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Guest editorial

Trends and opportunities in lodging research

The objective of this special issue is to communicate the latest research findings impacting lodging professionals around the world. While this issue only presents a small sample of the current research efforts related to the lodging industry, the diversity among the topics demonstrate active research efforts across the discipline. The special issue informs leaders, managers, professionals, researchers, educators and policymakers about the latest research findings to shape the work that they do in an applied way.

This special issue includes six academic articles that deal with current trends in the lodging industry. The first article "How’d you sleep?" Measuring business travelers' sleep quality and satisfaction in hotels was authored by Hsiangting Shatina Chen, Kimberly Severt, Yeon Ho Shin, Adam Knowleden and Tyra Hilliard. This study investigated the differences between business travelers sleep experience when staying at upscale hotels compared to experiences at mid-scale hotels. Utilizing a self-reporting survey, the authors found that participants reported lower satisfaction with mid-scale hotels caused by several factors, than guests staying at upscale hotels.

The second article, by Kristen Malek, Sheryl Kline and Robin DiPietro, investigates the direct relationship between training at a management level and the impact upon their direct employees' turnover intention. While studying the workforce of two luxury hotels and utilizing exploratory factor analysis, the authors observed that employee perception of their manager affected their turnover intention. Further, as manager training increased, employee turnover intention decreased.

In the third article, Francisco Muñoz-Levia, Xavier Mayo-Muñoz and Andrea De la Hoz-Correa analyze the factors that affect consumer adoption of the lodging shared economy. Their article, "Adoption of home sharing platforms: a cross-cultural study identified ease of use and perceived usefulness affect intent to use," which, in turn, affect actual use of home sharing platforms. The authors collected 418 international responses and utilized structural equation modeling for the analysis.

Giulio Ronzoni, Edwin Torres and Juhee Kang in "Dual branding: a case study of Wyndham" identify the factors that affect a properties implementation of a dual branding strategy. The authors, using interviews with hotel managers, were able to elaborate upon the organizational, operational, technical, financial and economic challenges experienced in the process.

Barbe and Pennington-Gray address, the topic of managing crisis communications via social media in using situational crisis communication theory to understand Orlando Hotels’ Twitter Response to three crises in the Summer of 2016. This study included three crises and sought to assess the crisis communication strategies used by lodging companies affected in each crisis. A review of the messages posted to Twitter accounts revealed insight into the communication practices of lodging companies and recommends strategies which hoteliers might consider.

Welcome to JHTI's special issue on trends and opportunities in lodging research. The authors would like to give special thanks to the guest editors Dr Scott Smith, Dr Marketa Kubickova, Dr Diego Befquin and Dr Jeffrey Weinland for putting together this very strong and timely special issue. The articles included in this special issue should be well received by scholars, students and practicing managers in the field.
Finally, Seung Hyun Lee determined that for dissatisfied hotel guest preferred discounts, followed by corrective actions and loyalty points to compensate for an unsatisfactory stay. The article, “Guest preferences for service recovery procedures: conjoint analysis” also identifies an additional factor that is effective in dealing with dissatisfied guest, including upper-level management leading upgrades and service recovery efforts.

Scholars and practitioners alike can look forward to a continuing stream of investigation concerning lodging industry topics. We hope that our readers find all the articles published in this special issue timely, relevant and useful.

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“How’d you sleep?” measuring business travelers’ sleep quality and satisfaction in hotels

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Abstract
Purpose – The purpose of this paper is to explore business travelers’ sleep experience in hotels by measuring sleep quality and determining the extent to which hotel attributes, demographic characteristics, and hotel quality level influence their sleep quality while staying in hotels.

Design/methodology/approach – This study utilized a self-reported survey to obtain data from business travelers who have stayed in a hotel at least two nights for a business trip in the past 30 days. A total of 304 business travelers were surveyed in this study.

Findings – The results indicated that there was a difference in the factors that influenced business travelers’ overall satisfaction with sleep in mid-scale (2.5-3.5 stars) vs upscale hotels (4+ stars). The findings showed that business travelers generally had lower sleep quality at hotels and they were more likely affected by noise both outside and inside the guestroom, as well as material elements inside the room.

Originality/value – This study represents a pioneering attempt at exploring business travelers’ sleep quality and satisfaction with sleep in hotels. Furthermore, this study contributes to the limited research addressing sleep quality as a fundamental function of hotel services. Also, this is the first study to measure business travelers’ sleep quality in hotels by using the sleep quality scale.

Keywords Customer satisfaction, Hotel design, Sleep quality, Business travel

Paper type Research paper

Introduction
Sleep quality has been identified as an essential characteristic that travelers look for when perusing online hotel reviews to find the perfect hotel (Beyer and Melendez, 2015). To that end, several high-end hotels have started working with sleep consultants and hotel designers to create a better environment to enhance travelers’ sleep experience (Beyer and Melendez, 2015; Prunty, 2015). For instance, JW Marriott launched the “Nightly Refresh Program” in 2013 to feature sensory relaxation, such as a mixture of aromatic and detoxifying essential oils in bathroom amenities, a late-night snack, and herbal tea that help travelers recover from stress (The Luxury Travel Magazine, 2013). Similarly, Westin Hotels and Resorts’ (n.d.) “Well-Being Movement” has focused on its “Sleep Well program” by offering high quality mattresses and bedding. A restful night’s sleep not only gives travelers’ repose to recover their physical and psychological condition, but also promotes a healthy lifestyle for travelers. Hotels can build their reputation and obtain
customers’ loyalty by enhancing customers’ experience and satisfaction of sleep quality (Hotelzone, 2015). Therefore, hotels are seeking solutions that may help hotel guests rejuvenate while traveling.

Business travelers are one of the most important market segments in the hospitality industry (McCleary et al., 1994; Callan and Kyndt, 2001). Global business travel expenditure was $1.2 trillion in 2015 and is expected to show continuous 5 percent growth until 2021 (BusinessWire, 2017; Deloitte, 2016). Business travelers stay in hotels to rest, refresh, and prepare themselves for the next day of business or the next destination. Because a business trip can often be an exhausting journey, it is important for business travelers to find comfortable accommodation and welcoming hospitality services while away from home. However, a hotel room is not always a comfort zone for travelers. Hotel guests may experience uncomfortable beds, poor quality pillows, a loud air conditioner, and noise from the hallway (Valtonen and Veijola, 2011). These issues may affect the hotel guests’ sleep quality, which, in turn, may influence their overall experience in the hotel and ultimately their work productivity. Providing an environment for travelers to rest peacefully is an essential function of hotels. However, limited research scrutinizes business travelers’ experience in terms of sleep quality while staying in hotels (Pallesen et al., 2016). Given the importance of the business travel market, it is important to understand business travelers’ sleep quality at hotels and how hotel attributes influence their experience.

The purpose of this study was to measure business travelers’ sleep quality and overall satisfaction in hotels. Although previous studies of business travel focused on travelers’ preferences regarding hotel attributes, the questions of how hotel attributes and hotel star levels would impact travelers’ sleep quality had not been investigated. Thus, this study addresses the following questions: what hotel attributes are related to business travelers’ sleep quality in hotels; which business travelers’ demographic characteristics, such as the frequency of business travel, personal sleep assessment, and age, influence their sleep quality in hotels; and is there a significant difference in factors that influence business travelers’ overall sleep satisfaction in upscale hotels (4 + stars) vs mid-scale hotels (2.5-3.5 stars)?

**Literature review**

**Sleep quality in hotels**

Sleep is an essential element of optimal mental and physical health (Buysse et al., 1989). Acute consequences of sleep deprivation include degraded neurocognitive function and psychomotor vigilance (Minkel et al., 2009), curtailed memory and learning capacity (Harrison and Horne, 2000), diminishment of emotional coping capabilities (Yoo et al., 2007), and altered metabolic functions (e.g. leading to increased hunger) (Benedict et al., 2011). To define “good sleep quality,” academic research and clinical studies have utilized both objective and subjective methods to measure sleep parameters. Researchers argue that sleep quality is not only associated with sleep quantity (i.e. sleep duration and hours of sleep); it is largely a subjective experience, such how tired individuals feel upon waking, daytime sleepiness, restfulness, difficulty falling asleep, and difficulty maintaining sleep (Buysse et al., 1989; Harvey et al., 2008; Yi et al., 2006). Thus, the sleep quality experienced by individuals includes the restorative function provided by sleep as well as daytime dysfunctions caused by poor sleep (Yi et al., 2006).

Often, business travelers are engaged in professional activities that require high levels of mental performance. Subsequently, an optimal sleep quality for business travelers staying at a hotel is essential for maximizing business performance. Although previous studies specified sleep quality was a determinant in business travelers’ hotel selection criteria, there is a dearth of research regarding satisfaction with sleep quality in hotels (Pallesen et al., 2016;
Valtonen and Veijola, 2011). Gumaste and Shahane (2014) stated that luxury hotels intend to provide better sleep experience by improving bedding quality, using soundproof walls and blackout curtains, and utilizing new technology in climate control. Nevertheless, sleep experience may vary due to individuals’ physical and psychological condition. Since people experience various stressors during traveling, such as jet lag, anxiety, exhaustion, and sleeping in an unfamiliar environment, they often encounter sleep disruption (Auger and Morgenthaler, 2009; Kawada et al., 2001).

Moreover, sleep quality represents a “complex phenomenon” related to many personal aspects, such as physical and psychological stress, age, gender, and food intake (Buysse et al., 1989; Yi et al., 2006). A recent study by Pallesen et al. (2016) investigated the relationship between hotel guests’ general experience of sleep and demographic factors, which were related to sleep disruption in hotels compared to sleeping at home. Interestingly, the research indicates that younger adults, males, and adults reporting symptoms of insomnia tend to have better sleep quality in hotels (Pallesen et al., 2016). Therefore, individuals’ demographic information should be considered a significant determinant to evaluate travelers’ sleep quality at hotels.

Business travelers’ perceptions of hotel attributes
There is a wealth of research that has examined business travelers’ hotel selection criteria and comparisons between business and leisure travelers’ hotel service requirements (Chu and Choi, 2000; Fawzy, 2010; Gundersen et al., 1996; McCleary et al., 1993; Yavas and Babakus, 2005). Gundersen et al. (1996) found that business travelers’ satisfaction with hotels can be influenced by tangible and intangible hotel attributes. Tangible attributes include things like room amenities, cleanliness of room, adequate lighting, mattress and pillow quality, and hotel facilities, while intangible attributes represent features like turn-down service, staff friendliness, business services, and hotel atmosphere (Callan and Kyndt, 2001; Fawzy, 2010; Lockyer, 2002; McCleary et al., 1993). Chu and Choi (2000) categorized hotel attributes into six hotel selection factors, which include service quality, business facilities, value, room and front desk, food and recreation, and security. The results showed the most important hotel attribute factor for business travelers was room/front desk service (Chu and Choi, 2000). However, Callan and Kyndt’s (2001) study reported that quietness of a hotel was rated the most important factor for business travelers. In addition, comfortable beds, flexible lighting control, and choices of pillows were considered vital elements in a hotel guestroom (Callan and Kyndt, 2001; Lockyer and Roberts, 2009). Rhee and Yang (2015a) compared hotel star-classification and customer ratings to determine the six attributes affecting travelers’ decision making in hotel selection: value, service, rooms, sleep quality, location, and cleanliness. In their study, business travelers ranked sleep quality as the most important attribute. The comfort of beds, pillows, temperature of the room, and a quiet environment were associated with the quality of sleep in a hotel room (Liu et al., 2013; Rhee and Yang, 2015a).

Based upon previous studies, the current research categorized that hotel attributes that feasibly relate to guests’ sleep may include out of room influences, such as noise from the hallway, noise from other rooms, noise outside the hotel; sensory elements inside the room, such as smell of the room, room too light or too dark, sound of air conditioner, and temperature control in the room; and material elements inside the room, such as the quality of mattress, quality of bed linen, quality and quantity of pillows.

Furthermore, travelers’ satisfaction with hotels may also differ in terms of hotel star levels (Chu and Choi, 2000; Fawzy, 2010; Rhee and Yang, 2015b). Fawzy (2010) stated that business travelers at a five-star hotel rated the bedroom attributes as the most important criterion while selecting a hotel. Rhee and Yang (2015b) indicated that hotel guests staying at higher star-level hotels would consider room amenities, cleanliness, and services as
important attributes. However, hotel guests staying at lower star-level hotels would consider
the location of a hotel and sleep quality essential due to limited amenities and services at the
hotels (Rhee and Yang, 2015b). As such, travelers’ may obtain different expectations of hotel
attributes based upon different hotel star levels. For this study, respondents were asked to
self-identify the last hotel they stayed in as either mid-scale (2.5-3.5 stars) or upscale and
higher level hotels (4 + stars) in addition to their sleep quality experience at these hotels.

Methodology
Survey instrument
This study utilized a self-reported survey method to obtain data from business travelers
who have stayed in a hotel at least two nights for a business trip in the past 30 days.
Participants were asked to recall their last business trip and answer the survey based on
that experience. This method of self-reported survey was found in Pallesen et al. (2016)
and Yi et al. (2006). The first section of the survey asked participants about their business
tavel experience, the type of hotel they stayed in, and their sleep quality in the hotel. Sleep
quality was measured using a modified version of the sleep quality scale (SQS) identified
in Yi et al. (2006). The SQS measures six domains of sleep quality including daytime
dysfunction, restoration after sleep, difficulty falling asleep, difficulty getting up,
satisfaction with sleep, and difficulty maintaining sleep (see Table AI, α = 0.90). The sum
score of the SQS is used as an SQS. The SQS assessment has been found to be valid and
reliable, and it has been widely used in self-reported sleep quality studies (Howell et al.,
2008). In this study, we modified the questions in order to address business travelers’ sleep
experience from their recent stays in hotels. All items were rated on a four-point scale,
from 0 “Never” to 3 “Almost always,” based upon the origin of the SQS assessment.
The range of SQS score was from 0 to 84; participants who had a higher total SQS score
indicated poorer sleep quality in hotels (Yi et al., 2006).

In the second section of the survey, participants were asked to indicate on a 1 (did not
bother me at all) to 5 (extremely bothersome) scale hotel attributes (out of room influences,
sensory elements inside the room, and material elements inside the room) that influenced
their sleep quality while staying in hotels. The items of hotel attributes were adapted from
Fawzy (2010), McCleary et al. (1993), and Yavas and Babakus (2005). The participants
were also asked to evaluate their overall satisfaction with sleep quality in the hotel. Based
on previous literature (Chiou et al., 2010; Oliver, 1992), overall satisfaction with sleep
quality was defined as affective evaluation resulting from sleep quality in this study.
Thus, the question “Overall, I am satisfied with the decision to stay at this hotel” was
utilized in this study.

Next, the questions related to business travelers’ sleeping aids with sleep disruption
were included. The sleeping aids often used by business travelers included ear plugs, eye
masks, sound machines, and medication for getting better sleep at hotels (Portillo, 2015).
The third section of the survey was related to participants’ demographic information,
including age, gender, current marital status, frequency of travel, and the average
duration of one business trip.

Data collection
Data collection was conducted through Qualtrics online survey distribution company, which
provides access to a large and reliable participant pool (Brandon et al., 2013). The survey was
randomly distributed by Qualtrics in January 2016 to a national consumer panel based upon the
screening criteria. Explicitly, since the target population was business travelers, the researchers
only recruited business travelers who have traveled in the past 30 days and stayed at a hotel at
least two nights. Additionally, in order to avoid personal health conditions which may affect
participants’ sleep quality in their day-to-day life, a filter question of health diagnosis was

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applied: if participants suffered from depression, sleep disorders, cancer, or any condition that has already affected their quality of sleep, they were excluded from the process of data collection (Harvey et al., 2008). In summary, a total of 304 completed surveys were collected.

Statistical analysis
Data analysis was conducted by IBM SPSS Statistics Software, version 23. A multiple linear regression analysis was utilized to measure one dependent variable (overall satisfaction with sleep quality in the hotel) and several independent variables (a total of sleep quality score, hotel attributes, and demographic variables) between two groups – business travelers who stayed in upscale to higher level (4+ stars) hotels and those who stayed in mid-scale (2.5-3.5 stars) hotels. In addition, a preliminary analysis was conducted to ensure the assumptions of normality, linearity, and homoscedasticity were met.

Results
Demographic profile of participants
Among 304 participants, 63 percent were male and 37 percent were female, 43 percent ranged from 26 to 35 years old, and 61 percent were married with children. Approximately, 56 percent of participants traveled once a month, while 25 percent traveled twice a month and 19 percent traveled three times and more a month. A total of 55 percent of participants stayed 3-4 days for a single business trip most times. In regard to what type of hotel they stayed at during their recent business trip, 40 percent of participants stayed in upscale and higher level hotels (4+ stars) and 51 percent stayed in mid-scale hotels (2.5-3.5 stars). The detailed demographic profile is show in Table I.

Analysis of overall sleep quality in hotels and hotel attributes
Since 91 percent of participants (n = 277) stayed either in mid-scale (2.5-3.5 stars) or upscale and higher level (4+ stars) hotels, these two groups were selected to proceed with the data analysis. The mean score of overall satisfaction of sleep quality in upscale and higher level hotels was 3.8 (SD = 0.99, n = 122), and the mean score in mid-scale hotels was 3.4 (SD = 0.89, n = 155). The mean score of the SQS in upscale and higher level hotels was 29.3 (SD = 13.4, n = 122) and in mid-scale hotels was 30.9 (SD = 13.8, n = 155). Table II shows the results of sleep quality in upscale and mid-scale hotels. In addition, a t-test at the 0.05 level of significance was conducted to evaluate whether the mean of overall satisfaction of sleep quality and SQS were significantly different between the two groups. The t-test was significant in terms of overall satisfaction of sleep quality in hotels: t (275) = 3.32, p < 0.01, η² = 0.04. The 95% confidence interval for the difference in means ranged from 0.15 to 0.60. However, The t-test of the SQS was not significant between the groups, t (275) = −0.98, p > 0.05.

Figure 1 shows the percentage of participants who answered “bothersome” to “extremely bothersome” by various disturbing attributes while staying in a hotel. When we considered the attributes in three categories: 31 percent of participants answered “out of room influences,” such as noises, were bothersome to extremely bothersome; 30 percent of participants answered “sensory elements inside the room,” such as smell, light, or temperature of the room, were bothersome to extremely bothersome; and 29 percent of participants answered “material elements inside the room,” such as quality of mattress, quality of bed linen, quality and quantity of pillows were bothersome to extremely bothersome.

Participants were also asked what sleeping aids they have used to overcome sleep disruption while staying in a hotel. The results show that over 25 percent of participants have used an eye mask, 25 percent have taken their own pillows, and 24 percent have used ear plugs (see Figure 2). Most participants indicated they use more than one sleeping aid when traveling for business. Participants could indicate all sleeping aids that applied.
Results of multiple regression analysis

The multiple regression analysis was conducted to predict business travelers’ overall satisfaction with sleep quality in hotels. The independent variables included the SQS, three aspects of hotel attributes (out of room influences, sensory elements inside the room, and hotel levels). The analysis revealed that overall, business travelers were satisfied with their sleep quality, with a mean score of 3.8 (SD = 0.99) for upscale+ hotels and 3.4 (SD = 0.89) for mid-scale hotels. The results showed a statistically significant difference between the two groups, with a t-value of 3.32 (df = 275) and a 95% CI for the mean difference of 0.15-0.60. The higher total score indicated participants had poorer sleep quality. *p < 0.01

Note: The SQS items were rated on a four-point scale, from 0 “Never” to 3 “Almost always.” The higher total score indicated participants had poorer sleep quality. *p < 0.01

Table I. Demographic profile of participants

Table II. The results of t-test between two groups
and material elements inside the room), frequency of travel, length of travel, age, gender, and marital status. The assumptions of multiple regression analysis were checked, and there was no concern of normal distribution, multicollinearity, and homoscedasticity (i.e. Kolmogorov-Smirnov test was not significant; Levene’s test was not significant; a correlations matrix of all predictors was < 0.70; VIFs ranged from 1 to 8; and Durbin-Watson statistic = 1.78) (Field, 2009). The results of the regression in the group of upscale or higher level hotels (4+ stars) indicated the two predictors explained 18 percent of the variance ($R^2 = 0.18, F(13, 108) = 1.78, p = 0.05$). Age ($\beta = -0.32, p < 0.01$) and frequency of travel ($\beta = 0.26, p < 0.05$) significantly predicted business travelers’ overall satisfaction of sleep quality in upscale or higher level hotels. The results of the regression in the group of mid-scale hotels (2.5-3.5 stars) indicated three predictors explained 15 percent of the variance ($R^2 = 0.15, F(13, 141) = 1.87, p < 0.05$). Three predictors, sensory

Figure 1.
The percentage of participants who answered “bothersome” or “extremely bothersome” by disturbing attributes while staying in a hotel

Note: $n=277$

Figure 2.
The percentage of participants who selected sleeping aids to overcome sleep disruption while staying in a hotel

Note: $n=277$
elements inside hotel rooms ($\beta = 0.57, p < 0.05$), the SQS ($\beta = -0.31, p < 0.01$), and marital status—single vs others ($\beta = -0.19, p < 0.01$), were significantly predicted business travelers’ overall satisfaction of sleep quality in mid-scale hotels. Tables III and IV show detailed information of the multiple regression analyses.

**Discussion and implications**

**Discussion**

The results show that business travelers’ overall satisfaction of sleep quality was significantly between those stayed mid-scale and upscale/higher level hotels. However, the

<table>
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**Notes:** $n = 122$. Marital status was represented as six dummy variables with 0 single serving as the reference group. *$p < 0.05$; **$p < 0.01$.

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<tr>
<td>Divorced</td>
<td>-0.16</td>
<td>0.64</td>
<td>-0.02</td>
<td></td>
</tr>
<tr>
<td>Separated</td>
<td>0.36</td>
<td>0.88</td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td>Living with partner</td>
<td>-0.34</td>
<td>0.39</td>
<td>-0.07</td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.01</td>
<td>0.08**</td>
<td>0.11**</td>
<td>0.15*</td>
</tr>
</tbody>
</table>

**Notes:** $n = 155$. Marital status was represented as six dummy variables with 0 single serving as the reference group. *$p < 0.05$; **$p < 0.01$.

“How’d you sleep?”

Table III.

Summary of hierarchical regression analysis for variables predicting overall satisfaction of sleep quality in upscale or higher level hotels

Table IV.

Summary of hierarchical regression analysis for variables predicting overall satisfaction of sleep quality in mid-scale hotels
SQS was not significant. It is possible that business travelers may not perceive sleep quality differently in terms of hotel levels; yet they may have different expectations toward mid-scale and upscale hotels, which, in turn, influences overall satisfaction of sleep quality. In other words, since mid-scale hotels have limited amenities and services, travelers may expect that providing a good sleep environment and a well-maintained room is the bottom line of guest satisfaction (Rhee and Yang, 2015b; Xiang et al., 2015). Thus, business travelers’ satisfaction can be linked to their overall evaluation of essential functions (i.e. a good sleep environment) provided by hotels (Gundersen et al., 1996).

Based upon the results from the multiple regression analysis, social demographic information significantly contributed to the predictability of customers’ overall sleep quality satisfaction in hotels. Specifically, regarding the relation of demographic characteristics and sleep quality at hotels, the overall sleep quality satisfaction of those who stayed in upscale or higher level hotels (4+ stars) was more likely determined by their age and frequency of travel. Previous studies in sleep disruption research have widely investigated the relationships between age and sleep quality (Vitiello et al., 2004). Thus, it is expected that age negatively influences business travelers’ sleep quality. Furthermore, business travelers reported that as they travel more frequently, they experience better sleep quality at upscale hotels. Perhaps frequent business travelers have developed their own strategies to overcome travel discomfort, or they mostly stay in the same hotel chain during their business trips. In this case, they may be less sensitive to environmental stimuli that cause sleep disruption (Rubin, 2016). Interestingly, there was a relationship between the marital status of business travelers who stayed in mid-scale hotels (2.5-3.5 stars) and their sleep quality. Comparatively, business travelers who were single had a lower satisfaction of sleep quality at hotels. A possible explanation is these business travelers were younger and had less autonomy regarding job assignments. Thus, they may feel stressed during the business trips, thereby affecting their sleep quality (Chen, 2017; DeFrank et al., 2000).

Regarding hotel attributes that are related to business travelers’ sleep quality in hotels, over 25 percent of business travelers reported that “noise in the hallway,” “noise from another room,” “sound of the A/C or heater unit,” “pillows are uncomfortable,” and “mattress are uncomfortable” were major attributes disturbing their sleep quality. These results indicate that business travelers are affected by noise both outside and inside the guestroom, as well as material elements in the room. This finding is slightly different from Pallesen’s et al. (2016) study that indicated pillow quality, room temperature, mattress quality, and bedding quality were the main sources of sleep disruption for travelers. However, the current study’s finding is in line with the notion that there is a strong relationship between noise and sleep quality in hotels (Stringam and Gerdes, 2010; Rhee and Yang, 2015b). Environmental noise can be a substantial stimulus that causes poor sleep (Muzet, 2007). Therefore, the results of this study could provide implications to sleep research and further investigate how travelers’ noise sensitivity and potential effects of environmental noise influence their sleep quality at hotels.

Practical implications
Business travelers may suffer from travel-related or work-related stress on the road, which may cause sleep disruption at hotels (Chen, 2017). Thus, this study suggests the necessity of providing a good sleeping environment that could decrease business travelers’ stress and improve their sleep quality while staying at hotels. Based on our findings, it is critical that hotels provide a quiet environment for business travelers to improve their sleep quality. Although noise caused by other guests may be hard to control, noise in the hallway can be caused by a housekeeping team when they are working, such as the sound of vacuuming, knocking on the door, and staff chatting. These are common complaints of hotel guests with
respect to hotel noise (Gumaste and Shahane, 2014; Valtonen and Veijola, 2011). Hotel management could address this issue with the housekeeping team regarding service arrangement and schedule. Particularly, in the situation of hotels, expect for early arrivals and late departures, the housekeeping team has to start early in the morning to finish the work before new guests’ arrivals. Therefore, hotels should consider implementing noise-minimizing practices to decrease sound in the hallway, for example, using a sound-minimizing vacuum machine, instructing housekeepers to keep their voice down in the morning, or using a flooring system designed to decrease sound (Baskas, 2008). Valtonen and Veijola (2011) argued that hotels focus on visual design, such as décor and lighting, to enhance sensory experience at hotels, but do not address soundproofing methods. Therefore, hotels should consider installing a soundproofing system to reduce unwanted noise for hotel guests. Furthermore, some hotels implement a “quiet zone” policy, which mandates limited housekeeping and engineering work in the hotel from 9 pm to 10 am (Churchill, 2016). Thus, hotel management should contemplate how to provide a quiet zone in the hotel and offer travelers a good sleep environment. Moreover, since this study shows that business travelers utilized at least one sleeping aids to help them overcome sleep disruption, hotels may consider providing complimentary ear plugs or eye masks in rooms to prevent noise and light that interfere with sleep quality.

The results of the SQS show that there was no significant difference between business travelers who stayed in upscale and higher level hotels (4+ stars) and those who stayed in mid-scale hotels (2.5-3.5 stars). However, regarding those who stayed in mid-scale hotels, the SQS influenced business travelers’ overall satisfaction of sleep quality in hotels. In addition, sensory elements inside the hotel room (smell of the room, room too light or too dark, sound of air conditioner, and temperature control in the room) significantly influenced business travelers’ overall satisfaction with sleep quality in mid-scale hotels, but not upscale or higher level hotels. It is possible that upscale or higher level hotels implement soundproof material, lighting control, and temperature control systems within the room, which, in turn, contribute to a comfortable sleep environment (Gumaste and Shahane, 2014). Kim and Perdue (2013) indicated that hotels should address sensory attributes to enhance the experimental value, which in turn, differentiates the hotels from the market. As such, this study provides implications to hotel designs and suggests that hotels can address essential room quality and experience by providing a good sleep environment for travelers.

**Theoretical implications**

Previous research in examining travelers’ perceptions of hotel attributes focused on how hotel attributes may determine travelers’ accommodation choices and satisfaction. Although sleep quality at a hotel has been considered an important factor that influences travelers’ satisfaction toward the hotel (Lockyer and Roberts, 2009; Rhee and Yang, 2015a), few studies have scrutinized travelers’ sleep quality and its relation to overall satisfaction at hotels. Furthermore, sleep studies focused on how in-room materials, such as the quality of mattress, pillow offerings, and the quality of bedding, influence hotel guests’ sleep experience (Enck et al., 1999; Gumaste and Shahane, 2014). However, the findings from this study indicate that material elements did not influence business travelers’ overall satisfaction of sleep experience at hotels. As such, the current study could influence a new way of thinking regarding potential factors that influence travelers’ sleep quality, satisfaction of sleep experience at hotels, and sleep quality’s relation to hotel attributes.

Yi et al. (2006) stated that the mean score of sleep quality scale (SQS) for normal individuals who did not have sleep deprivation was 15.8, and for those who had insomniac symptom, sleep deprivation was 31.1. Another study by Yi et al. (2009) showed the mean SQS score of sleep quality in daily life for normal individuals was 9.7 while the mean score of...
participants with obstructive sleep apnea syndrome was 27.3. These studies were both administered with a control group and a non-control group and were performed in the sleep study medical context. The mean SQS score for participants in the current study was 30.23. While this score should not be used to diagnose a sleep disorder, the high SQS score implies business travelers may have sleep disruption issues (Cohen and Gössling, 2015). Researchers can extend the finding from the current study and further investigate the comparisons of business travelers’ sleep quality at home and at hotels. In this way, additional evidence could be provided to determine business travelers’ sleep disruption issues while staying at hotels. Moreover, future research should attempt to conduct an objective sleep assessment of sleep during hotel visits to more adequately assess the impact of a hotel’s environment on sleep quality.

**Conclusion**

Sleeping is a fundamental human need and helps travelers recover from their journey. Having a good night’s sleep in a hotel is also an important part of travelers’ experience, which is substantially associated with travelers’ satisfaction of hotel products and service (Xiang et al., 2015). Hotels provide accommodation and service to aid travelers while staying away from home. Particularly, a comfortable sleeping arrangement is essential for business travelers in order to ease their exhaustion from work. This study aimed to understand how business travelers evaluate their sleep quality and what factors may influence their sleep in hotels. Additionally, this study contributes to the scarce research in travelers’ sleep experience in hotels and provides insight for hotels to assist travelers in getting a better night’s sleep. This study took an initial attempt at exploring business travelers’ sleep quality and satisfaction in hotels. Researchers can continue to investigate the ways to provide business travelers’ with a better night’s sleep in hotels.

**Limitations and future research**

There are several limitations in this study. First, although the participants were asked to evaluate their sleep quality and satisfaction while staying in hotels, the individuals’ physical and psychological conditions may affect their sleep experience during business trips. More specifically, people typically compare their sleep experience at home with staying in hotels (Pallesen et al., 2016; Rubin, 2016). Thus, future research could include individuals’ physical assessments, such as measuring business travelers’ sleeping pattern and quality, by using wearable technology devices (e.g. Fitbit activity trackers). First, data from an activity tracker may provide more accurate and quantifiable information regarding travelers’ sleep quality in hotels. Second, sleep quality may be related to travel stress and pattern, such as jet lag (Cohen and Gössling, 2015). In addition, travel patterns (e.g. time and distance of travel) that might potentially influence sleep quality could be investigated together. In future studies, researchers could include travelers’ stress level and travel patterns (e.g. international or domestic travel) to determine the factors that influence business travelers’ sleep quality in hotels. Third, the participants’ job levels were not included in this study. It is possible that job levels (e.g. manager vs executive) may influence business travelers’ hotel selections and their sleep experience in hotels. All of these factors may potentially improve the goodness of fit of the model proposed by the authors. Fourth, although the SQS has been validated against polysomnography and the standard for evaluating sleep, it is a recall questionnaire as is susceptible to both recall and social desirability bias. Future research should replicate this study using both sleep diaries and accelerometers in a prospective fashion. Finally, this study only investigated business travelers’ overall satisfaction of sleep quality. Future studies could incorporate and compare the differences of sleep quality between business and leisure travelers.
References


Appendix
The survey question is as follows: based on your most recent business travel experience within the last month staying in hotels, please select the most appropriate response (from 0 “Never” to 3 “Almost always”) for each of the following statements regarding sleep quality in hotels.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sleep quality</td>
<td>Difficulty in thinking due to poor sleep</td>
</tr>
<tr>
<td>(Daytime dysfunction)</td>
<td>Difficulty in concentrating due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Increase of mistakes due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Irritated feeling due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Decrease of interest in work or others due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Getting tired easily at work due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Sleepiness that interferes with daily life</td>
</tr>
<tr>
<td></td>
<td>Painful life due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Decrease of desire due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Increase of forgetfulness due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Headache due to poor sleep</td>
</tr>
<tr>
<td></td>
<td>Decrease of appetite due to poor sleep</td>
</tr>
<tr>
<td>Sleep quality (restoration after sleep)</td>
<td>Relief of fatigue after sleep (reversed score)</td>
</tr>
<tr>
<td></td>
<td>Regaining vigor after sleep (reversed score)</td>
</tr>
<tr>
<td></td>
<td>Clear-headed feeling after sleep (reversed score)</td>
</tr>
<tr>
<td></td>
<td>Refreshed feeling of body after sleep (reversed score)</td>
</tr>
<tr>
<td>Sleep quality (difficulty in falling asleep)</td>
<td>Difficulty in getting back to sleep after awakening</td>
</tr>
<tr>
<td></td>
<td>Never falling asleep after awakening</td>
</tr>
<tr>
<td></td>
<td>Difficulty in falling asleep</td>
</tr>
<tr>
<td></td>
<td>Tossing and turning sleeplessly</td>
</tr>
<tr>
<td>Sleep quality (difficulty in getting up)</td>
<td>Wish for more sleep after getting up</td>
</tr>
<tr>
<td></td>
<td>Difficulty in getting up after sleep</td>
</tr>
<tr>
<td></td>
<td>Feeling unlikely to sleep after sleep</td>
</tr>
<tr>
<td>Sleep quality (satisfaction)</td>
<td>Deep sleep (reversed score)</td>
</tr>
<tr>
<td>Sleep quality (difficulty in maintaining a sleep)</td>
<td>Enough sleep time (reversed score)</td>
</tr>
<tr>
<td></td>
<td>Waking up easily due to noise</td>
</tr>
<tr>
<td></td>
<td>Waking up during sleep</td>
</tr>
</tbody>
</table>

Source: Adapted and modified from Yi et al. (2006)

Table AI. Sleep quality scale (SQS)

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The impact of manager training on employee turnover intentions

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Abstract
Purpose – There are decades of research analyzing turnover in the hospitality industry and yet it remains nearly double other industries. Whereas previous studies have analyzed training and its impact on turnover, the purpose of this paper is to look at the direct relationship between training at the management level and how this impacts their direct employees’ turnover intentions.

Design/methodology/approach – This study utilized annual evaluation data from two luxury resorts in the southeast USA. Exploratory factor analysis was conducted which resulted in four factors: management style, manager/employee relations, manager training and employee turnover intentions. Multiple regression was utilized to assess these relationships between factors.

Findings – The analyses show that an employee’s perception of his or her manager was inversely related to turnover intentions. Additionally, it was found that management training and management style had a significant inverse relationship with employee turnover intentions. Finally, this study found that as manager training increases, employee turnover intentions decrease. This research indicates that if hotels invest in management training then there will be a reduction in employee turnover intention.

Research limitations/implications – The sample consisted of only two luxury full service hotels in the southeastern USA. Both luxury hotels recruited a significant amount of employees from local universities; therefore, the workforce was more educated than other hotels. This study should be replicated across hotel types and throughout various locations.

Practical implications – This research has relevant implications for practitioners. General managers should analyze their training requirements and fiscal appropriations. This research finds that if hotels invest in management training then there will be a reduction in employee turnover. If managers had more training, this study indicates that employees would view their managers more favorably, feel closer to their managers and have less of a desire to leave the organization.

Originality/value – Extant research has shown that employee training programs impact employee turnover and that manager training programs impact manager turnover. This study extends that research by showing that these segments are not autonomous; manager training has a significant direct effect on employee turnover intention. This has not been studied in turnover intention literature suggests that this could be the missing variable in the body of turnover research.

Keywords Hotel, Turnover intentions, Management style, Manager training

Paper type Research paper

Introduction
There are a variety of reasons why an employee would consider quitting his or her job within the hospitality industry. These have been identified and researched significantly in the past 60 years (Brown et al., 2015; Huselid, 1995; Kang et al., 2015; Mobley, 1982; Poulston, 2008; Smith and Watkins, 1978). Yet, organizations are continually trying to identify areas for improvement regarding turnover as turnover costs can be extremely expensive. In fact, they are sometimes considered the highest cost an organization has to endure (Tracey and Hinkin, 2008; Woods, 2002).
High turnover continues to plague the hospitality industry. “Unfortunately, all we know so far has not lead to curing the turnover problem in the lodging industry […] reports continue to indicate that the lodging industry is still in the dark about many issues relating to turnover” (Woods, 2002, p. 398). Although this quote is over a decade old, it is still a valid statement when analyzing current turnover rates. According to the BLS (2012, 2015), the overall annual turnover rate for all industries in the USA from 2001 to 2006 was 39.6 percent, with the 2015 average being 25 percent. The leisure and hospitality industry turnover rate was 74.6 percent from 2001 to 2006 and 51.2 percent in 2015. In the most recent report by the BLS (2015) the hospitality industry has the highest turnover rate, with the next closest being the arts, entertainment and recreation industry at only 37 percent. Over the past 14 years the leisure and hospitality industry turnover rates have been close to twice as high as the industry average. Despite continuous research, the turnover problem has not been addressed sufficiently by management and the hospitality industry continues to have the highest turnover rates of any industry (BLS, 2015).

Previous hospitality turnover research has demonstrated a strong connection between employee training and turnover (Babakus et al., 2017; Guthrie, 2001; Karatepe and Vatankhah, 2014; Newman et al., 2011; Poulston, 2008). It has been found that with the increase of perceived availability, support and benefits of training that there was a similar increase in affective commitment and lower turnover rates (Newman et al., 2011). Also, there was a positive relationship between high involvement work practices including training, and employee retention rates in the organization (Guthrie 2001). The prevalence of high staff turnover and poor training in these and additional studies suggests persistent training inadequacies. However, the cited extant research involving training and turnover has examined the effects of employee training directly on employee turnover or manager training directly on manager turnover. No known research to date has explored the impact of manager training directly on employee turnover intention with the exception of one qualitative case study completed by Choi and Dickson (2010). The crossover effect of manager training and its impact on employee turnover has not been examined empirically or quantitatively and is an evident gap in the literature.

Choi and Dickson (2010) examined management training in hotels and its effect on employee turnover rates. In this study, they implemented a four-part management training program and then analyzed turnover data. This qualitative research concluded that enhanced management training programs increased employee satisfaction levels and consequently reduced employee turnover rates during the time period examined. This helped establish the need for future studies and the importance of management training and its effect on employee turnover intentions.

The overall purpose of the current study is to empirically test the ideas from Choi and Dickson’s (2010) qualitative research and to determine whether there is a relationship between management training and employee turnover intentions in lodging properties. This is important as this knowledge can inform and influence management’s willingness to participate in training and the owner’s willingness to support and pay for management training programs. This research uses empirical hotel employee data and examines management training, employees’ perceptions of management and the impact of those factors on employee turnover intentions. The following research areas will be explored:

1. the relationship between manager training and an employee’s perception of his manager;
2. the relationship between manager training and employee turnover intentions; and
3. the relationship between an employee’s perception of his manager and employee turnover intentions.
Ultimately this research empirically examines the crossover effect of manager training and its effect on employee turnover. The results will fill this gap in the turnover literature and potentially provide new key variables that could help inform the industry about ways to decrease turnover intentions. This question is important to explore for an industry with the highest rate of turnover in the USA consistently.

**Literature review**

*Management influence as a factor influencing employee turnover*

An employee’s immediate supervisor and/or manager has a direct impact on their overall work environment. Existing studies have shown the importance of managers on an employee’s workplace environment through employee relationships with their managers, management quality, management style and priorities and manager’s concern for their employees. These workplace environmental factors have been found to influence employee turnover rates and turnover intentions (Alexandrov et al., 2007; Batt and Valcour, 2003; Brown et al., 2015; Choi and Dickson, 2010; Kang et al., 2015). What makes up this workplace environment and contributes to turnover intention and then ultimately to turnover? There is a significant body of research on the factors that influence employee turnover with most examining the precursor variables of perceived organizational support (POS), organizational commitment, job satisfaction and turnover intention (Alexandrov et al., 2007; Guchait et al., 2015).

A manager can significantly influence an employee’s POS (Kang et al., 2015). POS is defined as the degree to which employees believe that their organization values their contributions and cares about their well-being (Rhoades and Eisenberger, 2002). POS can be influenced by participation in decision making, growth opportunities, flexible scheduling, access to training and the perception of human resource practices (Allen et al., 2003). These are all areas that a manager can impact POS whether that is directly or indirectly (Rhoades and Eisenberger, 2002). A recent meta-analysis of POS cited that POS is positively related to an employee’s intention to stay with an organization (Kurtessis et al., 2017). The supervisors and those in leadership roles have been found to have a greater source of influence on an employee’s POS and are more closely related to POS than supportive behavior of co-workers (Kurtessis et al., 2017). Therefore, management has a greater influence on POS, which influences turnover intention.

Organizational commitment is defined as the employee’s psychological attachment to the organization (O’Reilly and Chatman, 1986). Although there have been many variables found to influence organization commitment, this research focused specifically on ones influenced by management. Specific factors researched relating to an employee’s organization commitment include on the job relationships, referrals and management characteristics (Alexandrov et al., 2007). The most significant of these was found to be on the job relationships, particularly with management (Alexandrov et al., 2007; Cho et al., 2006). As part of their job duties, managers are responsible for modeling, communicating and reinforcing behaviors. It has been found that employees experience stress when managers miscommunicate or create uncertainty about their roles (Udo et al., 1997). Managers need to be able to communicate honestly, effectively and clearly (Fulford, 2005; Helps, 2005). Developing trust with the manager and trusting that management is concerned with the employee’s individual situation can create a bond that leads to organizational commitment. If managers establish this supportive environment, an employee is more likely to have a higher degree of organizational commitment that can lead to decreased turnover intentions.

Finally, an employee’s job satisfaction is often related directly to management behavior. A supervisor’s behavior has a direct impact on employee job satisfaction, specifically concerning people-oriented behaviors and not the task behaviors (Mathieu et al., 2016). Factors such as management style, behavior, concern and caring for the
employee and supporting a work/family balance have all been found to have a significant impact on job satisfaction (Alexandrov et al., 2007; Choi and Dickson, 2010; Jung and Yoon, 2015; Lee et al., 2015; Wong and Li, 2015). Specific to the current study, job satisfaction in the hotel industry has been found to have a strong relationship to employee turnover (Kim et al., 2009). Much of the industry literature has found that job satisfaction does have a significant direct predictive effect on turnover intentions (Mathieu et al., 2016; Williams and Hazer, 1986). Different than several previous studies, Griffeth et al. (2000) meta-analysis found that turnover was actually predicted better by levels of organizational commitment rather than by job satisfaction. Therefore, it is believed that job satisfaction could be considered more important because of its relationship to management skills than in its influence on turnover intentions.

POS, organizational commitment and to some extent job satisfaction have all been influential on employee turnover intentions. In varying degrees these constructs include the role of management. These constructs have been found to influence employee turnover intentions and the managers’ role in these constructs looms large.

**Employee perceptions of management**

Employee perceptions of management are just that – subjective opinions. These are not necessarily things based on facts but are rather personal perspectives an individual has based on their own view of a particular situation (Tornow and Wiley, 1991). When talking about an organization, the employees are key and so what they perceive about the organization, and its management, becomes vital. Perception can be a major factor and is influenced by leadership styles, communication, organizational roles and all of the variables discussed (Tornow and Wiley, 1991). Although this specific phenomenon in organizational settings does not have a set definition, the concept of perception as a method by which individuals form and understand their surroundings and interactions in order to understand their environment (Robbins et al., 2012) can be applied directly in this situation. The best way to measure opinions is through self-report survey methodology.

There is mounting agreement that positive human resource management (HRM) practices affect employee attitudes and work-related behavior (Allen et al., 2003; Gould-Williams, 2007; Rees and Johari, 2010). Employee conduct is not only influenced by these practices but also by the perceptions of these practices (Chang et al., 2009). Management influence plays a key part in shaping an employee's conduct and attitude, which then assists in forming employees’ perceptions. Previous research indicates that HRM practices and manager influence directly positively influence employees' attitudes and contribute to improved firm performance (Huselid, 1995; Youndt et al., 1996). Macey and Schneider (2008) investigated that employees' perceptions influence attitudes and behavior in a positive way. Bowen and Ostroff (2004) recognized the role employee perceptions play in translating HRM practices into anticipated outcomes. These studies present a unified agreement that HRM practices and management influence can alter attitudes and perceptions which can transform employees into partners.

**Management training**

Training is fundamental to increasing skills in the workplace and as a source of competitive advantage. Training costs are often justified by examining the influence training has on improving individual and organizational performance (Bartel, 2000). The usefulness of training to an organization includes: increased productivity, improved quality of work, improved skills, decreased turnover, decreased lateness and absenteeism, decreased overhead costs, and increased skills, technologies, methods, products and capital management (Oguntimehin, 2005). To maximize these benefits, ideally training should be customized to fit the target audience, whether that is line-level employees or management.
Effective employee training can improve employees’ commitment to the organization (Beer et al., 1990). Successful implementation involves not only the training and development of employees, but also the foundation of a learning environment conducive to future learning. Extensive training can enable employees to get clarity on how to achieve organizational goals, clarify expectations and help employees overcome knowledge assimilation barriers which leads to increasing commitment to the organization (Montes et al., 2003). The hotel industry recognizes the value of employee training and many corporate-owned properties consider ongoing training to be their secret to success (Kline and Harris, 2008; Tracey and Tews, 1995).

Training is not just for the front line employees of an organization. Training for managers is an equally, if not more important, part of the organizational system. Management has been empirically shown to play vital roles in organizational commitment, job satisfaction and turnover intent (Alexandrov et al., 2007; Batt and Valcour, 2003; Cho et al., 2006; Choi and Dickson, 2010; Fulford, 2005; Gale, 2002; Helps, 2005; Woods, 2002). Furthermore, managerial actions have been shown to be a very influential factor in shaping employee behavior (Boshoff and Allen, 2000; Bramson, 1991). This can be expected since manager’s shape the employee’s working environment (Boshoff and Allen, 2000). Effective management training has many desired outcomes, one of which is management quality. Training is considered one of the most important strategies to help managers gain the proper knowledge and skills needed to meet potential challenges.

One critical determinant of the effectiveness of training is the level of training motivation (Mathieu and Martineau, 1993; Tannenbaum and Yukl, 1992). Not only does it take motivation to attend the training, it also takes motivation to transfer knowledge from the training into the workplace. Several researchers have shown a significant relationship between training motivation and training effectiveness (Facteau et al., 1995; Noe and Wilk, 1993; Quiñones, 1995). Previous research has examined a variety of subtopics relevant to management training, to include assessments of various approaches (Burke and Day, 1986), specific techniques for training and development (Kaplan et al., 1987), how to practice quality management training more effectively (Clegee et al., 2010), and critical success factors of quality management concerning people, implementation and leadership skills (Dahlgaard and Mi Dahlgaard-Park, 2006).

A manager’s motivation and capacity to learn teamed with effective training has been linked to higher performance levels (Facteau et al., 1995; Quiñones, 1995; Tabassi et al., 2011). According to Clegee et al. (2010), quality management training is not practiced widely or successfully in the service sector, and unlike the manufacturing sector, training is often ineffective. This explains the minimal research specific to management training in the service sector. Their study addresses points to be looked into if quality management training is to be maximized. These points include accurate measurement and selection of projects, comparison and declaration of delivered benefits and the cost of resources to achieve those benefits.

In 1988, Saari et al. gave cross-industry management training in the USA an in-depth look for the first time. This study found that less than one-third of US companies had conducted needs assessment testing to determine the training needs of their managers. Brotherton (2011) suggested that 58 percent of managers say they never received formal management training. In addition, 26 percent of managers felt that they were unprepared to transition into their management role (Brotherton, 2011). Commonly cited problems included handling employee conflicts, motivating teams, performance reviews, finding resources for staff and creating career paths. The majority of the literature reviewed pertaining to management training has revealed that managers are not receiving proper training to perform their jobs. Since the connection has been made between management and its impact on employees and the quality of the workplace environment, organizations should focus more on training their managers.
Management influence on employee turnover

Turnover can be defined as a psychological decision process conducted in a series of steps: evaluation of job, experienced job dissatisfaction, thinking of quitting, evaluation of expected utility of search and cost of quitting, intention to search for alternatives, search for alternatives, evaluation of alternatives, comparison of alternatives vs present job, intention to quit/stay and quit/stay (Mobley, 1982). When employees think management sincerely cares for their well-being, they experience advanced levels of job fulfillment and display more dedication to the organization (Rhoades and Eisenberger, 2002; Schneider et al., 1998). This leads to positive impacts concerning employee behaviors to include reduced turnover intentions (Babakus et al., 2003).

In the past, researchers have tried to pinpoint specific influences on an employee’s intent to leave. In the context of the hospitality industry, most turnover research has focused on the hotel and restaurant industries (Kim, 2014). Some of these findings include: availability of alternative job opportunities, quality of co-workers, overall working conditions, involvement in the organization, salary, job complexity, job performance, emotional exhaustion, burnout, tenure at the organization, generational cohort desires, work/family conflicts, the employee’s attitude about the job before starting and the extent to which an applicant desires the position (Alexandrov et al., 2007; Allen et al., 2003; Babakus et al., 2008; Barrick and Zimmerman, 2005; Batt and Valcour, 2003; Brown et al., 2015; Choi and Dickson, 2010; Cropanzano et al., 2003; Iverson and Deery, 1997; Sturman and Trevor, 2001).

Previous research has identified 15 causes of turnover in the hospitality industry, of which at least ten may be addressed by management (Woods, 2002). The number 1 cause listed for employee turnover was the employees’ perception of the quality of supervision (Woods, 2002). The influence of management can be seen, and has been cited, throughout most of the steps in the turnover process. Managers are in supervisory positions where their actions can influence the work environment and therefore would have the ability to influence and increase job satisfaction, organizational commitment and reduce the employee’s intent to leave. The influence of management and the overall turnover culture are significant to employee turnover intent (Gale, 2002). Management influence also includes the employee’s relationship with managers, management quality, management style and priorities and concern for employees and customers (Alexandrov et al., 2007; Batt and Valcour, 2003; Choi and Dickson, 2010).

Based on the literature review examining manager training and perceptions of management by employees, the following hypotheses are proposed:

H1. There is a significant positive relationship between manager training and an employee’s perception of his or her manager.

H2. There is a significant negative relationship between manager training and employee turnover intentions.

H3. There is a significant negative relationship between an employee’s perception of his or her manager and employee turnover intentions.

Methodology

Research design

The current study analyzes survey responses from line-level employees and their respective managers. This design structure makes this study unique as most previous turnover literature relies strictly on human resource department data, employee perception data or manager feedback alone (Choi and Dickson, 2010). The researchers contacted two luxury full service hotels in the southeastern USA to participate in the study. Both hotels utilized a common HRM company to complete their annual evaluations.
Both hotels agreed to share the results of their completed surveys. The survey was available to current employees who began working at least two months prior to the survey being administered. Therefore, new employees who were not fully acclimated to the workplace would not skew the survey results.

A self-report survey was distributed to both employees and managers on-site in available meeting space at each location. A temporary testing site was constructed with individual computers in separated enclosed cubicles. Each employee was given an identifier number to distinguish them as an employee or manager and to later link that employee with his or her respective department. Employees and managers were encouraged to stay on the clock for the survey and to take the survey at any point over a period of three days. The survey was available in multiple languages including English, Spanish and French. The same survey was utilized for both employees and managers with one exception, the managers did not have a section concerning supervisory behavior but rather had a section focused on training. All questions were measured on a seven-point Likert scale (from 1 = strongly agree to 7 = strongly disagree).

Survey instrument
The survey utilized was property of a third-party human resource company and data were shared with the hotels and the research team. The human resource company has used this survey over 150 times across three industries and has been frequently cited as a top human resource research company. Since this survey instrument was industry based and not created from foundational research, to help ensure research validity each section’s results were cross compared with previous literature in that area as detailed below.

Both employees and managers were asked the same series of questions to evaluate their overall perceptions of their job environment and job role within the organization. These sections were compared to previous studies to check for reliability and were found to have similar results (Alexandrov et al., 2007; Allen et al., 2003; Boshoff and Allen, 2000; Carvin, 2002; Cho et al., 2006; Grandey et al., 2005; Huselid, 1995; Iverson and Deery, 1997; Woods, 2002).

Next, the employee survey and manager survey had different questions for the next section that was displayed automatically based on their employer ID. This section of the employee survey asked employees to evaluate their supervisor and these questions are what the research team calls “Employee perception of manager.” These questions are only extracted from the employee surveys. This section included 15 questions that asked the employee to evaluate his supervisor based on their perception of their supervisor’s actions, behavior and knowledge. If an employee had more than one supervisor, the employee is told to evaluate the supervisor that he or she works with the most. Examples of these questions include, “My supervisor encourages employees to participate in important decisions,” “My supervisor tends to play favorites,” and “My supervisor is competent in their job responsibilities.”

On the manager’s survey this section was replaced with training questions, where the managers were asked to evaluate the training they have received. This section included 16 questions to evaluate the manager’s level of experience, position and the training he or she had received. This section is being used to examine the “Manager training” variable in this study and is only extracted from the manager surveys. Examples of these questions include, “Is this your first management position,” “The training I have received so far has prepared me to complete my specific job responsibilities,” and “Gave me a chance to have my questions answered.”

The last evaluation section was distributed to both employees and managers and included general overall satisfaction and turnover intention questions. Examples include, “It would not take much to make me leave this hotel” and “I will probably look for a new job in
the next year." To conclude, employees and managers were asked basic demographics to include gender, education, marital status, race and age.

To analyze these data, SPSS version 22 was utilized. First, exploratory factor analysis (EFA) was conducted. Factors were extracted using principal axis factoring. Only factors with eigenvalues greater than 1.0 and extraction loadings of 0.60 and above were retained (Costello and Osborne, 2005). Cronbach's \( \alpha \) values for the factors were calculated to measure scale reliability (0.70 and above). Finally, this research utilized multiple regressions to analyze any potential relationships. Since multiple regression analyses were completed on the same data set, multiple inference and the consequences of each type of error were considered.

Results

Sites and samples

Hotel A is a luxury full service hotel with over 200 guest rooms and approximately 700 employees and managers. Hotel B is a luxury full service hotel with approximately 150 guest rooms and 425 employees and managers. These numbers include all full-time and part-time employees, but exclude people hired within two months of the survey date, a total of 637 people from Hotel A and 389 people from Hotel B were invited to participate in the survey. A total of 572 surveys were completed from Hotel A (89.8 percent) and 304 surveys from Hotel B (78.1 percent).

Overall, 876 surveys of 1,026 possible were completed for a response rate of 85.4 percent. These response rates are unusually high for job satisfaction surveys and could be due to the area set up in the hotel and the organizational support to take the surveys.

Descriptive data for both hotels are displayed in Table 1. Of the respondents for Hotel A, 57.3 percent were females and 42.7 percent were males. The majority of the respondents' highest level of education completed was a bachelor's degree (58.9 percent) with the least number of respondents having a high school diploma/GED (6.1 percent). Most respondents classified themselves as married (64.9 percent), followed by single (25.3 percent). The respondents' average age in Hotel A was 36.7 years old. Of the respondents for Hotel B, 66.1 percent were females and 33.9 percent were males.

<table>
<thead>
<tr>
<th>Hotel Variables</th>
<th>A Frequencies</th>
<th>B Frequencies</th>
<th>A Percentages</th>
<th>B Percentages</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
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<tr>
<td>Male</td>
<td>244</td>
<td>103</td>
<td>42.7</td>
<td>33.9</td>
<td>347</td>
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<tr>
<td>Female</td>
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<td>201</td>
<td>57.3</td>
<td>66.1</td>
<td>529</td>
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<tr>
<td>Marital status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>371</td>
<td>188</td>
<td>64.9</td>
<td>61.8</td>
<td>559</td>
</tr>
<tr>
<td>Single</td>
<td>145</td>
<td>94</td>
<td>25.3</td>
<td>30.9</td>
<td>239</td>
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<tr>
<td>Separated</td>
<td>16</td>
<td>5</td>
<td>2.8</td>
<td>1.6</td>
<td>21</td>
</tr>
<tr>
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<td>15</td>
<td>7</td>
<td>5</td>
<td>55</td>
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<tr>
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<td>0</td>
<td>0.7</td>
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<tr>
<td>Education level</td>
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<td></td>
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<tr>
<td>Graduate degree</td>
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<td>14</td>
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<tr>
<td>Bachelor degree</td>
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<td>58.9</td>
<td>51</td>
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<tr>
<td>Associate degree</td>
<td>80</td>
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<td>14</td>
<td>37</td>
<td>162</td>
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<tr>
<td>Some college</td>
<td>40</td>
<td>9</td>
<td>7</td>
<td>3</td>
<td>49</td>
</tr>
<tr>
<td>High school/GED</td>
<td>35</td>
<td>19</td>
<td>6.1</td>
<td>6.2</td>
<td>54</td>
</tr>
<tr>
<td>Average age</td>
<td>36.7</td>
<td>45.3</td>
<td></td>
<td></td>
<td>41</td>
</tr>
</tbody>
</table>

Table I. Socio-demographic profile of the sample
The respondents’ highest level of education completed was bachelor degree (51 percent) with the least number of respondents having some college (3 percent). Most respondents classified themselves as married (61.8 percent), followed by single (30.9 percent). The respondents’ average age in Hotel B was 45.3 years old.

Of the management respondents for Hotel A, 49 percent stated that this was their first management position in any industry followed by 33 percent stating this was their first management position in a hotel but had held previous management positions in other industries. Of the management respondents for Hotel B, 56 percent stated that this was their first management position in any industry, followed by 34 percent stating this was their first management position in a hotel but had held previous management positions in other industries. Of the management respondents for Hotel A, 63 percent were promoted from another position within the organization compared to 71 percent from Hotel B.

A t-test was conducted to analyze the two hotel samples for statistically significant differences, and no significant differences between the hotel samples were found. The two hotels were both normally distributed with all means for Hotels A and B within two standard deviations from each other. This indicates that both hotels come from the same normal population.

Data analyses
Since the survey items were not taken directly from established research, EFA was completed in order to assess the survey items and determine how the items loaded into factors. For interpretation purposes, items with a factor loading of a least 0.40 were considered to load on that factor. When employees were asked to evaluate their manager, this was in their own opinion and is classified as “perception of manager.” This section loaded onto two distinct factors: management style and relationship with manager. Overall, the EFA found four factors that were deemed significant based on their eigenvalues and extraction loadings: employee turnover intention, manager training, management style and relationship with manager.

To further examine the construct validity of the items, a varimax rotate principal components EFA was conducted (Table II). The results of the Bartlett’s test of sphericity ($p < 0.001$) and the Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy (0.897) indicated that factor analysis on these items was appropriate. The four components together explained 70.64 percent of the variance. Cronbach’s $\alpha$ for the factors ranged from 0.853 to 0.898 which indicates acceptable internal consistency of the measures.

Regression analyses
Multiple regression analysis was used to examine the predictive relationships between the independent and dependent variables for each hypothesis (Field, 2005). Multiple regression determines a variable’s predictive power, contribution level and any potential relationship that may exist. Normality, linearity and homoscedasticity assumptions were upheld.

$H1$ states that there is a significant positive relationship between manager training and employee perceptions of his manager. Two multiple regression analyses were conducted to examine the relationship between manager training and employee perceptions (management style and relationship with manager). The results show that manager training only impacts management style ($\beta = 0.521, \ t = 18.031, \ p < 0.0001$). This relationship is positive; as manager training increases, an employee’s perception of management style increases. Manager training accounted for 27 percent of the variance in an employee’s perception of management style ($R^2 = 0.271, \ adj \ R^2 = 0.270, F_{(2,874)} = 325.128, \ p < 0.0001$). However, manager training was not found to significantly influence an employee’s relationship with the manager ($\beta = 0.032, \ t = 0.949, \ p = 0.343$).
**H2** states that there is a significant negative relationship between manager training and employee turnover intentions. A multiple regression analysis was conducted to examine the relationship between manager training and employee turnover intention. The results show that manager training significantly influences employee turnover intentions ($\beta = -0.602$, $t = -22.279$, $p < 0.0001$). Manager training accounts for 36 percent of the variance in employee turnover intentions ($R^2 = 0.362$, adj $R^2 = 0.361$, $F_{(2,874)} = 496.375$, $p < 0.0001$). This was found to be a negative relationship; as manager training increases, employee turnover intentions decreases (see Figure 1).

![Conceptual model](image.png)

**Figure 1.**
Conceptual model

**Note:** ***$p < 0.01$**
H3 states that there is a significant negative relationship between an employee’s perceptions of his manager and employee turnover intentions. A simultaneous multiple regression analysis was conducted to examine the relationship between employee perceptions of management (management style and relationship with manager) with employee’s turnover intentions. Management style ($\beta = -0.421$, $t = -13.77$, $p < 0.0001$) and relationship with manager ($\beta = -0.067$, $t = -2.176$, $p = 0.03$), accounted for 18 percent of the variance in employee turnover intentions ($R^2 = 0.182$, adj $R^2 = 0.180$, $F(2,873) = 97.345$, $p < 0.0001$). This significant relationship demonstrates that an employee’s perception of his or her manager style and their perceived relationship with their manager is negatively related to his or her turnover intentions.

As the employee’s perception of his manager increases, subsequent turnover intentions decrease. These results indicate that $H1$ is partially supported – there is a significant positive relationship between manager training and an employee’s perception of his or her manager. It is important to note that manager training did not significantly impact the employees’ relationship with the manager, it only influenced the management style. These results support $H2$ – there is a significant negative relationship between manager training and employee turnover intentions. $H3$ was also supported by this research; there is a significant negative relationship between the employee’s perception of the manager and turnover intentions.

The results show that manager training significantly influences management style and employee turnover intentions. To the extent that each of these scales is measuring a common underlying construct, these factors indicate convergent validity (Turner and Valentine, 2001). In addition, the negative relationship between employee turnover intentions and the relationships found between management style and manager/employee relationship and employee turnover intentions establish construct validity (Turner and Valentine, 2001). It is apparent that management training would act to increase management style and reduce employee turnover.

Additionally, validity requires that the measure also discriminate among dissimilar constructs. This is provided by the lack of a significant relationship with constructs that should not be related. According to this premise that a one-on-one relationship between two people should not be impacted by professional training, these two factors are independent. The lack of a significant relationship between them is evidence of discriminant validity (Turner and Valentine, 2001).

Discussion and conclusions
For the past six decades, research into employee turnover has focused on factors such as job satisfaction, organizational commitment and turnover intent (Allen et al., 2003; Brown et al., 2015; Huselid, 1995; Mobley, 1982; Poulston, 2008; Smith and Watkins, 1978). Despite this depth and breadth of research, turnover in the hospitality industry continues to rise and remains nearly double the national average of other industries. This study examined the effect of manager training on employees’ perception of management and how this impacts employee turnover intentions. First, the results showed that the overall training the manager received had a significant positive relationship with an employee’s perception of his or her manager. This means that as overall management training increased, the employee’s perception of his or her manager also increased. The results suggest that the employee sees the manager as being more knowledgeable and committed to the organization as a result of the manager’s training. Managers have a substantial influence on the work environment and on employees’ behavior. If manager training increases an employee’s perception of the manager, could positively impact the employees’ work experience. This supports previous studies, in which these positive relationships were realized (Alexandrov et al., 2007; Schneider and White, 2004; Schneider et al., 1998).
Moreover, this study examined the direct relationship between overall manager training and employee turnover intentions. This study empirically supported Choi and Dickson’s (2010) qualitative research and found a statistically significant relationship between manager training and lower turnover intentions. With the exception of the aforementioned study, there is a lack of previous research analyzing these two topics directly, so this study is adding to the body of knowledge with respect to these constructs.

Lastly, this research also studied the relationship between the employee’s perception of his or her manager and employee turnover intentions. This study found a statistically significant relationship between the employee’s perception of their manager increased, turnover intentions decreased. Previous literature has shown that an employee’s relationship with his or her manager has positively influenced job satisfaction and positive job satisfaction decreases turnover intentions (Macey and Schneider, 2008). These findings support the concept that the training of managers reduces employee intention to leave the organization.

Practical implications
This research has relevant implications for practitioners and academics. First, general managers should analyze their training requirements and fiscal appropriations. This research indicates that if hotels invest in management training then there will be a reduction in employee turnover. Since the very nature of the hospitality industry is heavily reliant on front line employees and shift managers, this is a critical success tool for both more proficient managers and less turnover in employees. Next, human resources should reexamine who is required to receive training and subsequent training procedures. Previous studies have shown that 75 percent of managers are not appropriately trained and that the number 1 area managers felt unequipped was managing people. Other studies have stated continuously that labor and turnover costs are considered the highest cost an organization has to endure (Tracey and Hinkin, 2008). If managers had more training, this study would indicate that employees would view their managers more favorably, feel closer to their managers, and have less of a desire to leave the organization. It is not enough to properly train managers; this training must also be communicated to the employees. With proper communication, an employee’s perception of the manager in terms of training, competence and skills increases. If the training is not communicated, it is not being effectively utilized.

It is also important that this is not a one-time occurrence and that managers continually monitor changes in climate. Hotel companies that want to impact and reduce turnover should hire qualified managers and provide quality training that can improve a manager’s ability to lead employees. These findings support the research by Kang et al. (2015) and Mathieu et al. (2016) who indicate the importance of supervisor behavior and people-oriented skills and their impact on job satisfaction and to varying degrees turnover intention of employees.

Theoretical implications
In terms of research implications, this particular topic has not been analyzed directly or empirically which seems to be a weakness in the literature. Therefore, this research adds to the academic literature concerning turnover and turnover intention. The hospitality industry is one of the highest industries for turnover, which leads to substantial costs for the organization and could lead to inconsistent quality in the guest experience. These high turnover rates would indicate that current turnover models are not portraying all of the variables that impact employee turnover. Although current turnover models include organization support and commitment, little is shown as it relates directly to the impact of a manager. As companies
continue to merge and create large organizations, the organizational support and commitment could be in place at a corporate level but the day-to-day work environment could be lacking due to the direct influence of the manager. This study shows support of this important variable, current turnover models should include this manager influence separately and examine its influence independent of the overall organization.

It is recognized that the lack of previous studies analyzing this directly could be due to difficulty gathering samples and the in-depth design of matching employees and their manager/department. However, this research would suggest that manager training and its direct effect on employee turnover could potentially be one of the key missing variables to the hotel turnover problems that have been a consistent concern. This research should serve as a foundational study for this important relationship.

Limitations and future research
While the current study has value in adding to practice and theory, there are some limitations to the study. This research was unique in that it benefited from a sample of managers and employees from two hotels. It did not use students as a sample. However, the sample consisted of two luxury full service hotels in the southeastern USA. Therefore, the results may not be generalizable to other locations or hotel types. Both luxury hotels recruited a significant amount of employees and managers from local universities; therefore, the workforce had more highly educated employees than other hotels and therefore these results may not be generalizable to all hotels. This study should be replicated across hotel types to see if the differences in the impact of training are the same among full service and limited service hotels for the future research. Also, it would be interesting to see the importance of training among hotels that target different markets, such as business, extended stay, airport, casino and conference hotels. Since both of these hotels were in the southeastern USA, analyzing the importance of manager training in different parts of the USA and around the world would be interesting to examine. In future research concerning management training programs, other variables to consider would include types of training, method of delivery (online, classroom, hybrid) and voluntary vs mandatory training.

It is also a limitation that this data set was owned by a third-party company that limited the access to the data. The company only allowed use of the data on premise, would not release the data set to the research team, and pre-approved the data that were allowed to be used and reported. Due to this limitation, there are potentially many other interesting analyses and results that could be explored.

Extant research has shown that employee training programs impact employee turnover and that manager training programs impact manager turnover. The current study extends that research by showing that these segments are not autonomous; manager training has a significant direct effect on employee turnover. Could this be a missing variable in turnover research? This variable should be considered in future turnover intention studies.

References


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Adoption of homesharing platforms: a cross-cultural study

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Abstract

Purpose – The purpose of this paper is to analyze the factors that affect consumer adoption of new ways of sharing accommodation services. Moreover, the authors study the influence of culture, more specifically the uncertainty avoidance (UA) dimension, on relationships between variables in a proposed adoption model.

Design/methodology/approach – The structural equation analysis method is used to verify the proposed model. The data were collected from a panel of Spanish and Vietnamese internet users. The survey yielded a total of 418 responses for the data analysis.

Findings – The findings indicate that subjective norms and ease of use exert an effect on perceived usefulness and that intention to use affects actual use in all the groups analyzed. Furthermore, UA has a moderating effect on the adoption of homesharing platforms (HSPs).

Research limitations/implications – A larger sample and a random sampling would facilitate a more accurate generalization of the results obtained for each country. The practical implications identified in this research, along with its limitations and future research opportunities, are interesting both for scholars, service providers and designers of HSPs.

Originality/value – This study bridges a gap in the current research by increasing understanding of the role of the cultural dimensions in a technological innovation adoption model for an HSP. It also takes into account the effect of perceived risk, a dimension that has not been included in previous studies.

Keywords Culture, Hofstede, Uncertainty avoidance, Collaborative consumption, Cross-cultural analysis, Technology adoption models

Paper type Research paper

Introduction: collaborative consumption

The internet has brought about a new era of collaboration. The concept of “collaborative consumption” has been defined by various authors, all of whom agree on the necessary component of the contribution of technology. Belk (2014, p. 3) defines it as “the coordination of a group of people in the acquisition/distribution of a resource in exchange for monetary or other types of compensation.”

Various authors (e.g. Botsman and Rogers, 2010; Kaplan and Haenlein, 2010) go beyond this definition, maintaining that collaborative consumption is an economic-technological phenomenon driven by the development of information and communication technologies (ICTs), resulting in building consumer awareness and the proliferation of collaborative websites, as well as collaborative commerce. This combination of technology and collaborative consumption has led to the emergence of new companies and services that are revolutionizing the way we travel, arrange overnight accommodation, acquire information, generate income for ourselves and exchange goods; such companies include, among others, Blablacar, Uber and Mygrab taxi (carpooling), Airbnb (accommodation) or Kickstarter (funding).

This study was conducted with the financial support of the Spanish Ministry of Economy, Industry and Competitiveness (Research Project ECO2017-88458-R) and the Andalusian Regional Government (Research Project SEJ-1980). The authors would like to thank the Editors and three anonymous reviewers, whose comments have contributed to the improvement of this work.
Considered experiential or credential products, these types of services – largely associated with the tourism sector – are generally intangible, providing travelers with limited cues or information to assess product or service quality before actual experiences (Chen et al., 2012). This intangibility in tourism services may reduce travelers’ trust in their decisions and, thus, increase risk perception and uncertainty avoidance (UA). The limited interaction with service providers causes consumers to feel insecure, fearing potential disappointment and difficulties in complaining about flawed products in an online system (Bhatnagar and Ghose, 2004). Therefore, the perceived risk of online transactions reduces perceived behavioral and environmental control and, subsequently, the lack of managerial control negatively affects usage of online technology for shopping or booking (Park and Tussyadiah, 2017).

Additionally, the types of risk formed will vary depending on the situation. For example, consumers using sharing apps in devices such as tablets, smartphones or personal computers, face distinct challenges derived from the inability to gain access or interact, among others (Kim et al., 2013; Yang and Zhang, 2009).

This study aims to analyze the factors that affect consumer adoption of these new ways of exchanging goods and services, specifically in regard to the largest platform for private individual rental properties: Airbnb. It specifically focuses on the cultural factor related to a specific risk (named UA) in order to confirm whether it explains, in part, the adoption of new technologies. This examination of UA associated with a new sharing app and other usability features that enable travelers to purchase travel products is particularly noteworthy.

The paper is organized as follows. In the next section, the scientific literature in this field is reviewed, and the proposed hypotheses and the research model are presented. Subsequently, the study methodology and corresponding results are discussed. The final sections include the study’s main conclusions, implications and limitations, and a discussion of potential future lines of research.

Theoretical framework

Airbnb in Spain and Vietnam

The present study focuses on the case of Airbnb, which provides services supporting collaborative accommodation or homesharing. Its growth in revenue, 113 percent from 2014 to 2015, and its total value, which reached $25bn in 2015 – surpassing all other tourism groups worldwide – are indicators of its effect on the global tourism industry.

The reason for this rapid increase may lay in its inherent advantages as a collaborative tool, such as the associated cost savings, the possibility of earning money or meeting people from all over the world (Folger, 2016). But it also presents some disadvantages (Pérez et al., 2015; Folger, 2016), including the lack of control, no objective parameters to measure accommodation quality and lack of governmental regulation. In Spain, for example, due to the divergence in regulations – which depend on autonomous regional governments – several homesharing platforms (HSPs) have recently been fined and some apartments offering this type of accommodation have even been shut down (El País, 2016).

Airbnb’s penetration is much greater in Spain than in other countries or regions (such as Asia). By 2015, over 1.3m Spaniards had used this platform (Pérez et al., 2015), which has experienced astronomical growth since the company opened its first office in Barcelona in 2012. By contrast, in Asian countries the sharing economy has not had the same impact as in other regions. Vietnam, for instance, is taking longer to accept this type of platform. Airbnb only appeared there in 2015, which explains why the number of users and listings are relatively low, compared to Spain. There are currently still no laws or regulations in Vietnam regulating the sharing economy (Bao-Dung, 2015). But considering that the contribution of tourism to the GDP of both countries was similar in 2014 (Spain 5.6 percent and Vietnam 4.6 percent, according to the World Travel & Tourism Council, 2015) there is a possibility that they may both use this type of services with the same intensity.
The role of culture in consumers’ propensity to innovate

Culture plays an important role in consumers’ propensity to adopt innovations and new services (Steenkamp et al., 1999) and there is evidence that some innovations have missed the mark due to a lack of compatibility with socio-cultural norms. It is therefore very important to research its effect on consumers’ adoption of new technologies in an international context. Previous studies (e.g. Ayeh et al., 2013) point to the need for further investigation dealing with the importance of cultural differences in travel consumers’ perceptions and intentions to use new online services for travel planning.

Tylor (1871, p. 1) defined culture as a “complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society.” Hofstede (1991, p. 5), on the other hand, defines culture as “the collective programming of the mind, which distinguishes the members of one group or category of people from another.” According to his original study from 1980, cultural differences can be divided into four dimensions. A fifth and a sixth dimension were later added (Hofstede and Bond, 1988; Hofstede et al., 2010). The six dimensions are power distance, individualism/collectivism, masculinity/femininity, UA, long-term/short-term and indulgence/restraint. This study focuses on UA, the extent to which the members of a given culture feel threatened by an unforeseeable future or unfamiliar situations and try to avoid said situations.

Proposed research hypotheses and model

To determine whether cultural aspects influence the adoption of new technologies, specifically the adoption of Airbnb, the present analysis was based on the technology acceptance model – TAM– (Davis et al., 1989) with certain modifications, which will be justified in this paper. This model is based on the theory of reasoned action (TRA) developed by Ajzen and Fishbein (1980). The main difference between the TRA and the TAM model is the exclusion of the subjective norms variable in the latter, while including perceived ease of use and usefulness. The TAM has been widely accepted and studied as a theoretical model for explaining the adoption of information technologies (ITs) and e-commerce services (e.g. Straub et al., 1997; Schepers and Wetzel, 2007).

Later, Usoro et al. (2010) use the TAM together with the Task-Technology Fit Model (TTFM) and apply this combined model in the field of e-tourism. More specifically, they find that the TAM (in particular, usefulness) is an adequate predictor of use and adoption of online tourism applications. Furthermore, this model was selected because it is highly robust, parsimonious and has been used in numerous studies in conjunction with Hofstede’s cultural dimensions (e.g. Anandarajan et al., 2002; Srite, 2006; Park et al., 2007).

However, the majority of the studies included in the literature review only examine the proposed model in one culture or country, comparing the results with previous studies and discussing hypothetical relationships of the culture (based on previous studies), with the exception of Srite’s (2006) study. In contrast, the present work aims to determine whether a high or low level of UA (measured directly in the study sample) affects the relationships in the proposed model. This study also takes into account a construct that is scarcely studied in the reviewed works: perceived risk. This is the second most studied factor within the context of making purchases online (Al-Kailani and Kumar, 2011) and plays a significant role in understanding e-service actual use (Martins et al., 2014).

There is scant published research to date in the IT–tourism field on perceived risk, subjective norms and the variables of the TAM model as the main determinants for consumer choice (Kim et al., 2005).

Development of research hypotheses: basic relationships

Davis et al. (1989) suggest that ease of use affects perceived usefulness, since, at the same level of performance, the technology that is easier to use will be more useful. Perceived ease
of use, in the context of this study, is taken to mean the extent to which a person believes that using an HSP will be effortless. Various studies have confirmed this relationship ease of use-usefulness (e.g. Moon and Kim, 2001; Wu and Chen, 2005; Ayeh et al., 2013). In the case of electronic tourism services, Ayeh et al. (2013) found that perceived ease of using CGM positively influences perceived usefulness for travel planning. In the case of the present study, it is expected that the easier the perceived use of an HSP for booking accommodation, the greater its perceived usefulness. Therefore:

**H1.** The perceived ease of use of an HSP has a significant, positive effect on the perceived usefulness of that platform.

Perceived usefulness in the TAM reflects the productivity, performance and effectiveness of a technology (Davis et al., 1989). It has been found to be more important than perceived ease of use in determining the intention to use said technology, as suggested by various authors (e.g. Davis et al., 1989; Moon and Kim, 2001; Featherman and Pavlou, 2003). Usefulness, in the context of this study, describes travelers’ expectations that using HSPs will enhance their travel planning.

Different studies have confirmed the main importance of this variable as a basic component of technology utilization in hospitality and tourism settings (e.g. Huh et al., 2009; Morosan, 2010). A number of previous TAM-based studies (e.g. Moon and Kim, 2001; Gefen and Straub, 2004) on the online environment and B2C services support the hypothesis that perceived usefulness increases the intention to make online purchases. In the tourism context, this relationship has been confirmed by several studies (e.g. Casaló et al., 2010; Ayeh et al., 2013). The study conducted by Casaló et al. (2010) supports the postulation that a direct relationship exists between perceived usefulness and members’ intention to participate in firm-hosted online travel communities. Ayeh et al. (2013) also found that usefulness positively influences the behavioral intention to use CGM for travel planning. Therefore, it is proposed that:

**H2.** Perceived usefulness has a positive effect on the intention to adopt an HSP.

Since the 1960s, the theory of risk perception has been applied to explain consumer behavior on the premise that consumers are often more motivated to avoid mistakes than to maximize utility in purchasing (Mitchell, 1999). Perceived risk – the functional or psychological risk a consumer feels they are taking when purchasing a product or service – is one of the most widely studied factors within the context of online shopping (Al-Kailani and Kumar, 2011). It can be particularly important in a travel context because of the intangible nature of tourism services (Ruiz-Mafé et al., 2009). Furthermore, the study by Vijayasarathy and Jones (2000) on trust in online shopping indicates that perceived risk has a negative influence on the perceived ease of use in making purchases online; and other studies confirm this relationship (e.g. Van der Heijden et al., 2003). The results of Park and Tussyadiah’s (2017) study confirmed the predictive validity of perceived risk in explaining positive evaluation of smartphones for mobile booking.

But the direct impact on use intention cannot be ignored, as affirmed by Featherman and Pavlou (2003), among others. Previous studies concurred that the more risk people perceive in a purchasing situation, the less likely they are to buy (e.g. Dowling and Staelin, 1994). Akram’s (2008) study supports the idea that perceived risk is fundamental in e-commerce and has a strong impact on purchase intention. Park and Tussyadiah (2017) found this relationship in the context of purchasing travel products using smartphones. And Lai and Zainal (2015) empirically support this relationship in their study on the adoption of electronic payments. Accordingly, the present study is expected to confirm the negative relationship between perceived risk and the “ease of use” and “use intention” constructs:

**H3.** Perceived risk has a significant, negative effect on perceived ease of use when adopting an HSP.

**H4.** Perceived risk has a significant, negative effect on use intention when adopting an HSP.
Triandis (1977) underlines the importance attributed to social norms in determining and predicting certain behaviors, as they vary among different cultures. Numerous studies have demonstrated that subjective norms are an important factor in acceptance behaviors (Venkatesh and Davis, 2000; Venkatesh et al., 2003). Others have shown a positive relationship between subjective norms and the use of e-commerce (Pavlou and Fygenson, 2006) as well as the intention to adopt technological innovations (Chiasson and Lovato, 2001). E-commerce users may perceive that their families and friends would prefer them to act and behave in a certain way that could influence their beliefs and, ultimately, affect their intention to use e-commerce (Pavlou and Chai, 2002).

According to Venkatesh and Davis (2000), subjective norms have both a direct influence on intention and an indirect influence, through perceived usefulness. The direct relationship is due to the fact that individuals often choose to perform an action when one or more people of reference recommend it, although they may not like it or believe in it. The indirect relationship occurs because the perceived usefulness of a specific technology is influenced by how it is perceived by others. Additionally, the relationship between subjective norms and usefulness is stronger in the early stages of interaction with the technology. Nevertheless, the effect of subjective norms on the intention to participate in a firm-hosted online travel community is less significant than the influence of the other determinant factors for voluntary behaviors (Casaló et al., 2010), as other authors have noted (e.g. Venkatesh and Davis, 2000).

Consequently, it is proposed that:

\[ H5. \] Subjective norms have a significant, positive effect on use intention when adopting an HSP.

\[ H6. \] Subjective norms have a significant, positive effect on perceived usefulness when adopting an HSP.

The original TAM indicates that use intention has a positive effect on actual use (Davis, 1986). Various studies have demonstrated that there is a strong correlation, both theoretically and empirically, between use intention and actual use in the TAM (e.g. Bagozzi et al., 1992; Van der Heijden, 2003). For example, in their TAM study applied to context of the internet, Moon and Kim (2001) demonstrated that individuals with greater use intention and acceptance are more prone to actually use the internet.

Therefore, it is proposed that:

\[ \] The intention to use an HSP has a significant, positive effect on the actual use of that platform.

The moderating effect of UA

According to Gretzel et al. (2008), one of the factors with the greatest influence on the speed and reach of innovation in different countries is national culture. This is due to the fact that both the adoption and diffusion of a new technology rely on its being compatible with the values, beliefs and past experiences of potential users. It has also been found that national culture exerts a significant influence on the context of technology acceptance at individual level (e.g. Schepers and Wetzels, 2007). Therefore, certain types of travel technologies and applications may be more successful in certain markets or should be adapted to the national and cultural context of a given market (Gretzel et al., 2008).

With this in mind, the majority of studies based on Hofstede’s cultural dimensions find that UA is one of the dimensions with the greatest influence on tourist decision-making. For example, Yacout and Hefny (2014) contend that UA is the cultural value with the
strongest link to the information-acquisition process. This is because touristic activities
create situations characterized by marked uncertainty for travelers, which leads the latter to
want specific details on the products or services they are booking. This dimension is also
considered to be the most decisive in the adoption of new technologies (Hofstede, 1991;
House et al., 2004) and determines degrees of innovation (McCoy, 2002). Additionally,
umerous ICT-related studies have investigated the role of Hofstede’s cultural dimensions
in the TAM (e.g. Anandarajan et al., 2002; Srite, 2006; Park et al., 2007; De la Hoz-Correa and

Therefore, for the present study, Hofstede’s (1980, 2001) UA dimension was selected as a
moderator of some relationships described in the research hypotheses. Past studies show
that its relationship with the degree of adoption of new technologies can be contradictory.
On the one hand, some authors (e.g. Inkeles and Levinson, 1969; Hofstede, 1980) confirm that
cultures with low UA do not try to control uncertainty, and therefore do not attempt to find
corresponding technological solutions. In contrast, cultures with high UA try to find ways to
control the future in order to reduce risk and uncertainty.

On the other hand, other authors have demonstrated a negative relationship between UA
and the adoption of new technologies (Erumban and de Jong, 2006). This explains why
cultures with high UA take longer to adopt new technologies, as they develop more
trust only after observing the experiences of other people adopting those technologies
(e.g. Veiga et al., 2001; Sundqvist et al., 2005). Garfield and Watson (1998) also demonstrated
that high UA sets back the development of technological infrastructure.

The perspective for the present study leans toward the moderating effect of UA on
perceived risk, in that the latter increases with higher levels of uncertainty and the
possibility of risks associated with negative consequences (Dowling and Staelin, 1994;
Mitchell, 1999). Some studies have established that individuals from cultures with high UA
fear the unknown and do not tend to tolerate unpredictable risk (e.g. Hofstede, 1980;
Money and Crotts, 2003). Additionally, that the perceived risk of making purchases online is
also high and therefore has a negative impact on making online purchases (Al-Kailani and
Kumar, 2011). Therefore:

H8. UA acts as a moderator in the negative relationship between perceived risk and
intention to adopt HSPs, such that this relationship is reinforced in cases of high UA.

According to various authors, the relationship between subjective norms and use intention
may also be moderated by UA (e.g. Srite and Karahanna, 2006; Kim, 2008). The rationale for
this is that subjective norms are more important in a context of high UA, since the opinions
of reference groups are useful for users in reducing the uncertainty inherent in using new
technology. Evaristo (1998) also explains that subjective norms could reduce uncertainty
with regard to using or not using certain technologies, through normative and informative
influences. In contrast, cultures with low UA place more trust in the individual’s ability to
face uncertainty without needing to lean on others. Studies on IT acceptance differences
by Srite and Karahanna (2006) and Dinev et al. (2009) support this hypothesis, which is
stated as follows:

H9. UA acts as a moderator in the positive relationship between subjective norms and
the intention to adopt HSPs, such that this relationship is reinforced in cases of
high UA.

The study by Parboteeah et al. (2005) suggests that the relationship between perceived
usefulness and use intention is stronger among individuals belonging to cultures with low
UA. Prior studies (e.g. McCoy, 2002) confirm that individuals with low UA prefer situations
that are free of predefined rules and regulations. Individuals in these situations will accept
new technologies, as they are less prone to be cautious about those technologies and,
therefore, may perceive them as more useful than individuals from cultures with high UA (Straub et al., 1997; McCoy et al., 2007).

\( H10. \) UA acts as a moderator in the relationship between the perceived usefulness of, and intention to use, HSPs, such that this relationship is reinforced in cases of low UA.

These hypothesized relationships are set out in Figure 1.

**Research methodology**

*Choice of countries and data collection*

According to Alcántara-Pilar and Del Barrio-García (2016), there has been considerable growth in cross-cultural marketing research in recent years, due to the globalization of markets. While there is an ongoing debate regarding which approach or framework is best suited to comparative work on cultures, that of Hofstede (2001) is generally agreed to be the most appropriate. This broad consensus is due to the fact that this cultural model is widely recognized and has been applied and validated extensively in multiple cultural contexts, in economics, marketing and specifically tourism (e.g. Money and Crotts, 2003; Liu et al., 2007; Gholipour and Tajaddini, 2014).

On the basis of Hofstede’s classification, the present study was performed on two countries: Spain and Vietnam. Culturally, these two countries are extremely different to one another and they belong to different continents that are representative of the different levels of the cultural dimension in question (i.e. low vs high UA). In addition the speed of adoption of this new technology in these countries presents significant differences which are worthy of evaluation.

Figure 2 shows the different aspects characterizing Spain and Vietnam’s cultures. Similarities can be seen in most dimensions. However, there are also major differences, notably in individualism and UA. The greatest difference in scores lies in UA (86 points for Spain vs 30 for Vietnam), showing that Spain is clearly defined by this dimension. This culture is very concerned with changing, ambiguous or uncertain situations, like many other Mediterranean countries.

Vietnam has low UA, similar to other nearby countries (China: 30 or the Philippines: 44). This translates into the belief that just a minimum number of rules are necessary, and if they do not work, they can be easily changed.

**Figure 1.**

Scores for Hofstede’s dimensions in Spain and Vietnam

**Sources:** Hofstede (2001) and Hofstede et al. (2010)
Returning to the research methodology, data collection was conducted in June and July of 2016. An online personal survey with a structured, pre-coded questionnaire was presented to a panel of internet users (Toluna: www.toluna.com) with penetration in both countries. Finally, a total of 418 questionnaires (212 Spaniards and 206 Vietnamese) were obtained. The questionnaire was first written in Spanish and later translated into Vietnamese by students and professors in the Spanish Department at Hanoi University, Vietnam (URL to questionnaire: http://webcim.ugr.es/polls/airbnb/questionnaire_english.pdf and http://webcim.ugr.es/polls/airbnb/questionnaire_vietnamese.pdf).

Survey participants had to be Spanish or Vietnamese nationals, at least 18 years of age, who had booked accommodation online at some point and with certain level of knowledge of the Airbnb platform. Respondents indicating that they knew “nothing” about this platform were disqualified, since they would not be able to answer subsequent questions. During the process of cleaning the database, several interviews were eliminated from the total sample because they were blank or incomplete. Finally, 164 responses from the Spanish population and 160 from the Vietnamese population were considered valid for data analysis.

Measurement scales
To measure perceived usefulness, a four-item scale was adapted from Muñoz (2008), which was in turn based on Davis et al. (1989). Perceived ease of use was measured using a six-item scale also adapted from Davis et al. (1989). For perceived risk, a unidimensional four-item scale adapted to the requirements of the study from Gupta’s (2006) research. This scale focused on privacy and security aspects—two facets combined in the Park and Tussyadiah (2017) study. Subjective norms were measured via two items adapted from Wu and Chen (2005). The intention to use or adopt the platform was measured using a three-item scale adapted from Moon and Kim’s (2001) study. Behavior was measured using a single-item scale adapted from Taylor and Todd (1995) based on prior use experience.

Finally, the five-item scale by Yoo and Donthu (2002) was used to measure UA in both cultures. The scale did not need to be adapted since the intention of the analysis was to measure this construct without regard to the specific topic of this paper.

All items used five-point Likert scales ranging from 1 “totally disagree” to 7 “totally agree.”

Proposal to compare the moderating effect of UA
The study of the effects of culture on consumer response reveals two broad approaches. The first, the ecological—at the national level—states that individuals, by virtue of being part
of a specific nation, share cultural values linked to that nation. This approach, described above, was developed by Hofstede (1980) and has been applied in studies dealing with CGM adoption and IT adoption, such as those of Gretzel et al. (2008) and Im et al. (2011).

The second of the cultural approaches states that cultural differences occur at the individual and not at the national level (Davies and Fitchett, 2004). Hence, authors such as Yoo et al. (2011) adapted Hofstede’s research to measure individual cultural values. Specifically, these authors developed the CVSCALE that enables the study of attitudes and behaviors at a cross-cultural level, based on information from the same primary source: individuals. This way of measuring cultural dimensions allows businesses to determine equivalent market segments between countries that are based on groups with similar cultural orientations (Yoo et al., 2011). These facilitate the development of common strategies for these segments.

In the present analysis, to compare the moderating effect of UA, the samples from each country were divided into two groups (high and low UA), based on the average value of these items on the scale: 5.60 for Spain and 5.16 for Vietnam. This (quasi)experimental manipulation resulted in four homesharing platforms adoption models (HSPAM): high and low UA in Spain (82 and 82 cases, respectively), and high and low UA in Vietnam (76 and 84 cases). Therefore, the combination of both approaches or criteria will produce interesting conclusions and practical implications.

Results

Descriptive analyses, average differences and experimental manipulation check

First, a Student’s t-test for the comparison of two means (from independent samples) was applied to analyze if there were significant differences between the average values of each construct for the two countries (see Table I).

From the results, it can be concluded that the average values in perceived usefulness, perceived risk, subjective norms, use intention and actual use do not present significant differences between the two populations ($p > 0.1$). On the other hand, significant differences in perceived ease of use ($t = 2.99; df = 298.70; p = 0.003$) and UA ($t = 3.51; df = 354.35; p = 0.001$) between the samples were found.

Regarding UA, the Spanish sample presents higher UA (5.60) than the Vietnamese sample (5.16). The order established in Hofstede et al.’s (2010) studies[1] is therefore fulfilled, even though the differences in the latter’s scores were greater (86/100 for Spain and 30/100 for Vietnam). This was therefore confirmed to be an ideal variable to serve as a moderator in the proposed relationships of the behavioral model. Nevertheless, although different subjects within the same population may have different levels of UA, this study also evaluates what happens on a national scale.

Reliability and validity of the measurement scales

Cronbach’s $\alpha$, which measures the internal consistency of the scales, was used to evaluate their reliability. As shown in Table II, all of the scales have $\alpha$ values much higher than the
minimum recommended value of 0.6 (Luque, 1997), which means they are internally consistent and present adequate reliability indicators.

An exploratory factorial analysis was performed to verify the degree of unidimensionality of the scales. Subsequently, the validity of the measurement scales was evaluated. Table II also shows that all of the model’s variables have average variance extracted (AVE) over the established threshold of 0.5 (Chin, 1998). However, there are loads that do not meet the recommended threshold of 0.7 (Chin, 1998). Consequently, ease of use items PEU2 and PEU5 and risk items PR3 and PR4 were eliminated from the model.

### Structural model
As shown in Table III, the indicators of model fit are within the recommended value range (Del Barrio and Luque, 2000). Due to the small sample size and the high number of indicators, the relative goodness-of-fit measurement (RGFI) and relative adjusted goodness-of-fit measurement (RAGFI) can be used in this case (Del Barrio and Luque, 2000, p. 557), which have approximate limits of 0.9 and 0.8, respectively.

Analyzing the direct effects between groups, three of the seven proposed direct effects (H1, H6 and H7) were found to be significant (p-value < 0.05) for all of the analyzed groups (Table IV). Therefore, an increase in the perceived ease of use of an HSP increases its perceived usefulness in all cases. Second, subjective norms have a positive effect on the
<table>
<thead>
<tr>
<th>Relationships between constructs</th>
<th>Spain: high uncertainty avoidance (SHUA)</th>
<th></th>
<th>Spain: low uncertainty avoidance (SLUA)</th>
<th></th>
<th>Vietnam: high uncertainty avoidance (VHUA)</th>
<th></th>
<th>Vietnam: low uncertainty avoidance (VLUA)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-stand. coeff.</td>
<td>( p )-value</td>
<td>Non-stand. coeff.</td>
<td>( p )-value</td>
<td>Non-stand. coeff.</td>
<td>( p )-value</td>
<td>Non-stand. coeff.</td>
<td>( p )-value</td>
</tr>
<tr>
<td>( H1 ). Ease of use ( \rightarrow ) Usefulness</td>
<td>0.742</td>
<td>0.000</td>
<td>1.546</td>
<td>0.000</td>
<td>0.533</td>
<td>0.000</td>
<td>0.395</td>
<td>0.003</td>
</tr>
<tr>
<td>( H2 ). Usefulness ( \rightarrow ) Use int.</td>
<td>0.827</td>
<td>0.000</td>
<td>0.690</td>
<td>0.000</td>
<td>0.102</td>
<td>0.366</td>
<td>0.811</td>
<td>0.000</td>
</tr>
<tr>
<td>( H3 ). Risk ( \rightarrow ) Ease of use</td>
<td>-0.121</td>
<td>0.075</td>
<td>-0.053</td>
<td>0.387</td>
<td>0.130</td>
<td>0.047</td>
<td>-0.001</td>
<td>0.909</td>
</tr>
<tr>
<td>( H4 ). Risk ( \rightarrow ) Use int.</td>
<td>-0.122</td>
<td>0.066</td>
<td>-0.352</td>
<td>0.000</td>
<td>-0.081</td>
<td>0.314</td>
<td>-0.009</td>
<td>0.725</td>
</tr>
<tr>
<td>( H5 ). Sub. norms ( \rightarrow ) Use int.</td>
<td>0.106</td>
<td>0.243</td>
<td>0.082</td>
<td>0.164</td>
<td>0.426</td>
<td>0.000</td>
<td>0.023</td>
<td>0.723</td>
</tr>
<tr>
<td>( H6 ). Sub. norms ( \rightarrow ) Usefulness</td>
<td>0.338</td>
<td>0.000</td>
<td>0.199</td>
<td>0.018</td>
<td>0.275</td>
<td>0.000</td>
<td>0.341</td>
<td>0.010</td>
</tr>
<tr>
<td>( H7 ). Use int. ( \rightarrow ) Actual use</td>
<td>0.517</td>
<td>0.000</td>
<td>0.543</td>
<td>0.000</td>
<td>0.828</td>
<td>0.000</td>
<td>0.401</td>
<td>0.004</td>
</tr>
</tbody>
</table>
perceived usefulness of an HSP for all groups. And the intention to use an HSP has a positive effect on the actual use of this platform, as previously demonstrated by other studies (e.g. Moon and Kim, 2001; Van der Heijden, 2003).

H2 was confirmed with levels of significance close to 0 for all of the groups except for the Vietnamese group with high uncertainty avoidance (VHUA). Therefore, for all the other groups, the results confirm that the perceived usefulness of a platform has a positive, significant relationship with the intention to use this platform.

In the case of H3, only in the case of the VHUA could be confirmed that perceived risk has a positive effect on the ease of use of an HSP.

The same applies for H4, which only confirms that risk has a negative effect on the intention to use these platforms for the Spanish group with low uncertainty avoidance (SLUA). H5 was confirmed in the participants belonging to VHUA; this result confirms the positive relationship between subjective norms and use intention.

Figure 3 shows the significance of the model’s relationships in each group.

Test of cultural hypotheses
To address the moderation effect of culture in the form of UA, a comparison can be drawn from the significance of the test applied to the three proposed hypotheses. As shown in Table V, there are differences between the groups when compared to each other. In the case of H8, differences were found between the two groups with low UA (SLUA vs VLUA) and between the two groups in the Spanish sample (SHUA vs SLUA). With regard to H9, there is also factor invariance between the two groups with high UA (SHUA vs VHUA) and between the two groups in the Vietnamese sample (VHUA vs VLUA). Lastly, for H10, differences were found in the same two groups as for H9.

To confirm the differences between the various groups in the aforementioned relationships and quantify their effect, the regression coefficients or weights in pairs were compared between the structural models using a modified version of Student’s t-test for independent samples, suggested by Chin (2000). This produced the same conclusion as the aforementioned invariance analysis (Table VI).

The above-mentioned results demonstrate that:

1. According to H8, UA intensifies the negative relationship between perceived risk and use intention for the SLUA group, generating differences between this group and the VLUA and SHUA groups. In general, it was checked that the Spanish have higher UA than the Vietnamese (Table I), and in this analysis the SLUA group presents a significant relationship risk-intention (while the other groups do not) which means that cultures with high UA scores through individual values will take longer to adopt HSPs.

2. Hypothesis H9 is confirmed for VHUA/VLUA and SHUA/VHUA comparisons. The positive relationship between subjective norms and HSP use intention is intensified when there is high UA, regardless of culture. The relationship subjective norms-intention is only significant in the VHUA. Therefore, in the case of Vietnam, users with high UA will depend more on their friends’ and relatives’ opinions to reduce risk. On the other hand, users with low UA will trust more in their own ability to face uncertainty.

3. Hypothesis H10 is confirmed for the VHUA/VLUA and SHUA/VHUA comparisons. The relationship between perceived usefulness and HSP use intention intensifies as the level of UA decreases in the Vietnamese group, and it is not significant among this collective with high UA. It can therefore be concluded that users with higher UA will be more prone to be cautious with HSP and consequently may perceive them as less useful than individuals with low UA, who will adopt them more quickly. By contrast, in Mediterranean cultures, perceived usefulness will be a major determinant of adoption, regardless of UA.
This study aimed to analyze the factors that influence the adoption of new ways of exchanging goods and services, such as in the shared economy, focusing on the HSP Airbnb. The cross-cultural analysis of Spain and Vietnam, based on Hofstede’s (1980, 2001) SPAIN WITH HIGH UNCERTAINTY AVOIDANCE SPAIN WITH LOW UNCERTAINTY AVOIDANCE VIETNAM WITH HIGH UNCERTAINTY AVOIDANCE VIETNAM WITH LOW UNCERTAINTY AVOIDANCE

**Table V.** Invariance analysis for the cultural hypotheses comparison

<table>
<thead>
<tr>
<th>Hypotheses/comparison</th>
<th>SHUA/VHUA</th>
<th>SLUA/VLUA</th>
<th>SHUA/SLUA</th>
<th>VHUA/VLUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>H8: PR → UI</td>
<td>0.704</td>
<td>0.000</td>
<td>0.019</td>
<td>0.308</td>
</tr>
<tr>
<td>p-value*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H9: SN → UI</td>
<td>0.013</td>
<td>0.509</td>
<td>0.820</td>
<td>0.001</td>
</tr>
<tr>
<td>p-value*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H10: PU → UI</td>
<td>0.000</td>
<td>0.459</td>
<td>0.375</td>
<td>0.000</td>
</tr>
<tr>
<td>p-value*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:** SHUA, Spain with high uncertainty avoidance; SLUA, Spain with low uncertainty avoidance; VHUA, Vietnam with high uncertainty avoidance; VLUA, Vietnam with low uncertainty avoidance. *p-value in italics: significant for a level of 0.05

**Table VI.** t-Test for regression coefficients

<table>
<thead>
<tr>
<th>Hypotheses/comparison</th>
<th>SHUA/VHUA</th>
<th>SLUA/VLUA</th>
<th>SHUA/SLUA</th>
<th>VHUA/VLUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>H8: PR → UI</td>
<td>0.297</td>
<td>3.45</td>
<td>1.70</td>
<td>0.560</td>
</tr>
<tr>
<td>T</td>
<td>0.383</td>
<td>0.000</td>
<td>0.046</td>
<td>0.288</td>
</tr>
<tr>
<td>p-value*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H9: SN → UI</td>
<td>1.91</td>
<td>0.508</td>
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**Notes:** SHUA, Spain with high uncertainty avoidance; SLUA, Spain with low uncertainty avoidance; VHUA, Vietnam with high uncertainty avoidance; VLUA, Vietnam with low uncertainty avoidance. *Values in italics: significant for a level of 0.05

**Discussion and conclusions**

**Conclusions**

This study aimed to analyze the factors that influence the adoption of new ways of exchanging goods and services, such as in the shared economy, focusing on the HSP Airbnb. The cross-cultural analysis of Spain and Vietnam, based on Hofstede’s (1980, 2001)
cross-cultural approach, was at the center of this study and the UA dimension was selected as the moderating variable, using as a theoretical base the TAM and the TRA. The results show that all of the hypothesized relationships are significant in at least one of the groups. The most relevant relationships appear to be the effect of perceived usefulness on HSP use intention, ease of use on usefulness, and use intention on actual behavior.

In terms of the average value of the different constructs for the two countries, significant differences were only found in ease of use and UA, which were higher in Spain in both cases. This seems to imply that they have similar perceptions of the Airbnb tool.

It is also confirmed that UA (to varying degrees depending on the culture of origin or individual values) has a moderating effect confirmed on some relationships. In particular, the influence of other people intensifies in the case of citizens with high UA. Other interesting results reveal that individuals in countries with higher UA (such as Spain) will take longer to accept a new HSP, due to the greater perception that it may be risky, compared to individuals from cultures with low UA, such as Vietnam. Furthermore, this moderator also affects the perceived usefulness of an HSP, which increases its effect on intention as the level of UA decreases, as seen in the case of Vietnamese users. This effect would also slow down the rate of adoption for users with high UA.

**Theoretical implications**

This research has valuable theoretical implications for the literature dealing with tourism, in general, and collaborative consumption, in particular. While extending the scope of information systems IS adoption models to the HSP context, this study validates the determinant roles of perceived usefulness, ease of use, risk and subjective norms as well as the moderating role of UA in predicting this adoption from two cross-cultural approaches: at national level and individual level. This second level enables the study of individual attitudes and behaviors, cross-culturally, based on information from the same primary source: individuals. This approach to measuring cultural dimensions allows businesses to identify equivalent market segments with similar cultural orientations among countries (Yoo et al., 2011), and provides interesting implications regarding the development of strategies focused on these segments.

The current study introduces additional constructs from the technological innovation adoption studies and marketing research that reflect the complex context of HSP applications, in particular Airbnb, for travel planning situations. As discussed in the previous section, factors such as ease of use, which are known to have weaker effects in the conventional TAM literature, take on greater importance when it comes to HSP usage. This empirical study supports the validity of including the risk and subjective norms constructs in TAM research when investigating individual adoption in non-work settings and voluntary situations.

Although the results show that all cognitive factors studied have direct effects on adoption, at least in one cultural group it appears that the effect of usefulness, risk and subjective norms is mediated to different degrees by a cultural factor: UA. Thus, the present paper will encourage others to study the differences between cultures (or countries) and type of individuals when adopting new collaborative or sharing services.

**Practical implications**

Several managerial implications for service providers (e.g. homeowners) as well as designers of HSPs emerge from this research. In particular, the study offers insights into the cognitive factors that determine travelers’ decision to use HSPs for travel planning, and managers should attend to these factors and consider different marketing strategies when planning to market a technology in different countries. First, they should emphasize the use of these platforms in high UA cultures, since individuals in these cultures perceive HSPs as more risky.
Furthermore, it is important that certain features of these platforms and their performance be emphasized in high UA cultures: their intrinsic characteristics (friendly interface/user-friendliness, well-organized and structured content and easily accessible, among others). It is also vital to foster trust in those responsible for administering such platforms, in the case of groups of consumers with a low level of UA. Hospitality and tourism service providers planning to integrate social media into their online marketing strategies may also target HSPs that exude these qualities. For those intending to create platforms for information sharing among consumers with similar interests is especially important in this industry, considering the fact that services are intangible and difficult to assess prior to their consumption, and consumers thus rely a great deal on word-of-mouth (Yoo and Gretzel, 2011). For example, for new applications, easy-to-follow instructions in contexts relevant to consumers (e.g. using first-person-perspective videos or people that consumers can relate to) with an explanation on support processes that are not apparent (i.e. backend) will assist with the observability of the applications.

Finally, consumers’ concerns about privacy and security, combined with the inherent difficulty of judging the quality of homes offered on such platforms contribute greatly to increasing the determinant role of risk and the moderating effect of UA in this context. As mentioned earlier in the paper, the limited interaction with other providers causes consumers to feel insecure about potential disappointment and difficulties in complaining about flawed products in an online system (Bhatnagar and Ghose, 2004). As applications are used by early adopters, it is important to showcase the positive outcomes to support outcome demonstrability (e.g. by highlighting positive reviews and/or testimonials on platforms), particularly in the case of Mediterranean cultures with high UA. Demonstrating the positive outcomes of online booking will also increase trust (i.e. that vendors provide products and services at, or above, the expected level of quality), which, in turn, will reduce perceived risk.

**Limitations and future research**

The study does have some limitations. First, a larger sample would allow for a more accurate generalization of the results obtained for each country. In addition, despite the attempt to ensure a sound research design, the study is still vulnerable to problems such as self-selection and non-response, which are typical characteristics of online surveys. Thus, the sample was not necessarily totally random, since it was selected via the internet (panel). Furthermore, the invariance test indicates that the model is not invariant; and this assumption is necessary to be confirmed to demonstrate whether the different groups have an equal understanding of the items in the various constructs and whether they have been measured in the same way.

While the conceptual model in this study was developed following a validated framework, future studies verifying different models will provide further support for the theorizing of perceived risk (e.g. its different facets).

In future research would be of interest to include: other cultural dimensions (individualism/collectivism or long-term orientation, etc.) as moderating variables in the process of adopting homesharing; other cultures or regions; other latent variables that may affect the adoption of new technologies (level of studies, purchasing power, etc.); or different collaborative consumption situations (e.g. carpooling, couchsurfing accommodation, crowdfunding, etc.).

**Note**

References


Further reading


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Dual branding: a case study of Wyndham

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Abstract

Purpose – The purpose of this paper is to analyze the theory and implementation of dual branding. The authors explore whether dual branding is a positive choice for two hotel brands belonging to the same firm and operating under the same roof, in this case, a Wyndham and a Wyndham Garden branded property.

Design/methodology/approach – A case study methodology was employed. In-depth interviews were conducted with managers regarding their decisions and implementation of a dual branding strategy.

Findings – The authors reveal the organizational, operational, technical, marketing, financial, economic and technological challenges experienced before, during and after the dual branding transition. Moreover, they reveal the results of the implementation and its consequences to the hotel and its customers. A conceptual model is presented with the goal of assisting and facilitating the investigation, analysis, choice and implementation of dual branding by hoteliers.

Originality/value – The present research expands the existing body of knowledge, bridges the theory and practice of branding in the lodging sector, advances dual branding theory and provides insightful implications for scholars and managers alike.

Keywords Marketing, Case study, Brand alliance, Brand, Co-branding, Hospitality, Brand management, Branding theory, Dual branding, Lodging and hotel industry

Paper type Case study

Introduction

When deciding to market a hotel, whether this hotel is independent, a single brand, a dual brand or a multiple brand, a variety of options and strategies exist. Brand management experts have a variety of tools at their disposal for branding and re-branding existing hotels (Ashton et al., 2008; Lee et al., 2006). Furthermore, parent companies might have different strategies for the various brands they operate. Therefore, it is no surprise that the decision of which brand to select and how to best implement a branding change can be complex (Balmer and Thomson, 2008; Bluemelhuber et al., 2007; Small et al., 2007). Formally defined, a brand is “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods of one seller or group of sellers and to differentiate them from those of competitors” (American Marketing Association, 2018). A firm’s goal in branding is to differentiate its products and services from those of its competitors in order to achieve competitive advantage, which can produce positive actions and outcomes, such as positive word-of-mouth, repurchase intentions and loyalty (Phua et al., 2017; Rao and Ruekert, 1994). Therefore, branding is one of the most important activities firms and organizations use to create a mental structure and a positive image in customers’ minds and, in turn, together with both brand’s tangible and intangible properties, to create value for the firm (Cetin and Walls, 2016; Kotler and Keller, 2015). Although marketers are keenly aware of the importance of branding, the practice can be rather complicated. Consequently, adopting an optimal branding strategy is a critical, yet complex task for organizations.

It is common practice for organizations to capitalize on their brand name(s) by implementing a variety of brand bundling and brand extension strategies. Cooperative brand marketing activities take various forms, including co-branding, co-marketing, brand extension, brand building, joint branding, marketing partnership, joint venture, symbiotic marketing, strategic alliance, dual branding and affinity partnering (Aaker, 2014; Aaker and Keller, 1990; Boo and Mattila, 2002; Chiambaretto and Gurau, 2017; Helmig et al., 2008;
Kotler and Keller, 2015; Levin and Levin, 2000; Park et al., 1991, 1996; Preble et al., 2000; Rao and Ruekert, 1994). Organizations can use the aforementioned various cooperative options to achieve their goals. According to Carpenter (1994), a brand alliance involves the utilization of multiple brand names for a single service or product, with the goal of offering customers higher quality services and products. A brand extension consists in the attribution a successful brand’s name to a new product belonging to an entirely different category. A brand extension is applied whenever a company decides to expand the range of its brand by invading new market segments, knowing that, in the consumer’s eyes, a brand symbolizes much more than just the advertised object (Di Carluccio, 2013; Farquhar, 1994; Herr et al., 1996). Another cooperative type of alliance is the strategic alliance, which is an agreement between businesses to reach common interest’s objectives (Farrelly and Quester, 2005; Preble et al., 2000; Wason and Charlton, 2015). Additionally, a joint venture is also possible, which is an agreement between two or more companies that are committed to collaborate for the pursuit of a specific common objective (Inkpen and Beamish, 1997; Kotler and Keller, 2015; Parkhe, 1993). Another existing form of collaboration is composite branding, which is a form of alliance which consists in the connection or integration of symbolic or functional attributes of two or more brands to offer the consumer a new product or service perceived as best (Cooke and Ryan, 2000; Washburn et al., 2000). The above labels are just some of the major types and forms of alliances and collaborations that exist and that companies can choose and implement.

The current study presents a case of what experts call “dual branding,” as it focuses on the cooperation and alliance of exactly and expressly two Wyndham properties, as opposed to “co-branding” (the closest and most similar terminology to “dual branding”), which applies to two or more businesses or brands cooperating. Furthermore, dual branding is different from co-branding in that it involves the creation of a single service or product using expressly two brands, while co-branding can comprise more than two brands (DiPietro, 2005; Levin and Levin, 2000; Rao and Ruekert, 1994; Roh and Smestad, 2001).

Branding is important in a variety of products and services (Aaker, 2014; Kotler and Keller, 2015; Preble et al., 2000). The hotel industry, which is primarily a service industry, is characterized by intangibility; therefore, the importance of branding is paramount (Ford et al., 2011). Despite scholarly work in this area, more research is needed to bridge theory and practice with respect to branding in the lodging sector. Consequently, this paper presents the case of a Wyndham property facing several important choices and discusses how two Wyndham brands operated under one roof. Wyndham’s management chose to combine the brands because the original hotel property was experiencing consistent revenue losses, declining guest satisfaction and increasing competition. In addition to the above, the building was also at the end of its life cycle; therefore, the management took the cue from this circumstance and seized the opportunity for combining the brands. This study analyzes the dual-branded hotels using a case study approach in order to analyze and assess their challenges and explore how they overcame numerous obstacles. The implementation processes are examined from an operational perspective. Moreover, the current situation of the two hotel chains is compared to management forecasts.

History of Wyndham
The Wyndham Hotel Corporation was founded in Dallas, Texas, in 1981, by Trammell Crow. The Wyndham Hotel Corporation grew rapidly in the 1990s, merging with Patriot American Hospitality (PAH), a real estate investment trust. PAH acquired all of Wyndham’s assets, including 23 owned and leased hotels and 79 managed and franchised properties. The acquisition made PAH the second-largest hotel real estate investment trust in the USA at the time (Patriot American Hospitality Corporation, 1997). The group subsequently faced several years of challenges, changes and development until Wyndham Worldwide (also known as

Dual branding
Wyndham Hotel Group became an independent player in the hospitality industry in 2006. At present, Wyndham Hotel Group is one of the top lodging hotel groups in the world. It operates in 77 countries, with more than 8,000 hotels and 697,600 rooms. Its 18 hotel brands (Baymont Inn & Suites, Days Inn, Dolce, Hawthorn Suites, Howard Johnson’s, Knights Inn, Microtel Inn And Suites, Ramada, Super 8, Travelodge, TRYP by Wyndham, Wingate By Wyndham, Wyndham Hotels & Resorts, Wyndham Garden Hotels, Dream Hotels, and Wyndham Grand Collection) cover most segments of the lodging industry, ranging from motels to business properties and from budget extended stays to upscale resorts. Wyndham Worldwide’s hotel portfolio currently comprises 7,727 franchised properties, 83 managed properties and two owned properties (Wyndham Worldwide, 2018).

Conceptualizing dual branding
When discussing brand alliances, it is very common to find the literature referring to as co-branding. These terminologies, as well as the other ones aforementioned (co-marketing, brand extension, brand building, joint branding, marketing partnership, joint venture, symbiotic marketing, strategic alliance and affinity partnering), are often superimposed in the existing literature, and interchangeably by researchers. Dual branding derives from Greek “δύο” (duo), and from Latin “dual/dualis,” meaning “two,” “double” and “containing or consisting of two,” used when exactly two people or things are meant, and referring to precisely two entities (Halsey, 1893). Dual branding usually involves the combination of exactly and specifically two brands that are marketed together to generate a new service or product (Swaminathan and Reddy, 2000). Park et al. (1996) described dual branding as the combination of constituent brands (multiple branded products or services) to form a composite brand (a separate and single product or service) and enhance the brand architectures of the different involved companies (Kotler and Keller, 2015). Dual-branded firms share their business customers, space, promotions and marketing (Lee et al., 2006). Although many definitions exist, dual branding can generally be conceptualized as a situation in which two brands collaborate in development, technology, production and marketing, while preserving their own separate business entities (Stewart, 1995). Levin and Levin (2000) defined dual branding in the restaurant setting as “a marketing strategy in which two brands (of the same company) share the same facilities while providing consumers with the opportunity to use either one or both brands” (p. 44). In the hotel sector, dual-branded hotels are defined as single properties or complexes, which contain two distinctly branded operations (Hess, 2018; Roh and Smestad, 2001; Sperance, 2017; Swaminathan and Reddy, 2000; Wright and Frazer, 2007).

Several industries and sectors, such as the automobile industry, the air transportation industry, credit card companies, cosmetic companies and the manufacturing industry, have adopted dual branding strategies to capture a greater share of the midscale and upscale market segments. MasterCard and Visa pioneered dual branding when they applied it as a method to achieve competitive advantage in the 1980s (Arend, 1992). These two national bank card organizations continued to compete in the same market; however, they dual branded their products with merchants, thus benefiting the merchants, the banks and the card organizations themselves. Since MasterCard and Visa’s first foray, other businesses from different industries and sectors have begun to engage in brand alliances and dual branding strategies. For example, Audi and Mercedes-Benz recommend that Goodyear tires be used with their vehicles; Rolls-Royce manufactures and distributes aircraft engines for Airbus and Boeing; Jet Airways, Air Sahara and Indian Airlines give passengers different types of rewards when they buy airline tickets with Citibank, Standard Chartered and American Express credit cards, respectively; IBM and Intel co-produce computer software and hardware; Toyota and Lexus work together to capture a greater market share of both the midscale and the upscale customer segments; and, in the restaurant sector,
numerous quick service restaurants have opened in convenience stores and large discount stores (e.g. McDonald’s in Wal-Mart, Contadina, Disney, and Nestle and Little Caesar’s Pizza in K-mart). These are just a few of the many examples of strategic alliances and dual branding adopted by well-known firms and businesses (Balmer and Thomson, 2009; Boo and Mattila, 2002; Hahm and Khan, 2001; Jensen and Pollack, 1996; Rao and Ruekert, 1994; Roh and Smestad, 2001; Young et al., 2001).

So far, studies on brand alliances and dual branding have reported a variety of findings and results. For example, Muller (2005) conducted a case study examining the dual branding strategy of “YUM! Brands.” The author drew three major conclusions: first, customers who trust one brand have a natural tendency to trust and purchase from other brands that are part of the same alliance; second, when consumers are able to purchase different products at a single location, their search costs decrease; and, finally, customers in proximity to a single point of sale may be more willing to try neighboring brands, products and services.

DiPietro (2005) presented a very different viewpoint than that of Muller (2005). He suggested that when two restaurants engage in dual branding, one will steal revenues and effectiveness from the other, and the two businesses will ultimately overshadow one another. Such a concept is difficult even in operating and managing terms, since the management of both businesses may have significant doubts about whether to focus on the weaker brand (to reduce the disparity between this brand and the stronger one) or to commit more efforts to the stronger brand (in the hopes of dragging up the weaker one). Finally, in terms of economic and training costs, dual-branded restaurants are pricier: training personnel for two brands and two sets of standards creates higher costs, which continue to increase due to the high turnover experienced by the restaurant industry and the continuous need to re-train new hires.

As seen from the various examples listed earlier in this section (including MasterCard and Visa with various banks Audi, Mercedes-Benz with Goodyear, Rolls-Royce with Airbus and Boeing, McDonald’s with Wal-Mart, Contadina, Disney and Nestle, and Little Caesar’s Pizza with K-mart), there are two primary types of dual branding: one involving a combination of two brands from the same firm, and the other involving a combination of two different firms, companies, businesses or organizations from different sectors or industries. The type of dual branding examined in this study is the former. In the hotel sector, dual branding is done via the process of renovation or for the purpose of targeting two distinct markets. Though dual branding has seen and continues to see numerous developments in many of the aforementioned industries, few firms in the lodging industry have chosen to engage in this practice. Moreover, neither the concept of dual branding nor this specific sector of the hospitality industry has been the subject of significant research. Indeed, while some authors have, more recently, mentioned dual branding in their study as being one existing type and form of brand alliance (Chiambaretto and Gurău, 2017; Fyrberg, 2008; Helming et al., 2008; Kotler and Keller, 2015; Sperance, 2017; Tasci and Guillet, 2011), no scholars have conducted studies and research on this specific topic after the acknowledgment of such limitation (Carpenter, 1994; Lee et al., 2006). Therefore, this study not only extends the currently limited and scarce body of knowledge, but is also unique in its application of a case study approach to two specific dual-branded lodging properties located on the same piece of land in Orlando, Florida, USA: Wyndham and Wyndham Garden.

**Benefits and challenges of dual branding**

Dual branding has several benefits and drawbacks. One of the main reasons for firms to engage in dual branding is to offer customers a new product (or, if not a completely new product, then at least a product consumers perceive as new) (Kotler and Keller, 2015). The main advantages of dual branding include the possibility to enter new markets, to
increase appreciation for the involved brands, to improve or renew a firm’s brand image, to increase current customers’ satisfaction and loyalty, to conquer new customer segments (including, particularly, individuals who like to experiment with different brands), to reduce advertising and promotion costs and to achieve economies of scale (Park et al., 1991; Rao and Ruekert, 1994). According to Keller (1998) and, later, supported by Muller (2005), there are clear advantages to dual branding, such as:

(1) borrowing expertise from sibling brands, (2) leveraging combined brand equity, (3) reducing production costs, (4) reducing marketing costs, (5) expanding brand meaning, (6) increasing consumer access points, and of most importance, (7) increasing unit revenues—all of which are compelling (p. 93).

In the same vein, Lele (1992) posited that businesses with distinct products but superimposable target markets can increase their strengths and brand assets by collaborating. If a product can be convincingly and effectively positioned in the market through the cooperation or union of different brands, it may lead to new and more customers, channels and sales (Wason and Charlton, 2015). Reduced production costs and increased speed may lead to increased profit. Moreover, the eventual increase in market share could increase market saturation by filling more price and quality gaps with new brands, all of which would become clustered under the same firm (Droli, 2007; Kotler and Keller, 2015). Levin and Levin (2000) analyzed the key factors occurring in the assimilation process when two restaurants undergo a dual branding strategy and implementation. The authors concluded that dual branding alliances tend to strengthen the weaknesses and enhance the strengths that both brands have, thus promoting incorporation and assimilation.

Concerning the drawbacks of dual branding, it is possible that aligning one brand with another may blur the brands’ identities in the eyes of customers. Such a combination could be perceived by consumers as duplicating an existing concept (Simonin and Ruth, 1995; Smith, 1993). Expectations of dual brands are likely to be high; therefore, inadequate or disappointing performance may lead to negative consequences for both brands (Cegarra and Merunka, 1993; Farquhar, 1994; Spagna, 2014). Additionally, dual branding may make customers feel unsure about what they know about a firm and its various brands (Chen et al., 2012; Kotler and Keller, 2015). Moreover, dual branding and alliances involve considerable initial costs for all involved firms (Ambler and Styles, 1997; Boone, 1997; Chiambaretto and Gurău, 2017; DiPietro, 2005; Helmig et al., 2008). In addition, alliances depend on timing, since planning and strategy implementations are always time consuming due to the multitude of aspects that must be considered (Inkpen and Beamish, 1997). DiPietro (2005) expressed skepticism towards dual branding in the restaurant setting by suggesting that while a dual-branded restaurant may experience increased sales, it is also likely to suffer decreased customer perceptions of brand quality. The author identified several disadvantages of dual branding such as employee confusion, lower service quality and increased training costs.

Proposed model

Based on the existing literature, the authors established a theoretical model for dual branding (Figure 1). The researchers proposed that there are several factors which promote the decision to adopt a dual branding strategy. These “push” factors include the need for organizations to differentiate themselves in light of an increasingly competitive market, different customer segments with diverse needs, weak or stagnant financial performance and the end of a product’s life cycle. Managers often faced with the decision on dual branding will have to consider financial aspects such as the potential for incremental revenues and costs, customer perceptions, customer compatibility management and operational factors (i.e. timeline for implementation, ease or difficulty of implementing,
decisions on how to execute branding strategy). Assuming a decision is made to adopt a dual branding strategy, some organizations will successfully implement this strategy. A successful implementation might mean increased market share, reduced costs, increased revenues, compatible customers and increasing levels of customer satisfaction. In contrast, a company that unsuccessfully implements a dual branding strategy will face difficulty at capturing the different market segments, face increased costs, decreasing revenues and incompatible customer groups which will result in customer dissatisfaction. Throughout the discussion of this case study, the authors analyze how the management team at Wyndham Lake Buena Vista moved through these phases and the extent to which benefits and drawbacks of dual branding were materialized.

Case study method
The researchers adopted a case study methodology. As part of their data gathering efforts, several in-depth interviews were conducted with the hotel’s senior management team. The hotel’s general manager, director of finance, human resource director, front office manager, housekeeping manager, revenue manager and director of sales were interviewed. A semi-structured interview format whereby the researchers prepared an interview protocol and allowed flexibility for follow-up questions was employed. Interviews were recorded, transcribed and subsequently coded for content. The key themes were initially drawn from the literature and then modified based on the data itself, thus reflecting both an inductive and deductive approach. The researchers reflected upon the interview transcripts first separately and then as a team. The result was the key categories and themes that will be discussed in the subsequent sections.

Time for an important decision in Wyndham
The case study hotel was built in 1974 in a Disney Springs Resort area in Lake Buena Vista, Orlando, Florida, USA. The grounds comprise (and continue to comprise) a 19-story tower with two wings, totaling 626 rooms. Upon its construction in the 1970s, the hotel was considered a prime property, with state-of-the-art features and architecture. By 2015, however, the hotel needed renovations. A decision was made to convert the Wyndham-branded hotel into two hotels: a Wyndham-brand hotel in the main tower and a Wyndham Garden brand hotel in the connecting outside structures. Through this conversion, the Wyndham Hotel Group developed one of the first dual-branded hotels in the world.
The idea to transform the property into a dual-branded property came from the general manager, Jay Leonard. Before relocating to Orlando, Leonard managed two independent hotels in Arizona, which were, as he pointed out, “different, but at the same time the same.” Therefore, he was familiar with the concept of managing two brands. However, the Wyndham dual branding project involved several unknowns. As the Director of Finance, Tony Mazurick, explained, “It [dual branding] makes sense on paper, but it makes more sense when you start looking at how to amortize expenses incurred. We have spent $2.5 m on the renovation of the Wyndham Garden, and $12 m in the Wyndham. And those expenses are getting paid through groups and transients in the tower [the Wyndham] with a higher rate.”

Additionally, from a financial viewpoint, the funds available from the owners and the banks were not sufficient to renovate the entire 626-room property at once. Therefore, the project was broken into two phases with two separate budgets: $12 m (for the Tower) and $3 m (for the Garden). It was decided that the Tower would be renovated first, since these rooms were expected to rent at a higher rate, thus yielding a faster return on investment. A year later, once the second phase of the renovation was completed and the brand name began to gain popularity, the Wyndham Garden was expected to begin attracting higher occupancy. Today, it is a close second to the Wyndham in terms of occupancy and renown.

**Bait and switch?**

The choice to engage in dual branding was also motivated by guests’ perceptions. In 2015, customers viewed the hotel as one property, often expecting to receive a room in the main tower even when booking less expensive rooms located in the property’s wings. The reservation process on the hotel’s website showed 16 different room types, all of which used similar pictures with nearly identical décor. The customers also saw pictures of the tower and imagined their rooms and themselves there. Because of this confusion, customers often booked the cheapest rooms, but expected more expensive ones. After arriving at the property, these guests often complained to the front desk about being given rooms they felt did not match their purchases. Many guests also demanded to be placed in the tower because they did not want to be in an outdoor facility. As the e-Commerce Manager, Brad Houghton, noted, customers often “felt it was a bait-and-switch.” To avoid sending customers away unsatisfied, the hotel was often forced to give free room upgrades. Overall, this situation created three major problems: a dissatisfactory experience for the guests, who felt that their pre-visit perceptions did not match their experiences on the property; economic losses, since guests always bought the cheapest rooms they could find online, often leaving the most expensive rooms empty; and high labor costs for the hotel, since, as noted by the Housekeeping Manager, Lynn Dale, “the housekeeping often had to clean and inspect two room, if not three in some cases.”

**Crunch time: moving the idea from theory to practice**

The property renovation was executed in two distinct phases: first, the tower (the Windham), and then, the wings (the Wyndham Garden). The management team thought that the first hotel to be renovated should be the one bringing in the most revenue (and, therefore, the fastest return on investment): the Wyndham. They theorized that the Wyndham Garden would have slightly lower rates. However, this expectation did not ultimately match reality. During the first phase, the difference between the two hotels was too wide, and guests did not want to stay in a non-renovated outdoor facility when they could pay slightly more to stay in a completely new Wyndham in a tower overlooking the Disney property. The timing of the renovations brought about some unanticipated and negative consequences. As Gosia Gorska-Turner, the Revenue Manager, explained, “We painted the building eight months after we opened, but
we should have painted it eight months before we converted because we didn’t give to customers perception of new.”

Once the dual-branded properties were ready to open their doors to the public, management realized that they lacked a sales and marketing strategy for the two hotels. Though their guests were familiar with Wyndham, they were not familiar with Wyndham Garden. As Leonard explained:

The Wyndham Garden is not even that well known as a brand yet. There are not that many, and this hurts us. We definitely thought that the hotel would be great, that everybody would know we are still Wyndham, we are still the same property, and we are still in Disney. But the moment we flipped into two different property, things started to go really down, we experienced a very quick decline in occupancy levels in the Wyndham Garden, we lost all our online visibility, and we almost went to a down sale.

This was confirmed by Gorska-Turner, who clarified that “we didn’t give enough credit to the facts that Wyndham Garden was going to be a new hotel on the plaza, that nobody knows it, and that’s nobody is going to be looking for; it took time to get customers.” This happened not only on the transient contract side, but also on the IT side: in fact, Wyndham reservation phone agents looking for Wyndham properties did not know there was a Wyndham Garden attached to the Wyndham. “That took us over a year to pass it, to get people to know that there is a Wyndham, and Wyndham Garden. We are at one spot, but we are two different hotels with two different strategies. It was like opening a brand-new hotel, and it took us one full year,” Houghton affirmed. Therefore, not only the business and group customers, but also the majority of leisure customers chose the Wyndham over the Wyndham Garden. This negatively impacted Wyndham Garden, which was supposed to (and needed to) be filled by the leisure segment. To solve this issue, management began to partner with VisitFlorida and VisitOrlando on marketing campaigns for transient and group clientele, both domestic and international. In addition, online newsletters, American Automobile Association tour books, travel ads and preferred placement ads with the different online travel agencies (OTAs), “Groupons,” and flash sales were used to promote both hotels, including, especially, the Wyndham Garden. Houghton admitted that “we spent more resources on Wyndham Garden for marketing than we ever thought we were going to.”

A few more bugs in the system
Throughout the implementation process, the hotel’s management encountered various technological challenges. One of the main problems arose the moment one hotel became two: all the reservations in the hotel’s single Property Management System (PMS) for all 626 rooms had to be split correctly into the two new hotels: the Wyndham (232 rooms) and the Wyndham Garden (394 rooms). However, the hotel’s property management and point of sale system would not allow two hotels to be run under the same license. Therefore, the management team had to buy two more licenses, cancel 4,500 reservations and rebook them into the new hotel. As the Front Office Manager, Todd Bolick, explained, “there was a ton of data entries that needed to be done. It’s a good size property, and two-thirds of our inventory had to be canceled and rebooked.” Today, the dual-branded property features one front desk and one lobby for both properties, but still runs on two PMS licenses.

Another technical issue that was difficult to foresee involved the hotel’s physical address. Once the property was dual branded, it moved from having one physical and one GPS address to having two different addresses for the two hotels: “we have two physical addresses, because Google couldn’t map us, and wholesale partners and third parties too. They have all their direct connectivity, and a lot of that is linked to longitude, or latitude, or physical address of the hotel: and the same issue happened with the phone number”
Therefore, there was also a need for two different direct phone numbers and two 800 numbers. Rezmer noted: “we had to have different phone lines to make sure that guests got routed to the right place with the brand when calling.”

Once opened, the new Wyndham Garden faced both physical and technical problems. This created several issues with the hotels’ different OTAs, which often incorrectly showed Wyndham Garden prices for Wyndham rooms. As a result, rooms were listed for $40, $50 or even $60 cheaper than they should have been. This discrepancy created significant customer confusion and produced a not only a loss of room revenue caused by the wrong pricing on the OTAs at the moment of the online booking, but also a loss of approximately $40,000 in resort fee revenues across the two properties because customers ended up paying the resort fee relative to the room they were booking via the OTAs (i.e. both a cheaper room price and consequent cheaper resort fee for the Wyndham Garden).

Finally, the online website had to be split as well, and two separate websites for the two hotels were created. This significantly benefited both the direct bookings and the reservations made through the OTAs, because, as Houghton elucidated, “we are getting more visibility, and anytime we are on any website, we pop up twice as opposed to once; this increase the chances of someone clicking through and make a purchase.” Due to this increased online visibility, the Wyndham Garden, which was the hotel that originally struggled the most, has recently grown and is continuously improving. In addition, management has noted that the Wyndham Garden is a 394-room hotel, while the Wyndham is only 232; therefore, it was easier to complete the latter, while the former took more time and effort.

Why two is better than one
Despite its many challenges, the dual-branded hotel seems to have accrued significant benefits to the company. Concerning revenue management, the dual brand strategy appears to have paid off. For example, once the dual-branded properties became operational, guests ceased paying for the cheapest rooms and began considering paying higher prices for rooms in the tower. The hotels were finally able to stop giving out free upgrades, and there was increased potential for upsells. At present, the management team operates two different hotels and two newer online websites. Guests can book exactly the room they want, reducing customer confusion. The price differential between the two primary room types has also increased. Whereas the pre-dual branding difference was $20 per night, today, the price premium for a tower room is up to $50. Though customer education takes time, the strategies the two hotels are using are becoming more effective every day. Additionally, front desk agents obtain monetary incentives if they can upsell guests, and this has increased the number of upsells, while virtually eliminating free upgrades.

Offering two distinct products also allows the hotels to differentiate their room rates. In the past, the website displayed rooms by price. Given the number of room types available, guests seldom browsed or booked rooms with higher price points. Today, however, Bolick revealed, “we are able to get business from different demographic than we did in the past.” Furthermore, both business clientele and group travelers, who are typically able and willing to pay the price for the Wyndham, have begun to represent a new clientele for the property. As the General Manager explained, “the Wyndham is doing its job, it’s the Wyndham Garden which is struggling. I would have bet that most people would have thought it would have been the opposite: that the Wyndham Garden would have exceeded budget numbers, and the Wyndham would be harder. But it is just literally reversed.” In fact, now that Wyndham’s rooms are visible online, guests are willing to pay higher prices to be in the tower, and the entire Wyndham is sold out every weekend. However, the Wyndham Garden is constantly improving and filling up faster.
Initially, the Wyndham hotel seemed to benefit the most from the dual branding project. However, the Wyndham Garden is gaining increased visibility and selling more thanks to OTAs, Foreign Independent Traveler contracts, various marketing campaigns, and an increased number of transient guests. In sum, the Wyndham Garden is continuously improving, and thanks to a good marketing campaign, a strong revenue management strategy, and a very good team, “it seems to be turning a corner; the numbers show that it exceeded the 2016 budget, and it is performing and exceeding its budget in the first quarter of 2017” (Leonard). Management’s hope is to see the Wyndham Garden perform better, achieve a higher occupancy rate and equal (if not surpass) Wyndham’s performance.

Sharing is caring: how guests share the servicescape
Since the dual branding process, both hotels have distinctly different rooms, corridors and signage. However, the two properties share most of their public spaces, including their food and beverage outlets. In principle, it would seem good that the hotel’s restaurants could benefit from guests for both brands. However, as Sandy Sturgeon, the Food and Beverage Manager, pointed out, “the $20 per person price tag of breakfast is perceived as expensive for a family staying at the Wyndham Garden, whereas a business person staying at the Wyndham and having access to an expense account, doesn’t seem to mind the price as much.” Consequently, guests at the Wyndham Garden tend to eat breakfast outside the property.

The Director of Sales and Marketing, Mike Rezmer, further noted that the clientele profiles for the two hotels can be described as follows: Wyndham Garden customers are predominantly families with kids, have an average household income of $75,000, “just want to have a room, and spend the rest of the money somewhere else”, often have breakfast outside the hotel, keep some snacks and food in the kitchenette and are primarily Disney theme park riders who just want a room to sleep. By contrast, Wyndham customers have an average household income of $150,000–$200,000, have breakfast at the hotel consistently, are willing to pay $39 for a steak at the hotel restaurant or order in-room dining, do not mind paying the resort fees and parking fees, and come to enjoy the resort property, not only the theme parks. Finally, management reports that approximately 20 percent of the hotels’ guests belong to domestic business groups, another 20 percent are international business travelers and the remaining 60 percent are leisure travelers.

One interesting aspect of the dual-branded hotels is that they share common spaces including the lobby, front desk, concierge service, swimming pool with a bar, snack bar, restaurant, breakfast room, parking area, valet service, business center and an exercise room. As a result, Wyndham Garden guests pay the lower prices associated with a select service hotel, but still have access to premium services and public space associated with a full-service brand. If guests wish to park their cars and take their luggage to their rooms, they can do so, but services are available for those who do not. The managers noted that they had experienced no issues related to interactions in the common areas between the guests of the two hotels. As the Human Resources Manager, Angela Melvin, stated, “having separate facilities would simply cause staffing issues and increased expenses for running them.” Additionally, because of the two different guest segments, “the group and business guests aren’t in the common areas often, but they are more in their room in the tower which can be accessed only via a key card access that only the Wyndham guests have, in the meeting rooms, and off property.” Consequently, interactions between the hotels’ guest groups are minimal.

Two additional elements are important toward the understanding of how the servicescape is experienced by guests: customer-to-employee interactions and customer-to-customer interactions (CCIs). Martin and Pranter (1989) coined the term “compatibility management” to
refer to the service provider’s targeting of compatible customer groups and active management of CCIs to enhance the service experience and minimize the potential for conflicts. Because companies aim at properly understand how customers interact with one another, the abovementioned elements are vitals, and compatibility management is a service strategy that can be used to deal with guests’ potential problems and divergences caused by incompatibility and diversity for sharing the same physical environment and servicescapes (Martin and Pranter, 1989). In this specific case study, CCI might be the primary issue for the management of the two hotels. However, guests of the Wyndham and Wyndham Garden result to be compatible for two principal reasons. The first one is the minimal interactions between the guests of the two hotels, due to the aforementioned circumstances. The second one is the slight difference between the two brands in terms of star rating; that is, three-star for the Wyndham Garden, and four-star for the Wyndham.

Keeping it all straight

The management team experienced challenges re-organizing their statements, records, forecasts and reports. With the splitting of the hotels, the requirements for reports and statements provided by the director of revenue increased. Since the director of revenue creates two sets of reports and forecasts—one for each hotel—she is now better able to monitor the market, research competitors, and consider the hotels’ positions. Though this double procedure is clearly more time consuming, ultimately, all revenues, expenses, profits and losses are now more easily monitored and accessible. All other managers create only one report, since (in addition to taking more time and effort) creating two reports was found to typically be unnecessary. For example, a single report is sufficient for the sales and marketing director and his monthly sales success report, for the director of human resources and her employee report, and for the director of finance and his financial reports. In these circumstances and departments, management continues to consider the hotels as a single complex. Furthermore, the only department that has seen an increase in personnel is that of the director of revenue, who is now supported by a revenue analyst.

Though the hotels have benefitted from the dual brand transition in many ways (e.g. checking-in each customer into only one room, reducing inventory and labor costs; not losing money due to the provision of free upgrades; an increased number of upsells; increased visibility and sales for the more expensive rooms), they have also incurred several unexpected expenses and costs. Gorska-Turner explained, “we don’t get discounts because we are getting two, but we simply pay the double. That was our biggest shock and we are still going through it.” In fact, when planning to make the property dual branded, the initial goal was to realize savings in terms of the property’s expenses. However, no economies of scale have materialized. For example, PMS companies only give discounts to properties with over 500 rooms; therefore, both the Wyndham and the Wyndham Garden (232 and 394 rooms, respectively) now have to pay in full and separately, essentially doubling the costs of this system. The same applies for having two merchant IDs for credit cards (resulting in two different banking fees), two fixed telephone line services and two addresses. Even the costs of amenities have increased, since, at present, the property is buying two separate sets of shampoos, soaps, notepads, pens, slippers, etc. Though this last cost could potentially be avoided, management sees it as necessary to educate the guests concerning the newer Wyndham Garden brand. Despite the dual-branded hotels’ failure to achieve economies of scale or the expected savings, the other positive outcomes of the dual brand transition have made the project an overall success. In conclusion, when viewing the transition as a whole, management univocally agrees with Leonard that: “our revenues are significantly higher now that wouldn’t have been if we had not done the dual branding. By millions.”
Lessons learned: how this case informs marketing theory

The literature review at the beginning of this text presented the advantages and disadvantages of dual branding. As Kotler and Keller (2015) noted, one of the primary goals of dual branding is to offer customers a new product or, if not an entirely new product, then at least a product that consumers perceive as new. This is exactly what Wyndham has done: renovate its property and offer customers two fresh and modernized properties tailored to two different market segments within the same location (Cetin and Walls, 2016). The consequences of this strategy reflect those previously identified by Park et al. (1991) and Rao and Ruekert (1994): increase the appreciation of the two brands; improve and renew the firms’ current brand images by refreshing the well-known and well-established Wyndham and introducing the more recent Wyndham Garden; increase current customers’ satisfaction and loyalty by addressing issues related to the old hotel offering two different-quality facilities for the same hotel guests; conquer new customer segments; and to replace the numerous dissatisfied customers who were historically compensated with free upgrades with satisfied customers willing to pay extra money for upgraded rooms.

Further compelling advantages have been obtained as well. As suggested by Keller (1998) and Muller (2005), these include borrowing expertise from sibling brands (with Wyndham Garden benefitting from the various advantages of the well-recognized and established sister brand Wyndham), leveraging combined brand equity (particularly for the newer Wyndham Garden brand), expanding brand meaning (by offering consumers a new concept of hospitality: dual branding), increasing customer access points (giving two different clientele groups access to two distinct hotel class segments) and increasing unit revenues (as the results of the Wyndham property have shown). By leveraging these advantages, the two studied brands have been able to please their two different clientele groups, obtain greater market saturation by filling more price and quality gaps (with the brands now clustered under the same company, Wyndham Group) and ultimately improve the company and achieve greater sales and profits.

Several scholars have highlighted the various disadvantages of dual branding (Chen et al., 2012; DiPietro, 2005; Inkpen and Beamish, 1997; Kotler and Keller, 2015). However, the managers of the Wyndham and the Wyndham Garden have thus far been able to control and avoid some of the possible drawbacks. For example, brand identity in the customers’ eyes has not been blurred (Aaker, 2014; Farquhar, 1994). Through careful choices and actions, the administration team has been able to accurately and concretely differentiate the two brands to target two distinct clienteles with different needs and requirements. If the second hotel brand had merely duplicated the existing hotel brand (Wyndham), customers might have grown confused and frustrated, resulting in disappointment, dissatisfaction and, ultimately, negative performance outcomes at the property, company and hotel group levels. This management team has also been able to effectively manage the two properties’ workforces. By providing training at the Wyndham level (i.e. the higher of the two brands), the human resource department has prepared its personnel to execute their jobs at either property at any time. This strategy has also saved the company money by creating a versatile workforce.

Despite numerous benefits, the choice to create a dual-branded property has also created some disadvantages. Planning and strategy implementations have been complex. Few hotels in the world are dual branded; therefore, information and feedback were scarce at the time of both the strategy’s choice. Moreover, the Wyndham Hotel Group had no previous experience with dual branding; therefore, no help was given to the management team members, who had to figure everything out on their own. Furthermore, management errors and miscalculations within the parent company (also due to inexperience) produced several delays and mistakes in the realization of the project.
Finally, management failed to achieve one very important forecasted benefit: economies of scale. While it was believed that operating two hotels would produce economic advantages and discounts, the reality was very different. In fact, whereas the original property—a single hotel with 626 rooms—was often able to benefit from wholesale prices and distinctive products and services (e.g. with the PMS company and the firm providing merchant IDs for credit cards), the dual-brand project created two distinct and smaller hotels, resulting in the loss of the property’s wholesale status and ability to command lower rates. Furthermore, several expenses doubled, including the costs for the hotels’ fixed telephone lines; amenities (due to the need for two separate sets of shampoos, soaps, notepads, pens, slippers, etc.); and marketing, promotion, and advertising (due to the need to promote two distinct hotels). Nevertheless, despite these unexpected costs and expenses, the advantages and positive outcomes of the project exceeded its disadvantages in both practical and economic terms. Albeit many firms simply set advertising expenses as a percentage of revenue, during the initial stages of dual branding the hotel felt the need to increase their marketing expenditures. Although the Wyndham was a known hotel in Lake Buena Vista, the Wyndham Garden part of the property was for practical purposes a new hotel. Therefore, advertising expenses grew in the first year of operations as occupancy and revenues from the Wyndham Garden portion of the hotel caught up to expectations.

The practice of double branding a product that features more than one brand name is a specific type of brand alliance (Sperance, 2017). The authors credited with the brand alliance theory are Rao and Ruekert (1994), which support the idea that brand alliances consist of two branded products from different firms being combined (inter-company brands) for extending new products created from an existing brand name; in addition, it also consists of two different companies (intra-company brands) combining their separate brands in a collaborative partnership to improve their current performance and their market positions. The dual branding concept applied by the Wyndham and Wyndham Garden hotels derives from, and has its roots in, the brand alliance theory (Rao and Ruekert, 1994). This case study tries to provide a theoretical contribution to the existing brand theories related to different sectors and industries and, more particularly, to the brand alliance theory. In fact, brand alliance and dual branding research in the lodging industry are very scarce, thus providing a neutral ground for research (Carpenter, 1994; Lee et al., 2006; Sperance, 2017). Consequently, this case study extends the existing body of knowledge of the brand alliance theory, thus paving the way for further discovery and development.

Based on the findings of this particular case study, the authors propose a series of recommendations for the advancement of dual branding theory in particular, and marketing theory in general (Figure 2). First, there are various pressure points that trigger the decision to establish a dual branding situation. In this case study, the need for renovations, customer dissatisfaction and complaints, changing customer expectations (due to a new competitive landscape in the lodging sector) and limited financial resources were all pressure points for the decision to establish dual brands. Second, some of the benefits of dual branding include appealing to multiple market segments, the ability to retain a greater percentage of group guests inside a property (vs sending them at nearby competitor hotels) and the ability to leverage common facilities and resources. In this study, by implementing a dual branding project, the management team was able to attract various customer segments, offer more choices to their group clients and capitalize on common facilities and location. Third, the researchers propose that there are various challenges associated with dual branding in the lodging sector. Name recognition can be a challenge, as demonstrated in this case. Therefore, investors should expect the benefits of a dual-branded property to come gradually, as they would with a new business venture. Additionally, dual branding can mean dual costs, as demonstrated in the case of the hotels’ computer system licensing issues, franchising fees, reporting requirements and others.
Finally, the compatibility of the two brands needs to be considered. Although dual brands should offer customers choice, they also have the potential to create confusion; thus, they must be compatible. Based on these findings, the researchers propose the following model for dual branding in the hotel industry.

From a managerial perspective, it should be noted that major hospitality brands are not building anymore large-capacity hotels as they used to do in the past (Hess, 2018; Sperance, 2017). Hotel owners and managers can get a double benefit from applying a dual branding strategy: not only amalgamating back-of-house departments and operations, but also bringing the best of both brands to more guests. In addition, this approach helps fighting the strong existing competition, as competitors might get discouraged from extending or constructing new supplies near a dual-branded concept. Moreover, the management can have greater control over room inventory, since the properties are smaller and more manageable. Additionally, the current trend for lodging brands with the current generation and customers is not anymore to have the same room styles replicated throughout other cities of the world, but to offer more boutique-style hotels. Finally, some properties are getting old and in need for renovation; therefore, as it was the case of the Wyndham and the Wyndham Garden in this study, they seize this chance as an opportunity to upgrade, and they do it by re-branding the current property with two distinct brands.

In the particular context of the Wyndham and the Wyndham Garden, the management team’s choice to create a dual-branded property has proved profitable and fruitful in all respects. This case study illustrates that, in addition to significant experience, reasoning, brainstorming, logic, rationale, and pragmatism, dual branding also involves intuition, instinct and insight. In the studied case, a favorable mixture of these elements allowed the two properties to overcome a difficult economic situation, create a completely new and
exciting experience and lead the property to a financial renaissance and prosperity. This case of the Wyndham and the Wyndham Garden shows that the boundary between success and failure for a business that chooses to become dual branded or that aims to create a brand alliance is very thin, and the factors influencing the results are numerous. From a theoretical standpoint, this paper advances the theory and practice of dual branding by providing a real-world case scenario; by identifying the managerial choices, strategies and tactics considered and undertaken; and by clarifying and exploring the logic and rationale for each of these initiatives.

Limitations
Due to the case study nature of the present investigation, the authors acknowledge several limitations. Researchers have long argued about the value of the case study approach and its generalizability in terms of theory building (Eisenhardt, 1989; Eisenhardt and Graebner, 2007; Jick, 1979; Miles and Huberman, 1984; Mintzberg, 1979; Yin, 1981). Many suggest that case studies are appropriate only for investigating local causality and not for general theoretical claims. These scholars also argue that the case study approach is epistemologically inferior to other approaches because it provides only a “detective’s” knowledge, whereas the goal of research is to offer scientific knowledge. However, the case study methodology has proven highly useful and especially appropriate in new topic areas, such as research on tourism development. In fact, case studies offer an opportunity to efficiently and economically examine numerous and diverse operational contexts in order to provide an in-depth examination of “real-world” operations of specific firms (Eisenhardt, 1989; Eisenhardt and Graebner, 2007; Lewis, 1998; Tsoukas, 1989). Moreover, case studies have been proven to be well suited to both existing and new research areas, and are also used as deductive (whether they are used to challenge existing theory with reality) and inductive (whether they provide data for theory generation and conceptualization) approaches (Gummesson, 2001).

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Using situational crisis communication theory to understand Orlando hotels’ Twitter response to three crises in the summer of 2016

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Abstract

Purpose – The purpose of this paper is to assess the crisis communication strategies implemented by hotel and lodging organizations via social media. Specifically, this study analyzed Twitter content by hotels in Orlando, Florida during the summer of 2016 when several crises occurred that made global media coverage, including the alligator snatching on Disney property, the mass shooting at Pulse nightclub and growing concerns of Zika virus.

Design/methodology/approach – To understand crisis communication in the hotel industry, this study was guided by the technology-environment-organization framework and situational crisis communication theory (SCCT). Twitter content between June 1 and August 31, 2016 from Orlando hotels was collected and content analyzed to determine: was the message related to the crisis event, the SCCT strategy used and the influence of hotel organizational factors (ownership, size, classification) on the use of social media for crisis communication.

Findings – Results indicate that most hotels are not currently using Twitter as a form of crisis communication. Only the shooting at Pulse Nightclub was communicated and the SCCT bolster strategy was used throughout each of the crisis-related message, reminding stakeholders that they too are a victim.

Originality/value – This study provides insight into the ways hotels are using social media for crisis communication. Each crisis explored was different, and while the hotels were not responsible for creating the crises, they are responsible for the safety of guests. These results inform hoteliers that there is a responsibility to communicate during a crisis, particularly for informative purposes.

Keywords Social media, Tourism, Lodging, Crisis communication, Hotel

Paper type Research paper

Introduction

Tourism is one of the largest and fastest growing industries in the world and has a direct effect on the economic and social development of many countries. In the USA, tourism brings in hundreds of millions of dollars and is a major source of employment (Tarlow, 2014). In Florida in particular, the tourism industry is the “engine of Florida’s economy” (Oxford Economics, 2018), with out-of-state visitor spending reaching $112bn and supporting 875,722 jobs in 2016 (Oxford Economics, 2018). Central Florida, home to Orlando, the largest destination in the USA (Pariona, 2017), received $64bn economic impact from tourism in 2016, providing approximately 424,000 jobs (Visit Orlando, 2017b).

The lodging industry, a major part of the tourism industry, is a significant direct contributor to the Florida economy, representing the largest out-of-state visitor spending in 2016 of nearly $32bn (Oxford Economics, 2018). Orlando alone sold 33m room nights in 2016, making the city the second largest hotel market in the USA (Visit Orlando, 2017b). These economic contributions highlight not only the importance of tourism to local and national economies, but also the need to implement strategies in the event that the destination faces a possible decline in tourism demand. The occurrence of an event that has a major effect on the willingness to travel can critically affect the economy, and the livelihood of individual nations.
As the tourism industry is particularly vulnerable to crises (Faulkner, 2001; Pforr, 2006; Ritchie et al., 2004; Ritchie, 2004; Stafford et al., 2002), strategic crisis communication can help to reposition the destination as safe in the mind of tourists by reducing their risk perceptions. Destinations can manage the perceptions of visitors through implementing a strong communication plan that provides accurate, relevant and timely information to visitors (Pennington-Gray, 2016). Avoiding communication during a crisis can make a destination more susceptible to impacts of a crisis (Pennington-Gray, 2016). Providing useful, detailed information can decrease distress associated with the crisis and can increase optimism when levels of uncertainty are high (Cahyanto et al., 2016).

Literature on crisis communication is prevalent in the tourism industry; however, few studies have focused solely on the communication tactics by the hotel and lodging industry (Liu et al., 2015; Rousaki and Alcott, 2006; Stafford et al., 2002; Wang and Ritchie, 2012). Hoteliers, as direct contributors to the tourism industry, have a responsibility to communicate to their guests during a time of crisis. Studies on crisis communication in tourism have focused on tourists’ sources of information during a crisis (Cahyanto et al., 2016; Cahyanto and Pennington-Gray, 2015), explaining that tourists, as transient populations, may be at a greater disadvantage as they lack sufficient knowledge to decipher messages and are in unfamiliar environments (Burby and Wagner 1996; Faulkner 2001; Matyas et al., 2011; World Tourism Organization, 1998). Therefore, tourists may turn to their lodging to provide them with information, or if not located at their lodging during the crisis, may seek information on social media platforms.

A survey by Statista (2017) on news consumption found that 74 percent of respondents received news from Twitter, followed by 68 percent from Facebook and Reddit. Twitter is becoming a prominent source for communication during a crisis. The American Red Cross (2013) report on social media and disasters discusses the importance of Twitter for providing immediate distribution of information with unlimited reach, which can be aided further with the inclusions of hashtags and increased followers. The ability of social media to instantly distribute information to large masses (Sigala, 2011), allows a successful tool for crisis communication. However, Twitter as a form of crisis communication by the hotel industry is lacking in the tourism literature and the implications for the industry are unknown.

This research assesses the crisis communication strategies implemented by lodging organizations via social media. This study sought to understand what the lodging industry is currently doing as a form of crisis communication by reviewing the Twitter content by hotels in Orlando, Florida, during the summer of 2016. Orlando experienced numerous crises during the summer of 2016 that made global media coverage. This study focuses on three incidents, including the alligator snatching on Disney property, the mass shooting at Pulse nightclub and growing concerns of Zika virus.

This study sought to determine whether the hotels made a statement regarding each of these incidents, the content of the message, the use of situational crisis communication strategies and how consumers engaged with these messages (comments, retweets, etc.) through Twitter. This study also examined the influence of hotels’ organizational factors on their online crisis communication strategies. Thus, this study sought to answer the following research questions:

RQ1. Are hoteliers using social media for crisis communication?

RQ2. How are hoteliers using social media for crisis communication?

RQ2a. What is the content of the message?

RQ2b. Are situational crisis communication strategies being successfully employed?

RQ3. How is the public responding to hoteliers’ crisis communications via social media?

RQ4. Do hotels’ organizational factors influence their use of social media for crisis communication?
Background of case

Orlando is one of the largest tourism destinations in the USA, surpassing New York City, Chicago and Las Vegas (Pariona, 2017) and is home to both Walt Disney World and Universal Studios among many other popular attractions. In 2016, Orlando received a record 68m visitors (Visit Orlando, 2017b). However, despite record visitors, hotel occupancy decreased 0.9 percent from the previous year (Visit Orlando, 2017a). Some explanations for decreased occupancy may include the 15 percent decrease by Canadian tourists to Florida in 2016 (Visit Florida, 2017), likely due to the drop in the Canadian dollar and increased political concerns from overseas travelers (Pedicini, 2017). However, three major events from the previous year may also have had a spillover effect in people’s decisions to travel to Orlando, including Zika Virus, the mass shooting at Pulse nightclub and the incident of an alligator snatching on Disney property.

Zika Virus is a mosquito-born virus that began making widespread news in 2015 when it emerged in Brazil and rapidly spread through the Americas (Avsic-Zupanc and Petrovec, 2016). On February 1, 2016 the World Health Organization declared a public health emergency of international concern. There is no known cure or antiviral treatment or vaccine for Zika, resulting in public health efforts focusing on prevention efforts, particularly for pregnant women. Health experts believe Zika may have been causing infections in the state of Florida as early as March 2016 (Stobbe, 2017). Central Florida was particularly vulnerable due to large numbers of international visitors, with more than 1.9m arriving from South America (Miller, 2016a, b). More than 650 cases of Zika were reported in Florida, where 43 were locally acquired (Miller, 2016a, b). In May of 2016, 116 travel-related cases were reported, with 9 in Orange County, where Orlando is located. The number of pregnant women infected in Florida in May was 56 (Cordeiro, 2016).

The second crisis in Orlando during the summer of 2016 was a terrorism incident. Around 2 a.m. on Sunday, June 12, gunman Omar Mateen entered the Pulse Nightclub in downtown Orlando, and over the course of three hours shot and killed 49 people. Located at 1912 South Orange Avenue, only 18 miles from Walt Disney World, with 320 people inside the club at the time, 50 people including the gunman were killed and 53 were wounded (Santora, 2016; Caplan and Hayden, 2016). This event was ranked as the deadliest mass shooting in American History (Santora, 2016; Caplan and Hayden, 2016) and the worst terror attack on US soil since September 11 (9/11).

The last of the incidents occurred only two days after the Pulse nightclub shooting. A boy, age 2, was fatally attacked by an alligator at The Grand Floridian Resort and Spa, a Walt Disney World Resort property. The Grand Floridian did not have signage to warn guests of potential alligators in and around their on-site lagoon (Visser, 2016). Lack of signage resulted in a family allowing their child to play in/near the water. Disney declined to comment on the incident, however, efforts were made to improve safety after the incident (Miller, 2016a, b). This event is particularly related to this study as it took place at a hotel property that is in the location of this study and The Grand Floridian’s twitter account is included in the analysis.

Literature review

Crisis events can have a major impact on the tourism industry, as tourists’ perceptions of risk increase and, consequently, tourism demand can decline. The hotel and lodging industry, the largest subsector within tourism (Ritchie et al., 2013), is therefore extremely vulnerable to crises as it relies on consumer perceptions (Malhotra and Venkatesh, 2009). Due to this negative relationship, it is critical that hotel and lodging organizations engage in measures to reduce the amount of risk that is perceived.

Crisis communication

A key way to restore safety in the mind of consumers is through successful crisis communication. Implementing an effective crisis communication strategy can limit negative
media coverage and manage perceptions during the crisis event, as well as during the post-crisis recovery stage (Ritchie et al., 2004). Avoiding communication is often worse than communicating a negative message as the public’s trust and the credibility of the organization risks being reduced (Seeger, 2006). The crisis communication literature explains that while crises pose a threat to organizations, they also present an opportunity (Fall and Massey, 2006), providing the organization with a way to revive itself through strategic communication (Seeger and Ulmer, 2001; Ulmer and Selnow, 2002). Organizations that utilize communication strategies can repair damage from the crisis (Coombs, 1999).

Crisis communication is of particular importance for tourists who are present at the destination during a crisis. Tourists, traveling outside of their home city or country, may not know who to go to for information, relying on their hotel to communicate this information to them (Cahyanto et al., 2014). As a crisis is unexpected and creates a sense of urgency, there is a critical need to respond to stakeholders. Therefore, hoteliers have a responsibility to inform tourists about critical events and ensure their safety.

Crisis communication on social media
Social media have been important tools for crisis communication. With more than 1.59bn people around the globe using social media (Chaffey, 2016), information can be spread at a faster rate and to a broader audience than ever before. Social media, as a form of electronic word-of-mouth, are seen as more reliable sources of information, have substantially longer carry-over than traditional information sources (i.e. news coverage) and produce substantially longer responses (Trusov et al., 2009). Social media allow real-time communication between those providing information and those seeking it (Sigala, 2011). Microblogging platforms, such as Twitter, are often the first source people go to for information online. Twitter, as a form of “news medium,” states the headlines first and provides links to other media forms to provide supplementary information. While there are studies to discuss how crisis communication through social media can create a positive impact to organizations, the few that focus on the hotel and lodging industry (Liu et al., 2015) are limited in their concentration on the analysis of review platforms, such a TripAdvisor. Research of hotels’ use of platforms such as Twitter is inadequate.

As crises are unexpected in nature, strategic responses can help limit negative impacts and speed up the recovery process once the crisis has occurred (Coombs, 2014). Social media have significantly changed crisis communication practices (Schroeder et al., 2013). With social media, hospitality organizations can communicate directly with their stakeholders during times of crisis and hospitality practitioners have the ability to detect and avert potential crises, monitor public discourse and understand public perceptions. Unfortunately, the hotel industry has not fully adopted a proactive approach, and online responses to crisis events are not a regular practice (Liu et al., 2015). Therefore, to understand crisis management in the hotel industry, this study was guided by both Tornatzky and Fleischer’s (1990) Technology-Organization-Environment (TOE) framework from the diffusion of innovation (DoI) literature and Coombs’ (2007) situational crisis communication theory (SCCT).

The TOE framework
This study uses the TOE framework to assess the factors that lead to adoption of Twitter for crisis communication purposes among Orlando-based hotels. Technology adoption frameworks and theories, such as the technology acceptance model, unified theory of acceptance and use of technology, and DoI theory, have been used in multiple empirical studies to understand organizations’ adoption of new technology or ideas. These frameworks, however, are limited as they focus on the individual factors that lead to adoption. Tornatzky and Fleischer’s (1990) TOE framework focuses on organizational factors (Awa et al., 2017). While DoI theory’s constructs are synonymous with TOE, TOE
integrates environmental characteristics, providing a superior theoretical framework for examining technology adoption and use (Awa et al., 2017; Gangwar et al., 2014; Hossain and Quaddus, 2011; Leung et al., 2015; Oliveira and Martins, 2011). As the TOE framework highlights the context in which the adoption process takes place, it is a suitable tool for assessing an organization’s technology adoption (Chau and Tam, 1997).

Tornatzky and Fleischer’s (1990) TOE framework explains that an organization’s adoption of technology is influenced by three contexts: technological, organizational and environmental. The technological context discusses how both internal and external technologies influence adoption. The rate of adoption can be explained by the perceived relative advantage, the compatibility with the organizations values and needs, the complexity of implementation, trialability or the ability to test its effectiveness, and whether the benefits can be observed (Rogers, 1995; Tornatzky and Fleischer, 1990). In regard to social media adoption, Twitter is relatively easy to implement and test, and the advantages of social media to the lodging industry have been observed (Aluri et al., 2015; Anderson, 2012; Leung et al., 2015). This study assesses only those hotels that had active Twitter accounts during the summer of 2016 and therefore focuses on the adoption of the platform for the purpose of crisis communication.

The organizational context refers to the characteristics that lead to the adoption of the innovation or technology (Tornatzky and Fleischer, 1990). While the advantages of the technology may be known, organizations need to have sufficient resources to implement it (Leung et al., 2015). In the lodging industry, studies have found that characteristics such as size and ownership influence the adoption of sustainability innovations (Deng et al., 1992; Kirk, 1998; Le et al., 2006; Mensah, 2006; Smerecnik and Andersen, 2011; Tzschentke et al., 2008). In terms of crisis management, there is evidence of the relationship between organizational factors and adoption of crisis management activities. Factors such as hotel ownership (chain/independent) and star rating have been found to be important indicators of both social media behavior and crisis preparedness (Levy et al., 2013; Liu et al., 2015; Paraskevas, 2006; Ritchie et al., 2011).

The environmental context refers to the setting, or market, in which the organization operates (Tornatzky and Fleischer, 1990), explaining that the external environment presents opportunities, threats or pressure for adoption of technology. Pressure from the industry has been considered the most important factor of technology adoption (Fuchs et al., 2010; Leung et al., 2015; Ramdani et al., 2013; Wang et al., 2010) and includes pressures from competitors, governments, trading-partners and customers. In the lodging industry, customer satisfaction is critical and the expectation and demand by customers for communication technologies, such as social media, is a major pressure influencing adoption (Leung et al., 2015). Regarding crisis communication, Twitter has been found to be an information hub during disasters (Schwarz et al., 2016) with users provided with links to obtain further information (Hughes and Palen, 2009). This validates the environmental pressure by consumers for hotels to not only adopt Twitter but also to utilize it for crisis communication purposes.

### Situational crisis communication theory

SCCT uses an attribution approach to understand and provide recommendations for constructing a strategic crisis response (Coombs, 2007). SCCT suggests that in a time of crisis, organizations need to respond appropriately to protect reputational assets (Coombs, 2007). The type of response depends on the crisis type, severity and the responsibility stakeholders will attribute to the organization. In this study, various crisis types exist with differing levels of severity and responsibility. Both Zika, a health-related crisis, and the Pulse Nightclub shooting fall under “minimal crisis responsibility” as the organization itself was not responsible for these events. However, while they did not create the risk, tourism organizations are responsible for ensuring the safety of the tourist, increasing the
need to communicate. The incident of the alligator snatching was not the responsibility of all Orlando-based hotels; however, due to the widespread media coverage surrounding this event, the reputation of these hotels was likely affected.

SCCT suggests three components to communicating a strategic response: instructing information, adjusting information and reputation management. Instructing information explains the crisis to stakeholders. Adjusting information assists stakeholders in coping with the crises. Finally, reputation management is the actual response used by the organizations to address the crisis in an attempt to protect reputational assets (Coombs, 2014). Reputation management has four postures with common strategies used in crisis response. First, the denial posture is an organization’s attempt to deny responsibility. Second, the diminishment posture occurs when excuses and justifications are made by the organization. Third, the rebuilding posture is an organization’s apology for a crisis and/or allocation of some form of compensation. Finally, the bolster posture occurs when the organization portrays themselves as a victim (Coombs, 2014).

Coombs (2007) suggests that when attributions of crisis responsibility are minimal, the organization should implement ethical base response which is a combination of adjusting and instructing information. This is the suggested method during situations where the crisis creates victims or stakeholders suffer in some way, such as a health-related crisis or terrorism (Coombs, 2015). For crisis with minimal responsibility by the organization, the ethical base response should be the first response offered and is considered alone to be the appropriate response (Coombs, 2017).

This study sought to understand what the hotel and lodging industry is currently doing as a form of crisis communication by analyzing social media posts during a crisis event. This study specifically looks at the use of Twitter by hoteliers during a time of crises and whether organizational factors affect hotels’ use of social media for crisis communication and if their strategies are consistent with the crisis communication literature.

**Method**

To meet the objectives, this study employed a singular instrumental case study method to explore the phenomena of crisis communication on social media. To better understand the case at hand, this study utilized content analysis of Tweets produced from the Twitter handles of Orlando-based hotels during the summer of 2016 (May to August).

This study was conducted in four stages. The first stage included the creation of a database of Orlando hotels on Twitter. Hotel census data by Smith Travel Research were used to create a list of Orlando hotels. This database also included the organizational factors of the hotels, including the size (number of rooms), style or hotel classification (luxury, upper upscale, upscale, upper midscale, midscale, economy), ownership (independent vs franchised or chain management) and location (based on address: Disney, universal, downtown, airport, other). Using this list, a search for the Twitter accounts of each these hotels took place. The hotels without a Twitter account were eliminated. Determination of whether hotels had Twitter accounts was achieved by exploring the properties website as well as twitter feeds. Those that did have a Twitter account, but the account was not active, or was not established until after the study period were also eliminated from the data set. A subsequent data set had 147 active hotel Twitter accounts.

The remaining accounts were differentiated based on whether it was a general account or personal account. Personal accounts were those used specifically by one Orlando property (e.g. @DTOrlandoDwntwn is the personal twitter account for the DoubleTree hotel in downtown Orlando), whereas those used for all hotel properties were listed as general accounts (e.g. @doubletree is the Twitter account for all DoubleTree hotel properties). As the overall organization and property-specific hotels equally have a responsibility to communicate in a time of crisis, both of these account types were used in the analysis. Upon further analysis, many of the chain hotel’s Twitter accounts in the data set were the same.
general accounts used and endorsed by multiple Orlando-based properties. Each of these was condensed to one general account to ensure the same Tweets were not analyzed more than once. With these duplicates removed \( n = 49 \), the final data set included 98 hotel Twitter accounts \( n = 98 \), with more personal accounts (69.4 percent, \( n = 68 \)) in the data set than general accounts (30.6 percent, \( n = 30 \)).

The second stage involved data collection. All Tweets by the hotel Twitter handles throughout the period of May to August of 2016 were collected using NCapture, a web browser extension of the qualitative data analysis software NVivo. The third stage included the coding of the Twitter data. The development of crisis communication categories was guided by both Coombs’s (2014) SCCT and Tornatzky and Fleischer’s (1990) TOE framework. The organizational factors of each hotel provided information as to whether these factors influenced the communication from the hotel’s Twitter account during a crisis. The items for each category are consistent with Smith Travel Research classifications. The Tweets themselves were categorized in terms of: was the message related to the crisis event, the content of the crisis communication message (using Coombs (1999) typology of crisis communication strategies – Tables I and the engagement from followers on the message.

Engagement was measured in terms of the number of likes, retweets and comments, and the use of mentions (@______) and hashtags (#______). Likes, retweets and comments indicate other users are engaging with the hotel’s Twitter post through an act of approval (MacKay et al., 2017), whereas mentions and hashtags show the hotel is engaging with others.

To enhance credibility, inter-coder reliability used Cohen’s \( \kappa \) based on a reproducibility reliability sample of 49, one-half the hotels. Inter-coder reliability for the measure of whether the hotel Tweeted about the crisis or not showed greater than minimum acceptability \( (k = 0.945) \) indicating a high level of agreement between the two coders (Lacy and Riffe, 1996). Inter-coder reliability was also used to test the credibility of the SCCT strategies (Table I) of all 56 crisis-related tweets. Cohen’s \( \kappa \) indicated substantial agreement for the SCCT component \( (k = 0.741) \) (Landis and Koch, 1977) and 100 percent agreement for the SCCT reputation management strategy.

The fourth stage was the analysis stage. A content analysis took place, which followed a sequential explorative strategy, where quantitative analysis aided the interpretation of qualitative data (Neuman and Robson, 2012).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Description</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related</td>
<td>No</td>
<td>Content of Tweet was related to one of the crisis events</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Event</td>
<td>Zika virus</td>
<td>Crisis event referred to in the content of the Tweet</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Night club shooting</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Alligator snatching</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Communication type</td>
<td>Instructing information</td>
<td>Explains the crisis situation to stakeholders</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Adjusting information</td>
<td>Assists stakeholders in coping with the crisis</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Reputation management</td>
<td>Attempts to protect reputational assets</td>
<td>3</td>
</tr>
<tr>
<td>Communication strategy</td>
<td>Denial</td>
<td>Attempt to deny responsibility</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Diminishment</td>
<td>Excuses and justifications made by organization</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Rebuilding</td>
<td>Organization apologizes and/or offers compensation</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Bolster</td>
<td>Organization portrays themselves as a victim</td>
<td>4</td>
</tr>
</tbody>
</table>

Table I.
Crisis communication variables
Results
A summary of the background of the hotels in the data set is displayed in Table II. Reviewing the tweets by hotels revealed six of them, while still active accounts, did not Tweet at all during the study period. Most accounts tweeted between 1 to 100 times (54 percent). The general account for Marriott hotels (@marriott) tweeted the most during the study period with 1,656 tweets; however, none of the tweets were related to any of the crises.

Over half the hotels were located in the vicinity of Walt Disney World or Universal Studios (54 percent), followed by those with multiple properties in Orlando or in areas outside of the four major Orlando tourist locations. “Multiple” refers to the general hotel Twitter accounts that have multiple properties in Orlando. For example, Holiday Inn (@holidayinn) has properties located near the airport, Disney and universal.

Most of the hotels with Twitter accounts had 150–299 rooms (34.7 percent), followed by those with 500 rooms or more (27.6 percent), and 300–500 rooms (20.4 percent). Only two accounts came from hotels with less than 75 rooms. Over half (53.1 percent) of the hotels fell into the “Upscale” or “Upper-upscale” classification, while most hotels are classified as “midscale” (32.7 percent). Very few economy, upper-midscale or luxury hotels had active Twitter accounts:

RQ1. Are hoteliers using social media for crisis communication?

<table>
<thead>
<tr>
<th>Number of Tweets in study period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N Tweets</strong></td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>1–50</td>
</tr>
<tr>
<td>51–100</td>
</tr>
<tr>
<td>101–200</td>
</tr>
<tr>
<td>201–300</td>
</tr>
<tr>
<td>301–500</td>
</tr>
<tr>
<td>Over 500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organizational factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
</tr>
<tr>
<td>Chain</td>
</tr>
<tr>
<td>Independent</td>
</tr>
<tr>
<td>Location</td>
</tr>
<tr>
<td>Disney</td>
</tr>
<tr>
<td>Universal</td>
</tr>
<tr>
<td>Multiple</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Airport</td>
</tr>
<tr>
<td>Downtown</td>
</tr>
<tr>
<td>N Rooms</td>
</tr>
<tr>
<td>150–299</td>
</tr>
<tr>
<td>300–500</td>
</tr>
<tr>
<td>More than 500</td>
</tr>
<tr>
<td>75–149</td>
</tr>
<tr>
<td>Less than 75</td>
</tr>
<tr>
<td>Hotel classification</td>
</tr>
<tr>
<td>Midscale</td>
</tr>
<tr>
<td>Upscale</td>
</tr>
<tr>
<td>Upper-upscale</td>
</tr>
<tr>
<td>Upper-midscale</td>
</tr>
<tr>
<td>Luxury</td>
</tr>
<tr>
<td>Economy</td>
</tr>
</tbody>
</table>

Table II. Background of Orlando hotels on Twitter
Of the 98 hotel Twitter accounts analyzed in this study, only 27 (27.6 percent) communicated about a crisis event. And of those 27 accounts, all communicated about only one of the three incidents in the summer of 2016 – the Pulse Nightclub shooting. Most of the hotels (51.9 percent) only tweeted about the incident once; however, nine of the hotels (33.3 percent) had two tweets relating to the crisis. Only four hotels (14.8 percent) tweeted more than twice about the crisis event. The Crowne Plaza Downtown hotel (@crowneplazadwtn) tweeted the most about the event with a total of 11 crisis-related tweets. The total number of crisis-related tweets from the 27 hotels was 56:

RQ2. How are hoteliers using social media for crisis communication?

While all of these hotels tweeted about only one of the three crises, all but one used the same SCCT strategies. These hotels utilized Twitter for the purpose of reputation management, using the “bolster” strategy in which they saw themselves as the victim. Some examples of these tweets include:

- We are Orlando and will stay #orlandostrong! We are united! #prayforlando #OrlandoUnited (Renaissance Orlando – @RenaissanceOrla).
- We pray for the victims and their families. #pray for Orlando (Comfort Suites – @ComfortSuitesFL).
- Pray for a world where we can all live in peace. #prayfororlando #morelovelesshate #onePULSE (Rosen Inn International – @RosenInnInt).

Only one hotel provided information to tourists about their safety, as well as used the bolster strategy, “For those seeking #counseling, the @ZebraCoalition has 2 #hotlines available: (407)228-1446 & (407) 822-5036” (Double Tree Orlando Downtown – @DTOrlandoDwntwn).

While victimage was the most frequent SCCT strategy used, 9 (16.1 percent) of the tweets included strategies that were unidentifiable or used neither of the SCCT strategies. These included tweets where the crisis was mentioned; however, the strategy appeared more promotional in nature. For example, “Create love with whatever tools you can. This roll was made by our sushi chef John Nelson. #pulse, #orlando, #loveislove, #pride” (Hyatt Orlando Airport – @HyattOrlandoAP).

In regard to the content of the crisis-related tweets, only one was a retweet, where the remaining 55 were original tweets from the hotels’ Twitter accounts. The majority (87.3 percent) of tweets did not mention any other users in their crisis-related tweets. Hashtags, on the other hand, were commonly used, with 87.5 percent of all crisis-related tweets containing at least one hashtag. Over one-fifth (21.4 percent) contained three or more hashtags. The most commonly used hashtag was “#OrlandoUnited” (24.4 percent), followed by “#OrlandoStrong” (22.2 percent) and #PrayForOrlando (7.8 percent). Furthermore, over half the tweets contained a link to additional content (55.4 percent), whereas just over one-third contained a photo or video (35.7 percent) within their crisis-related tweet.

A qualitative analysis was conducted to identify themes within the tweets in addition to the SCCT strategies. Seven themes emerged. A secondary coder assisted in strengthening the validity of these themes, resulting in inter-coder reliability of $k = 0.808$, indicating high agreement between coders (Landis and Koch, 1977). The most common theme (Table III) included messages of love, support and prayers for the victims of the Pulse Nightclub shooting (26.8 percent), followed by messages of togetherness (17.9 percent), such as “Tonight we stand together with our city and our community affected by this tragedy #prayfororlando #orlandostrong” (Aloft Orlando Downtown – @aloftOrlandoDT). Visually focused tweets (14.3 percent) were those that utilized a hashtag (i.e. #OrlandoStrong) complimented with a photo, or a photo with no text at all.
Many of the tweets were unique and did not fall into a theme. These included the one informational tweet mentioned above, as well as tweets that provided a famous quote, vigil information or messages of thanks. Interestingly, many tweets also did not indicate support and love for victims, but instead for the city of Orlando (12.5 percent), for example Hilton Orlando (@hiltonorlando) tweeted “We ❤️ Our City! #OrlandoStrong #OrlandoUnited #WeAreOrlando ᵁ: @idriveorlando.” Finally, messages with information or requests for donations were present (8.9 percent), as well as promotional tweets (see previous example from Hyatt):

RQ3. How is the public responding to hoteliers’ crisis communications via social media?

The majority of hotels’ crisis-related tweets were not retweeted (66.1 percent). Those that were retweeted were mostly retweeted only once ($M = 1.09, SD = 2.48$). The tweet, “We are honored to stand by the LGBT community at #DCPride, and our hearts are heavy for all those affected by the violence in #Orlando” was retweeted 13 times, the highest number of retweets.

Similarly, most of the hotels’ tweets were not “liked” by other users (51.8 percent), with very few containing more than three likes ($M = 2.52, SD = 4.68$). Likewise, the majority of tweets did not contain comments (96.4 percent). Each of the two tweets that did have comments, only contained one comment:

RQ4. Do hotels’ organizational factors influence their use of social media for crisis communication?

To test the influence of organizational factors on the hotels’ use of social media for crisis communication, a number of cross-tabs were first conducted. These cross-tabs looked at whether the account tweeted about the crisis (dichotomous: yes, no) and the type of account (four variables: ownership, size, class and location of the hotel). In regards to account type, only one general account tweeted about the crisis. The remaining were personal accounts. The majority of the accounts who communicated about the crisis were from chain hotels (92.6 percent).

$\chi^2$ analysis indicated that there was no significance in the ownership of the hotel and whether they communicated about the crisis ($\chi^2(1) \geq 1.111, p = 0.292$). Significance was found between the location of the ($\chi^2(5) \geq 13.382, p = 0.02$), with more downtown hotels communicating about the crisis than expected (Table IV).

Hotels with more than 500 rooms communicated about the crisis more through their Twitter accounts (Table V). $\chi^2$ analysis rendered this relationship insignificant ($\chi^2(4) \geq 2.491, p = 0.649$).

Likewise, classification of the hotel was not found to be a significant factor in whether or not the hotel communicated about the crisis ($\chi^2(5) \geq 6.080, p = 0.299$). As seen in Table VI, midscales were more likely to communicate about the crisis.

Further analyses were conducted to see whether the organizational factors of the hotel were an indication of the number of crisis-related tweets the hotel made. Of the 56

<table>
<thead>
<tr>
<th>Themes</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Love, support, prayers for victims</td>
<td>26.8</td>
</tr>
<tr>
<td>Togetherness</td>
<td>17.9</td>
</tr>
<tr>
<td>Visually focused content</td>
<td>14.3</td>
</tr>
<tr>
<td>Love for city of Orlando</td>
<td>12.5</td>
</tr>
<tr>
<td>Other</td>
<td>10.7</td>
</tr>
<tr>
<td>Donations</td>
<td>8.9</td>
</tr>
<tr>
<td>Promotion</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Table III. Themes within crisis-related tweets
crisis-related tweets, only 2 (3.6 percent) came from a general Twitter account. The chain hotels, however, communicated substantially more than independent hotels (94.6 percent). 

$t$-Test was used to see the differences in ownership type and crisis communication. While chain hotels tweeted substantially more, the differences were insignificant ($t(96) = 0.895, p = 0.373$).

A series of ANOVAs were conducted to assess if location, size and style influenced the number of tweets about the crisis. Hotel size and style were not significant indicators of the number of crisis-related tweets ($p > 0.05$). Homogeneity of variances assumption was violated for location, and therefore the Welch robust test was used which indicated that location was also not a significant indicator of the number of crisis-related tweets ($F(5, 29.23) = 29.23, p = 0.229$).

Based on the TOE framework, the technology itself is considered an indicator of adoption of new innovations. This study therefore tested whether the number of followers and tweets was a significant indicator of the likelihood for hotels to communicate during a crisis. Independent samples $t$-test was used to see the differences in means between the number of followers a hotel had on twitter and whether they communicated. Results show that hotels that did communicate about the crisis had significantly less followers ($M = 3,847.96, SD = 8,768.19$) than hotels that did not communicate about the crisis ($M = 19,100.58, SD = 44,674$), $t(82.62) = 2.71, p = 0.007$. Similarly, hotels that communicated has less overall total tweets from their twitter account ($M = 2,597.93, SD = 2,966.79$) than those that did not communicate ($M = 7,167.62, SD = 15,262.13$), $t(82.41) = 2.41, p = 0.018$. However, when looking at the total number of tweets in the study period (vs the total number of tweets ever),

<table>
<thead>
<tr>
<th>Location</th>
<th>Communicated (%)</th>
<th>Did not communicate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disney</td>
<td>29.6</td>
<td>32.4</td>
</tr>
<tr>
<td>Universal</td>
<td>14.8</td>
<td>25.4</td>
</tr>
<tr>
<td>Multiple</td>
<td>3.7</td>
<td>16.9</td>
</tr>
<tr>
<td>Other</td>
<td>18.5</td>
<td>11.5</td>
</tr>
<tr>
<td>Airport</td>
<td>11.1</td>
<td>11.3</td>
</tr>
<tr>
<td>Downtown</td>
<td>22.2</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**Table IV.** Crisis communication by location

<table>
<thead>
<tr>
<th>Size</th>
<th>Communicated (%)</th>
<th>Did not communicate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 75</td>
<td>3.7</td>
<td>1.4</td>
</tr>
<tr>
<td>75–149</td>
<td>11.1</td>
<td>16.9</td>
</tr>
<tr>
<td>150–299</td>
<td>29.6</td>
<td>36.6</td>
</tr>
<tr>
<td>300–500</td>
<td>18.5</td>
<td>21.1</td>
</tr>
<tr>
<td>More than 500</td>
<td>37.0</td>
<td>23.9</td>
</tr>
</tbody>
</table>

**Table V.** Crisis communication by hotel size

<table>
<thead>
<tr>
<th>Classification</th>
<th>Communicated (%)</th>
<th>Did not communicate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>0.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Midscale</td>
<td>44.4</td>
<td>28.2</td>
</tr>
<tr>
<td>Upper-midscale</td>
<td>0.0</td>
<td>9.9</td>
</tr>
<tr>
<td>Upscale</td>
<td>22.2</td>
<td>31.0</td>
</tr>
<tr>
<td>Upper-upsacle</td>
<td>29.6</td>
<td>22.5</td>
</tr>
<tr>
<td>Luxury</td>
<td>3.7</td>
<td>5.6</td>
</tr>
</tbody>
</table>

**Table VI.** Crisis communication by hotel classification
the differences were insignificant ($t(96) = 0.057, p = 0.955$). A simple linear regression was calculated to predict the number of crisis-related tweets based on the number of followers and total number of tweets by the account. Both were insignificant ($p > 0.05$).

**Discussion**

To fill the gap in social media used by hotels in times of crisis, this research reviewed the crisis communications strategies employed on Twitter by Orlando-based hotels. The results indicated that hotels lack significant crisis communication strategies implemented on social media. It was unfortunate that very few posts appeared that related to the crises and that only one event received any tweets.

Coombs and Holladay (2002) discuss different types of risk and the role and responsibility of the organization. In a hospitality context, the lodging sector is part of a larger industry, which works collectively to create, maintain or enhance images of the destination. When a crisis occurs in the destination, all organizations should collectively engage in reputation management strategy with a common message. These messages should not only provide instructing information to keep on-site tourists safe but also diminishment and bolstering strategies to enhance or maintain the reputation of the destination.

In this study, each crisis explored was different, and while none of the hotels (with the exception of The Grand Floridian) was responsible for creating the crises, they were responsible for the safety of their guests and the bolstering of the destination, therefore, communication is critical. Particularly in the terrorism situation, such as the Pulse Nightclub shooting, risk perceptions of tourists are likely to increase and therefore hotels need to manage risk perceptions and implement strategies to help reduce negative perceptions.

While terrorist attacks are typically negative for a destination, they can also provide an opportunity for the destination to increase their image and reputation (Seeger and Ulmer, 2001; Ulmer and Sellnow, 2002). This is a plausible explanation for why the Pulse Nightclub shooting was the only incident mentioned by the hotels. Unfortunately, tourism organizations will avoid communicating about events, such as Zika or the alligator attack, as they believe, by mentioning the event, the risk perceptions of tourists will increase (Wachinger *et al.*, 2013). However, research has found this is not true. Thus, it is critical that they inform their guests as well as educate the potential guest on how to protect themselves. Remaining silent can have more negative impacts as credibility and trust are reduced (Seeger, 2006).

Regarding hotels’ crisis communication strategies, in their response to the Pulse Nightclub shooting, many saw themselves as victims but provided tourists with no information regarding the event. Information is vital, particularly in a destination, such as Orlando, that welcomes millions of tourists a year. If tourists are staying close to the vicinity of the shooting, they would be looking for information on closures, rerouting and ways to stay safe. Undoubtedly, the hotel itself would be a likely place to turn to. Further, Coombs (2017) suggests that the bolster strategy should not be utilized alone. The bolster strategy attempts to create a positive image of the organization and should complement other strategies when the attributions of crisis are minimal, such as diminishment or rebuilding. In this study, all of the hotels used the bolster strategy without any other complimentary communication surrounding the events.

The relationship between the hotels’ organizational factors and their crisis communication strategies on social media indicated that only location was a significant factor. Seeing that all tweets were related to the Pulse Nightclub shooting, it is understandable that the hotels located in the downtown Orlando area had more communication about the crisis than hotels in other locations in Orlando. The TOE framework suggests that organizational factors impact the adoption of new innovations (Tornatzky and Fleischer, 1990). As this study analyzed only those hotels which had Twitter accounts, using the platform for crisis communication can be
easily implemented. The TOE framework also indicates that organizations with more resources are more likely to adopt new technology. In this study, substantially more chain hotels tweeted about the crisis than independent hotels, which may be attributed to the resources available to these hotels by the overall brand.

Based on the SCCT literature and the innovation literature, when a crisis occurs, hotels should use Twitter to communicate to their guests, particularly focusing on those who are in the direct vicinity of the crisis and are most at risk. According to Coombs (2007), the first step should be for the hotel to provide immediate information instructing their guests of how to keep safe. For Zika, this could include information about where to purchase mosquito repellent and can even be complimented with promotional strategies by informing guests that they can purchase repellent on-site. For the alligator attack, hotels can communicate information about the state of Florida and the importance of avoiding water that can potentially have alligators. Additionally, information can be provided to guests on where they can report an alligator sighting if it is on the hotel’s property. For terrorism events, the hotel can work with official government agencies and emergency responders, sharing information from these official sources on their Twitter account so that guests have the most up-to-date information. Hotels can also provide information about their own locations and the safest routes for guests to take to get back to their accommodations safely. After instructing information is provided, SCCT suggests using adjusting information to provide correct any information and inform guests of the current state of the crisis (Coombs, 2007). It is after these two approaches take place that the reputation management strategies can occur.

Further, hotels can advance their crisis communication strategies on Twitter by using associated hashtags and increasing their number of followers to ensure the messages reach the intended audience (the guests). The Red Cross (2013) discusses the importance of Twitter for crisis communication and that organizations with more followers have the greatest advantage as their messages can reach larger audiences. In this study, however, it was found that the accounts with the most followers, and that used Twitter more frequently were less likely to communicate about a crisis. This raises the question of: why do the hotels go silent during a crisis? Is it because they do not want to draw negative attention and that conversation might direct people to them? Do they not know what to say? Is communicating perceived as unimportant? Do they not see the relevance to their bottom line? Each of the hotels promotes their social media platforms already on their website, indicating they want their guests to be followers. They can enhance their following by further informing guests that Twitter will be used to provide information in the event of an emergency. This not only helps to increase their followers, but also provides guests with reassurance that the hotel is taking additional measures to ensure their safety.

While the crisis communication strategies on Twitter were insufficient, the frequent use of hashtags in the crisis-related Tweets was an effective strategy used by the hotels. Twitter hashtags are a way to sort and combine online resources, and allow users to easily locate information using keyword searches (Chang, 2010). During a crisis, having a common hashtag associated with the event can ensure all relevant information is accessible to those who need it. For example, during the Boston Marathon bombing, the hashtag #bostonmarathon quickly became a trending topic (Gilgoff and Lee, 2013). While none of the hotels provided information about the crises, their future strategies can be an adaptation from their existing strategies of frequent hashtag use.

Conclusion
The purpose of this study was to assess the crisis communication strategies implemented by hotels in times of crisis via social media. Particularly, this study analyzed tweets sent by Orlando-based hotels during the summer of 2016 when three crises occurred that made
global media coverage. Overall, the results are unfortunate but not unexpected. Tourism crisis communication studies have reported similar findings (Ritchie et al., 2004). Organizations are not responsible for the incidents and therefore may feel communication is not necessary, or that it will cause an increase in risk perceptions. However, as the previous research has indicated, effective communication can be more positive to an organization than lack of communication (Seeger, 2006).

This study fills the gap in the literature on crisis communication by examining hotel and lodging responses to crises on social media. This study provided insight into the ways hotels are using social media, as well as the messaging strategies for reputational management that might have been used. The practical implications include the need for hoteliers to communicate during and immediately after a time of crisis, particularly for informative purposes. Using the bolster strategy is effective in the response and recovery stages of a crisis, but tourists need information and hotels are a likely source for this while there in the destination. Further, this study brings to light that Twitter is more than a promotional platform; it is a tool that can be used in daily operations.

The limitations of this study include the analysis of only one social media platform, whereby other platforms (i.e. Facebook) may have been used differently for crisis communication. Also, the low number of hotels actively using Twitter resulted in few units for analysis. Future research suggests studying a broader timeframe or location to provide more data, as well as looking at crisis communication on multiple platforms. Further research also suggests looking at the relationship between media coverage of the crisis and crisis communication. This study was limited in that the analysis focused solely on the crisis communication by the hotels themselves. By assessing the relationship between news coverage and crisis communication, further understanding of hotels’ use of twitter for crisis communication can be concluded.

Finally, this study provides valuable information as to the present crisis communication strategies by hotels to inform practitioners that these strategies are not enough. Twitter is increasing in its use as information dissemination and hotels, regardless of their organizational characteristics, can find value in adopting the platform in their crisis communication strategies.

References


Further reading


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Guest preferences for service recovery procedures: conjoint analysis

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Abstract

Purpose – The ongoing challenge for hospitality firms is not to avoid service failures completely but rather to find effective ways of recovering from them. The purpose of this paper is to adopt conjoint analysis to examine guest preferences for service recovery actions that are taken simultaneously and the effect of such actions in the context of hotels in order to seek answers to the following research questions: what type of compensation bundle is most preferred by guests? and How effective are compensations in terms of recovery satisfaction, especially with regard to subsequent behavioral intentions?

Design/methodology/approach – In order to study guest preferences for compensation, choice-based conjoint (CBC) experiments were used. The CBC survey method involves presenting respondents with several hypothetical scenarios that include numerous combinations of compensation attributes. The survey sample was recruited through web-based panels run by a marketing firm. The online survey was designed and built in the Sawtooth Software platform. Conjoint analysis was carried out.

Findings – The conjoint analysis results show that among the different compensation attributes, consumers preferred discounts the most, followed by corrective actions and loyalty points. Among the discount levels, consumers favored “free one night certificate for a future stay” over “100 percent off one night’s room bill.” Regarding loyalty points, consumers desire more points than fewer points. In terms of correction levels, consumers appear to desire an “upgrade to a suite” over just moving to another room or having the original room cleaned. Moreover, consumers prefer that service recovery be handled by upper-level management.

Research limitations/implications – Several limitations should be discussed. For example, the type of service failure studied was limited to a booked room not being clean upon check-in. Different types and magnitudes of service failures may result in a different set of preferences for compensation bundles. In addition, the compensation attributes and levels were limited in scope even though they were obtained from interviews with managers at midsize hotels. Other attributes and attribute levels can be included in future studies.

Originality/value – Although an abundant number of studies have been done regarding service failure and recovery, the extent to which service recovery needs to be carried out before it translates into actual recovery remains unanswered. Using conjoint analysis, the study identified exactly which bundle of compensation items was most preferred by guests.

Keywords Conjoint analysis, Service failure, Compensation, Service recovery, Guest preference

Paper type Research paper

Introduction

The hospitality industry is a highly competitive market as shown in Smith Travel Research’s census database for year-end 2015 that roughly 5m hotel rooms in more than 52,000 properties in the USA (STR, 2016). In response, hotels adopt aggressive approaches to provide high-quality service and products to gain a fair share in the market. However, service failures are unavoidable. Service providers more likely fail to meet guests’ expectations because hospitality products are inseparable and variable. Products are produced and consumed at the same time and cannot be separated from their providers (inseparability), and their quality may vary greatly depending on who provides them, and when, where and how they are provided (variability) (e.g. Kotler et al., 2017). Thus, an ongoing challenge is not to avoid service failures completely but rather how hospitality firms recover from service failures.

The author would like to acknowledge support of Sawtooth Software and the Premier Resorts & Management Hotel Group.
When a service failure occurs, a firm’s response has the potential either to reestablish consumer satisfaction and reinforce loyalty or to worsen the situation and drive the consumer to a competing firm (Smith and Bolton, 1998). As an attempt to convert a dissatisfied consumer into a loyal consumer, a service provider takes recovery actions (Grönroos, 1988). Well-executed service recoveries enhance consumer satisfaction and recovery satisfaction, build consumer relationships, achieve consumer loyalty, lessen negative emotion, increase repurchase intentions, and even deter failures (e.g. Andreasen, 2001; Bambauer-Sachse and Rabeson, 2015; Kim and Ulgado, 2012; Nguyen and McColl-Kennedy, 2003; Varela-Neira et al., 2010). Hence, managing service failures and developing effective service recovery policies have become major concerns for hotel operators.

Among several recovery actions, compensation is critical because consumers desire to be compensated equitably as they may experience loss of time, effort and money due to service failure. The growing body of evidence shows that compensation leads to higher satisfaction than no compensation (Fu et al., 2015; Roschk and Gelbrich, 2014). In particular, a combination of monetary and non-monetary compensations have the greatest recovery effect; when there is a service failure, consumers not only desire for a sincere apology from the service provider but also want to be monetarily compensated for their loss (Grewal et al., 2008; Fu et al., 2015). Although abundant studies have been done related to service failure and recovery, to what extent service recovery needs to be done so that it is translated into recovery remains unanswered. Hotel operators often choose to offer a bundle of monetary and non-monetary compensations, and learning what guests actually want for compensations is critical. Thus, this paper adopts conjoint analysis to examine the guest preferences of service recovery actions simultaneously and the effect of service recovery in the context of hotels, seeking answers to the following research questions:

RQ1. Which bundle of compensations is most preferred by guests?

RQ2. How effective are compensations on recovery satisfaction, which lead to behavioral intentions?

Literature review

Service failure

Service failure occurs when the evaluation of service performance is worse than expectation. Expectancy-Disconfirmation (Webster, 1991) describes this subjective comparison between expectations and perceptions of performance. Consumers make purchase decisions based on expectation that are derived from past experience, referrals and brand (Oliver, 1991). Expectations play the role of being evaluative tone that consumers judge their experiences based on. During the consumption, consumers evaluate the performance and then the transaction completes when consumers compare the evaluation of performance with their expectations. When expectation and evaluation of performance matches, consumers will be satisfied. If the evaluation does not meet the standards, service failure occurs.

According to Smith et al. (1999), there are two types of service failure: outcome and process. Outcome failure is related to utilitarian exchange and happens when the service provider fails to deliver the core service. In the context of hotel service, outcome failures can be associated with service product failures or failure to meet explicit or implicit consumer requests (Ford et al., 2011). Examples of outcome failures are when consumers are not pleased with the main dishes at a restaurant (service product failure) or consumers request a room with an ocean view expecting their requested room is guaranteed. Even though their rooms are never guaranteed, the guests would be furious if the hotel fails to meet their expectations (failure to meet explicit requests). Moreover, service failure related to process
involves when the manner of service delivery is somewhat flawed and deficient. Then these failures are considered as process failure. Process failure examples are employees serving the main dishes are not friendly and attentive. Or consumers almost finish their transaction booking a room online, and the website freezes on them. In the hospitality industry, consumption often involves direct contacts with employees, which leads to possible process failure at every service encounter.

Hospitality literature identifies “rooms” as one of the common areas service failure occurs. In fact, the most salient considerations for choosing a hotel depend on clean, comfortable, well-maintained rooms, whereas consumers choose not to return to a hotel because of poor cleanliness and maintenance (Knutson, 1988). Yet, more than half of economy travelers and nearly half of the mid-price travelers had been checked into a room that had not been properly cleaned (Knutson, 1988). In a recent study, by extracting keywords from the descriptive responses of hotel guests, the results of the text-mining analysis indicate that guest arrival and departure are two critical incidents where most service failures occur (Lee et al., 2011). In another study of a four-star hotel in the USA, most service failures are identified as “room not ready,” “slow service,” “slow check-in/out,” “incorrect bill,” and “missing reservation” (p. 11) (Lewis and McCann, 2004). This study further reveals that guest check-in and check-out are very important service encounters during the guest stay at a hotel, affecting guest perceptions of the hotel’s overall image and eventually the long-term relationship with guests (Lewis and McCann, 2004).

Service recovery
Recovery efforts are important because responses to service failure can reinforce attitudinal and behavioral outcomes. Empirical research shows not only service failures but also failed recoveries result in negative word of mouth (WOM), switching behavior, and inferior service loyalty (Bitner, 1990; Keaveney, 1995). According to Expectancy-Disconfirmation (Webster, 1991), the subjective comparison between expectations of recovery and perceptions of recovery, which leads to secondary satisfaction (recovery satisfaction). Satisfaction refers to the link between emotional and cognitive processes in a response to confirmation and disconfirmation cognitive (Webster, 1991). Even worse, if the service provider fails to recover the failure, then double disconfirmation will happen (Smith and Bolton, 1998).

Consumption emotion is defined as a set of feelings elicited during a particular consumption experience (Westbrook and Oliver, 1991). During service failure, negative emotion will be provoked such as humiliation, anger, embarrassment and frustration. Such negative emotions after service failure later affect consumer behaviors and attitudes toward the service providers. For example, Choi and Choi (2014) examine the consequences of consumers’ justice perceptions and affection in the context of service failure and recovery. The results reveal that procedural and interactional justice perceptions significantly influence consumer affection, with distributive justice perception being significant only if the failure severity is high. Consequently, consumer emotion leads to loyalty and WOM, respectively. Their findings are in agreement with the importance of strengthening the emotional tie between consumers and companies after service failure and recovery (Choi and Choi, 2014).

Service recovery represents an opportunity to strengthen relationships with consumers and consumers’ attitudes are shaped by the extent to which they think they have been treated fairly (Murphy et al., 2015). Well-executed service recovery can regain satisfaction or reinforce loyalty (Smith et al., 1999). Efforts taken for attempted service recovery positively affect recovery satisfaction (Varela-Neira et al., 2010). In turn, service recovery using financial compensation and social comparison with others positively improves satisfaction and behavioral intentions (Vázquez-Casielles et al., 2012). In fact, service recovery can turn in angry, frustrated consumers into loyal ones (Hart et al., 1990). Negative emotion can be
effectively managed by sincere attempt of service recovery, specifically through pre-service recovery and during phases of service recovery (Nguyen and McColl-Kennedy, 2003).

Distributive, procedural, interactive and informational justices are highly linked to post-recovery satisfaction and trust, WOM, and revisit intention (Mattila and Cranage, 2005; Kim et al., 2009). In their study, Ok and others (2005) investigate the effects of recovery scenarios on trust, commitment, recovery satisfaction and behavioral intentions. The results show that recovery satisfaction had positive effects on trust and overall satisfaction; trust had positive effects on commitment and overall satisfaction, and at last commitment had positive effects on overall satisfaction and behavioral intentions. Thus, in the hospitality industry, service failure recovery is a key determinant of consumer satisfaction and loyalty (Magnini and Ford, 2004).

**Service recovery strategies**

As service providers’ recovery strategies should be strong and effective as an effort to respond to service failures, consumers prefer to receive recovery resources that “match” the type of failure they experience in “amounts” that are commensurate with the magnitude of the failure that occurs (Smith et al., 1999). Based on social exchange theory and equity theory (Adams, 1965; Oliver, 1981), compensation is related to the allocation of costs and benefits in achieving equitable exchange relationships. It is relative comparison between partners that the ratio of outputs and inputs needed to be equitable (Adams, 1965). At service failure, consumers experience loss of time, effort, money and apology will redistribute esteem, a social resource, to exchange relationships (Tax et al., 1998).

Although it is difficult to identify exact inputs and outputs in service failure situations, consumers desire to be compensated equitably, which leads our assumption that consumers have preferences over compensation bundles. When recovery efforts are equitable to their loss, consumers will be satisfied with recovery. When consumers do not receive the equitable recovery in relation to the ratio of price to service failure, they will experience negative emotion and subsequently be dissatisfied with the service provider.

The extent of successful recovery depends on the type of failure (Lewis and McCann, 2004; Noone and Lee, 2011; Wirtz and Mattila, 2004), severity/magnitude (Lewis and McCann, 2004; Sreejesh and Anusree, 2016), stability (O’Neill and Mattila, 2004), and controllability (Rose and Blodgett, 2016). In a service failure context that does not involve monetary costs to the consumer, consumers may prefer psychological compensation, a good recovery process, to receiving compensation (Wirtz and Mattila, 2004). In a response to a certain type of service failure (overbooking), Noone and Lee (2011) studied the role of overcompensation (added compensation in addition to a free night’s accommodation in a comparable hotel, transportation, and a telephone call) in shaping consumers’ reactions to the service failure/recovery experience and concluded that cash-overcompensation was more effective recovery than voucher-overcompensation.

In the presence of high severe service failure and/or highly agreeable situation, consumers tend to less likely book the hotel (Sreejesh and Anusree, 2016). Or in a recovery process, failure severity moderates the relationship of compensation-satisfaction-repurchase intention; the more severe consumers perceive the failure is, the more they rely on satisfaction to repurchase (Kim and Ulgado, 2012).

With regard to stability, when service failure is unstable and recovery is stable, consumers are more satisfied with recovery and more likely to return to the hotel (O’Neill and Mattila, 2004). For controllability, in the context of online reviews, Rose and Blodgett (2016) examined the effects of type of failure and response on negative reactions. They found the type of failure and response mattered to guests’ negative reactions; when service failures are viewed controllable, management responses can mitigate the adverse effects of negative reviews. When service failures stem from uncontrollable factors,
company reputation is not adversely affected. Such results are in line with resource exchange theory and mental accounting classifying the various factors into different categories or “account.” Thus, based on resource exchange theory and mental accounting, evaluation differs by several factors because they represent different categories of loss.

**Theoretical frameworks**

Compensation refers to a strategy for reinstating equity to an exchange relationship when one party has been harmed by the other (Walster et al., 1973). Monetary compensation is mainly related to cash given back or other types of compensation, such as discounts, free gifts, or substitution (Goodwin and Ross, 1992; Wirtz and Mattila, 2004). Non-monetary compensation consists of an apology, acknowledging causality, supervisor intervention, showing care and giving an explanation (Fu et al., 2015; Lee et al., 2011; McColl-Kennedy and Sparks, 2003).

Existing literature emphasizes the importance of offering a combination of monetary and non-monetary compensation measures (Smith et al., 1999; Mattila and Patterson, 2004; McDougall and Levesque, 1999). For example, corrective actions comprise a combination of recovery attributes of compensation, apology, response speed and initiation (Smith et al., 1999). Others include replacement, apology, acknowledging causality, supervisor intervention, showing care and giving an explanation (McColl-Kennedy and Sparks, 2003). According to Lee et al. (2011) in their study of Hong Kong hotels, most common service recovery attempts include compensation, upgrading, explanation, apology and management involvement.

A combination of monetary and non-monetary compensations results in the most effective recovery. A combination of compensation, speed of recovery and apology has a joint effect on post-recovery satisfaction (Wirtz and Mattila, 2004). In a situation of negative emotion during service failures a free gift or an apology can convert a negative emotion into a positive emotion (Golder et al., 2012). Fu et al. (2015) examine the effectiveness of different post-failure compensation strategies and found strategies that comprise of both monetary and non-monetary compensation result in higher consumer satisfaction than those which offer one or the other. Similarly, Mattila and Cranage (2005) find that restaurant patrons’ choice over the service delivery process, compensation and apology jointly influence their perceptions of fairness.

**Methodology**

In order to learn guests’ preference for compensations, choice-based conjoint (CBC) experiments were used. The CBC survey method involves presenting respondents with several hypothetical scenarios that include numerous combinations of compensation attributes. In addition, by using experimentally generated scenarios, an attempt was made to reduce undesirable response biases due to memory lapses, rationalization tendencies and consistency factors (e.g. Smith and Bolton, 1998).

**Conjoint designs**

A review of literature and depth interviews were used to identify the compensation attributes and levels that guests would prefer receiving from choices of the experimental compensations. Three hotel managers from mid-sized hotels in Northeast Florida were interviewed to formulate compensation attributes and levels. This extant study focuses on a combination of monetary (discount, gifts in a form of loyalty points and correction (including an upgrade), and management intervention, controlling speed, apology and empathy and examines guests’ preference for compensation upon a common service failure (check-in to an unclean room). These experimental compensations were chosen because it
was felt that guests would be sensitive to the different combinations of attributes, an essential requirement for a conjoint manipulation (Faircloth et al., 2001). Overall, the lodging industry experts confirmed that the scenario developed depicted realistic service failure encounter and conjoint scenarios designed to portray different compensations. This process ensured face validity and content validity (e.g. Babin and Burns, 1998; Sweeney and Soutar, 2001). The attributes and their corresponding levels used are summarized in Table I.

A full replication of these combinations of compensation attributes and levels would have required a factor analysis of 108 scenarios: discount (4) × loyalty points (3) × correction (3) × issue handled by (3). Inclusion of such large number of scenarios was considered impossible due to respondents’ cognitive limitations and time constraints. To reduce the number of scenarios to the smallest number essential for efficient estimation of utility weights, a fractional factorial design was used (see Dey, 1985; Zwerina et al., 1996 for detailed calculation). Based on this criterion, a reduced set of six scenarios was given to respondents. Compensation options were manipulated in a conjoint experiment; an example of scenarios was presented in Table II.

Survey design
The survey consisted of three sections. First, respondents were asked to read a scenario below. Several variables were controlled such as other service recovery strategies (apology, recovery initiation, response speed and empathy), the type and magnitude of service failure and travel-related variables (e.g. purpose of trip, length of stay, booking channel). The type of service failure was controlled to “check in to an unclean room” as it is the core product

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount (4)</td>
<td>No discount</td>
</tr>
<tr>
<td></td>
<td>50% off one night’s room bill</td>
</tr>
<tr>
<td></td>
<td>100% off one night’s room bill</td>
</tr>
<tr>
<td></td>
<td>Free one night certificate for a future stay</td>
</tr>
<tr>
<td>Loyalty points (3)</td>
<td>No points</td>
</tr>
<tr>
<td></td>
<td>5,000 points</td>
</tr>
<tr>
<td></td>
<td>10,000 points</td>
</tr>
<tr>
<td>Correction (3)</td>
<td>Clean the room</td>
</tr>
<tr>
<td></td>
<td>Move to another room</td>
</tr>
<tr>
<td></td>
<td>Upgrade to a suite</td>
</tr>
<tr>
<td>Issue handled by (3)</td>
<td>Front desk agent</td>
</tr>
<tr>
<td></td>
<td>Rooms manager</td>
</tr>
<tr>
<td></td>
<td>General manager</td>
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</tbody>
</table>

Table I. Compensation attributes and levels

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correction</td>
<td>Clean the room</td>
</tr>
<tr>
<td>Discount</td>
<td>No discount</td>
</tr>
<tr>
<td></td>
<td>100% off one night’s room bill</td>
</tr>
<tr>
<td>Loyalty points</td>
<td>No points</td>
</tr>
<tr>
<td></td>
<td>5,000 points</td>
</tr>
<tr>
<td>Issue handled by</td>
<td>General manager</td>
</tr>
<tr>
<td></td>
<td>Front desk manager</td>
</tr>
</tbody>
</table>

Notes: You are traveling on a leisure trip for two nights. You book a standard room directly with the hotel. You arrive at the hotel and go to the front desk to check in. The representative assigns you a room. When you get to your room, you find that the room has not been cleaned. You call the front desk and complain about the room not cleaned. The representative immediately makes an apology and shows empathy. Which of the following should be offered to you to recover the hotel’s service failure?

Table II. Example of a conjoint design
and has been recognized as the most common service failure in the lodging industry (Knutson, 1988; Lee et al., 2011; Lewis and McCann, 2004) (see Table II).

Second, six scenarios that portray four combinations of compensation attributes/levels were presented to respondents. They were asked to choose one scenario: which of the following should be offered to you to recover the hotel’s service failure? In addition, the respondents were asked to think about the problem they had and the hotel’s handling of the problem and to consider they receive compensation that they ask for. The effectiveness of compensation was measured by asking their satisfaction with the hotel’s handling of the problem, their behavior intentions on a five-point Likert scale (Blodgett et al., 1997; Wirtz and Mattila, 2004) (e.g. How satisfied would you be with the hotel’s handling of the problem? on a scale 1 being extremely dissatisfied and 5 being extremely satisfied). At last, demographic information was gathered such as gender, age and income.

Data collection and data analysis
Sample was recruited through web-based panels from a marketing firm. Convenience sample was used, and the use of panels from a marketing firm and convenience sampling were considered appropriate since they are users of the chosen product class (e.g. leisure travelers).

The online survey was designed and built in the platform of Sawtooth Software. In terms of sample size, a recommended minimum cell size is 20 observations per group. In the case of the extant research there are six scenarios, thus requiring 120 observations for an adequate analysis (Hair et al., 2010).

Conjoint analysis was carried out. First, the relative effect of each attribute level was calculated by counting “wins.” Since each attribute level is equally likely to occur at each level of every other attribute, the influence of each level is assessed by counting the proportion of agreement concepts. Second, the model incorporated Hierarchical Bayes (HB) estimation, which develops individual-level, part-worths from choice data. HB uses the individual’s choices, together with information about the distribution of the part-worths for all respondents, to estimate individual-level parameters (Huber and Train, 2001).

Results
Sample profile
A total of 159 surveys were used for data analysis after removing incomplete surveys. There were somewhat more male respondents than female; 59.4 percent of them were male and 40.6 percent were female. The age distribution of the respondents was as follows: 16.2 percent were younger than 25 years old; 42.9 percent were 26–34 years old, 23.4 percent were 35–44 years old, and 17.5 percent were older than 45 years old. In addition, 50.6 percent of the respondents indicated earning more than $40,000.

Conjoint results
A part-worth utility refers to a measure of relative desirability or worth (Orme, 2010); the higher a utility is, the more it is a desirable factor in respondents’ selection. Part-worth utility scores for each level are shown in Table III. First, in the discount attribute, the “Free one night certificate for a future stay” had the highest utility score (63.42) compared to the other levels, making larger contributions to the total utility of that attribute and it was followed by “100 percent off one night’s room bill” (33.76). The utility scores for the “no discount” and “50 percent off one night’s room bill” were negative, meaning respondents were least likely to prefer them as their discount options. Second, for the loyalty points attribute, the utility of the “10,000 points” contributed more (38.80) to the total utility than did others, followed by “5,000 points” (8.52). The utility scores for the “no points” (−47.31)
was negative, making it the least preferred choice. Third, in the correction attribute, the level of the “upgrade to a suite” contributed more to the total utility (48.40) than did others, making “upgrade to a suite” as the most preferred choice among other correction choices, followed by “move to another room” (7.45). Negative utility scores for the “clean the room” (−55.85) indicated that correction by just cleaning the room was the least preferred choice than others of the same attribute. At last, the utility of the “General Manager” contributed the most (26.76) to the total utility of the issue handled by attribute than did other levels. The utility scores for “Front desk representative” (−25.10) was negative, indicating that respondents considered it the least preferred. The compensation choice that contained the lowest level possible for each attribute ranked the lowest, which serves as a manipulation check. Any reasonable person would prefer that hypothetical levels the least.

**Conjoint simulations**

Then, three simulations were conducted to compare respondents' preferences across the compensations simultaneously (Table IV). It should be noted that any combinations of

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Level</th>
<th>Utilities</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount (4)</td>
<td>No discount</td>
<td>−94.37</td>
<td>64.60</td>
</tr>
<tr>
<td></td>
<td>50% off one night’s room bill</td>
<td>−2.80</td>
<td>41.83</td>
</tr>
<tr>
<td></td>
<td>100% off one night’s room bill</td>
<td>33.76</td>
<td>37.51</td>
</tr>
<tr>
<td></td>
<td>Free one night certificate for a future stay</td>
<td>63.42</td>
<td>45.94</td>
</tr>
<tr>
<td>Loyalty points (3)</td>
<td>No points</td>
<td>−47.31</td>
<td>41.46</td>
</tr>
<tr>
<td></td>
<td>5,000 points</td>
<td>8.52</td>
<td>27.78</td>
</tr>
<tr>
<td></td>
<td>10,000 points</td>
<td>38.80</td>
<td>32.38</td>
</tr>
<tr>
<td>Correction (3)</td>
<td>Clean the room</td>
<td>−55.85</td>
<td>43.52</td>
</tr>
<tr>
<td></td>
<td>Move to another room</td>
<td>7.45</td>
<td>32.70</td>
</tr>
<tr>
<td></td>
<td>Upgrade to a suite</td>
<td>48.40</td>
<td>42.91</td>
</tr>
<tr>
<td>Issue handled by (3)</td>
<td>Front desk agent</td>
<td>−25.10</td>
<td>29.86</td>
</tr>
<tr>
<td></td>
<td>Rooms manager</td>
<td>−1.66</td>
<td>22.61</td>
</tr>
<tr>
<td></td>
<td>General manager</td>
<td>26.76</td>
<td>33.17</td>
</tr>
</tbody>
</table>

**Table III.** Part-worth utility scores for each attribute level

<table>
<thead>
<tr>
<th>Simulation 1</th>
<th>Bundle 1 (32.99%)</th>
<th>Bundle 2 (16.17%)</th>
<th>Bundle 3 (50.84%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No discount</td>
<td>No discount</td>
<td>Free one night certificate for a future stay</td>
<td></td>
</tr>
<tr>
<td>No points</td>
<td>No points</td>
<td>No points</td>
<td></td>
</tr>
<tr>
<td>Upgrade to a suite</td>
<td>Clean the room</td>
<td>Clean the room</td>
<td></td>
</tr>
<tr>
<td>Front desk agent</td>
<td>General manager</td>
<td>Front desk agent</td>
<td></td>
</tr>
<tr>
<td>Cost ($)</td>
<td>6.50–50</td>
<td>6.50</td>
<td>29.50–136.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Simulation 2</th>
<th>Bundle 1 (44.56%)</th>
<th>Bundle 2 (19.62%)</th>
<th>Bundle 3 (35.81%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No discount</td>
<td>No discount</td>
<td>100% off one night’s room bill</td>
<td></td>
</tr>
<tr>
<td>No points</td>
<td>10,000 points</td>
<td>No points</td>
<td></td>
</tr>
<tr>
<td>Upgrade to a suite</td>
<td>Clean the room</td>
<td>Clean the room</td>
<td></td>
</tr>
<tr>
<td>General manager</td>
<td>Front desk agent</td>
<td>Front desk agent</td>
<td></td>
</tr>
<tr>
<td>Cost ($)</td>
<td>6.50–50</td>
<td>56.50</td>
<td>136.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Simulation 3</th>
<th>Bundle 1 (41.07%)</th>
<th>Bundle 2 (17.81%)</th>
<th>Bundle 3 (41.12%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No discount</td>
<td>No discount</td>
<td>Free one night certificate for a future stay</td>
<td></td>
</tr>
<tr>
<td>No points</td>
<td>10,000 points</td>
<td>No points</td>
<td></td>
</tr>
<tr>
<td>Upgrade to a suite</td>
<td>Clean the room</td>
<td>Clean the room</td>
<td></td>
</tr>
<tr>
<td>General manager</td>
<td>Front desk agent</td>
<td>Front desk agent</td>
<td></td>
</tr>
<tr>
<td>Cost ($)</td>
<td>6.50–50</td>
<td>56.50</td>
<td>29.50–136.50</td>
</tr>
</tbody>
</table>

**Table IV.** Conjoint simulations and its preferences

*Note:* A sample of estimated cost for service recovery is based on information from mid-scale hotels located in Northeast Florida.
comparison are possible in the platform of Sawtooth Software and these three simulations only serve as a snapshot of it. Simulation 1 compared respondents’ preferences on three different compensation bundles all together. The results showed that the respondents prefer bundle 3 the most (50.84 percent), in which a front desk agent compensates them with free one night certificate for a future stay and has the room cleaned, compared to the others (e.g. a front desk agent upgrades them to a suite (32.99 percent) or a general manager has the room cleaned (16.17 percent)). In Simulation 2, the respondents appeared to prefer bundle 1 (44.56 percent), in which a general manager upgrades them to a suite, compared to the others (e.g. a front desk agent compensates with 100 percent off one night’s room bill and has the room cleaned (35.81 percent) or a front desk agent has the room cleaned and offers 10,000 loyalty points (19.62 percent). In Simulation 3, the respondents preferred two bundles similarly: bundle 3 (41.12 percent; a front desk agent compensates them with a free one night certificate for a future stay and has the room cleaned) and bundle 1 (41.07 percent; a general manager upgrades them to a suite).

At last, the respondents were asked to think about the problem they had and the hotel’s handling of the problem, and they received compensation that they ask for. With regard to service recovery satisfaction, the respondents were satisfied with the hotel’s handling of the problem (4.35 out 5). In addition, the relationships between service recovery satisfaction and behavioral intentions were examined. Service recovery satisfaction exerted significant positive influences on their intention to stay at this hotel again, leave positive online reviews, and spread positive WOM (service recovery satisfaction → stay: $\beta = 0.248$, $p = 0.002$; service recovery satisfaction → online reviews: $\beta = 0.386$, $p < 0.001$; service recovery satisfaction → WOM: $\beta = 0.317$, $p < 0.001$) Table V.

Discussion and conclusions

Conclusions

Hotel operators increasingly see a need to have in place an effective service recovery program, and this study investigated guest preferences on compensations over a common service failure (check-in to an unclean room). This extant study was conducted using conjoint analysis and identified exactly which bundle of compensation items were most preferred by travelers. This study attempted to help hotel operators to make better decisions on service recovery strategies so that they achieve stronger recovery effects.

The conjoint results show that among compensation attributes, consumers preferred discounts the most, followed by correction and loyalty points. Among discount levels, consumers favored “free one night certificate for a future stay” than “100 percent off one night’s room bill”. “Free one night certificate for a future stay” is a voucher compensation, whereas “100 percent off one night’s room bill” is cash compensation. This is inconsistent with Noone and Lee (2011)’s study that cash-overcompensation is more effective recovery than voucher-overcompensation. It may be due to different types and severity of failure.

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>$M$</th>
<th>SD</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Because of what happened, I would never stay at this hotel again</td>
<td>4.35</td>
<td>0.79</td>
<td>0.248*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Given what had happened, how likely will you leave negative comments online</td>
<td>3.56</td>
<td>1.11</td>
<td></td>
<td>0.386**</td>
<td></td>
</tr>
<tr>
<td>Given what had happened, how likely will you complain to others about this hotel</td>
<td>3.41</td>
<td>1.14</td>
<td></td>
<td>0.317**</td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>3.59</td>
<td>1.18</td>
<td>27.395**</td>
<td>17.403**</td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>3.28</td>
<td>1.14</td>
<td>61%</td>
<td>14.9%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Notes: A five-point Likert scale was used. *$p < 0.05$; **$p < 0.001$
For conjoint analysis simultaneously captures preferences and mimics real decision makings (Green and Srinivasan, 1990), the findings of this study recommends hotel operators to consider “free one night certificate for a future stay” first. In addition to consumers’ preferences, “free one night certificate” also warrants consumers’ repeat visits, giving the operation another chance to recover their mistake.

Among loyalty points, consumers desire for more points than fewer points. Among correction levels, consumers appear to desire “an update to a suite” than just moving to another room or cleaning the room. Consumers want to be compensated for their loss of time and for inconvenience, it is not acceptable to have them wait until the room gets cleaned, which will lead to a longer wait for correction. Consumers prefer their service recovery is handled by upper-level management, which in line with previous studies (Kelley et al., 1993; Hoffman et al., 1995).

Moreover, this study asked the effectiveness of compensations on their satisfaction and behavioral intentions. The respondents showed that they were satisfied with the hotel’s handling of the problem (4.35 out 5), and the effects of their behavior intentions appear to be moderate: (staying at this hotel again ($m = 3.56$); positive reviews online ($m = 3.59$); and positive WOM ($m = 3.28$). Well designed and executed compensations are effective on recovery satisfaction, and recovery satisfaction positively leads to consumers’ intention to stay at the hotel again, leave positive online reviews, and spread positive WOM. During the process of recovery, a certain level or form of compensation can work effectively to create desirable outcomes (Fu et al., 2015). The findings of this study can be used to make better choices in compensation strategies and in turn ensure their service recovery.

**Theoretical implications**

Many studies have been done regarding service failure and recovery, but conjoint analysis has not been extensively used in existing literature. This study used conjoint analysis to identify exactly which bundle of compensation items was most preferred by guests. Conjoint analysis method presents respondents with several hypothetical scenarios that include numerous combinations of compensation attributes and captures their preferences simultaneously. In addition, this study focused on monetary compensation attributes because monetary compensation is the prominent tangible attribute and requires hotel management set aside a substantial amount of money for planning and budgeting purposes, which was incorporated based on comments from the hotel managers.

**Practical implications**

For practical implication, it is suggested that managers should consider guests’ preferences when they create compensation strategies. Managers should keep discounts and correction on their compensation strategies as core attributes. These conjoint simulations demonstrate which bundles hotel operators can choose from accordingly to each hotel’s needs. In Table IV above, estimated cost of each compensation was included based on information from mid-scale hotels located in Northeast Florida. In Simulation 2 and 3, interestingly consumers’ most preferred bundles do not match with the most expensive ones when bundles are compared simultaneously. In Simulation 2, consumers favor the cheapest option, in which a general manager upgrades them to a suite ($6.50–$50) over others (vs $56.50 or $136.50). In Simulation 3, consumers show almost equal preferences on bundle 1 and 3, where bundle 1 would cost the hotel $6.50–$50 and bundle 3 would $29.50–$136.50. In this case, it is safe to assume that most hotels would implement bundle 3. Estimated costs for bundles will vary depending on hotels, but this
illustration was to show that consumers’ most preferred bundle does not mean it costs the hotel the most. It should be noted that knowing and understanding the needs and wants of guests is more important even in service failure and recovery.

**Limitations and future research**

Some limitations should be discussed. First, due to limited resources, convenience sample was used, and the sample consisted more from lower income households than national average ($59,039 in 2016), thus generalization should be taken with caution. Second, the type of service failure was limited to “room not being clean.” Different types and magnitudes of service failure, such as failures caused by employee actions or by other guests (Ford et al., 2011), may result in a different set of preferences for compensations. In addition, the compensation attributes and levels were limited although they were obtained from the interviews with managers at mid-sized hotels. Other attributes and levels of attributes can be included in future studies (e.g. 20 percent off in Wirtz and Mattila, 2004). At last, future study should consider service failures occur during check outs since both arrivals and departures were identified as critical incidents where most service failures occur (Lee et al., 2011).

**References**


Kotler, P.T., Bowen, J.T., Makens, J. and Baloglu, S. (2017), Marketing for Hospitality and Tourism, Pearson, Boston, MA.


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