et al. (1999) explored four attributes and their influence on each type of justice dimension. In their study, *compensation* is the first attribute to demonstrate its impact on the evaluation of the distributive justice dimension. The evaluation of procedural justice is measured based on the second attribute, *response speed*. The last two attributes, *apology* and *recovery initiation*, are used to measure customer perceptions of the interactional justice dimension. The result shows that *compensation* had a positive effect on the evaluation of distributive justice. *Response speed* also had a positive impact on procedural justice evaluations. Correspondingly, *apology* and *initiated by the organization* correlated with the level of customer perceptions of interactional justice.

For the purposes of this study, eight attributes will be introduced as indicators in order to analyze the utilization of the three justice dimensions in online complaint responses. Different elements of perceived fairness will be gathered into three dimensions based on the justice theory framework. These are: *the distributive justice dimension*, *the procedural justice dimension* and *the interactional justice dimension*. Sub-elements are also presented. The aspects used in this study are based on previous relevant research and they are believed to be the most relevant to the current study.

#### Distributive Justice Dimension

Elements	Sub-elements
<b>Compensation</b>	- Do hotels offer financial resources?
<b>Need</b>	- Were there specific responses to specific needs?
<b>Apology</b>	- Were psychological resources, e.g., an <i>apology</i> statement, offered by hotels?

TABLE 3: ELEMENTS AND SUB-ELEMENTS OF THE DISTRIBUTIVE JUSTICE DIMENSION

Table 3 demonstrates the three elements and sub-elements of the distributive justice. *Compensation* has been mentioned in previous marketing research as one aspect of perceived distributive fairness of service recovery strategies. It is an effective element that influences customers' perceived distributive fairness (Blodgett et al., 1997). In regard to *apology*, Tyrell and Wood (2004, p.188) stated that firms tend not to mention apology statements in their service recovery process. In the restaurant context, more than 80% of managers do not provide apologies in their service recovery process. It is essential for service providers to apologize to customers because customers may have a perception that firms do not take recovery efforts seriously as firms might not want to admit that the errors are theirs in the first place. As mentioned in the literature, the importance of customer perceptions of distributive fairness in the service recovery

effort is crucial. Therefore, three elements of distributive justice dimension have been selected for measurement in this study. The contents of responses will be coded with respect to their context. A phrase incorporated within a hotel offer of financial resources, for example, will be coded into the component *compensation*. Similar to apology criteria, a phrase such as “*we are very sorry for any inconvenience*” will be coded into the *apology* category. The frequency of each element occurrence will be counted in order to test hypotheses.

#### Procedural Justice Dimension

Element	Sub-element
<b>Responsiveness</b>	- Speed: time used in responding to complaints

TABLE 4: ELEMENT AND SUB-ELEMENT IN PROCEDURAL JUSTICE DIMENSION

Table 4 presents an element and sub-element in the procedural justice dimension. *Responsiveness* has been used as one element in perceived procedural fairness in many research studies. It can be defined as the number of times it is used in order to finish a service recovery effort (Tax et al. 1998, p.63). With *responding to complaints in a timely manner* in an online context, firms will be able to deal with the problems at hand as some of the guests might still be in the hotel while they are posting complaints online. Others, however, may try to avoid engaging directly with service providers (Levy et al. 2013, p.59). For this study, the focus is the amount of time elapsed before hotel managements answer negative posts. The information regarding the time is already provided by the TripAdvisor website. Every negative review and the response to it is tagged with the time the messages are posted. Therefore, the passage of time since posted complaints from customers until posted responses from hotel management will be measured in order to test the hypotheses.

**Interactional Justice Dimension**

Elements	Sub-elements
<b>Information and Explanations</b>	<ul style="list-style-type: none"> <li>- Did hotels provide explanations or information about the problem?</li> </ul>
<b>Politeness</b>	<ul style="list-style-type: none"> <li>- Did hotels address guests by name in their responses?</li> <li>- Did hotels use polite ending phrases such as <i>sincerely yours</i>?</li> <li>- Formal or informal responses</li> <li>- Sender's name</li> <li>- Sender's position</li> <li>- Sender's department</li> <li>- Sender's company</li> <li>- Did hotels thank customers for their complaints?</li> </ul>
<b>Effort</b>	<ul style="list-style-type: none"> <li>- Did hotels offer solutions?</li> <li>- Did hotels provide personal contact information?</li> <li>- Did the hotel encourage customers to contact the hotel regarding complaints?</li> <li>- Were investigations initiated and mentioned in the responses?</li> <li>- Was there similar content presented in other posts? (at least two)</li> </ul>
<b>Empathy</b>	<ul style="list-style-type: none"> <li>- The number of <i>We</i>, <i>Us</i> and <i>Our</i> used in responses</li> <li>- The number of <i>I</i> and <i>Me</i> used in responses</li> <li>- Were further queries encouraged by the hotels?</li> <li>- Did hotels welcome guests back?</li> <li>- Were appreciative statements for complaints mentioned?</li> </ul>

TABLE 5: ELEMENTS AND SUB-ELEMENTS IN INTERACTIONAL JUSTICE

Various studies have adapted the concept of perceived interactional fairness in attempting to discover customer satisfaction in the complaint handling process, customers' perceived fairness and the magnitude of customer trust after service recovery efforts. Table 5 presents elements and sub-elements in interactional justice dimension. The different elements of perceived interactional justice have been introduced in many studies:

- Providing information— Tax et al (1998, p.69) highlighted the relative benefits of the company providing information about what has gone wrong and stated that it is one of the ways that companies can develop positive customer feelings toward recovery attempts. Furthermore, the perception of fairness is easier to bring about if the proper explanation is provided. Lewis and McCann (2004, p.8) suggested that it is important for service providers to establish an explanation for what has gone wrong. The findings of the Levy et al. study (2013) reveal that most of the low-rated hotels tend not to provide an explanation for the cause of the complaints, whereas the higher-rated hotels account for an increased percentage in the posting of explanations. Following the purpose of this study, phrases that incorporate explanations for the cause of failures will be measured. The occurrences of explanation mentioned in online responses will be analyzed and later compared between small hotels and chain hotels in order to test the research hypotheses.
- Politeness— in an offline context, politeness demonstrates the courtesy of service providers as well as a friendly and hospitable manner (Goodwin and Ross 1989, p.88; Tax et al. 1998, p.63). Dickinger and Bauernfeind (2009) proposed the transformation of different criteria of politeness in a traditional context into an online setting. Different elements were highlighted as the measurement of politeness within online constraints. Politeness in their context is presented as *an appropriate salutation*. The proper greeting statements as well as the thank you offered to customers represent aspects of politeness in an online setting. Furthermore, they suggested that the company's information as well as the sender's should be presented in the responses (Dickinger and Bauernfeind 2009, p.160). In this study, therefore, the occurrences of *proper greeting statements, polite endings, the formalization of responses and information regarding responders to include: name, position, department and company* represent the sub-elements of politeness in an online setting. Research hypotheses will be tested by comparing the emergence of each element between small hotels and chain hotels.
- Effort— the effort shown by service providers indicating that they are trying to solve service errors is crucial because efforts to proactively solve problems influence the perception of process within a company. Inability to show customers some kind of effort in resolving and investigating their complaints allows customers to later engage in posting negative remarks concerning a firm's procedures (Tax et al. 1998, p.69). In an online context, the company can demonstrate its efforts to solve service errors through online responses by providing personal contact information so that customers will be

able to contact the involved departments or hotel employees directly. From the findings of Levy et al. (2013, p.57), hotels with lower ratings do not recognize the notion of offering contact information in their responses to online negative reviews. The higher-rated hotels, on the other hand, make an effort to provide contact information in their online responses for guests who have had unsatisfactory experiences. Furthermore, sharing the solution to what went wrong can raise the firm's performance when making an effort to correct problems. Consequently, these important aspects of empathy in an online context serve as a point of departure to identify the four sub-elements in this category. The online responses will be evaluated using four factors: *solution offering*, *the provision of personal contact information*, *encouragement for further contact*, and *initiation of investigation regarding problems*. The hypotheses will be tested by comparing the occurrences of each sub-variable, while the use of each variable will be counted and further analyzed.

- Empathy— another important element in service recovery efforts is the provision of empathy. Individual interaction between service providers and customers can influence the level of satisfaction or dissatisfaction of customers (Bitner et al. 1990, p.79). In an offline context, empathy can be obtained from personal care from service-provider attentiveness. In an online environment, this element can transform into certain language that represents personal feeling to improve relationships between an organization and its customers. Hanson (2000 cited by Cho et al. 2003, p.117) proposes an applicable way to enhance customer closure feelings towards the organization in an online context. He states that firms can utilize “emoticons or avatars” in the electronic message to communicate with customers. Moreover, words such as *we*, *I*, *our*, *us* and *me* can establish a closer feeling between the organization and customers. Customers might develop the perception that companies are trying to increase personal care and treatment by using those terms (Dickinger and Bauernfeind 2009, p.160). The feeling of appreciation for the feedback or for complaints should be mentioned in online responses in order to demonstrate a feeling of care and empathy. Hence, the numbers of *we*, *us* and *our* and *I* and *me* represent aspects of empathy and will be counted in complaint responses in order to test research hypotheses. Additionally, the aspect that customer reviews are appreciated by hotel managements will be evaluated.

## **4.4 The Introduction of Sampling Procedures**

### **4.4.1 Identification of Data Collection Platform**

It is essential for the researcher to identify which travel review sites will be used in this study. After evaluation of a large number of travel review sites available to the online community, the TripAdvisor website was chosen to be a data collection platform for this research because it is a

travel-oriented social network website. It is a platform where people demonstrate their perceptions and opinions of different aspects of travel and tourism, such as hotels, destinations, restaurants and attractions. It is estimated there are more than 10 million reviews published by 5 million registered members (Miguens et al. 2008). Additionally, different features provided by TripAdvisor allow the researcher to have a wide range of opportunities to analyze both quantitative and qualitative data. A greater number of responses by hotel management accounts for the third criterion in the evaluation process of choosing TripAdvisor as a data platform for this study. The interaction between reviewers on TripAdvisor is considered intensive. The volume of posted reviews as well is larger when compared to other online communities. Hence, choosing the TripAdvisor site will be beneficial for this study because of the greater number of posted reviews and responses from hotels, especially small hotels who might not yet have an effective strategy to deal with negative online reviews.

#### **4.4.2 Data Collection and Formulation**

In order to be able to collect complaint responses from the TripAdvisor platform, the negative reviews (complaints) should be identified. Figure 2 demonstrates an example of online complaints provided by a traveler on the TripAdvisor platform. Apart from the context of the review, the appearance of the posted date of the review is provided. TripAdvisor also allows reviewers to evaluate hotels using stars, ranked from 1 to 5 stars. The reviews are rated according to different features and aspects of hotels. These include: *value, location, sleep quality, rooms, cleanliness and service*. A feature called the “room tip” enables other readers to offer brief suggestions regarding the property based on a traveler’s real experience. In addition to a summary of different features, other information is also provided: the result of guest evaluations, the purpose of their travel and the characteristics of guests (family, couple, individual). The quantitative and qualitative data provided by the TripAdvisor platform is considered important because it provides various opportunities to analyze and compare the information between responses from chain hotels and small hotels. The information which travelers post on this website is valuable to companies as it presents an opportunity for hotel management to evaluate those reviews in order to measure the performance of their service and identify possible areas of improvement.



*“IHG - Customer Service Down the drain”*
 Reviewed July 28, 2012

For the last few years IHG and especially Intercontinental has been going downhill big time. I WAS a long time very loyal customer globally with IHG properties. The real kicker was 4 weeks ago I started a 9 week RTW business trip. 14 to 16 weeks ago started booking stays at IHG. Had a few problems and contacted customer services at priority club. Very very poor response when they did respond and the response totally dismissive. Immediately cancelled all bookings except for Intercontinental Bangkok as my previous stays were great and had prepaid this stay. Checked in and things went downhill from there. No upgrade as before to club lounge access - had to pay(platinum ambassador). Went to lounge and asked for a glass of wine as I had been travelling from Australia all day. I was refused as the happy hour had ended 15 minutes earlier and the attitude and response of staff was shocking as I had never experienced at this hotel! Would walk out and go somewhere else if not prepaid. IHG has lost my custom forever and now will go to SPG, Hyatt and Marriott! They have status match me at their highest loyalty program level so no more IHG and on this trip they will have lost over 50 nights stays globally!


**Room Tip:** Don't waste your money here!

[See more room tips](#)


Stayed July 2012, traveled on business

 Value

 Location

 Sleep Quality

 Rooms

 Cleanliness

 Service

FIGURE 2: EXAMPLE OF A HOTEL'S NEGATIVE REVIEW ON THE TRIPADVISOR WEBSITE (TRIPADVISOR, 2013)

For the purposes of this research, a sample of 300 online complaint responses by hotel management was randomly selected from the TripAdvisor platform. The context of responses will be evaluated through different aspects of the three justice dimensions. An example of online complaint responses provided by hotel management is presented in figure 3. In order for the researcher to be able to analyze negative review responses in an effective manner, certain procedures should be highlighted. During the data gathering process, each online response will be copied into a file for future referencing. The reason this approach has been chosen instead of analyzing data directly is because it is considered safer to have a data file available at all times. Furthermore, the file can be used for future reference to clarify the analysis. The direct link to the webpage of the selected responses has been preserved as well. Proceeding to coding data, the researcher chose to have data coded in the SPSS program for further statistical analysis. As mentioned in chapter 4.3, the list of elements used in this research serves as basic information for the development of the coding manual. This manual enables the researcher to classify the data properly. At a later stage, the data will be transformed into quantitative criteria. Once the

data is coded into an SPSS dataset, the different statistical assessments will be performed in order to test the proposed hypotheses.

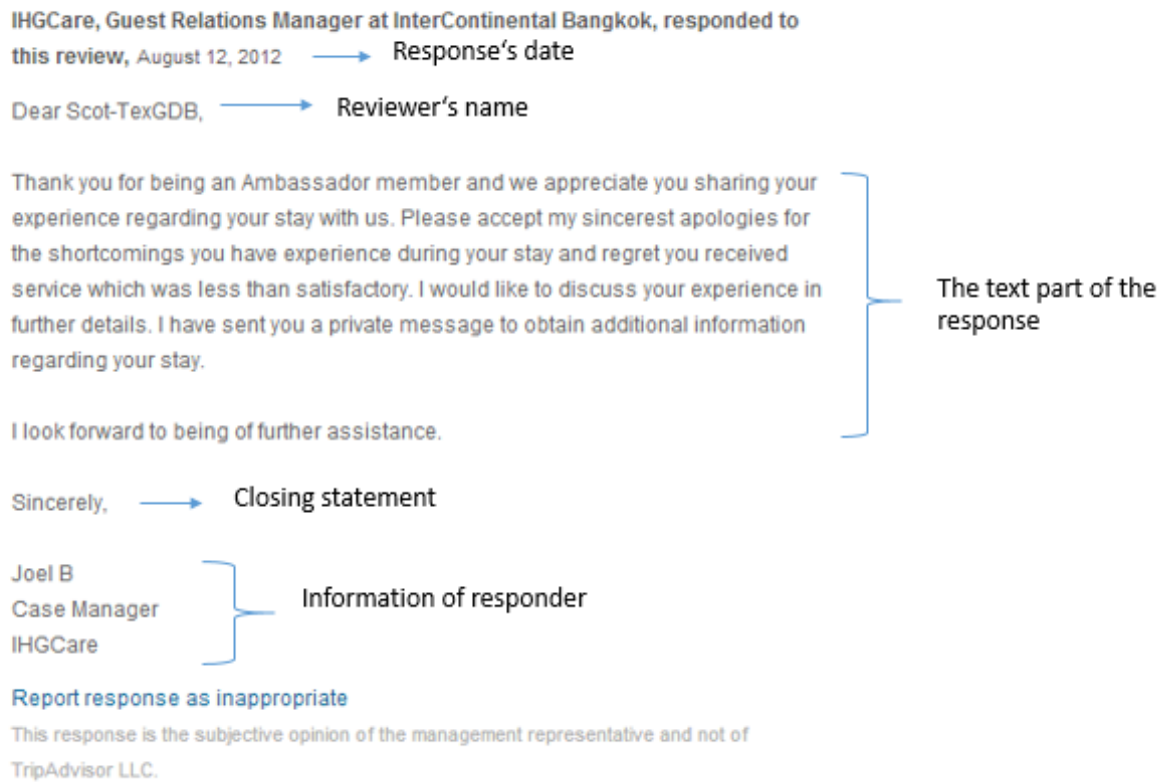


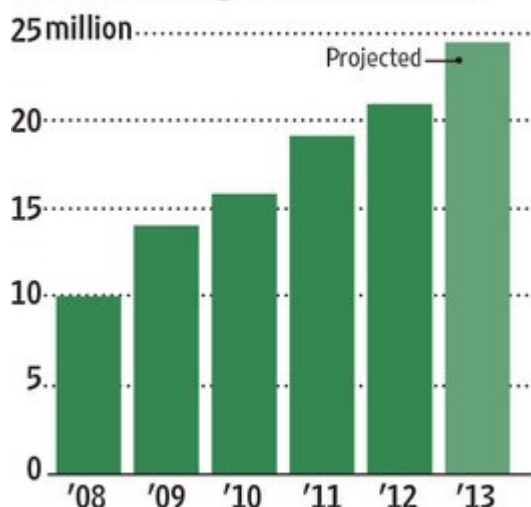
FIGURE 3: EXAMPLE OF AN ONLINE COMPLAINT RESPONSE BY HOTEL MANAGEMENT (TRIPADVISOR, 2013)

#### 4.4.2.1 The Sequence of Hotel Selection in This Study

For the purposes of this research, Thailand is chosen as the case study. Thailand is considered one of the most popular tourist destinations in Southeast Asia and has held the title of “one of the world’s most visited destinations” (Mahtani, 2013). According to the Tourism Authority of Thailand, it is estimated that over 20 million travelers arrived in Thailand in 2012. This statistic shows a 15% increase in tourist arrivals over 2011. Moreover, the TAT projects that close to 25 million travelers will visit Thailand in 2013. Tourism is one of the economic sectors generating a large amount of revenue (estimated at over USD38 billion) for the country (Mahtani, 2013). Figure 4 shows the number of tourist arrivals in Thailand and the average hotel occupancy rate in different regions of the country. Numerous hotels opened rapidly in order to serve the high number of tourists. Therefore, hotels especially chain properties have used this opportunity to boost their revenues (Mahtani, 2013). Therefore, the hotel industry is in a highly competitive market. It is essential for each hotel to find a unique selling proposition in order to differentiate itself from its competitors and one of the marketing tactics is the social media management.

## On Vacation | Foreign tourism grows in Thailand

**Thailand foreign tourist arrivals**



**Hotel occupancy, annual average**



Sources: Tourism Authority of Thailand; Thai Hotel Association

FIGURE 4: NUMBER OF TOURIST ARRIVALS AND THE HOTEL OCCUPANCY RATE IN THAILAND (MAHTANI, 2013).

Travelers nowadays use various travel-oriented social platforms to make their travel decisions. These travel-oriented social network sites significantly influence tourist intentions to visit a destination. A positive review will benefit a hotel greatly, whereas negative reviews have the potential to damage a hotel's reputation and image. Thus, negative reviews online should not be neglected. They should have similar importance to traditional complaint options in an offline context, such as telephone or face-to-face communication (Tyrrell and Woods 2004, p.189). In particular, the structure of online responses to negative reviews is considered significant because it can have an influence on customer's word-of-mouth engagement. The utilization of the three justice dimensions (distributive, procedural, and interactional justice) with online complaint responses reflects the performance of service recovery efforts by chain hotels and small hotels as well as the decision-making process of potential customers. A similar service recovery strategy should be implemented with all company complaints (Tyrrell and Woods 2004, p.189).

The selected hotels are located in different regions of Thailand. Appendix 1 shows the location of the hotels. One of the travel features provided by TripAdvisor is the star rating of hotels. The researcher has made use of this information to identify the different star ratings of both chain hotels and small hotels. In terms of the list of chain hotels, various hotel group websites were examined in order to identify the name of the property within that group as well as the location. Small hotels were, in fact, searched for by using one of the features on the TripAdvisor site. The different types of accommodation available can be filtered on the website. Users are able to select different categories of accommodation through this feature which includes "hotels," "B and B and Inns," "specialty lodging," "vacation rentals" and "special offers". The category "B and B and Inns" on TripAdvisor website provides information regarding the list of different bed- and-

breakfast properties, individually owned hotels and small family-run hotels. Thus, the list of small hotels has been developed through information provided on the TripAdvisor website.

#### 4.4.3 Approaches to the Hypotheses Testing Process in This Study

The research hypotheses will be tested by group comparison tests and tests for measuring the relationship between two variables. These tests will be employed to compare each variable between small hotels and chain hotels. Depending on the scale, the tests which will be used in this study are the Mann-Whitney U-test, t-test, or Cross table. In addition, factor analysis will be applied at a later stage to minimize the dimensionality and test for the different theoretical dimensions in an exploratory way. Subsequently, factor scores will be used to present differences between chain hotels and small hotels on the latent dimensions.

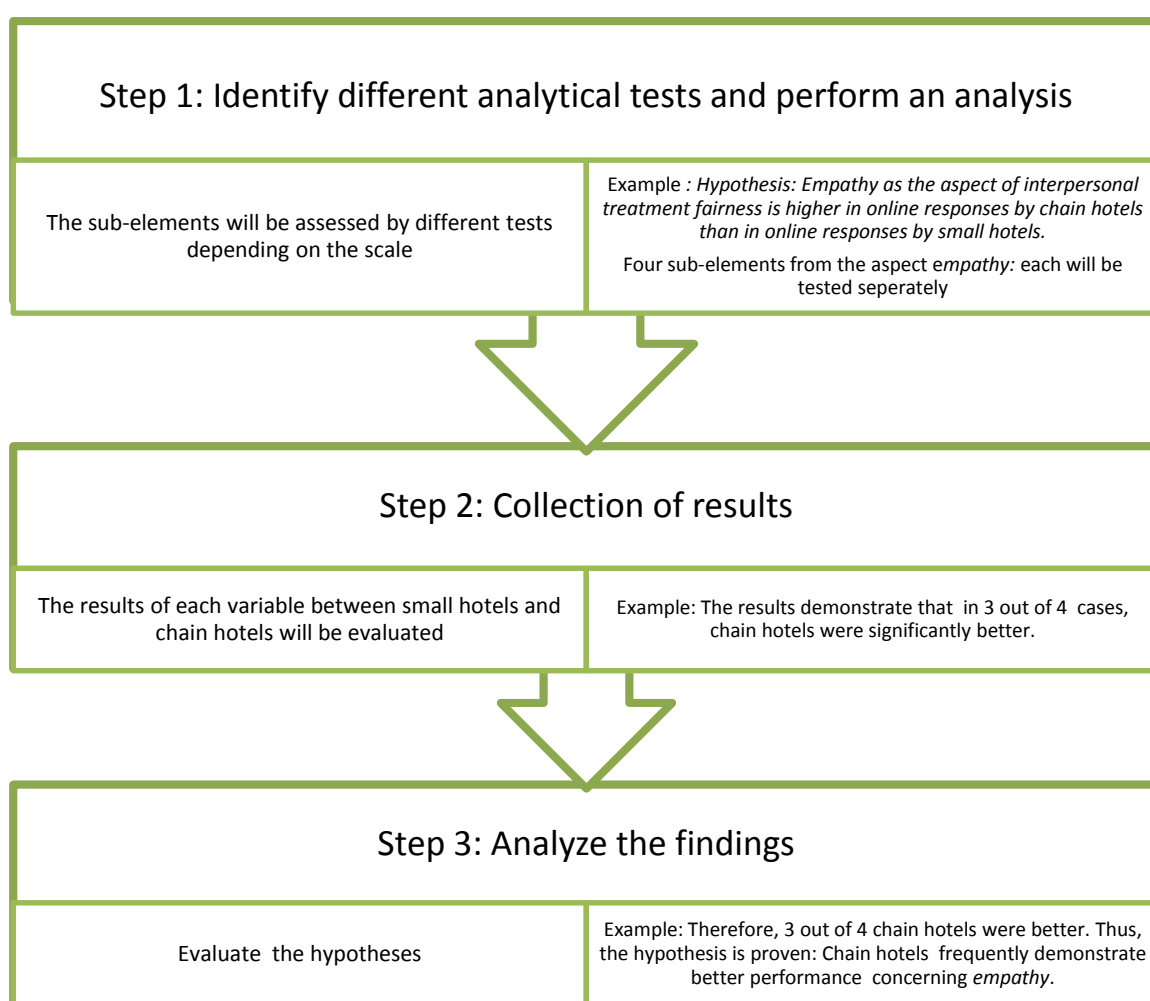


FIGURE 5: EXAMPLE OF THE STEPS USED IN TESTING THE HYPOTHESES

## 5 RESULTS

### 5.1 Introduction

The main objective of this study is to analyze the utilization of different aspects of the three justice dimensions in online complaint responses. All online complaint responses were posted by hotel managements on TripAdvisor, which has been chosen to be the data collection platform for this study. This chapter presents the findings of this research. The interpretation of the data will be presented in respect to the literature background. This chapter begins with the presentation of characteristics of hotel samples used in this study as well as general information concerning negative reviews. Subsequently, the findings of the quantitative content analysis will be further discussed. Hypotheses testing will be presented at the end of the chapter.

### 5.2 Characteristics of Selected Hotels

#### 5.2.1 Location of Hotels

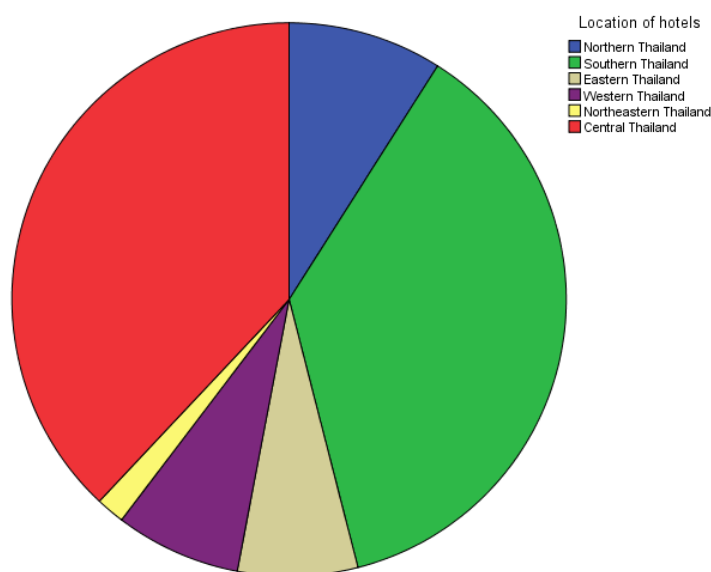


FIGURE 6: LOCATION OF HOTELS

Figure 6 indicates the location of selected hotels in this research. The majority of the hotels are located in central and southern Thailand, accounting for 38% and 37% respectively from the whole sample. Conversely, frequency analysis of SPSS shows that only 1.7% of the hotels are located in the northeastern Thailand (Appendix 1). The sample of selected hotels reflects the different densities of properties throughout the country. Bangkok, which is the capital city of Thailand, is located in central Thailand. It has the highest proportion of hotels compared to the rest of the country. Thus, the central region number of online reviews in TripAdvisor is high.

There is a similar situation with southern Thailand as it is one of the most popular leisure destinations in the country. Many hotels have opened and even more are in existence. Northeastern Thailand is less developed as a tourist destination than the rest of the country and, thus, has fewer tourism-related properties.

### 5.2.2 Hotel Star Ratings

TripAdvisor provides a star rating for each hotel on its website. Most of the chain hotels are present in the 4- and 5-star categories, which accounts for 18.7% and 14.7% respectively of the whole hotel sample. The chain hotels with 4.5-star, 3.5-star and 3-star ratings make up 6.7%, 3%, and 7%, respectively, of the sample. No chain hotels are listed with 1 star, 1.5 star, 2 star or 2.5 star ratings. In terms of small hotels, most have no information available concerning star ratings (26.7% of the sample). Small hotels rated 3 stars are 11.7% of the whole sample. They represented 4.3% and 3.7% of the 3.5-star and 2.5-star ratings, respectively. There are no chain or small hotels with 1-star, 1.5 star or 2-star ratings (Appendix 2). Figure 7 shows an overview of hotel star ratings in this study.

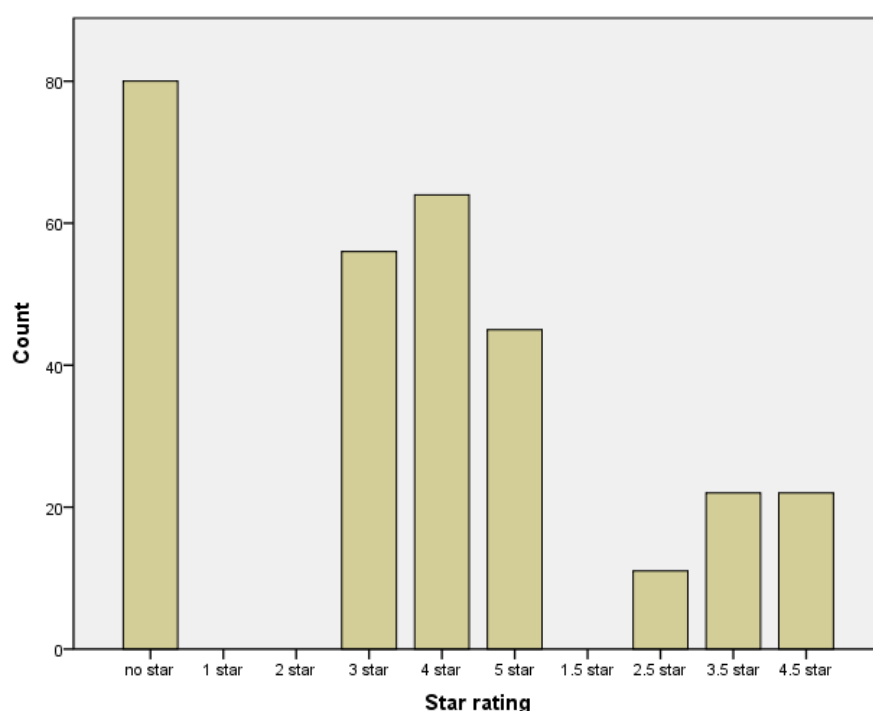


FIGURE 7: STAR RATINGS OF THE HOTEL SAMPLE

### 5.2.3 The Rating of Online Reviews as Part of the Data Collection Process

The complaint responses posted by hotel managements on TripAdvisor comprise the data sample of this research. However, the online reviews, which are the reason that hotel managements responded in the first place, needed to be evaluated as well in order to ensure the trustworthiness of the data interpretation. Therefore, the information regarding an overall rating on a 5-point scale, which is available on TripAdvisor, will be interpreted in this study. The 5-point scale

of review rating includes “Excellent,” “Very good,” “Average,” “Poor” and “Terrible”. The frequency analysis reveals that most of the responses come from reviews that rated hotels as “Poor” (44%). The second most frequent classification is “Terrible” (40%). The online reviews that are rated as “Average” are not often used (14%). In fact, the two categories “Excellent” and “Very good” present a very low percentage (0.7% and 1.3%, respectively). Table 6 shows the frequency of the overall rating of the reviews.

Rating	Frequency	Percent	Cumulative Percent
Terrible	120	40.0	40.0
Poor	132	44.0	84.0
Average	42	14.0	98.0
Very good	4	1.3	99.3
Excellent	2	.7	100.0
Total	300	100.0	

TABLE 6: OVERALL RATING OF THE REVIEWS

As the main objective of this study is to evaluate online complaint responses, most of the reviews which are rated as *terrible* are evaluated in order to obtain the response information. However, not all of the reviews that are considered negative will be categorized as having a low rating. Some of the negative complaints can be seen in the categories such as *excellent* and *very good*, though rarely. For the presentation of review ratings as a part of the data collection process, Figure 8 provides a bar chart presenting the frequencies of overall ratings on a 5-point scale.

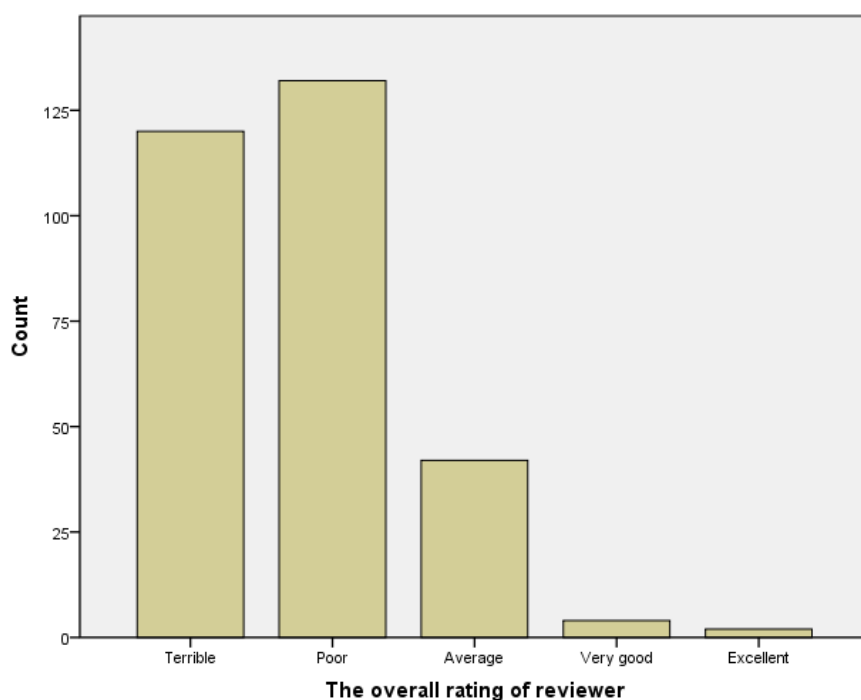


FIGURE 8: OVERALL RATINGS ON A 5-POINT SCALE AS PART OF THE DATA COLLECTION PROCESS IN THIS RESEARCH

### 5.3 Testing the Hypotheses

The hypotheses in this study will be tested by various analytical tools. According to the different scales of the data, the group comparison tests and tests for measuring the relationship between two variables (Mann-Whitney U-test, T-test, or Cross-tabulation) are employed in order to discover the direction of association between small hotels and chain hotels.

#### 5.3.1 Hypotheses Concerning Sub-Dimensions in Three Justice Dimensions

##### Distributive Justice Dimension

##### Compensation

***Hypothesis H1b: Compensation as an aspect of distributive justice is higher in online complaint responses posted by chain hotels than by small hotels.***

A Chi-Square test was performed in order for the researcher to gain an insight regarding the difference between small hotels and chain hotels in terms of their compensatory actions. The results demonstrate that both chain and small hotels did not actively mention or offer any compensation in their online complaint responses. Compensatory action by hotels was noted in 4.3% of all responses. Compensation mentioned by chain hotels makes up 2.7% of total responses. Small hotels mention compensation in only 1.7% of the replies out of the whole sample. The result demonstrates that both types of hotels, whether chain or small hotels, are not active in offering compensation for service errors in an online setting. However, the results according to



the p-value from the Chi-square test for cross-tabulation shows a non-significant value of 0.395 divided by 2=0.197 ( $P>0.05$ ). Thus, the result can only be interpreted for the sample, but cannot be generalized to the whole population (Table 7). As the difference is not significant, the null hypothesis is retained. Therefore, there is no difference between chain hotels and small hotels regarding their compensatory action offered in online complaint responses. One plausible explanation for this outcome is that, due to the nature of the online setting, anyone is allowed access to the information. Hotels might put themselves in a risky position if they negotiate compensation with guests on the review webpages as other guests, who easily have access to those responses online, might compare the level of compensation to their own and create an unfair perception of the hotel's action which may later lead to customer dissatisfaction of service recovery efforts. Detailed results are provided in Appendix 3.

Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain hotels	small hotels		
Did hotels offer financial re-sources?	no	Count	142	145	287	0.395
		Expected Count	143.5	143.5	287.0	
		% of Total	47.3%	48.3%	95.7%	
		Adjusted Residual	-.9	.9		
	yes	Count	8	5	13	
		Expected Count	6.5	6.5	13.0	
		% of Total	2.7%	1.7%	4.3%	
		Adjusted Residual	.9	-.9		
Total		Count	150	150	300	
		Expected Count	150.0	150.0	300.0	
		% of Total	50.0%	50.0%	100.0%	

TABLE 7: THE RESULTS OF THE CROSS-TABLE OF THE VARIABLES *COMPENSATION* AND *TYPES OF HOTEL*

### **Apology**

***Hypothesis H1c: Apology as an aspect of distributive justice is higher in online complaint responses posted by chain hotels than by small hotels.***

The cross-tabulation of the variables *apology* and *types of hotels* allows the researcher to have an overview of apology statements embedded in complaint responses posted by chain and small hotels. The analyses show that total apology statements occur in 73.7% of all responses. Chain hotels actively include their apology statements in their complaint responses, which account for 42.3% of total replies, whereas small hotels tend to apologize for the service failure 31.3% of time of the total replies. The results can be generalized because the Chi-square value of the cross-table test shows a highly significant result ( $p<0.05$ ) (Table 8). Thus, the alternative hypothesis is accepted. The significant differences between chain hotels and small hotels regarding the use of apology statements are demonstrated. This implies that there is an overrepresentation

of chain hotels to mention *apology statements* in their responses. Details results are provided in Appendix 3.

Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain hotels	small hotels		
Were psychological resources, e.g., <i>apology statements</i> , offered by hotels?	no	Count	23	56	79	0.000
		Expected Count	39.5	39.5	79.0	
		% of Total	7.7%	18.7%	26.3%	
		Adjusted Residual	-4.3	4.3		
	yes	Count	127	94	221	
		Expected Count	110.5	110.5	221.0	
		% of Total	42.3%	31.3%	73.7%	
		Adjusted Residual	4.3	-4.3		
Total		Count	150	150	300	
		Expected Count	150.0	150.0	300.0	
		% of Total	50.0%	50.0%	100.0%	

TABLE 8: THE FINDINGS OF THE CROSS-TABULATION OF THE ELEMENTS *APOLOGY* AND *HOTELS BY TYPE*

## Need

***Hypothesis H1d: There is a difference between chain hotels and small hotels regarding their responses to specific needs of dissatisfied guests.***

Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain hotels	small hotels		
Were there specific responses to specific needs?	no	Count	64	38	102	0.002
		Expected Count	51.0	51.0	102.0	
		% of Total	21.3%	12.7%	34.0%	
		Adjusted Residual	3.2	-3.2		
	yes	Count	86	112	198	
		Expected Count	99.0	99.0	198.0	
		% of Total	28.7%	37.3%	66.0%	
		Adjusted Residual	-3.2	3.2		
Total		Count	150	150	300	
		Expected Count	150.0	150.0	300.0	
		% of Total	50.0%	50.0%	100.0%	

TABLE 9: THE RESULTS OF THE CROSS-TABLE OF THE ASPECTS *NEED* AND *TYPES OF HOTEL*

Table 9 illustrates the results of the cross-tabulation. The Chi-square test shows a highly significant p-value ( $p=0.002<0.05$ ). Thus, differences can be generalized. The cross-table provides insight into the performance of both chain hotels and small hotels in responding to guests' specific

needs. The findings show that small hotels have a tendency to provide a specific answer to customer needs (37.3% of all replies). The proportion of specific needs answered by chain hotels is smaller compared to small hotels with 28.7% of the replies out of the total sample. The results of the adjusted residuals (Z-value) provided in the cross-table is more than 1.96 ( $3.2 > 1.96$ ). Thus, the differences between observed and expected values are significant. It can be concluded that there is a highly significant difference between chain hotels and small hotels in respect to their responses to specific needs of customers. There is a highly tendency of small hotels to respond to specific needs in online complaint responses compared to chain hotels. The overview of the results is provided in Appendix 4.

### Procedural Justice Dimension

According to previous literature, the promptness of the online response is one of the aspects of the procedural justice dimension. The amount of time taken by both hotel categories in replying to online complaints will be examined in this study. The analysis used in order to test this hypothesis is the Mann-Whitney U-test as it is appropriate for the distribution of the data.

### Response time

***Hypothesis H2b: Time taken to respond to online complaints by small hotels is greater than time taken by chain hotels.***

The results of the analysis show that the average time taken to respond to complaints for chain hotels is 6.64 days, whereas the average response time for small hotels is 26.95 days (Appendix 5). The p-value of the Mann-Whitney U-test is highly significant ( $p < 0.05$ ) (Table 10). Thus, the alternative hypothesis is accepted. The amount of time used by chain hotels to respond to online complaints differs from the amount of time used in responding to online complaints by small hotels. The results of the means rank test for the Mann-Whitney U-Test provide ranked places of the two groups. The chain hotels are presented with a mean rank of 126.61, whereas small hotels have a mean rank of 174.39 (Table 10). The group of small hotels has a higher mean rank. Thus, it can be concluded that chain hotels have faster response times to online complaints. The hypothesis is proven to be correct.

Sub-Variable	Types of hotels	N	Mean Rank	Sum of Ranks	p-value
Time taken in responding to complaints	chain hotels	150	126.61	18992.00	.000
	small hotels	150	174.39	26158.00	
	Total	300			

TABLE 10: THE RESULTS OF MEAN RANKS AND LEVELS OF SIGNIFICANCE FOR MANN-WHITNEY U-TEST OF THE VARIABLE *TIME TAKEN IN RESPONDING TO COMPLAINTS* AND GROUPING VARIABLE *TYPES OF HOTEL*

## Interactional Justice Dimension

Each sub-element of the four aspects of the interactional justice dimension (*politeness, empathy, explanation, and effort*) will be tested at the individual level. As mentioned in chapter 4.4.3, the findings from each of the sub-variables will be evaluated in order to compare each variable between small and chain hotels.

### Politeness

***Hypothesis H3b: Politeness as an aspect of interpersonal treatment fairness is higher in online responses posted by chain hotels than in those posted by small hotels.***

As previously mentioned, in the offline context politeness can be seen as the courtesy of front-line employees and the well-mannered behavior of staff during service recovery efforts. However, in an online context hotel posts that include the *thank you statement* for the reviews can be seen as one indicator of the politeness dimension. Proper greeting statements and formal ending statements indicate that the hotel is trying to show its appreciation through the message. The element *politeness* in this study has 8 sub-variables and will be measured through these 8 sub-variables in order to evaluate the association between chain hotels and small hotels regarding the politeness of their posts.

Table 11 illustrates the results of the cross-tabulation test for 6 sub-elements in the politeness dimension. The results show that most of the differences in each sub-variable are significant. There is only one criterion, the addition of the sender's company in the responses, which shows a less than significant result. The findings of each criterion will be explained separately in detail in the following section.

Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain hotels	small hotels		
Thank you for complaints	no	Count	9	61	70	0.000
		% of Total	3.0%	20.3%	23.3%	
	yes	Count	141	89	230	
		% of Total	47.0%	29.7%	76.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	

TABLE 11: THE RESULTS OF THE CROSS-TABLE OF 6 SUB-VARIABLES IN THE POLITENESS DIMENSION ACROSS TWO TYPES OF HOTEL

Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain hotels	small hotels		
Did hotels address guests by name in the re-sponses?	no	Count	47	107	154	0.000
		% of Total	15.7%	35.7%	51.3%	
	yes	Count	103	43	146	
		% of Total	34.3%	14.3%	48.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Did hotels use polite ending phases, such as <i>sincerely yours</i> etc.?	no	Count	26	90	116	0.000
		% of Total	8.7%	30.1%	38.8%	
	yes	Count	123	60	183	
		% of Total	41.1%	20.1%	61.2%	
Total		Count	149	150	299	
		% of Total	49.8%	50.2%	100.0%	
Formal or informal re-sponses	informal	Count	10	81	91	0.000
		% of Total	3.3%	27.0%	30.3%	
	formal	Count	140	69	209	
		% of Total	46.7%	23.0%	69.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Sender's name	no	Count	36	103	139	0.000
		% of Total	12.0%	34.3%	46.3%	
	yes	Count	114	47	161	
		% of Total	38.0%	15.7%	53.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Sender's company	no	Count	132	131	263	0.861
		% of Total	44.0%	43.7%	87.7%	
	yes	Count	18	19	37	
		% of Total	6.0%	6.3%	12.3%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	

TABLE 11: THE RESULTS OF THE CROSS-TABLE OF 6 SUB-VARIABLES IN THE POLITENESS DIMENSION ACROSS TWO TYPES OF HOTEL (CONTINUED)

Evaluating each of the sub-variables separately, the first sub-element represents the formal greeting used in the responses. The outcomes of the cross-table test reveal that chain hotels addressed guests by their user names in the greeting statement (the user name is the name that guests choose to represent themselves on the online platform) in 34.3% of the total responses. In the case of small hotels, the proper greeting was used in 14.3% out of all 300 reviews. Due to the highly significant result of the Chi-square test ( $p < 0.05$ ), the result can be generalized. Therefore, it can be concluded that there is a highly significant difference between chain hotels and small hotels with respect to the use of guest names as part of an appropriate greeting statement

in responses. Adjusted residuals ( $Z=6.9>1.96$ ) show that the difference between expected and observed values are significant (Appendix 6). Hence, it can be anticipated that chain hotels have a significant tendency to address guests by name in their responses more often compared to small hotels.

Including polite ending statements in the responses are further indicators of politeness according to the previous theoretical framework. The results from the cross-tabulation revealed that 61.2% of all responses included a polite ending statement such as *sincerely yours* or *best regards*. Chain hotels used a polite-ending statement in 41.1% of all replies, whereas the polite closing statement is less likely to be seen in the online responses from small hotels (20.1%). According to the analyses of this sub-variable, the outcome can be generalized according to the highly significant p-value of the Chi-square test ( $p<0.05$ ). Thus, it can be concluded that there is a significant difference between small hotels and chain hotels with respect to their use of polite closing statements in their online responses. The direction of association can be interpreted by checking the Z value of the cross-tabulation test. The analyses show the adjusted standardized residuals ( $Z=7.5>1.96$ ) (Appendix 7). This indicates the difference between count and expected value is significant. Thus, there is a tendency of chain hotels to include an appropriate ending statement in their online responses more often compared to small hotels.

Furthermore, hotels can demonstrate the aspect of politeness in an online context by thanking customers for their complaints. The results from the Chi-square test show a highly significant p-value ( $p<0.05$ ) (Table 11). The difference between small hotels and chain hotels in terms of their *thank you* statement is highly significant. In 47% of the replies, chain hotels thanked guests for their complaints. However, small hotels thanked customers for their reviews in only 29.7% of all responses. The difference between expected value and count values is significant ( $Z=7.1>1.96$ ) (Appendix 8). Hence, the direction of association can be interpreted. There is a tendency for chain hotels to thank customers for their complaints more often compared to small hotels more often compared to small hotels.

The style of the responses, whether informal or formal, is the third criterion in the politeness dimension. Formal style comprised 69.7% of all responses. Formal responses posted by chain hotels were found in 46.7% of all responses. However, small hotels replied to online complaints with the formal style in only 23% of all replies. It is very interesting to see that of the responses posted by small hotels, more than half (54%) were written in an informal manner and the remainder with more formality (Table 11). The Chi-square test demonstrates the highly significant differences ( $p<0.05$ ). Thus, the outcomes can be generalized. There is a significant difference between small hotels and chain hotels in relation to their styles of responses. The count values significantly differ from expected values as well ( $Z=8.9>1.96$ ) (Appendix 9). This implies, therefore, that chain hotels have a higher tendency to answer online complaints in a formal manner.

Another important indicator of the element *politeness* is the presentation of the sender's information, which includes: sender's name, position, company, and department. The evaluation shows that the use of the sender's name occurred in 53.7% of all responses. The sender's name was mentioned in 38% of the responses posted by chain hotels, whereas only 15.7% of sender's information was included in responses posted by small hotels out of all posts. The results of the Chi-square test show similar results with the previously mentioned criteria ( $p < 0.05$ ) (Table 11). The inclusion of the sender's name in the online responses is significantly different between small hotels and chain hotels. In addition, the trend of association (the difference between the expected values and count is significant:  $Z = 7.8 > 1.96$ ) shows that chain hotels are significantly more likely to include the sender's name in their responses. Small hotels, on the other hand, did not frequently mention the sender's identity in their responses to complaints. The overview of the results is provided in Appendix 10.

However, another indicator related to sender's information is the posting of the sender's company in the responses. The Chi-square test shows a lack of significance ( $p = 0.861 > 0.05$ ). Thus, the results cannot be generalized to the whole population (Table 11). Therefore, it can be assumed that there is no difference between small hotels and chain hotels regarding the posting of the sender's company in online responses. The percentage of responses which did not include any hotel names from either type of hotel is similar. Chain hotels did not post the names of the hotels in 44.0% of all replies, whereas in 43.7% of all replies, small hotels did not mention the sender's company in their responses. This outcome implies that chain hotels and small hotels might not recognize the importance of putting the name of the company in the responses. The outline of the results is provided in Appendix 11.

Table 12 illustrates the different categories of the sender departments and sender positions mentioned in the online responses. It can be seen that in chain hotels, the most frequently mentioned department is *management* (31% of all replies). However, in 13% of all responses, chain hotels did not include any departments. In the case of small hotels, the analyses reveal that in 42% of all the replies, the different hotel departments were not mentioned at all. In addition, *management* was mentioned by chain hotels in 6% of all responses.

Another indicator to add to the aspect of politeness is the use of the sender's position. Most of the responses from chain hotels were answered by the hotel's general manager (20.7% of all replies). In 4.3% of responses, online complaints were responded to by resident management from chain hotels. Surprisingly, in 18.7% of replies, chain hotels did not mention the sender's position. Most of the small hotel responses did not include the sender's position (44.3% of all replies). General Manager and resident manager were mentioned as sender positions in online responses by small hotels, but accounted for only 1.7% of all answers each.

Sub-Variable			Types of hotel		Total
			chain ho- tels	small hotels	
Sender's de- partment	No department men- tioned	Count	39	126	165
		% of Total	13.0%	42.0%	55.0%
	Management	Count	93	18	111
		% of Total	31.0%	6.0%	37.0%
	Room division	Count	4	4	8
		% of Total	1.3%	1.3%	2.7%
	Sales and marketing	Count	4	0	4
		% of Total	1.3%	.0%	1.3%
	others	Count	10	2	12
		% of Total	3.3%	.7%	4.0%
Total		Count	150	150	300
		% of Total	50.0%	50.0%	100.0%
Sender's posi- tion	No position mentioned	Count	56	133	189
		% of Total	18.7%	44.3%	63.0%
	General Manager	Count	62	5	67
		% of Total	20.7%	1.7%	22.3%
	Room Division Manager	Count	3	1	4
		% of Total	1.0%	.3%	1.3%
	Sales and Marketing Manager	Count	4	0	4
		% of Total	1.3%	.0%	1.3%
	Quality Control Manager	Count	1	0	1
		% of Total	.3%	.0%	.3%
	Others	Count	11	3	14
		% of Total	3.7%	1.0%	4.7%
	Resident Manager	Count	13	5	18
		% of Total	4.3%	1.7%	6.0%
	Owner	Count	0	3	3
		% of Total	.0%	1.0%	1.0%
Total		Count	150	150	300
		% of Total	50.0%	50.0%	100.0%

TABLE 12 : THE RESULTS OF THE CROSS-TABLE OF SUB-VARIABLES (*SENDER'S POSITION* AND *SENDER'S DEPARTMENT*) IN THE POLITENESS DIMENSION AND TYPES OF HOTEL



Though the results of the Chi-square test are highly significant ( $p < 0.05$ ) according to the application of the cross-tabulation, the condition of reliable result should present in a way that all expected values are not below 5 in more than 20% of the cells. The results of the Chi-square test of the first sub-variable *sender's department* show that more than 20% of the cells have an expected count of less than 5 (40%). Likewise, 50% of the cells have an expected count of less than 5 for the sub-variable *sender's position*. A plausible reason for the over 20% of the cells that have an expected count of less than 5 might be that some of the cells of these two variables have a very small number of cases. Therefore, in order to obtain more reliable results, the sub-classifications of each of the two variables were merged. Later, the categories were presented with two classifications: *yes* and *no*. The new classification improves the reliability of results of the cross-tabulation test as there are no cells that have an expected count of less than 5 (Appendices 12 and 13).

Merging the cells in each of the variables improves the reliability of the results. Thus, the results of the Chi-square test of *sender's department* and *sender's position* can be interpreted. In both cases, the results of the Chi-square test show a highly significant value ( $p < 0.05$ ). Thus, the outcomes can be generalized. It can be concluded that there is a significant difference between small hotels and chain hotels regarding the posting of the sender's name in online responses. Chain hotels are more likely to mention the sender's department in the responses (37% of all replies) (Appendix 12). Equally, the posting of the sender's department in the responses by small hotels and chain hotels is significantly different (Chi-square  $p$ -value  $< 0.05$ ). Thus, chain hotels have a higher tendency to mention the position of the sender in their online responses (31.3% of all replies) (Appendix 13).

Sub-Elements	Chi-square p-value	The direction of association
Did hotels address guests by name in their responses?	$p < 0.05$	Chain hotels have a higher tendency to address guests by name in their responses.
Did hotels use polite ending phrases such as <i>sincerely yours</i> ?	$p < 0.05$	There is a higher tendency of chain hotels to include the appropriate ending statement in their online responses.
Formal or informal responses	$p < 0.05$	Chain hotels have a significant tendency to answer online complaints in a formal manner more often
Sender's name	$p < 0.05$	Chain hotels are more likely to include the sender's name in the responses more often
Sender's position	$p < 0.05$	Chain hotels have a tendency to mention the position of the sender in online responses.
Sender's department	$p < 0.05$	Chain hotels are more likely to mention the sender's department in their responses.
Sender's company	$p = 0.861 > 0.05$	There is no difference between small hotels and chain hotels regarding the posting of the sender's company in their responses.
Did hotels thank posters for complaints?	$p < 0.05$	There is a tendency among chain hotels to thank customers for their complaints.

TABLE 13: THE CONCLUSION TABLE PRESENTS THE RESULTS OF THE ANALYSES OF EACH SUB-VARIABLE IN THE POLITENESS DIMENSION.

To test the hypothesis, each of the sub-variables was assessed separately in order to find the significant levels of difference and the direction of association. Table 13 illustrates the overall findings of all sub-variables in the *politeness* dimension. In 7 out of 8 cases, the results of the Chi-square test show that the differences are highly significant between chain hotels and small

hotels regarding the use of *proper greetings, ending statements, the formal types of responses, the posting of sender identities and the thanking of guests for complaints*. In addition, the analyses also reveal chain hotels have a tendency to mention these sub-elements in their online complaint responses. Conversely, there is only one criterion, *sender's company*, which did not show a significant result as  $p\text{-value} > 0.05$ . This indicates that there is no difference between chain hotels and small hotels regarding the use of the sender's company in the responses. Taking all the separate analyses into account, the hypothesis H3b can be proven to be correct. Chain hotels frequently demonstrate higher utilization of different aspects of politeness in their complaint responses.

### **Empathy**

***Hypothesis H3c: Empathy as an aspect of interpersonal treatment fairness is higher in online responses by chain hotels than in online responses by small hotels.***

	Types of hotels	N	Mean Rank	Sum of Ranks	p-value
The number of <i>We, Us and Our</i> used in responses	chain hotel	147	152.36	22397.50	.231
	small hotel	145	140.56	20380.50	
	Total	292			
The number of <i>I and Me</i> used in responses	chain hotel	108	101.81	10996.00	.172
	small hotel	85	90.88	7725.00	
	Total	193			

TABLE 14: THE MANN-WHITNEY U- TEST FOR VARIABLES *THE NUMBER OF WE, US, OUR, THE NUMBER OF I, ME* AND GROUPING VARIABLE *TYPES OF HOTEL*

Empathy in the offline context directly affects the impression of the level of care and careful attention that service providers offer to customers. Concerning the online context, previous literature mentioned empathy in the form of service providers expressing themselves through the use of specific words, such as *I, me, we, us, and our*. For the purposes of this study, the element *empathy* will be measured through 5 sub-variables which include the number of *we, us, our, I, and me, the proposal for further inquiries, welcoming guests back, and the appreciation for guest complaints*. The different statistical tests were separately performed according to the scale of the presented data in each sub-category. Table 16 provides the results of the mean ranks for the Mann-Whitney U-test and the levels of significance of the two sub-variables. The Mann-Whitney U-test was chosen to be the statistical tool to analyze the two sub-variables *the number of we, us, our* and *the number of I and me*. The analyses show that in the case of the use of the words *we, us and our*, the results of Man-Whitney U-Test show non-significant results ( $p=0.231 > 0.05$ ). Thus, the results show that there is no difference in the usage of *we, us and our* in the responses

between small hotels and chain hotels. The argument for these non-significant results is that these are typical words that every property uses when referring to themselves as a company. Both small hotels and chain hotels might recognize the importance of the use of *we*, *us* and *our* as it shows the customer the hotels' sense of empathy. Likewise, the difference between chain hotels and small hotels regarding the amount of *I* or *me* used in the responses is insignificant ( $P=0.172>0.05$ ). Thus, the results cannot be generalized to the whole population. The same plausible reason is that on average *I* and *me* has to be used in every response as these are general words used when referring to one individual. Table 16 provides the results of the mean rank tests for the Mann-Whitney U-test and the level of significance of the two sub-variables.

Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain hotels	small hotels		
Further queries by hotels	no	Count	114	135	249	0.001
		% of Total	38.0%	45.0%	83.0%	
	yes	Count	36	15	51	
		% of Total	12.0%	5.0%	17.0%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Welcoming guest back	no	Count	40	108	148	0.000
		% of Total	13.3%	36.0%	49.3%	
	yes	Count	110	42	152	
		% of Total	36.7%	14.0%	50.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Was there appreciation for complaints shown in responses?	no	Count	100	135	235	0.000
		% of Total	33.3%	45.0%	78.3%	
	yes	Count	50	15	65	
		% of Total	16.7%	5.0%	21.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	

TABLE 15: THE RESULTS OF THE CROSS-TABLE OF 3 SUB-VARIABLES IN THE EMPATHY DIMENSION ACROSS TWO TYPES OF HOTEL

Table 15 illustrates the analyzed results from the cross-tabulation for 3 sub-variables: *further queries*, *welcoming guest back* and *appreciation for complaints*. In addition, an additional indicator to highlight the aspect of empathy is the suggestion of a *further inquiries statement*. The results of the Chi-square test show a significant p-value ( $p=0.001<0.05$ ). Thus, the outcome can be generalized. Though the difference between small hotels and chain hotels is significant, it is surprising to see that in 83% of all responses both types of hotels did not ask the guests if they had further queries in their replies. Chain hotels did not ask for any queries in 38% of replies.

Similarly, small hotels did not invite guests to express their queries in 45% of all replies. However, differentiating between small hotels and chain hotels, in 12% of the replies the *further queries* suggestion was proposed in the responses posted by chain hotels, whereas in 5% of the responses small hotels asked guests for any *further requests* for information. Judging from the significant difference between expected values and count values ( $Z=3.2>1.96$ ) (Appendix 14), the trend of association may be assumed. Chain hotels are likely to ask guests for their further inquiries, whereas small hotels have a significant tendency not to ask guests whether they have further queries.

Another criterion concerning the *empathy* dimension is whether guests are welcomed back or not in hotel responses. The p-value of the Chi-square test shows a significant result ( $p<0.05$ ). Thus, the difference is significant and the findings can be generalized. The outcomes of the cross-tabulation also reveal that in half of the responses guests were welcomed back to the hotels (50.7% of all replies). Chain hotels frequently welcomed guests back with 36.7% of all responses. Small hotels, on the other hand, were significantly less likely to show that they welcomed guests back in their responses with only 14% (Table 15). Adjusted residual shows the difference between counted value and expected value is significant ( $Z=7.9>1.96$ ) (Appendix 15). The significant difference between counted and expected values enables the trend of association. Therefore, it can be implied that there is a tendency by chain hotels to welcome guests back more likely. Small hotels tend not to mention that they would like to welcome guests back in their responses as intensely as chain hotels.

That hotels appreciated the guests' valuable comments can be seen as another important criterion when expressing an emphatic feeling from the hotels. The Chi-square value has a highly significant result ( $p<0.05$ ). Thus, generally, chain hotels significantly differ from small hotels by showing appreciation for guest reviews. However, the findings reveal that in more than 78.3% of responses, the hotels did not show appreciation for guest comments at all. Additionally, in more than 30% of the responses chain hotels did not mention their appreciation for guest complaints. Likewise, in 45% of the replies, guest comments received no appreciation from small hotels. Concerning responses that contain any appreciation for guest statements, chain hotels indicated that they valued customer comments in 16.7% of all responses. In only 5% of all responses did small hotels include an appreciation statement in their answers. The tendency to appreciate guest comments is judged by relating the expected and observed numbers. The adjusted residual values show that it is higher than 1.96 ( $Z=4.9$ ) (Appendix 16). Thus, the data from all the cells is significantly different from the expected values. It can be implied that there is a tendency for chain hotels to be more likely to indicate appreciation for customer feedback. In contrast, guest comments tend not to be given appreciation by small hotels that high.

The overview of results of testing each sub-variable separately in the *empathy* dimension is provided in Table 16. In 2 criteria out of 5, the results of the Chi-square test show results that lack significance. Thus, it can be implied that there is no difference between chain hotels and small

hotels regarding the use of certain terms (*we, us, and our* or *I and me*). Results with highly significant values occurred in 3 out of 5 criteria. In addition, they all have the same trend, which is that chain hotels have a tendency to utilize the following criteria in their responses: *showing guests their appreciation for complaints, asking guests for further inquiries and the posting of thank you statements for customer complaints*. Taking all findings and results of the Chi-square values into consideration, hypothesis 3c is accepted. Chain hotels demonstrate higher presentation compared to small hotels regarding integrating aspects of empathy in their online responses.

Sub-Elements	Chi-square p-value	Direction of Association
The number of <i>we, us, our</i> used in responses	$p=0.231>0.05$	There is no difference regarding the utilization of <i>we, us, our</i> in responses between small hotels and chain hotels.
The number of <i>I, me</i> used in response	$p=0.172>0.05$	There is no difference regarding the use of <i>I, and me</i> in the responses.
Were any further queries invited?	$p=0.001<0.05$	Chain hotels are more likely to invite further inquiries from guests.
Were any statements regarding welcoming guests back mentioned?	$p<0.05$	There is a tendency for chain hotels to welcome guests back more often.
Were appreciation statements for posted complaints mentioned?	$p<0.05$	There is a tendency for chain hotels to express appreciation for customer feedback more often.

TABLE 16: THE CONCLUSION TABLE PRESENTS ANALYTICAL RESULTS OF EACH SUB-VARIABLE IN THE *EMPATHY* DIMENSION

### **Explanation**

***Hypothesis H3d: The posting of an explanation in online responses as an aspect of interpersonal treatment fairness is different between small hotels and chain hotels.***

The posting of explanation as to what went wrong is another sub-element encompassed by the aspect of explanation. Table 17 presents the results of the cross-tabulation test for this sub-variable. The analyses demonstrate that both types of hotels posted an explanation or information regarding the service failure in 58.3% of total responses. This indicates that over half of the total responses are posted with explanations as to what went wrong. In order to differentiate between small hotels and chain hotels, it is noted that the explanations for service failures are mentioned by chain hotels in 25% of all responses, whereas the percentage of small hotels trying to explain the cause of the error is 33.3% of all replies. The application of the Chi-square test for the cross-tabulation states that the results will be reliable on the condition that all expected values should not be below 5 in more than 20% of the cells. The results of the Chi-square test for the cross-tabulation showed that no cells have an expected count of less than 5. Therefore, the result of the Chi-square test is reliable and can be interpreted. The p-value of the Chi-square test in this case is highly significant with ( $p < 0.05$ ) (Table 17). Thus, the results can be generalized. The absolute values of all adjusted residuals are 2.9 ( $Z > 1.96$ ). This implies that the differences between observed and expected values are significant. Moreover, the comparison between the observed value and expected value can help identify the trend of association between types of hotels and the posting of explanations. The expected value of chain hotels in the posting of explanations was 87.5, but the count value was only 75. Thus, there is a significant under-representation concerning chain hotels. Conversely, small hotels posted explanations in their responses and have an observed value of 100, though the expected value was 87.5. Consequently, there is significant over-representation of small hotels. The overview of the results is provided in Appendix 17.

It can be concluded that there is a significant difference between chain hotels and small hotels regarding the posting of explanations for what caused complaints. Hence, the proposed hypothesis H3d is proven to be correct. Moreover, judging from the direction of association, it can be concluded that small hotels have a tendency to explain what caused the problem in their online responses more often.

Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain hotels	small hotels		
Did hotels provide explanations or information regarding complaints?	no	Count	75	50	125	0.003
		Expected Count	62.5	62.5	125.0	
		% of Total	25.0%	16.7%	41.7%	
		Adjusted Residual	2.9	-2.9		
	yes	Count	75	100	175	
		Expected Count	87.5	87.5	175.0	
		% of Total	25.0%	33.3%	58.3%	
		Adjusted Residual	-2.9	2.9		
Total		Count	150	150	300	
		Expected Count	150.0	150.0	300.0	
		% of Total	50.0%	50.0%	100.0%	

TABLE 17: THE RESULTS OF CHI-SQUARE TEST FOR THE CROSS-TABLE OF THE VARIABLE *EXPLANATION* AND GROUPING VARIABLE *TYPES OF HOTEL*

### **Effort**

***Hypothesis H3e: The posting of an effort as an aspect of interpersonal treatment fairness is higher in online responses by chain hotels than in online responses by small hotels.***

The posting of effort will be measured through 5 sub-variables. The 5 sub-variables concerned are: a) *the solution provided by hotels*, b) *the hotel effort in providing personal contact information*, c) *encouraging customers to contact the hotels*, d) *the initiation of any investigation regarding the service errors* and e) *the reputation of certain content in other responses*, which are not included in the data sample. Each aspect of effort will be tested separately. Table 18 shows an overview of the results from the cross-tabulation test and the Chi-square test of the five sub-variables in the *effort* element. The interpretation of the results will be provided in the following section.



Sub-Variable			Types of hotel		Total	Chi-square p-value
			chain ho- tels	small hotels		
Did hotels offer solutions to the problem?	no	Count	86	95	181	0.288
		% of Total	28.7%	31.7%	60.3%	
	yes	Count	64	55	119	
		% of Total	21.3%	18.3%	39.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Did hotels provide personal contact information?	no	Count	120	139	259	0.001
		% of Total	40.0%	46.3%	86.3%	
	yes	Count	30	11	41	
		% of Total	10.0%	3.7%	13.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Did hotels encourage cus- tomers to contact hotels re- garding complaints?	no	Count	98	128	226	0.000
		% of Total	32.7%	42.7%	75.3%	
	yes	Count	52	22	74	
		% of Total	17.3%	7.3%	24.7%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Did hotels initiate an investi- gation regarding complaints?	no	Count	104	124	228	0.007
		% of Total	34.7%	41.3%	76.0%	
	yes	Count	46	26	72	
		% of Total	15.3%	8.7%	24.0%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	
Were there similar contents used in other responses? (two complaints or more)	no	Count	118	145	263	0.000
		% of Total	39.3%	48.3%	87.7%	
	yes	Count	32	5	37	
		% of Total	10.7%	1.7%	12.3%	
Total		Count	150	150	300	
		% of Total	50.0%	50.0%	100.0%	

TABLE 18: THE OVERALL RESULTS OF THE CROSS-TABLE OF 5 SUB-VARIABLES IN THE POSTING OF *EFFORT* AND *TYPES OF HOTEL*

The first indicator concerning the posting of *effort* is whether hotels offered any solutions to the problem. Although the Chi-square test was performed, the results cannot be generalized to the whole population because the p-value of the Chi-square test is non-significant ( $p=0.288>0.05$ ) (Table 18). The non-significant level of the results demonstrates that there is no difference between small hotels and chain hotels regarding the solutions offered in their online complaint responses. Even though the p-value is not significant, the result can still be interpreted within the sample. Comparing small hotels and chain hotels, it is noted that chain hotels only occasionally offered solutions in their responses (21.3% of all replies). Small hotels that offered remedies for the problems were even lower (18.3% of total responses). The difference across the two

types of hotels is not that large. Judging each type of hotel separately, 57.3% of the chain hotel responses did not provide any remedy nor did more than 60% of the responses provided by small hotels (Appendix 18). The results show that both small hotels and chain hotels tend not to share details of possible solutions to online complaints. The results obtained by Levy et al. (2013, p.57) also demonstrated that hotels, especially those with higher ratings, are not likely to provide any information regarding their solution efforts in their online responses.

The second indicator, which is important in the *effort* dimension, is the provision of personal contact details. The results from the Chi-square test show the highly significant result ( $p=0.001<0.05$ ). Thus, the result can be generalized to the whole population. There is a difference between small hotels and chain hotels regarding their efforts to offer personal contact information in their online responses. Interestingly, both types of hotels are unlikely to share their personal contact details in the replies, as more than 80% of the replies did not contain any personal contact details of responsible individuals from either type of hotel. In 40% of the total replies, chain hotels did not offer any private contact information. Small hotels, however, have a slightly higher percentage with 46.3% of the responses. Only 10 % of all responses included private contact information of the employees, while chain hotels provided further personal contact details such as personal email accounts or the direct phone number for the relevant person or department. Small hotels, however, are not likely to share this type of information at all in their responses (only 3.7% of all responses included contact information that was shared with guests). The direction of association can be determined by comparing the observed and expected counts. As the adjusted residual value is higher than 1.96 ( $Z=3.2$ ) (Appendix 19), the difference between expected values and count values is significant. It can be concluded that chain hotels are more likely to share the contact information of the personnel in charge, whereas small hotels have a tendency not to offer any contact details in their responses.

It is also important that hotels encourage customers who complain to contact the hotel directly for either further clarification of the service error or to offer compensation. To encourage customers to contact hotels after their complaints online shows positive hotel effort and that they take customer complaints seriously. The results from the Chi-square of this criterion reveal a highly significant p-value ( $p<0.05$ ). This indicates that there is a significant difference in encouraging customers to contact the hotels after their online complaints between small hotels and chain hotels. According to the significant p-value, the results can be generalized. Thus, it is important to notice that neither type of hotel recognized the importance of encouraging guests to get in touch: in 75.3% of all responses, both types of hotels did not encourage the dissatisfied guests to contact the hotels. Distinguishing between chain hotels and small hotels, post-complaint contact encouragement was not mentioned in 32.7% and 42.7% of responses, respectively. Even though guests were not likely to be encouraged to contact the hotels post-complaint, chain hotels were seen to more frequently encourage customers to contact them. Differ-

entiating between chain hotels and small hotels, encouraging guests to contact hotels for further service recovery efforts is mentioned in 17.3% and 7.3%, respectively (Appendix 20). It can be concluded that there is a significant tendency for chain hotels to encourage guests to further contact hotels after their complaints online. Guests, however, were not likely to be encouraged by small hotels to get in touch after their negative reviews.

Another action that demonstrates hotels have taken guest complaints seriously is to initiate an investigation to discover the cause of the service failures. Given the importance of effort, the investigation of the complaints, as another aspect of the provision of *effort*, is tested in this study. The highly significant result of the Chi-square test ( $p=0.007<0.05$ ) allows the generalization of the interpretation. According to the findings, it should be noted that both small and chain hotels are not likely to indicate that there are investigations underway in respect to the problem mentioned in guest complaints. In 76% of all responses, the investigations were not mentioned in the replies. In 34.7% of all responses, chain hotels did not provide guests with any details regarding their investigation. Similarly, small hotels did not mention any type of investigation of the service errors (41.3% of all replies). Only 24% of all hotel replies provided details of hotel investigations. In 15.3% of all replies, chain hotels provided the investigation details in their responses, whereas small hotels did not usually inform guests of the details of an investigation (8.7% of all replies). The differences between expected counts and observed counts are significant as the adjusted residual is higher than 1.96 ( $Z=2.7>1.96$ ) (Appendix 21). Thus, the direction of association shows that there is definitely a tendency of chain hotels to investigate and share the details in online complaint responses more often. Conversely, small hotels have a significant tendency not to initiate investigations in respect to the problems mentioned in the guest complaints that often compared to chain hotels.

Concerning the rising number of travel-related review websites and the increasing number of users, hotels need to have an efficient strategy to deal with these reviews in an online context. Thus, an appropriate structure of responses should be implemented. Employees who deal directly with the responses should be trained to answer customer reviews in an effective manner and as authentically as possible. The problem of originality in this sense concerns the repetition of identical paragraphs or sentences within one or more complaint responses. Many repetitions of identical answers were used in many responses and they were not related to what guests were trying to express in their reviews. As guests will never review only one response at a time, they could receive the impression that hotels do not take their reviews seriously if the answers are “copy and paste” into different responses. Later, this practice can reduce the perception of service recovery efforts. Taking the answer’s style into consideration, the repetition of identical answers in an online context posted by chain hotels and small hotels will be investigated in this study.

The result of the p-value for the Chi-square test is highly significant ( $p<0.05$ ). The outcome can be generalized. Most of the hotels did not post identical responses to guest reviews (87.7%).

This implies that hotels generally recognize the importance of authenticity of the responses. However, differentiating between chain hotels and small hotels, the former were found to use the identical sentences or paragraphs in two or more responses (10.7% of all hotels), whereas in only 1.7% of all hotels were the repetition of sentences or paragraphs found in two or more responses posted by small hotels.

The difference between observed and expected values as well is significant ( $Z=4.7>1.96$ ) (Appendix 22). The significant difference between observed and expected counts shows the under-representation of the chain hotels in terms of utilization of the identical answers in more than two responses. According to observed and expected values, small hotels are over-represented in not repeating the same answers in two or more responses. Hence, it can be stated that there is a tendency of chain hotels to utilize the identical sentences or paragraphs in two or more responses posted in response to various types of guest reviews. Small hotels, in contrast, are not likely to repeat the same sentences or paragraphs in two or more responses.

Table 19 below reveals the overall results of five sub-variables of the *effort* aspect. Highly significant results ( $p<0.05$ ) were seen in 4 out of 5 cases. The posting of solutions offered has a less than significant result. For 3 out of the 4 significant results criteria, chain hotels demonstrated the better performance in terms of sharing investigation information in their online responses, providing personal contact information and encouraging customers to contact the hotels after the resolution of complaints. Small hotels, however, have a better performance in not repeating the same sentences or paragraphs in two or more responses. Given the overall results, it can be seen that chain hotels have a better performance in 3 out of 4 criteria excluding the less than significant results of the first indicator. Hence, the hypothesis H3e is correct. Chain hotels show a higher performance regarding the provision of effort than small hotels.

Sub-Elements	Chi-square p-value	The Direction of Association
Did hotels offer solutions?	$p=0.288>0.05$	Insignificant level of the results demonstrates that there is no difference between small hotels and chain hotels regarding the solutions offered in online complaint responses.
Did hotels provide personal contact information?	$p=0.001<0.05$	Chain hotels are more likely to offer personal contact details of the responder.
Did hotels encourage customers to contact hotels regarding complaints?	$p<0.05$	It can be concluded that there is a significant tendency for chain hotels to encourage guests to further contact the hotels after their complaints online more often.
Were any investigations initiated and mentioned in the responses?	$p=0.007<0.05$	There is a tendency of chain hotels to investigate and share the details in online complaint responses more often.
Were there similar contents presented in other responses? (two responses or more)	$p<0.05$	Small hotels are not likely to repeat the same sentences or paragraphs in two or more posts when responding to guest reviews.

TABLE 19: OVERVIEW OF RESULTS OF 5 SUB-VARIABLES OF THE *EFFORT* DIMENSION

### 5.3.2 Testing Hypotheses Regarding the Three Justice Dimensions

The difference between the three justice dimensions will be tested by different statistical tools. The statistical tests are determined by the scale of the data. The tests used include a factor analysis and the Mann-Whitney U-test. By employing these statistical tools, the researcher will be able to reduce the dimensionality taking into consideration the relationship among variables.

### **Distributive Justice Dimensions**

***Hypothesis H1a: The utilization of distributive justice dimensions in online complaint responses posted by chain hotels is different from that of small hotels.***

For the purpose of testing H1a, an application of factor analysis is tested. The application of the factor analysis indicates that it is not appropriate to perform the factor analysis test. The Kaiser Meyer Olkin Measure of sampling adequacy is lower than 0.7 (0.513) and Bartlett's test of sphericity is not significant (0.19). Therefore, no significant correlation between the three variables exist (Appendix 23). A plausible reason for the results is assumed to be that the factor analysis is not applicable to dichotomous variables. Concerning the unsatisfactory results of the variance for the factor analysis, an additional approach is undertaken in order to test the hypothesis. The three variables were summed up and later subjected to the Mann-Whitney U-test. Table 22 shows that the p-value for the Man Whitney U-test is non-significant result ( $p=0.576>0.05$ ). The outcomes cannot be generalized to the whole population. Hence, the null hypothesis is retained. There is no difference between chain hotels and small hotels regarding the utilization of distributive justice dimensions.

Types of hotels	N	Mean Rank	Sum of Ranks	p-value
chain hotels	150	153.03	22954.00	0.576
small hotels	150	147.97	22196.00	
Total	300			

TABLE 20: THE RESULTS OF THE MANN-WHITNEY U-TEST OF THE VARIABLES FOR DISTRIBUTIVE JUSTICE DIMENSION

### **Procedural Justice Dimension**

***Hypothesis H2a: The utilization of procedural justice dimension in online complaint responses posted by chain hotels is different from that of small hotels.***

The Man-Whitney U-test is performed in order to test H2a. The results show a highly significant p-value ( $p<0.05$ ). Therefore, the results can be generalized to the whole population and can be interpreted. Thus, the hypothesis H2a is proven to be correct. The utilization of the procedural justice dimension in online complaint responses posted by chain hotels is different from that of small hotels. Additionally, chain hotels are significantly more likely to take less time to respond to online complaints compared to small hotels as the mean rank value of the former is less than that of the latter (Table 21).

Sub-Variable	Types of hotels	N	Mean Rank	Sum of Ranks	P-Value
Time taken in response to complaints	chain hotels	150	126.61	18992.00	
	small hotels	150	174.39	26158.00	
	Total	300			.000

TABLE 21: THE RESULTS OF MANN-WHITNEY U-TEST OF THE VARIABLE IN THE PROCEDURAL JUSTICE DIMENSION

### Interactional Justice Dimension

***Hypothesis H3a: The utilization of interactional justice dimensions in online complaint responses posted by chain hotels is different from that of small hotels.***

There are many classifications of data specifically in the interaction justice dimension. In order for the researcher to have a clear overview of the response behavior of the chain hotels and small hotels, a reduction of dimensionality is necessary. Therefore, a factor analysis test is performed. The factor analysis is meaningful in this situation because its objective is to reduce the dimensionality of the variables. Furthermore, the researcher will be able to have an insight to response behavior across hotel types.

The result of the KMO test for a factor analysis allows the researcher to evaluate the meaningfulness of applying a factor analysis test. The results show that the factor analysis is appropriate to the situation ( $p=0.718>0.7$ ). The outcome of the Bartlett test shows a value of ( $p<0.05$ ) which indicates the significance of the correlations (Table 22).

KMO and Bartlett Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.718
Bartlett's Test of Sphericity	Approx. Chi-Square	1126.760
	df	171
	Sig.	.000

TABLE 22: THE RESULTS OF THE KMO TEST AND THE BARTLETT TEST FOR FACTOR ANALYSIS

The application of the factor analysis test states that the strongest factor dimension should represent the strongest content out of all the variables. The first factor is the part of the content that is contained or represented in most of the questions. The results of the factor analysis test of all variables concerning the interactional justice dimension reveal that the strongest dimension captures 21.233% of variance (Table 23). This implies that explained variances account for 21.233% out of 19 sub-variables. The second strongest factor dimension that the factor analysis explains is 11.641% of the variance. The third factor suggests the description of part of the rest of the variance which was not included in the first or second dimensions: 11.488%. The cut of

point is 100 divided by 19=5.263, which means that the dimension would contain as much information as the variables itself, namely 5.263 % in this situation. Thus, the meaningful six dimensions that emerge are more than 1 variables worth with eigenvalues greater than 1.

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.371	23.005	23.005	4.034	21.233	21.233
2	2.259	11.888	34.893	2.212	11.641	32.874
3	1.898	9.992	44.885	2.183	11.488	44.362
4	1.217	6.403	51.288	1.234	6.495	50.858
5	1.161	6.108	57.396	1.192	6.272	57.130
6	1.051	5.531	62.927	1.102	5.797	62.927

TABLE 23: THE RESULTS OF TOTAL VARIANCE EXPLAINED FOR THE FACTOR ANALYSIS TEST

Judging from the eigenvalue of the Kaiser criterion for the factor analysis test, the factors that have an eigenvalue of more than 1 are appropriate for the analysis. Therefore, in this situation and after the evaluation of the screen plot (Figure 9), the breaking point suggests three factors which are highly represented in this item battery (points above the red line in Figure 9). After the breaking point, the dimensions do not, for the most part, contain relevant represented contents.

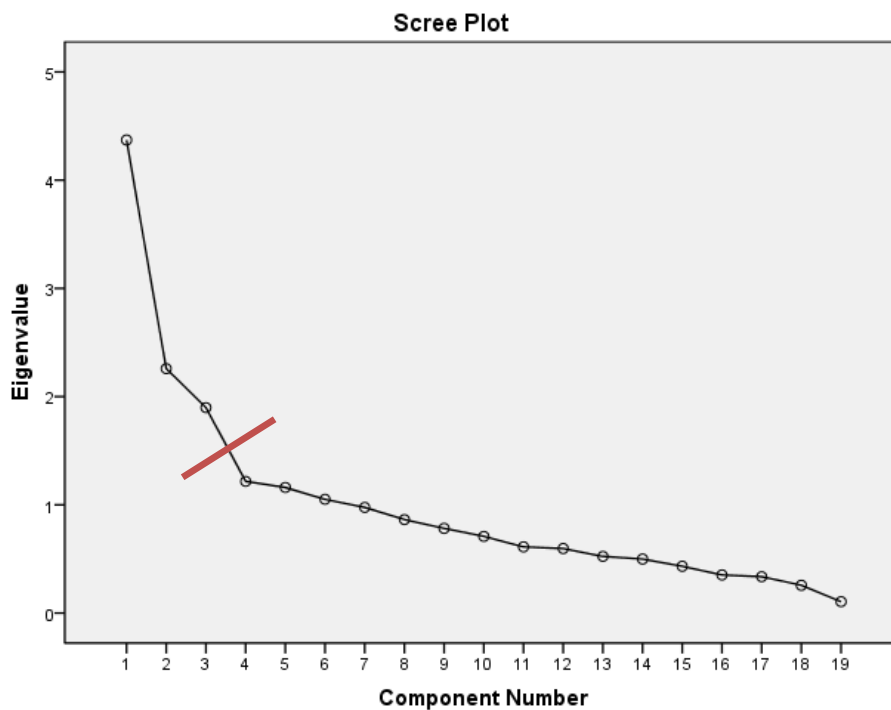


FIGURE 9: SCREE PLOT



The results from the rotated component matrix for the factor analysis test provide the absolute loading values for all the variables. The highest absolute rotated values indicate the relation between the variables and the factor dimensions. After evaluating the scree plot, the number of factors worth interpreting in this study is the first three (components 1, 2 and 3). Most of the highest absolute loading values are related to the first dimension. The overview of the absolute loading values is provided in the Appendix 24. In addition, most of the sub-variables well represented in the first component are related to the aspect *politeness*. The highest absolute loading value in the second component is primarily related to the sub-variables in the *effort* element and the *explanation and information* element. Additionally, the third component represents the relevance of the questions that are related to the offers of personal contact and encouraging customers to get in touch directly with hotels regarding complaints. Therefore, the identification of each component can be represented as:

- Component 1: the matter of *politeness*
- Component 2: the posts providing *effort* and *explanation*
- Component 3: the provision of *direct interaction*

Factor analysis is a meaningful test for evaluating the various sub-dimensions in the interactional justice dimension. It allows the researcher to have an overview of the response behavior regarding the different aspects of the interactional justice dimensions of both chain hotels and small hotels in the latent dimensions. The outcomes reveal that while the variables of interactional justice dimension primarily represent the usage of the politeness criterion, most of the high absolute loading values represented in the first component are related to the provision of politeness. The second important indicator to include in the interactional justice dimension according to the results of the factor analysis test is the provision of effort and explanation. The third criterion is the manner in which hotels offer direct contact or encourage customers to contact the hotels directly after an unpleasant experience.

	Types of hotels	N	Mean Rank	Sum of Ranks	p-value
Interactional dimension	chain hotels	149	206.06	30702.50	0.000
	small hotels	150	94.32	14147.50	
	Total	299			

TABLE 24: THE RESULTS OF THE MANN-WHITNEY U-TEST FOR THE SUMMED VALUE OF INTERACTIONAL JUSTICE DIMENSION

Though the results of the factor analysis are useful to determine the response behaviors of the hotels in this research, results of the analyses, however, do not present direct and concrete answers to the hypothesis. In order to test the hypothesis, some of the non-dichotomous variables in interactional justice dimension (the use of *we us and our*, the use of *I and me*) are transformed to be dichotomous variables. Later, all the variables in interactional justice are summed up in order to find the difference between small hotels and chain hotels at the dimensional level.

The Mann-Whitney U- test was performed to assess the differences. The outcomes are presented in table 24. The findings show that chain hotels have a higher mean rank of 206.06 compared to small hotels with a mean rank of 94.32. The p-value of the Mann-Whitney U-test is highly significant ( $p < 0.05$ ). Thus, the results can be generalized to the whole population. It can be concluded that there is a highly significant difference between small hotels and chain hotels regarding the utilization of the interactional justice dimension.

Chain hotels have better performance compared to small hotels in respect to the utilization of interactional justice dimensions. As a consequence, the hypothesis H3a is accepted.

## 6 DISCUSSION

The objective of this research is to analyze the utilization of the three justice dimensions in online responses posted by small hotels and chain hotels in Thailand. The analyses are divided into two phases. In the first stage, a total of 8 aspects chosen as appropriate elements of each dimension were evaluated. The hypotheses were proposed based on previous research regarding different aspects that are related to each of the dimensions. In the second stage, the research attempts to verify the hypotheses related to the dimensional level between the small hotels and chain hotels.

### 6.1 Distributive Justice Dimension

Distributive justice dimension is comprised of three elements: *compensation*, *need* and *apology*. The results of the analyses show that there is a significant difference between the small hotels and chain hotels regarding the posting of replies to the specific needs of the guests as well as the posting of apologies. Chain hotels demonstrate better performance in terms of apologizing to customers after their complaints, whereas small hotels show better performance in responding to customers' specific needs. However, less than significant results are derived from the aspect of compensation. The implementation of compensatory action by small hotels did not differ from that of chain hotels in an online context. It is interesting to see that both types of hotels rarely mentioned any compensatory action in their online responses. The present outcomes correspond to the earlier findings of Levy et al. (2013). They found that hotels are not likely to offer or mention any compensation efforts to guests especially on an online channel. One possible explanation is due to the availability of the information. As the responses are posted online, it is easy for anyone to access the information and evaluate hotel actions. Therefore, to put compensatory action out in the open would not be wise. The compensation should be negotiated privately between the guest and the hotel on a case-by-case basis.

Concerning the overall dimensional difference across hotel types, the non-significant results point out that there are no differences between small hotels and chain hotels regarding the utilization of the distributive justice dimension.

### 6.2 Procedural Justice Dimension

Time taken to respond to online complaints is a major indicator to include in procedural justice dimension in this study. The analyses reveal that there is a highly significant difference between small hotels and chain hotels in respect to the amount of time taken to respond to online complaints. The outcomes of the analyses further imply that there is a tendency for chain hotels to take less time to answer negative reviews compared to small hotels. Therefore, it can be concluded that chain hotels have higher performance in the utilization of procedural justice dimension.

### 6.3 Interactional Justice Dimension

The elements in the interactional justice dimension associate with several of those in fair communications: *explanation*, *politeness*, *empathy* and *effort*. All were evaluated through their respective sub-elements. This approach is chosen because it allows the researcher to gain deeper insights into each of the elements. The performance of each sub-dimension is examined in order to verify the proposed hypotheses.

Hypothesis testing for the element *explanation* infers that there is a highly significant difference as to whether hotels provide an explanation or information regarding service failures between small hotels and chain hotels. It is observed that it is important to provide explanations in responses as more than half of the responses are posted with explanations for the cause of the problem. However, differentiating between types of hotels, small hotels had a significant tendency to explain and provide information about the cause of the problem, whereas chain hotels infrequently posted any explanations or information regarding the service failures.

The testing of the hypothesis regarding the element *politeness* involved the evaluation of the 8 sub-variables associated with the provision of politeness. The result implies that chain hotels have better performance compared to small hotels. As the results indicate, 7 out of 8 cases have significantly different results as chain hotels have a tendency to utilize different aspects more often: the utilization of a proper greeting, an appropriate ending statement, formal responses, presentation of sender information and identities and thanking customers for their negative reviews in their online complaint responses.

In order to secure the brand reputation in an online context after the complaint has been posted, the sender's position mentioned in the responses can be seen as another important aspect. Park and Allen (2013, p.69) found that the responses to online reviews from international chain hotels are mostly composed by the general managers of the hotels. They further emphasize the reason to have general managers answer the online reviews is that it shows that hotels are taking guest complaints seriously and all the online reviews are personally important to hotel management. Moreover, having senior management post answers to online complaints also allows the general manager to have greater control over hotel performance. He or she would be able to participate in the evaluation of the ranking score and benchmark the ranking against competitors (Park and Allen 2013, p.69). The findings from this study reflect similar results as online complaints to chain hotels are more frequently answered by the general manager compared to small hotels. This implies that chain hotels recognize the importance of brand reputation and they try to secure brand presentation after the complaint occurs.

However, the outcomes of the cross-tabulation test show a less than significant result from the sub-variable *sender's company*. A plausible explanation is that an automatic reply, which is provided by the TripAdvisor site, already indicates the name of the property. Thus, the sender might

not see the importance of mentioning the property's name again in the responses. It is important to note that the results of the factor analysis test show that most of the variables in the *politeness* dimension represent the strongest dimension. This implies that both types of hotels recognize the importance of utilizing the different elements associated with politeness in their complaint responses in an online context.

The third aspect of fairness of communication is *empathy*. Likewise, the sub-variables within the empathy dimension were tested in order to find the direction of association and a significant difference, if any. The overall findings of 5 sub-elements reflect a higher performance for chain hotels concerning the utilization of appreciating guests for their complaints, further inquiries asked, and thank you for the complaints. It is noted that 2 sub-elements were excluded with less than significant results. After taking the total results of each sub-variable into consideration, the testing of the hypothesis regarding the provision of empathy indicates that chain hotels demonstrate higher performance in utilizing empathy in their online responses.

The last indicator, the findings for *effort*, reveals that there is a tendency for chain hotels to present 3 out of 5 sub-criteria associated with the provision of effort. Chain hotels are more likely to offer the investigation details regarding the complaints and provide direct contact information to guests. Furthermore, customers of the chain hotels were encouraged to contact the hotels directly regarding the complaints. Nevertheless, regarding the sharing of the solution taken to correct the problem, there is no difference between chain hotels and small hotels. Both types of hotels were unlikely to share their corrective actions. The results in the present study are consistent with previous findings from Levy et al. (2013). They found that hotels that demonstrate better performance, which in this study would indicate the chain hotels, are less likely to communicate their solutions in online platforms. In addition, the results of the factor analysis test revealed that, of the highest factor loading, the second strongest factor is associated with the sub-variables in the *effort* dimension. This implies that hotels also recognize the importance of utilizing the aspect of *effort* in their online complaint responses as it can help restore a sense of fairness in the customer's mind.

In respect to the dimensional differences between small hotels and chain hotels, the factor analysis does not offer a concrete answer to the hypothesis. Therefore, in order to test the hypothesis, sub-variables within the interactional justice dimension were summed up. The testing of the hypothesis indicates that there is a highly significant difference between small hotels and chain hotels in regards to the utilization of the interactional justice dimension.

## 7 CONCLUSIONS

In an offline setting, one effective approach to dealing with the complaint process in a service-oriented industry is to ensure fairness in the complaint handling process regarding the outcomes, procedures and interaction between consumers and employees. Personal interaction between frontline employees and customers during recovery efforts is crucial. The reaction of contact employees during service recovery efforts can determine the perception of satisfaction or dissatisfaction with the guest complaint experience (Tax et al. 1998, p.73). Furthermore, the effort of putting fairness into service recovery can influence customer repatronage (Hocutt et al. 1997, p.462).

Given the importance of Web 2.0 and customer-generated content, the nature of service recovery efforts is being transformed with the rise of the online context. Nowadays, new technology allows consumers to have easier access to varied sources of information. Furthermore, the transparency of the media allows users to have an opportunity to exchange details, edit, and create a variety of content. Hotels and the hospitality industry in particular should acknowledge that user-generated content has a great impact on customer pre-purchasing decisions as many now rely on other customer opinions instead of travel agency suggestions or hotel advertisements. An example can be seen from the increasing number of travel review sites available online and the growing number of travelers who participate in exchanging and creating information on those websites. Therefore, it is crucial for the hospitality business to have an effective strategy to handle unpleasant comments or reviews that might affect their brand presentation and reputation.

This study recognizes the importance of justice theories in service recovery efforts in an offline context together with the impact of Web 2.0 and user-generated content on service recovery actions. Therefore, the traditional setting has been transformed to include the online context whereby different aspects of justice dimensions are used as indicators to analyze hotel service recovery performance in their online responses. The findings reflect the performance of chain hotels and small hotels regarding the utilization of the three justice dimensions. Two out of three dimensions show highly significant differences between chain hotel and small hotel performance with respect to the procedural justice dimension and interactional justice dimension, whereas there is no difference between them regarding the use of the distributive justice dimension in an online response. It is interesting to note that both types of hotels seem to avoid offering compensation in their online responses. In contrast to procedures in the offline world, compensation can have a great impact on customer satisfaction of the service recovery process and it is most likely the greatest customer concern (Goodwin and Ross 1989; Tax et al. 1998 cited by Yim et al. 2003, p.40).

Furthermore, the results from this study clearly demonstrate the utilization of procedural justice by chain hotels differs significantly compared to small hotels. The indicator is the amount of time taken to answer complaints. This important parameter represents the fairness procedure in service recovery efforts. Thus, the results clearly reveal that chain hotels took less time to answer negative reviews when compared to small hotels. This implies that small hotels might not frequently respond to online complaints and some of the small hotels might not see the importance of responding to negative comments at all as some complaints were left with no replies for more than a month. The hotels should respond to reviews, especially negative ones, in a timely manner because they can have a great impact on a customer's perceived fairness of service recovery efforts in an online setting. This is particularly true with technologically savvy users who are well-versed in online communication (Mattila and Mount 2003, p.142).

Concerning the utilization of interactional justice, the justice theory emphasizes aspects of elements such as the politeness of the employees, the provision of empathy, the effort in solving service failures and explanations for what caused the problem, as important indicators in presenting fairness treatments. However, in an online world where personal interaction cannot be implemented, hotels can include different aspects of interactional fairness in their response messages. In an online setting, interactional treatment encompasses presentation of the written post, proper greeting statement and appropriate ending phrases. The different parameters of interactional treatment in an online context were analyzed in this study in order to discover the differences between small hotels and chain hotels. The findings suggest chain hotels demonstrate better performance in 3 out of 4 elements in the interactional fairness dimension. Though the chain hotels have a higher performance in utilizing the various elements of interactional justice dimension, the outcomes suggest that the performance of both small hotels and chain hotels could be improved in certain areas, especially with *effort* criteria. In more than 70% of the replies, guests were not encouraged to contact hotels directly. Hotels were not likely to share their investigation actions in their online answers, accounting for more than 76% of all replies, nor did they appear willing to share the corrective action (not mentioned in more than 60% of all replies). In addition, more than 80% of the replies did not offer contact details of the responsible hotel personnel, such as telephone numbers or email addresses. Therefore, it is a lesson learned for the hotel and hospitality industry in Thailand to improve their interactional treatment fairness through their online complaint responses.

Regarding the previous literature, the observation of relevant studies together and the findings from this study suggest the implications for small and chain hotel managements to be introduced in the next section.

## 7.1 Further Implications for Hotel Managements

This study indicates that there are rather notable differences between small hotels and chain hotels regarding their utilization of three justice dimensions in the online service recovery efforts and that it is chain hotels that are most likely to have a higher performance in all three dimensions. However, better performance on perceived fairness in service recovery efforts from both chain hotels and small hotels in certain areas should be implemented. Thus, based on previous literature, together with the outcomes of the present study, the guidelines for efficient service recovery efforts in an online context for hotel managements will be introduced.

*Develop online communication guidelines by utilizing the three justice dimensions as important indicators*

Many studies have emphasized the magnitude of impact of the three justice dimensions on customer satisfaction, intention to return, word of mouth engagement (Tax et al. 1998; Blodgett et al. 1997) and customer trust and commitment (Wang and Chang 2013). It is essential that hotel management understand and familiarize itself with the different aspects of each of the fairness dimensions. Chain hotels are likely to apologize for service failures, whereas small hotels seem not to be aware that apology is an indicator in distributive justice that has a great impact on customer perceived fairness and satisfaction. Satisfaction and perceived fairness can be increased once guests receive an apology (Goodwin and Ross 1992, p.160). Thus, small hotel management should consider this as one area to be improved. Their responses online should include an apology statement as it can be seen as part of psychological compensation and to express concern. Conversely, chain hotels need to invest in answering specific customer needs. This study suggests that small hotels more frequently respond to guests' specific needs indicated in online complaints compared to chain hotels. It is interesting to note that various identical responses by chain hotel managements were used to respond to more than two complaints. The responses contained the same sentences or even paragraphs. Customers might perceive that management did not invest any effort in trying to fix their problems. Hence, the responses to reviews, especially to negative ones, should be original and pertain to each complaint on a case-by-case basis, not just "copy and paste".

Concerning different indicators to interactional fairness treatment, the proper guidelines to answer complaints should be implemented for small hotels. The significant differences between small hotels and chain hotels can be seen with different elements, such as an appropriate greeting, the use of an ending statement as well as the type of responses.

Responses online should be answered in a formal manner and guests should be addressed by name. Replies in an online setting should be handled with the same level of attention as those in a personal interactional environment. Thus, personal treatment in a traditional environment should be implemented in hotel responses in an online setting, such as addressing guests by



name, using appropriate ending statements and including full sender information. The communication guidelines concerning politeness criteria should be taken seriously by hotel managements, especially the management of small hotels.

Despite the fact that chain hotels frequently demonstrate better performance in various aspects of effort compared to small hotels, the outcomes still indicate many areas of needed improvement for hotel managements. Thus, better communication guidelines for online responses are necessary. Neither type of hotel shared any corrective action or investigative processes, if needed. Moreover, they did not give personal contact data of staff or encourage guests to contact hotels directly regarding their problems. These simple efforts can have a great impact on customer perceptions of interaction treatment fairness.

#### *Immediate responses to complaints*

Timing is another important factor concerning responses to online complaints. It is a key step for management to implement during a successful service recovery (Blodgett et al. 1997, Tax et al 1998). Due to the fact that customers have become knowledgeable in communication technology, many are now well aware of how to use online tools and how fast information travels on the world-wide web. Thus, there are no excuses for hotels not to deliver responses in a timely manner. Immediate responses on the web can enhance customer perceptions of recovery efforts, especially for technical enthusiasts (Mattila and Mount 2003, p.142). Technologically advanced guests are more likely to return if their reviews online are answered immediately. On the other hand, the level of satisfaction and the repatronage rate may dramatically decline if they do not receive any responses within a day (Mattila and Mount 2003, p.142). In addition, by responding to complaints as soon as possible, hotels might have a chance to solve the problem in-house as some customers might still be in the hotels while posting the complaints (Levy et al. 2013, p.59). Thus, immediate responses to reviews, especially to negatives ones, is crucial. This study suggests that timing should be a significant concern for small hotels as some take more than a month to answer online complaints.

Given the increasing number of users participating in travel communities online and the rising number of travel review sites, the managements of small hotels should take this phenomenon as an opportunity to improve or develop an effective response system to online reviews. The implementation of a program to track reviews among social media sites should enable hotel management to keep up with user reviews and be able to respond to online comments in a timely manner. Furthermore, this tool allows management to benchmark rating scores and the performance of other properties on other review sites. This implies that management can observe the performance of their competitors and further identify areas of improvement for their own operations.

*Assign attentive employees to respond to negative feedback*

The outcomes of this study suggest both types of hotels assigned different personnel to respond to online reviews. The majority of chain-hotel guest reviews were answered by senior executives, such as general or resident managers, whereas more than 40 % of the responses from small hotels did not mention sender identities at all. It is essential for hotels to assign the employees who have an appropriate background and are advanced in social media management to monitor online activities, especially guest reviews on travel websites. However, it might be challenging for small hotel management to assign such a highly trained professional to manage online reviews due to a lack of resources or financial constraints. A possible suggestion for small-hotel management is to develop clear response guidelines for online guest reviews. Therefore, employees who might not have a great deal of experience in the field would have an overview and an understanding of how to respond to negative online reviews in an efficient way.

It is still not common to see a hotel job title for personnel to directly respond to online reviews. Previous studies reveal that hotels that frequently monitor online reviews most likely have employees who have a background relevant to online marketing, hotel operations, and data analysis to respond to online complaints (Park and Allen 2013, p.69). On the other hand, hotels that did not respond immediately to guest online feedback tended to assign employees who have experience in public relations, journalism, or restaurant operations to answer the reviews (Park and Allen 2013, p.69). Given the importance of answering online complaints on service recovery satisfaction, hotel management, whether from chain hotels or small hotels, should appropriately assign its employees who are highly experienced in online marketing and social media management. In addition, these personnel should have deep knowledge of hotel operations to manage review responses. These types of professional profiles could provide an opportunity for personnel to have a broader overview concerning how to answer online reviews in a professional and efficient manner (Park and Allen 2013, p.69).

## 8 LIMITATIONS AND FUTURE RESEARCH

As with all the research, this study suffers from a number of limitations. It focuses particularly on the responses to negative reviews posted by chain hotels and small hotels in the Kingdom of Thailand. Therefore, research devoted to a broader geographic area would be a suggestion as it could offer further insights. The types of hotels are other factors to be taken into account. Researchers might consider investigating other accommodation establishments, such as resort hotels, urban hotels and rural hotels. Hotel categories determined by star ratings might be another avenue of future research. Moreover, this study does not focus on reviewer characteristics. Thus, an analysis of different customer characteristics, including gender, age and purpose of travel will provide additional background. In addition, the identification of severity of failures mentioned in negative reviews would provide a better understanding of hotel response behavior. The theoretical framework of the three justice dimensions is used in this study as the primary indicator in order to analyze online complaint responses as part of a service recovery strategy. A further suggestion would be to apply other relevant theoretical notions as indicators to explore different aspects of online response strategy. Alternatively, a further investigation of online complaint responses should not be limited to only the hotel industry. The various service industries, such as airlines or restaurants, could be areas of interest for further research.

Given the approach of identification of certain criteria, the need for further qualitative analysis is suggested to be a limitation of this study. The different aspects of the three justice dimensions were used as indicators to analyze hotels' perceived fairness in online service recovery efforts. Additionally, some parameters employing a qualitative analysis method would provide results that are more inclusive as compared to the quantitative content analysis chosen for this study.

Likewise, textual parts of online responses can be interpreted in different ways due to different people, attitudes and expectations. The researcher is the only judge in interpreting the sample. Thus, a potential limitation may be the subjective evaluation of certain factors in the responses. Trustworthiness can be improved by involving different points of view in the data interpretation process.

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## APPENDICES

### Appendix 1: Location of Hotels

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Type of hotels * Location of hotels	300	100.0%	0	.0%	300	100.0%

**Types of hotel and Location of hotels Crosstabulation**

Count

		Location of hotels						Total
		Northern Thailand	Southern Thailand	Eastern Thailand	Western Thailand	Northeastern Thailand	Central Thailand	
Type of hotels	chain hotel	8	35	10	11	1	85	150
	small hotel	19	76	11	11	4	29	150
Total		27	111	21	22	5	114	300

**Location of hotels**

		Frequency	Percent	Valid Percent	Cumulative Per- cent
Valid	Northern Thailand	27	9.0	9.0	9.0
	Southern Thailand	111	37.0	37.0	46.0
	Eastern Thailand	21	7.0	7.0	53.0
	Western Thailand	22	7.3	7.3	60.3
	Northeastern Thailand	5	1.7	1.7	62.0
	Central Thailand	114	38.0	38.0	100.0
	Total	300	100.0	100.0	

## Appendix 2: Star Rating

Star rating \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotel	small hotel	
Star rating	no star	Count	0	80	80
		% within Star rating	.0%	100.0%	100.0%
		% within Type of hotels	.0%	53.3%	26.7%
		% of Total	.0%	26.7%	26.7%
	3 star	Count	21	35	56
		% within Star rating	37.5%	62.5%	100.0%
		% within Type of hotels	14.0%	23.3%	18.7%
		% of Total	7.0%	11.7%	18.7%
	4 star	Count	56	8	64
		% within Star rating	87.5%	12.5%	100.0%
		% within Type of hotels	37.3%	5.3%	21.3%
		% of Total	18.7%	2.7%	21.3%
	5 star	Count	44	1	45
		% within Star rating	97.8%	2.2%	100.0%
		% within Type of hotels	29.3%	.7%	15.0%
		% of Total	14.7%	.3%	15.0%
	2.5 star	Count	0	11	11
		% within Star rating	.0%	100.0%	100.0%
		% within Type of hotels	.0%	7.3%	3.7%
		% of Total	.0%	3.7%	3.7%
	3.5 star	Count	9	13	22
		% within Star rating	40.9%	59.1%	100.0%
		% within Type of hotels	6.0%	8.7%	7.3%
		% of Total	3.0%	4.3%	7.3%
	4.5 star	Count	20	2	22
		% within Star rating	90.9%	9.1%	100.0%
		% within Type of hotels	13.3%	1.3%	7.3%
		% of Total	6.7%	.7%	7.3%
Total	Count		150	150	300
	% within Star rating		50.0%	50.0%	100.0%
	% within Type of hotels		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

**Star rating**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no star	80	26.7	26.7	26.7
	3 star	56	18.7	18.7	45.3
	4 star	64	21.3	21.3	66.7
	5 star	45	15.0	15.0	81.7
	2.5 star	11	3.7	3.7	85.3
	3.5 star	22	7.3	7.3	92.7
	4.5 star	22	7.3	7.3	100.0
	Total	300	100.0	100.0	

### Appendix 3: The Cross-Table of the Variables *compensation* and *apology* and *hotels by type*

Do hotels offer financial resources? \* Type of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Do hotels offer financial resources?	no	Count	142	145	287
		% within Do hotels offer financial resources?	49.5%	50.5%	100.0%
		% within Types of hotels	94.7%	96.7%	95.7%
		% of Total	47.3%	48.3%	95.7%
	yes	Count	8	5	13
		% within Do hotels offer financial resources?	61.5%	38.5%	100.0%
		% within Types of hotels	5.3%	3.3%	4.3%
		% of Total	2.7%	1.7%	4.3%
Total	Count	150	150	300	
	% within Do hotels offer financial resources?	50.0%	50.0%	100.0%	
	% within Types of hotels	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.724 <sup>a</sup>	1	.395	.572	.286
Continuity Correction <sup>b</sup>	.322	1	.571		
Likelihood Ratio	.730	1	.393		
Fisher's Exact Test					
Linear-by-Linear Association	.721	1	.396		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.50.

b. Computed only for a 2x2 table

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.049	.395
	Cramer's V	.049	.395
N of Valid Cases		300	

**Are there any psychological resource offered by hotels for example "Apology statement"? \* Types of hotel Crosstabulation**

			Types of hotel		Total
			chain hotels	small hotels	
Are there any psychological resource offered by hotels for example "Apology statement"?	no	Count	23	56	79
		Expected Count	39.5	39.5	79.0
		% within Are there any psychological resource offered by hotels for example "Apology statement"?	29.1%	70.9%	100.0%
		% within Types of hotels	15.3%	37.3%	26.3%
		% of Total	7.7%	18.7%	26.3%
		Adjusted Residual	-4.3	4.3	
	yes	Count	127	94	221
		Expected Count	110.5	110.5	221.0
		% within Are there any psychological resource offered by hotels for example "Apology statement"?	57.5%	42.5%	100.0%
		% within Types of hotels	84.7%	62.7%	73.7%
		% of Total	42.3%	31.3%	73.7%
		Adjusted Residual	4.3	-4.3	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Are there any psychological resource offered by hotels for example "Apology statement"?	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	18.712 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	17.596	1	.000		
Likelihood Ratio	19.163	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	18.650	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 39.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.250	.000
	Cramer's V	.250	.000
N of Valid Cases		300	

## Appendix 4: The Cross-Table of the Variables *need* and *hotels by type*

Are there any specific responses to specific needs? \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Were there any specific responses to specific needs?	no	Count	64	38	102
		Expected Count	51.0	51.0	102.0
		% within Were there any specific responses to specific needs?	62.7%	37.3%	100.0%
		% within Types of hotels	42.7%	25.3%	34.0%
		% of Total	21.3%	12.7%	34.0%
		Adjusted Residual	3.2	-3.2	
	yes	Count	86	112	198
		Expected Count	99.0	99.0	198.0
		% within Were there any specific responses to specific needs?	43.4%	56.6%	100.0%
		% within Types of hotels	57.3%	74.7%	66.0%
		% of Total	28.7%	37.3%	66.0%
		Adjusted Residual	-3.2	3.2	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Were there any specific responses to specific needs?	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%



**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	10.042 <sup>a</sup>	1	.002	.002	.001
Continuity Correction <sup>b</sup>	9.284	1	.002		
Likelihood Ratio	10.125	1	.001		
Fisher's Exact Test					
Linear-by-Linear Association	10.008	1	.002		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 51.00.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	.183	.002
	Cramer's V	.183	.002
N of Valid Cases		300	

**Appendix 5: Results of Group statistics of the Variable *Time used in responding to complaints* and the Grouping Variable *hotels by type***

**Group Statistics**

Type of hotels		N	Mean	Std. Deviation	Std. Error Mean
Time used in responding complaints	chain hotel	150	6.64	6.538	.534
	small hotel	150	26.95	46.701	3.813

**Test Statistics<sup>a</sup>**

	Time used in responding to complaints
Mann-Whitney U	7667.000
Wilcoxon W	18992.000
Z	-4.783
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: Types of hotels

## Appendix 6: The Cross-Table of the Variables *addressing guests by name* and *hotels by type*

Did hotels address guests by name in the responses? \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Did hotels address guests by name in the responses?	no	Count	47	107	154
		Expected Count	77.0	77.0	154.0
		% within Did hotels address guests by name in the responses?	30.5%	69.5%	100.0%
		% within Types of hotels	31.3%	71.3%	51.3%
		% of Total	15.7%	35.7%	51.3%
		Adjusted Residual	-6.9	6.9	
	yes	Count	103	43	146
		Expected Count	73.0	73.0	146.0
		% within Did hotels address guests by name in the responses?	70.5%	29.5%	100.0%
		% within Types of hotels	68.7%	28.7%	48.7%
		% of Total	34.3%	14.3%	48.7%
		Adjusted Residual	6.9	-6.9	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Did hotels address guests by name in the responses?	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	48.034 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	46.446	1	.000		
Likelihood Ratio	49.410	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	47.874	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 73.00.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.400	.000
	Cramer's V	.400	.000
N of Valid Cases		300	

## Appendix 7: The Cross-Table of the Variables *ending statement* and *hotels* by type

Did hotels use any polite ending phases such as sincerely yours etc.? \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Did hotels use any polite ending phases such as sincerely yours etc.?	no	Count	26	90	116
		Expected Count	57.8	58.2	116.0
		% within Did hotels use any polite ending phases such as sincerely yours etc.?	22.4%	77.6%	100.0%
		% within Types of hotels	17.4%	60.0%	38.8%
		% of Total	8.7%	30.1%	38.8%
		Adjusted Residual	-7.5	7.5	
	yes	Count	123	60	183
		Expected Count	91.2	91.8	183.0
		% within Did hotels use any polite ending phases such as sincerely yours etc.?	67.2%	32.8%	100.0%
		% within Types of hotels	82.6%	40.0%	61.2%
		% of Total	41.1%	20.1%	61.2%
		Adjusted Residual	7.5	-7.5	
Total		Count	149	150	299
		Expected Count	149.0	150.0	299.0
		% within Did hotels use any polite ending phases such as sincerely yours etc.?	49.8%	50.2%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	49.8%	50.2%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	56.996 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	55.218	1	.000		
Likelihood Ratio	59.499	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	56.806	1	.000		
N of Valid Cases	299				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 57.81.

b. Computed only for a 2x2 table

**Symmetric Measures**

	Value	Approx. Sig.
Nominal by Nominal		
Phi	-.437	.000
Cramer's V	.437	.000
N of Valid Cases	299	

## Appendix 8: The Cross-Table of the Variables *thank you for complaints* and *hotels by type*

Thank you for complaints \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Thank you for complaints	no	Count	9	61	70
		Expected Count	35.0	35.0	70.0
		% within Thank you for complaints	12.9%	87.1%	100.0%
		% within Types of hotels	6.0%	40.7%	23.3%
		% of Total	3.0%	20.3%	23.3%
		Adjusted Residual	-7.1	7.1	
	yes	Count	141	89	230
		Expected Count	115.0	115.0	230.0
		% within Thank you for complaints	61.3%	38.7%	100.0%
		% within Types of hotels	94.0%	59.3%	76.7%
		% of Total	47.0%	29.7%	76.7%
		Adjusted Residual	7.1	-7.1	
	Total		150	150	300
		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Thank you for complaints	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	50.385 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	48.466	1	.000		
Likelihood Ratio	55.187	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	50.217	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 35.00.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.410	.000
	Cramer's V	.410	.000
N of Valid Cases		300	



## Appendix 9: The Cross-Table of the Variables *formal or informal responses* and *hotels by type*

Formal or informal responses \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Formal or informal responses	informal	Count	10	81	91
		Expected Count	45.5	45.5	91.0
		% within Formal or informal responses	11.0%	89.0%	100.0%
		% within Types of hotels	6.7%	54.0%	30.3%
		% of Total	3.3%	27.0%	30.3%
		Adjusted Residual	-8.9	8.9	
	formal	Count	140	69	209
		Expected Count	104.5	104.5	209.0
		% within Formal or informal responses	67.0%	33.0%	100.0%
		% within Types of hotels	93.3%	46.0%	69.7%
		% of Total	46.7%	23.0%	69.7%
		Adjusted Residual	8.9	-8.9	
	Total	Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Formal or informal responses	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	79.515 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	77.291	1	.000		
Likelihood Ratio	87.735	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	79.250	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 45.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.515	.000
	Cramer's V	.515	.000
N of Valid Cases		300	

## Appendix 10: The Cross-Table of The Variable *sender's name* and *hotels by type*

**Sender's name \* Types of hotel Crosstabulation**

			Types of hotel		Total
			chain hotels	small hotels	
Sender's name	no	Count	36	103	139
		Expected Count	69.5	69.5	139.0
		% within Sender's name	25.9%	74.1%	100.0%
		% within Types of hotels	24.0%	68.7%	46.3%
		% of Total	12.0%	34.3%	46.3%
		Adjusted Residual	-7.8	7.8	
	yes	Count	114	47	161
		Expected Count	80.5	80.5	161.0
		% within Sender's name	70.8%	29.2%	100.0%
		% within Types of hotels	76.0%	31.3%	53.7%
		% of Total	38.0%	15.7%	53.7%
		Adjusted Residual	7.8	-7.8	
Total	Count		150	150	300
	Expected Count		150.0	150.0	300.0
	% within Sender's name		50.0%	50.0%	100.0%
	% within Types of hotels		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	60.177 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	58.394	1	.000		
Likelihood Ratio	62.427	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	59.976	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 69.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.448	.000
	Cramer's V	.448	.000
N of Valid Cases		300	

## Appendix 11: The Cross-Table of the Variables *sender's company* and *hotels by type*

Sender's company \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Sender's company	no	Count	132	131	263
		Expected Count	131.5	131.5	263.0
		% within Sender's company	50.2%	49.8%	100.0%
		% within Types of hotels	88.0%	87.3%	87.7%
		% of Total	44.0%	43.7%	87.7%
		Adjusted Residual	.2	-.2	
	yes	Count	18	19	37
		Expected Count	18.5	18.5	37.0
		% within Sender's company	48.6%	51.4%	100.0%
		% within Types of hotels	12.0%	12.7%	12.3%
		% of Total	6.0%	6.3%	12.3%
		Adjusted Residual	-.2	.2	
Total	Count		150	150	300
	Expected Count		150.0	150.0	300.0
	% within Sender's company		50.0%	50.0%	100.0%
	% within Types of hotels		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.031 <sup>a</sup>	1	.861	1.000	.500
Continuity Correction <sup>b</sup>	.000	1	1.000		
Likelihood Ratio	.031	1	.861		
Fisher's Exact Test					
Linear-by-Linear Association	.031	1	.861		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 18.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	.010	.861
	Cramer's V	.010	.861
N of Valid Cases		300	

## Appendix 12: The Cross-Table of the Variables *sender's department* and *hotels by type*

Sender's department \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Sender's department	No department mentioned	Count	39	126	165
		% within Sender's department	23.6%	76.4%	100.0%
		% within Types of hotels	26.0%	84.0%	55.0%
		% of Total	13.0%	42.0%	55.0%
		Adjusted Residual	-10.1	10.1	
	Department mentioned	Count	111	24	135
		% within Sender's department	82.2%	17.8%	100.0%
		% within Types of hotels	74.0%	16.0%	45.0%
		% of Total	37.0%	8.0%	45.0%
		Adjusted Residual	10.1	-10.1	
Total	Count		150	150	300
	% within Sender's department		50.0%	50.0%	100.0%
	% within Types of hotels		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	101.939 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	99.609	1	.000		
Likelihood Ratio	109.065	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	101.600	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 67.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

	Value	Approx. Sig.
Nominal by Nominal      Phi	-.583	.000
Cramer's V	.583	.000
N of Valid Cases	300	



### Appendix 13: The Cross-Table of the Variables *sender's position* and *hotels by type*

Sender's position \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Sender's position	No position mentioned	Count	56	133	189
		% within Sender's position	29.6%	70.4%	100.0%
		% within Types of hotels	37.3%	88.7%	63.0%
		% of Total	18.7%	44.3%	63.0%
		Adjusted Residual	-9.2	9.2	
	yes	Count	94	17	111
		% within Sender's position	84.7%	15.3%	100.0%
		% within Types of hotels	62.7%	11.3%	37.0%
		% of Total	31.3%	5.7%	37.0%
		Adjusted Residual	9.2	-9.2	
Total	Count		150	150	300
	% within Sender's position		50.0%	50.0%	100.0%
	% within Types of hotels		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	84.785 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	82.597	1	.000		
Likelihood Ratio	91.133	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	84.502	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 55.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.532	.000
	Cramer's V	.532	.000
N of Valid Cases		300	

## Appendix 14: The Cross-Table of the Variables *further queries* and *hotels* by type

Crosstab

			Types of hotel		Total
			chain hotels	small hotels	
Further queries by hotels	no	Count	114	135	249
		Expected Count	124.5	124.5	249.0
		% within Further queries by hotels	45.8%	54.2%	100.0%
		% within Types of hotels	76.0%	90.0%	83.0%
		% of Total	38.0%	45.0%	83.0%
		Adjusted Residual	-3.2	3.2	
	yes	Count	36	15	51
		Expected Count	25.5	25.5	51.0
		% within Further queries by hotels	70.6%	29.4%	100.0%
		% within Types of hotels	24.0%	10.0%	17.0%
		% of Total	12.0%	5.0%	17.0%
		Adjusted Residual	3.2	-3.2	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Further queries by hotels	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	10.418 <sup>a</sup>	1	.001	.002	.001
Continuity Correction <sup>b</sup>	9.450	1	.002		
Likelihood Ratio	10.683	1	.001		
Fisher's Exact Test					
Linear-by-Linear Association	10.383	1	.001		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 25.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.186	.001
	Cramer's V	.186	.001
N of Valid Cases		300	

## Appendix 15: The Cross-Table of the Variables *welcome guests back* and *hotels by type*

Crosstab

			Types of hotel		Total
			chain hotels	small hotels	
Welcome guest back	no	Count	40	108	148
		Expected Count	74.0	74.0	148.0
		% within Welcome guest back	27.0%	73.0%	100.0%
		% within Types of hotels	26.7%	72.0%	49.3%
		% of Total	13.3%	36.0%	49.3%
		Adjusted Residual	-7.9	7.9	
	yes	Count	110	42	152
		Expected Count	76.0	76.0	152.0
		% within Welcome guest back	72.4%	27.6%	100.0%
		% within Types of hotels	73.3%	28.0%	50.7%
		% of Total	36.7%	14.0%	50.7%
		Adjusted Residual	7.9	-7.9	
Total	Count		150	150	300
	Expected Count		150.0	150.0	300.0
	% within Welcome guest back		50.0%	50.0%	100.0%
	% within Types of hotels		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	61.664 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	59.864	1	.000		
Likelihood Ratio	63.974	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	61.459	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 74.00.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.453	.000
	Cramer's V	.453	.000
N of Valid Cases		300	

## Appendix 16: The Cross-Table of the Variables *appreciation for complaints* and *hotels by type*

Crosstab

			Types of hotel		Total
			chain hotels	small hotels	
Were there any appreciations for complaint shown in responses?	no	Count	100	135	235
		Expected Count	117.5	117.5	235.0
		% within Were there any appreciations for complaints shown in responses?	42.6%	57.4%	100.0%
		% within Types of hotels	66.7%	90.0%	78.3%
		% of Total	33.3%	45.0%	78.3%
		Adjusted Residual	-4.9	4.9	
	yes	Count	50	15	65
		Expected Count	32.5	32.5	65.0
		% within Were there any appreciations for complaints shown in responses?	76.9%	23.1%	100.0%
		% within Types of hotels	33.3%	10.0%	21.7%
		% of Total	16.7%	5.0%	21.7%
		Adjusted Residual	4.9	-4.9	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Were there any appreciations for complaints shown in responses?	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	24.059 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	22.704	1	.000		
Likelihood Ratio	25.115	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	23.979	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 32.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.283	.000
	Cramer's V	.283	.000
N of Valid Cases		300	



## Appendix 17: The Cross-Table of the Variables *explanation* and *hotels by type*

Did hotels provide any explanations or information regarding complaints? \* Types of hotel Crosstabulation

		Types of hotel		Total	
		chain hotels	small hotels		
Did hotels provide any explanations or information regarding complaints?	no	Count	75	50	125
		Expected Count	62.5	62.5	125.0
		% within Did hotels provide any explanations or information regarding complaints?	60.0%	40.0%	100.0%
		% within Types of hotels	50.0%	33.3%	41.7%
		% of Total	25.0%	16.7%	41.7%
		Adjusted Residual	2.9	-2.9	
	yes	Count	75	100	175
	Expected Count	87.5	87.5	175.0	
	% within Did hotels provide any explanations or information regarding complaints?	42.9%	57.1%	100.0%	
	% within Types of hotels	50.0%	66.7%	58.3%	
	% of Total	25.0%	33.3%	58.3%	
	Adjusted Residual	-2.9	2.9		
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Did hotels provide any explanations or information regarding complaints?	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	8.571 <sup>a</sup>	1	.003	.005	.002
Continuity Correction <sup>b</sup>	7.899	1	.005		
Likelihood Ratio	8.618	1	.003		
Fisher's Exact Test					
Linear-by-Linear Association	8.543	1	.003		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 62.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	.169	.003
	Cramer's V	.169	.003
N of Valid Cases		300	

## Appendix 18: The Cross-Table of the Variables *solutions offered* and *hotels by type*

Crosstab

			Types of hotel		Total
			chain hotels	small hotels	
Did hotels offer any solutions?	no	Count	86	95	181
		Expected Count	90.5	90.5	181.0
		% within Did hotels offer any solutions?	47.5%	52.5%	100.0%
		% within Types of hotels	57.3%	63.3%	60.3%
		% of Total	28.7%	31.7%	60.3%
		Adjusted Residual	-1.1	1.1	
	yes	Count	64	55	119
		Expected Count	59.5	59.5	119.0
		% within Did hotels offer any solutions?	53.8%	46.2%	100.0%
		% within Types of hotels	42.7%	36.7%	39.7%
		% of Total	21.3%	18.3%	39.7%
		Adjusted Residual	1.1	-1.1	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Did hotels offer any solutions?	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.128 <sup>a</sup>	1	.288	.345	.173
Continuity Correction <sup>b</sup>	.891	1	.345		
Likelihood Ratio	1.129	1	.288		
Fisher's Exact Test					
Linear-by-Linear Association	1.124	1	.289		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 59.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.061	.288
	Cramer's V	.061	.288
N of Valid Cases		300	

## Appendix 19: The Cross-Table of the Variables *personal contact information* and *hotels by type*

Crosstab

			Types of hotel		Total
			chain hotels	small hotels	
Did hotels provide personal contact information?	no	Count	120	139	259
		Expected Count	129.5	129.5	259.0
		% within Did hotels provide personal contact information?	46.3%	53.7%	100.0%
		% within Types of hotels	80.0%	92.7%	86.3%
		% of Total	40.0%	46.3%	86.3%
		Adjusted Residual	-3.2	3.2	
	yes	Count	30	11	41
		Expected Count	20.5	20.5	41.0
		% within Did hotels provide personal contact information?	73.2%	26.8%	100.0%
		% within Types of hotels	20.0%	7.3%	13.7%
		% of Total	10.0%	3.7%	13.7%
		Adjusted Residual	3.2	-3.2	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Did hotels provide personal contact information?	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	10.199 <sup>a</sup>	1	.001	.002	.001
Continuity Correction <sup>b</sup>	9.153	1	.002		
Likelihood Ratio	10.546	1	.001		
Fisher's Exact Test					
Linear-by-Linear Association	10.165	1	.001		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 20.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.184	.001
	Cramer's V	.184	.001
N of Valid Cases		300	

## Appendix 20: The Cross-Table of the Variables *post-complaint contact encouragement* and *hotels by type*

			Types of hotel		Total
			chain hotels	small hotels	
Did hotels encourage customers to contact hotels regarding complaints?	no	Count	98	128	226
		Expected Count	113.0	113.0	226.0
		% within Did hotels encourage customers to contact hotels regarding complaints?	43.4%	56.6%	100.0%
		% within Types of hotels	65.3%	85.3%	75.3%
		% of Total	32.7%	42.7%	75.3%
		Residual	-15.0	15.0	
	yes	Count	52	22	74
		Expected Count	37.0	37.0	74.0
		% within Did hotels encourage customers to contact hotels regarding complaints?	70.3%	29.7%	100.0%
		% within Types of hotels	34.7%	14.7%	24.7%
		% of Total	17.3%	7.3%	24.7%
		Residual	15.0	-15.0	
Total	Count		150	150	300
	Expected Count		150.0	150.0	300.0
	% within Did hotels encourage customers to contact hotels regarding complaints?		50.0%	50.0%	100.0%
	% within Types of hotels		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	16.144 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	15.086	1	.000		
Likelihood Ratio	16.513	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	16.091	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 37.00.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.232	.000
	Cramer's V	.232	.000
N of Valid Cases		300	



## Appendix 21: The Cross-Table of the Variables *initiation of investigation* and *hotels by type*

Crosstab

			Types of hotel		Total
			chain hotels	small hotels	
Did hotels initiate an investigation regarding complaints?	no	Count	104	124	228
		Expected Count	114.0	114.0	228.0
		% within Did hotels initiate an investigation regarding complaints?	45.6%	54.4%	100.0%
		% within Types of hotels	69.3%	82.7%	76.0%
		% of Total	34.7%	41.3%	76.0%
		Adjusted Residual	-2.7	2.7	
	yes	Count	46	26	72
		Expected Count	36.0	36.0	72.0
		% within Did hotels initiate an investigation regarding complaints?	63.9%	36.1%	100.0%
		% within Types of hotels	30.7%	17.3%	24.0%
		% of Total	15.3%	8.7%	24.0%
		Adjusted Residual	2.7	-2.7	
Total	Count	150	150	300	
	Expected Count	150.0	150.0	300.0	
	% within Did hotels initiate an investigation regarding complaints?	50.0%	50.0%	100.0%	
	% within Types of hotels	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.310 <sup>a</sup>	1	.007	.010	.005
Continuity Correction <sup>b</sup>	6.597	1	.010		
Likelihood Ratio	7.386	1	.007		
Fisher's Exact Test					
Linear-by-Linear Association	7.286	1	.007		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 36.00.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.156	.007
	Cramer's V	.156	.007
N of Valid Cases		300	

## Appendix 22: The Cross-Table of the Variables *repetition of paragraphs or sentences* and *hotels by type*

Were there any similar content presented in other responses? ( two complaints or more) \* Types of hotel Crosstabulation

			Types of hotel		Total
			chain hotels	small hotels	
Were there any similar content presented in other responses? (two complaints or more)	no	Count	118	145	263
		Expected Count	131.5	131.5	263.0
		% within Were there any similar content presented in other responses? (at least two complaints)	44.9%	55.1%	100.0%
		% within Types of hotels	78.7%	96.7%	87.7%
		% of Total	39.3%	48.3%	87.7%
		Adjusted Residual	-4.7	4.7	
	yes	Count	32	5	37
		Expected Count	18.5	18.5	37.0
		% within Were there any similar content presented in other responses? (at least two complaints)	86.5%	13.5%	100.0%
		% within Types of hotels	21.3%	3.3%	12.3%
		% of Total	10.7%	1.7%	12.3%
		Adjusted Residual	4.7	-4.7	
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0
		% within Were there any similar content presented in other responses? (at least two complaints)	50.0%	50.0%	100.0%
		% within Types of hotels	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	22.475 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	20.841	1	.000		
Likelihood Ratio	24.763	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	22.400	1	.000		
N of Valid Cases	300				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 18.50.

b. Computed only for a 2x2 table

**Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.274	.000
	Cramer's V	.274	.000
N of Valid Cases		300	

## Appendix 23: The Factor Analysis of the three variables in distributive justice dimension

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.513
Bartlett's Test of Sphericity	Approx. Chi-Square	4.758
	df	3
	Sig.	.190

**Component Matrix<sup>a</sup>**

	Component
	1
Did hotels offer financial resources?	.532
Were there any specific responses to specific needs?	.721
Were there any psychological resource offered by hotels for example "Apology statement"?	-.578

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Total Variance Explained**

Component	Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	1.137	37.889	37.889

Extraction Method: Principal Component Analysis.

## Appendix 24: The Factor Analysis of the four variables in interaction justice dimension

Sub-variable	Component					
	1	2	3	4	5	6
Did hotels provide explanations or information regarding complaints?	-.123	.767	.086	.334	-.003	.033
Did hotels address guests by name in the responses?	.581	.181	-.083	-.030	-.363	-.286
Did hotels use polite ending phrases, such as <i>sincerely yours</i> etc.?	.722	-.077	.139	.033	.021	-.008
Formal or informal responses	.722	-.090	.261	.054	-.025	.126
Sender's name	.723	.209	.088	-.246	.031	.052
Sender's position	.772	.138	.102	-.187	.338	.203
Sender's department	.728	.006	.082	.025	.356	.267
Sender's company	.115	-.096	-.038	.126	.802	-.204
Thank you for complaints	.605	-.095	.107	.356	-.016	.058
Did hotels offer solutions?	.177	.669	-.013	.229	-.118	-.243
Did hotels provide personal contact information?	.107	.052	.787	-.016	.101	-.173
Did hotels encourage customers to contact hotels regarding complaints?	.164	.086	.866	-.080	-.056	.006
Did hotels initiate an investigation regarding complaints?	.217	.697	.040	.019	-.006	-.109
Was there similar content posted in other responses? (at least two complaints)	.238	-.499	.098	.278	-.200	-.181
The number of <i>we, us, our</i> used in responses	-.041	.168	-.048	.829	.130	.087
The number of <i>I, me</i> used in responses	-.162	.439	-.002	-.139	-.098	.112
Further queries by hotels	.087	-.081	.809	.071	-.055	.166
Welcome guest back	.566	-.275	-.076	.139	-.202	-.102
Was appreciation for complaints shown in responses?	.288	-.031	-.016	.103	-.188	.807