RSEP

An analysis on complaint behaviour of hotel guests in Italy[1]

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Abstract

The main purpose of this study is to analyse the complaint behaviour of hotel guests based on their online reviews. Furthermore, the importance of hotel responses to complaints and its impact on reducing customer dissatisfaction will be highlighted. The study is designed as explorative and inductive. The methodological approach is a content analysis on secondary data and the data used in this research is scraped from Booking.com. Tableau Data Analytics (2020.4) has been used to analysis the large amount of data in the database. The findings of the study underline the importance of monitoring and responding online reviews, since it is the most common place for hotel guests to write their complaint or feedback. Furthermore, the results call hotel managers attention to measure reputation risk level from the online reviews and take necessary action when its threshold is exceeded in service related areas.

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1. Introduction

Giving that the online travel reviews are emerging as a powerful source of information for tourists, a greater attention on compliant behaviour should be paid. Despite the growing body of evidence about the impact of online reviews on guests' purchase behaviour, majority of hotels do not respond to the customer complaints and negative comments in online reviews and there is a considerable variation in response strategies in different hotels. A research study done by Barsky and Frame (2009) shows that 85 % of hotels have no guidelines for monitoring and responding to online reviews and only 4% of negative reviews get a response from hotels (Barsky & Frame, 2009).

In this section, major concepts on complaint behaviour are explained: First, online reviews and their impact on hotel guests buying behaviour will be discussed. Second, guests' complaint behaviour and hotel managers' complain response strategies will be elaborated. Finally, reputation risk management and its impact on customer satisfaction will be discussed.

1.1. Online Reviews

The increasing popularity of online reviews and their significant impact on individual buying behaviour has attracted many researchers to focus this development. In a study, Schuckert et al. (2015) analysed 50 articles related to online reviews in tourism and hospitality published in academic journals between 2004 and 2013. By using content analysis, these articles were grouped into five topical clusters, including online reviews and online buying (i.e. The effect of number, valence and ratings of reviews on purchase intention, price and online sales), satisfaction and management (customer satisfaction, complaints behaviour and compliant response), opinion mining/sentiment analysis (i.e. valence or ratings, total number of reviews, content analysis), motivation (i.e. motivation to posting, reading, and sharing reviews online), and finally the role of reviews (i.e. reliability of

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online reviews on e-commerce platforms) (Schuckert et al., 2015). In order to understand the impact of online reviews on consumer attitudes and behaviours, Browning et al. (2013) investigated the influence of online hotel reviews on consumer attributions of service quality and the ability of companies to control service delivery (Browning et al., 2013). Philips et al (2017) proposed a model that helps to explain which aspects of visitor experience, as voiced through social media, have the greatest impact on hotel demand as manifested by room occupancy) and subsequently revenue (Phillips et al., 2017).

1.2. Compliant behaviour

One of the generally accepted marketing principles is that retaining existing customers and improving their re-purchases is more profitable than attracting prospective customers. Although many hotel companies have begun to analyse customers complain behaviour, the industry has yet to fully explore the potential of this emerging data resource (Noone et al., 2011).

According to Crié (2003) complaint behaviour is a set of responses performed by a dissatisfied consumer. There is limited number of research designed to explain the various types of customer response to dissatisfaction. Crié (2003) proposed taxonomy of the types of responses to dissatisfaction in which response type has been classified as the response toward entity (Public response as complain to the company vs. Private response as word of mouth) and response as a behavioural or non-behavioural action (legal action vs. no action and forget or forgive).

Despite the growing body of evidence, not all hotels respond to negative online reviews, and there is considerable variation in response strategies. A research study done by Barsky and Frame (2009) shows that 85percent of hotels have no guidelines for monitoring and responding to online reviews. Levy et al (2013) conducted interviews with hotel executives and statistical analyses and suggested that complaint response has not been done systematically by hotel managers. For example, one of the general managers of an upper upscale branded hotel expressed that Trip Advisor is the only online ratings site which his hotel monitor and respond. Since Trip Advisor accounted a percentage of the total customer's online reviews it is possible that the hotel is missing needed information from other guests. In the same research, a general manager of an independent downtown hotel claimed that he has not been asked to respond to reviews from chief executive officer of the hotel but he does it only based on his personal commitment (Levy et al., 2013). A study investigated hotel responses to customer reviews and found that some hotels rarely respond to online reviews. The study furthermore demonstrates that hotels have divergent approaches to online review response even within the same brand families (Park & Allen, 2013). Clearly, most hotel managers understand the importance of responding to online complaints, yet the hotel industry remains in a quandary regarding how they should respond to negative online reviews (Min et al., 2014).

1.3. Customer Satisfaction

A review of the existing literature indicates a wide divergence in the definitions of satisfaction. Kotler (2000) defines satisfaction as an individual's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in to their expectations". According to Oliver (1987), satisfaction is "the overall level of contentment with a service/product experience" (Oliver, 1987). So, it is a judgment that product or service features, or the product or service itself, provide a pleasurable level of fulfilment as a consumer response (Abbasi et al., 2010). According to the expectation-disconfirmation theory (Oliver, 1977), consumers are satisfied if the perceived quality of products and services meets or exceeds their expectations. Otherwise, they are dissatisfied (Churchill, 1982). Giese and Cota (2002) identified two major components of satisfaction; according to the authors, consumer satisfaction is either an emotional or cognitive response. This response pertains to a particular focus (such as expectations, product, consumption experience, etc.).

Online review is the most common place for consumers to write a complaint or feedback, express their feelings, comment on their satisfaction level, and rate a place, service, or a hotel (Schuckert et al., 2015). The contents of positive online customer reviews indicate their satisfaction, and the contents of negative reviews indicate their dissatisfaction (Xu, 2019). In a recent study, Xu (2019) found that the attributes of products and services – Including staff, physical setting, value, and location – have different effects on customer satisfaction or dissatisfaction in relation to chain and independent hotels, and for hotels with different star levels (Xu, 2019).

1.4. Reputation Risk Management

The popularity of online review postings on social media has made online reputation management inevitable for the success of every business. Negative comments and reviews could significantly impact the reputation of a hotel and lead to unfavourable consequences. Reputation Risk management for the hotels is one of the areas that have not received enough attention from hotel managers. A research study done by Barsky and Frame (2009) shows that 85 % of hotels have no guidelines for monitoring and responding to online reviews and only 4% of negative reviews get a response from hotels (Barsky & Frame, 2009). As a service-based industry, it is essential for hotels to listen and respond to guest's online reviews and formalize this process by implementing a

systematic approach that incorporates the individual hotel's objectives and strategies. A survey by Clutch (2018) indicates that about 54% of digital marketers consider online reputation management necessary for company success. Moreover, 0ne-quarter of the companies surveyed had realized growth in sales from investing in online reputation management and monitoring (Seter, 2018).

2. Methodological Justification

The study is designed as explorative and inductive. The methodological approach which has been used in this study is a content analysis on secondary data. The data used in this research is scraped from Booking.com and is publicly available to everyone already (klaggle.com).The original dataset contains 515000 customer reviews and scoring of 1493 luxury hotels across Europe. Tableau Data Analytics (2020.4) has been used to analysis the large amount of data in the database. The csv file contains the name and address of the hotels, date when reviewer posted the corresponding review, average score of the hotel (calculated based on the latest comment in the last year), nationality of reviewer, negative review the reviewer gave to the hotel, positive review the reviewer gave to the hotel and etc. The data related the hotels in Italy have been extracted from this dataset and has been analyzed separately. Table 1 shows the characteristics of the hotels in the database of Italy.

Table 1. Characteristics of Hotels in Database (Italy)

Description		
Total Number of Hotels in Italy	173	
Hotel Type	Luxury	Four Star
Review Date	4.8.2015	3.08.2017
Average Score on Booking.com	5.2	9.8

Guests from more than 170 countries have written their reviews on this database about their stay experience in the hotels in Italy. However, by taking review word numbers as the criteria (more than 3,000,000 words) the nationality of the reviewer has been classified as Figure 1. Three English native speaking countries have left the most number of words in the reviews. One of the corresponding reasons could be simply the proportion of guests' number from these countries. The second reason could be the language setting on booking.com. In another word, writing in English language could be much easier for a native speaker compare to the others. The lengths of comments and the correlation between the word numbers and nationality of reviewers could be examined in another research. The findings could help managers to get a higher response rate on customer satisfaction survey.
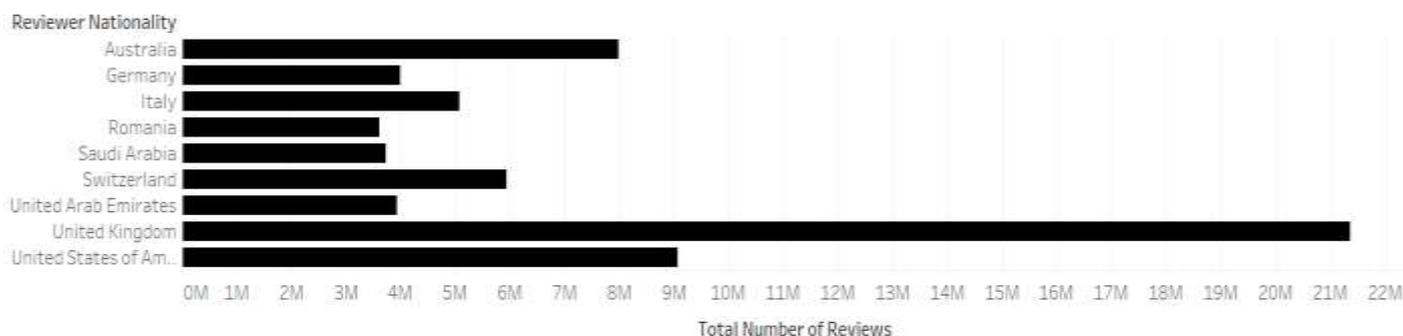
Figure 1. Reviewer Nationality in Database (<3,000,000 words)

The total number of hotels in Italy is 142 hotels in the database. However, only 35 hotels with the most negative reviews in the database (i.e. a range of 5000 to 55000 reviews) have been selected for the analysis. Table 2 shows the characteristics of hotels in Italy with the most negative review numbers in the database.

Table 2. Characteristics of Hotels (Negative Reviews)

Description	Number	Total
Negetive Review Number		35
• 5000-15000	31	
• 15001-25000	1	
• 25001-35000	2	
• 35001-45000	0	
• 45001-55000	1	
Ownership Status		35
• Chain	20	
• Non-Chain	15	
Hotel Category		35
• City Center Hotels	34	
• Resort Hotels	1	
Review Date	4.8.2015	3.08.2017

By looking at review scores of all these hotels on three most common rating platforms (Google, Booking .com and Trip advisor) on November 2020 a significant change has been noticed in the improvement of ratings of some hotels. This comparison indicates that some hotel managers have been acknowledged the negative comments and by responding them they have achieved a better score in customer satisfaction rate in 3 years.

As seen in Table 3 from 20 chain hotels almost 50% have improved the review scores and from 15 non-chain hotels almost 30% have the same score or slightly better scores. One reason could be the application of a more systematic reputation risk management in chain hotels due to availability of resources compare to the non-chain hotels. The review scores on Google review and Tripadvisor site show a different score for the same hotels. For example, Hotel Id.1 has score 4,1(range 3,3 to 4,7) on Google review and it is the 25th hotel from the top, however, the same hotel on Tripadvisor site has score 3,5 (range 2,5 to 5) and it is the 28th hotel from the top. These differences in the scoring could be due to the different behaviour that various segments of hotel guests perform in different online purchase/booking platforms. The only hotel that has the lowest score in all three rating platform and is the last hotel in the list is hotel Id. 4.

Table 3. Characteristics of Hotels in Database (Italy)

Hotel ID	Negative Review Number/ Chain-NonChain	Booking.com Score 2015-2017	Google Hotel Review score 2020	Booking.com score 2020	Trip-advisor score 2020
1	50035 /Non-chain	8,1	4,1	7,9	3,5
2	25709/Non-chain	8,3	4,1	8,2	3,5
3	25676/Non-chain	8,8	4,3	8,7	4
4	15365/Chain	6,9	3,3	6,6	2,5
5	12196/Non-chain	8,4	4,2	8,2	3,5
6	12136/Chain	7,5	3,9	7,9	3,5
7	12127/Chain	**8,1**	4,2	**8,5**	4
8	11841/Chain	**8,6**	4,4	**8,6**	4
9	11168/Chain	**8,1**	4	**8,2**	4
10	10966/Chain	**8,5**	4,3	**8,6**	4
11	10350/Chain	8,7	4,3	8,6	4
12	10260/Chain	**8,4**	4,2	**8,5**	4
13	9877/Chain	**9**	4,5	**9,1**	4,5
14	9730/Chain	8,7	4,5	8,6	4,5
15	9238/Chain	8,7	4,3	8,8	4
16	9038/Chain	8,3	4,3	8,2	4
17	9036/Non-chain	**8,5**	4,2	**8,5**	4
18	8600/Non-chain	**8**	4	**8,2**	3,5
19	8562/Non-chain	9,2	4,4	8,9	4,5
20	8238/Non-chain	8,3	4	8,2	4
21	7962/Chain	**8,6**	4,4	**8,7**	4
22	7738/Chain	8,6	4,3	8,7	4
23	7679/Non-chain	**8,5**	4,3	**8,5**	4
24	7596/Non-chain	9	4,3	8,5	4
25	7450/Chain	8,5	4,3	8,3	4

26	7448/Non-chain	8,4	4	8,2	4
27	7394/Chain	**7,8**	3,9	**7,8**	3,5
28	7118/Non-chain	**7,8**	4,1	**8,2**	3,5
29	6790/Chain	8,1	4,1	8	4
30	6016/Chain	9,5	4,7	9,3	5
31	5499/Non-chain	8,1	3,9	8	3,5
32	5494/Non-chain	**8,6**	4,3	**8,7**	4
33	5463/Chain	8,6	4,3	8,3	4
34	5401/Chain	**8,4**	4,1	**8,4**	4
35	5220/Non-chain	**8.5**	4,2	**9,1**	4

3. Discussion of Results

Digital business strategy creates new opportunities for value creation. The popularity of online review postings on social media presents opportunities for hospitality and tourism practitioners to fine-tune their offerings and personalize their responses to unsatisfied customers. The Impact of this study is to highlight the importance of acquiring a systematic process to manage guest's complaints by considering the influence of national culture on hotel guest's satisfaction.It is not easy to generate good results simply through managing or responding to online reviews. Empirical research shows that response to complain increase satisfaction level of complaining customer in future; however the future satisfaction of complaining customer decrease if they do not receive a response (Gu & Ye, 2014).

A suggestion for future research is a quantitative study to fit a regression on reviews and score (to see which words are more indicative to a higher/lower score). Furthermore, correlation between reviewer's nationality and scores could be measured. Finally, a sentiment analysis on the reviews could be performed to classify the major focus of the complaints.

Implications for the Advancement of Industry Practice

In current study the importance of hotel manager's responses to complaints and their impact on increasing customer satisfaction has been highlighted. Appropriate responses to negative reviews can create and increase future revenue for hotels (Noone et al., 2011). Managers who respond successfully to comments on online review platforms can turn an unsatisfied customer into a loyal one (Pantelidis, 2010). As a service-based industry, it is essential for hotels to listen and respond to guest's online reviews successfully and formalize this process by implementing a systematic approach that incorporates the individual hotel's objectives and strategies. Based on the findings of this study a model of complaint management for hotels could be proposed that measures customer voice on the online reviews and take necessary action when dissatisfaction threshold is exceeded in specific areas.

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