SERVICE RECOVERY FROM THE CUSTOMER'S PERSPECTIVE: EXTENDING THE CONSUMER-DIRECTED THEORY OF EMPOWERMENT (CDTE)

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by

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To my wonderful parents,

Ivan and Lidija Pranic

Mojim velicanstvenim roditeljima,

Ivanu i Lidiji Pranic

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First and foremost, I dedicate this dissertation to my wonderful parents, Ivan and Lidija Pranic, to my wife Shelly Pranic, and to the other members of my family in Croatia and the U.S. I am particularly grateful to my parents for their wisdom and eternal love, support, and encouragement throughout my life. Everything that I am and that I ever may be, I have my parents to thank for.

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ABSTRACT

Satisfactory resolution of customers' complaints in service recovery is a critical driver of customer loyalty, positive word-of-mouth, cross-buying from the firm's portfolio of offerings, and firm's long-term financial performance. Yet, despite the costs and benefits associated with service recovery, many customers who encounter service failures are dissatisfied with the handling of their complaints. This research takes a non-traditional approach and empirically investigates the area of service recovery process from the customer's perspective whereby empowering customers to play the central role in service production and delivery may bring about their satisfaction. In the field of tourism and hospitality services, it appears that no study has developed an integrative model capable of investigating effectiveness of service recovery by examining the relationship between customer empowerment and customer satisfaction indicators. Moreover, a growing body of research shows that the issue of service recovery is at the development stage in tourism and hospitality literature, and there is a paucity of empirical research in this area. Thus, this study addresses these gaps by developing a theoretical model of service recovery process. The model proposes that the degree of customer-perceived empowerment during service recovery process determines both the level of customer's affective/cognitive responses and the level of subsequent process complaint satisfaction. A portion of the theoretical model is then examined using regression and Path Analyses to analyze data that was collected through a web survey of undergraduate tourism and hospitality students. The results indicate that process complaint satisfaction is indirectly shaped by customers' perceptions of empowerment and their affective (emotional) and cognitive (process quality and equity/fairness) responses.

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CHAPTER 1

INTRODUCTION

'He who wears the shoe knows best where it pinches.'
(an old proverb)

No matter how well the service process is designed and employees trained, some degree of service failure between customer and service provider is certain (Lee & Hu, 2004; Zeithaml & Bitner, 2000). Despite the inevitability of some service failure, dissatisfied customers are avoidable (Hart et al., 1990) as it is not the initial failure to deliver the expected service that causes dissatisfaction, but rather the employees' lack of appropriate response to that failure (Bitner et al., 1994). Paradoxically, customers who are dissatisfied, but experience an excellent service recovery, may ultimately be even more satisfied than before and more likely to remain loyal to the service provider (Boshoff & Leong, 1998; Hart et al., 1990).

So, how are tourism companies doing in terms of service recovery? Despite the sizeable number of companies that recognize the importance of providing excellent service recovery to disappointed customers, research suggests that consumers of tourism-related products and services are generally dissatisfied with the way their complaints are handled. In a study consisting of unspecified convenience sample of 'everyday consumers' (employees) from the local or national office of five medium-sized to large organizations located in a large western city, Tax and Brown (1998) found that 55% were dissatisfied with the way their complaints were handled. Among more than 30 different types of services that were the subject of respondent complaints, restaurants ranked 1st in customer complaints, closely followed by airlines (5th) and hotels and motels (6th).

As the World Wide Web has become increasingly important in shaping opinions about firms, disgruntled customers in some cases have launched complaint sites as a way to express their dissatisfaction and to solicit and post the comments of still more dissatisfied customers (Taylor, 2005). These complaint sites typically insert a negative or derogatory word in the domain name of the target company (e.g., www.ihate*domainname*.com, www.domainnamesucks.com; Band & Schrueres, 2003). Other websites feature complaints spanning across vast array of industries (e.g., www.consumeraffairs.com). Irrespective of credibility and consequences of these complaint sites, evidently some customers are dissatisfied. Stated differently, findings from Tax and Brown (1998) and the recent surge in customer complaint sites suggest that there is tremendous room for improvement is handling of tourism service complaints.

While recognizing that there is variation in recovery success among tourism firms, the question that follows is: Why are so many customers dissatisfied? The research on service recovery suggests that customers generally have high service expectations and look for fairness in the handling of their complaints (Berry, 1995; Boshoff & Leong, 1998; Tax & Brown, 1998; Zeithaml & Bitner, 2000). Moreover, when customers do take time and effort to complain to the service provider, they expect quick help, compensation for their grief and for the hassle of being inconvenienced, and nice treatment in the process (Zeithaml & Bitner, 2000).

Yet, another school of thought suggests that customers are dissatisfied because of their inability to control and/or influence policies and procedures (e.g., type of service recovery remedy) directly affecting their lives (Klinkman, 1991; Kosciulek, 1999a, 1999b). This lack of control suggests a greater need for customer empowerment. Among many service recovery strategies, Zeithaml and Bitner (2000) talk – albeit very briefly – about allowing customers to solve their own problems. However, while correctly identifying technology as a catalyst for customers to actually fix their service problems (e.g., FedEx's package tracking service), they and other contemporary researchers overlook the opportunity to examine the outcome of explicitly asking customers to verbally offer solutions to their own problems in the narrower context of interpersonal relationship between the customer and the service provider.

Indeed, when the service provider fails to appropriately communicate with the customer (e.g., inadequate guidance of the customer during the service process), information insufficiency arises as the customer does not know where, when, and how to participate in the service process (Fließ & Kleinaltenkamp, 2004). Hence, one of the most paramount objectives in service process management is ensuring that customer participation takes place when, where, and in the way it is needed to operate efficiently without neglecting customer satisfaction (Palmer & Cole, 1995).

1.1. Statement of the Problem

In the era of increasing competition among service organizations, service blunders and breakdowns are frequent occurrences (Babakus et al., 2003; Ekiz & Arasli, 2007; Lewis & Spyrakopoulos, 2001; Smith et al., 1999; Yavas & Yasin, 2001). When service fails, some customers choose to complain to the service provider (Ekiz & Arasli, 2007). Subsequently, some service providers engage in service recovery in an attempt to rectify a customer complaint regarding a perceived service failure (Spreng et al., 1995).

Satisfactory resolution of customers' complaints in service recovery is a critical driver of customer loyalty, positive word-of-mouth, cross-buying from the firm's portfolio of offerings (Babakus et al., 2003; Bolton & Drew, 1994; Fisher et al., 1999; Mittal et al., 2005; Reicheld, 1996; Valenzuela et al., 2005), and subsequently, firm's long-term financial performance (Anderson et al., 1994, 1997; Bolton, 1998; Jones & Sasser, 1995; Rust et al., 1995; 2000). For example, it is more cost effective to retain an existing customer than to recruit a new one (Barsky, 1994; Harrison-Walker, 2001; Hart et al., 1990; Reicheld, 1996; Reicheld & Sasser, 1990). Similarly, reducing customer defection rate by 5% can boost profits in excess of 25% (Jacob, 1994) because a customer is more profitable the longer s/he stays with the organization (Hallowell, 1996; Reicheld & Sasser, 1990). Furthermore, a dissatisfied customer complains to 25 other people (potential customers), whereas 2 out of 3 customers stop doing business with the company behind the discontent (Julian & Ramaseshan 1994; Wong & Perry 1991; Yasin & Yavas, 2001).

Yet, despite the costs and benefits associated with service recovery, many customers who encounter service failures are dissatisfied with the handling of their complaints (Tax and Brown, 1998; Tax et al., 1998; Taylor, 2005; Zeithaml et al., 1990). Thus, in order to satisfactorily resolve customers' complaints during service recovery, it is essential that managers understand the manner by which customers come to accept or reject service recovery attempts (Swanson & Kelley, 2001). Nevertheless, despite this recognition, very little is known about how customers' satisfaction is influenced by customers' empowerment during service recovery.

Hence, the purpose of this study is to empirically investigate the relationships among customer empowerment, customer affect/cognitions, and customer complaint satisfaction constructs in order to improve both theoretical and applied understanding of the service recovery process.

1.2. Objectives of the Study

Traditionally, customer empowerment has been considered from the provider's point of view wherein delegation of activities to customers may lead to greater management efficiency, as the customer carries out tasks that otherwise have to be carried out by the service provider's employees (Hoffman & Bateson, 1997; Maister, 1982). This research takes a non-traditional approach and examines customer empowerment from the customer's point of view whereby empowering customers to play the central role in service production and delivery may bring about their satisfaction.

Clearly, the concept of customer empowerment per se is not new. What is new is an attempt to capture and explain the customer's view of customer empowerment. This perspective is being pioneered by researchers in another service industry – healthcare services – who provide a theoretical base (e.g., Gawande et al., 1998; Kosciulek, 1999a, 1999b; Wathieu et al., 2002; Williams, 2002) and limited empirical support (e.g., Benbassat et al., 1998; Kosciulek, 2005; Kosciulek & Merz, 2001; Marelich et al., 2002) for the relationship between customer empowerment and customer satisfaction.

Yet in the home field – tourism and hospitality services – no study has developed an integrative model capable of investigating effectiveness of service recovery by examining the relationship between customer empowerment and customer satisfaction indicators.

The guiding principle of this study is that the level of customer satisfaction with the complaint handling process depends on the degree of customer-perceived empowerment. This study mainly investigates the interplay of customer empowerment and customer affect (and, to a lesser degree, the cognitive components) which contributes to the overall degree of process complaint satisfaction. In particular, the main questions this research seeks to answer are:

1. During service recovery process, do empowerment level, failure type, and hotel quality impact the degree of customer-perceived empowerment?
2. During service recovery process, does the degree of customer-perceived empowerment impact customer satisfaction with the way their complaint is handled?
3. During service recovery process, does the degree of customer-perceived empowerment impact customer emotions and cognitions?
4. During service recovery process, is the relationship between customer-perceived empowerment and process complaint satisfaction mediated by customers' emotions and cognitions?
5. Do customers' demographic characteristics impact the relationships in the above points 1 – 4?

1.3. Propositions

Based on the main research questions and the empirical model (Figure 10) of service recovery process, the propositions to be examined in this study are as follows:

P1: There is a relationship between the level of hotel-provided customer empowerment and the degree of customer-perceived empowerment;

P2: There is a relationship between the type of service failure and the degree of customer-perceived empowerment;

P3: There is a relationship between the hotel quality rating and the degree of customer-perceived empowerment;

P4: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived process complaint satisfaction;

P5: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived affect;

P6: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived service process quality;

P7: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived equity/fairness;

P8: The degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived affect;

P9: The degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived service process quality;

P10: The degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived equity/fairness;

P11: There is a positive relationship between the degree of customer-perceived affect and the degree of customer-perceived service process quality;

P12: There is a positive relationship between the degree of customer-perceived service process quality and the degree of customer-perceived equity/fairness; and

P13: There is a positive relationship between the degree of customer-perceived affect and the degree of customer-perceived equity/fairness.

1.4. Justifications

This study is useful for multiple reasons. First, a growing body of research shows that the issue of service recovery is at the development stage in tourism and hospitality literature (Becker, 2000), and there is a paucity of empirical research in this area (Ekiz & Arasli, 2007). Second, the study contributes to the field of tourism service recovery by providing a model by which a measure of service recovery from the customer's perspective is analyzed. This study is expected to provide empirical support for the relationship between customer empowerment, customer cognitions/affect, and customer satisfaction as core components of successful service recovery. Third, in addition to contributing to the existing body of knowledge, this study has important theoretical and practical contributions.

1.4.1. Theoretical Advancement in Tourism

This study contributes to the theoretical advancement of the field of tourism service recovery by providing a measure of service recovery success and testing the relationship between its components. A contribution to the existing body of knowledge is achieved by (1) importing the Consumer-Directed Theory of Empowerment (CDTE) from healthcare rehabilitation research into the study of tourism services, (2) introducing and operationalizing the notion of customer empowerment from the customer's perspective into the context of service recovery, and (3) the simultaneous investigation and treatment of customer empowerment, customer cognitions/affect, and process complaint satisfaction measures for the development of a measure of successful service recovery.

Additionally, while the focus of the research has been on the cognitive aspects of satisfaction (e.g., Liljander, 1995; Liljander & Strandvik, 1995, 1993; Oliver & Swan, 1989; Zeithaml et al., 1993), there is a remarkably small amount of empirical inquiry pertaining to the emotional mechanisms underlying dissatisfaction and its behavioral consequences (Forrester & Maute, 2001; Maute & Dubé, 1999). Thus, although there are still gaps in our understanding of the cognitive components of satisfaction, there are even wider gaps in our knowledge of the affective elements of satisfaction (Liljander & Strandvik, 1997). This dissertation therefore aids the existing body of knowledge by reducing the imbalance in knowledge between cognitive and affective phenomena of satisfaction.

1.4.2. Practical Contribution to Tourism Service Delivery and Customer Relationship Managers

This study is designed to assist decision makers in the lodging sector in recognizing customer empowerment potentials and service recovery strategies. The findings of this study will prove helpful in planning and developing appropriate human resource strategies. For instance, HR and operations managers in the lodging sector could use the results of this study to develop an integrated approach to employee recruitment, hiring, training, evaluation, motivation, and compensation/award. Managers may find it useful to identify some obsolete aspects of contemporary service delivery and recovery efforts from the customer's perspective and encourage their front-line staff to empower customers not only for the sake of improving organizational efficiency but also to deliver services that match customer needs and wants. In this sense, realizing, for example, that customers want to actively participate in the resolution of their problems will allow lodging managers to sharpen their service recovery tools to create a 'win-win' situation for both the customer (e.g., need fulfillment) and the service provider (e.g., customer satisfaction and loyalty). Moreover, the possible discrepancy between the findings of this study on one hand, and the actual number of customers who complain to the service provider and are ultimately satisfied (e.g., returning), will suggest to what extent, if any, a particular service provider has potential for service recovery improvement.

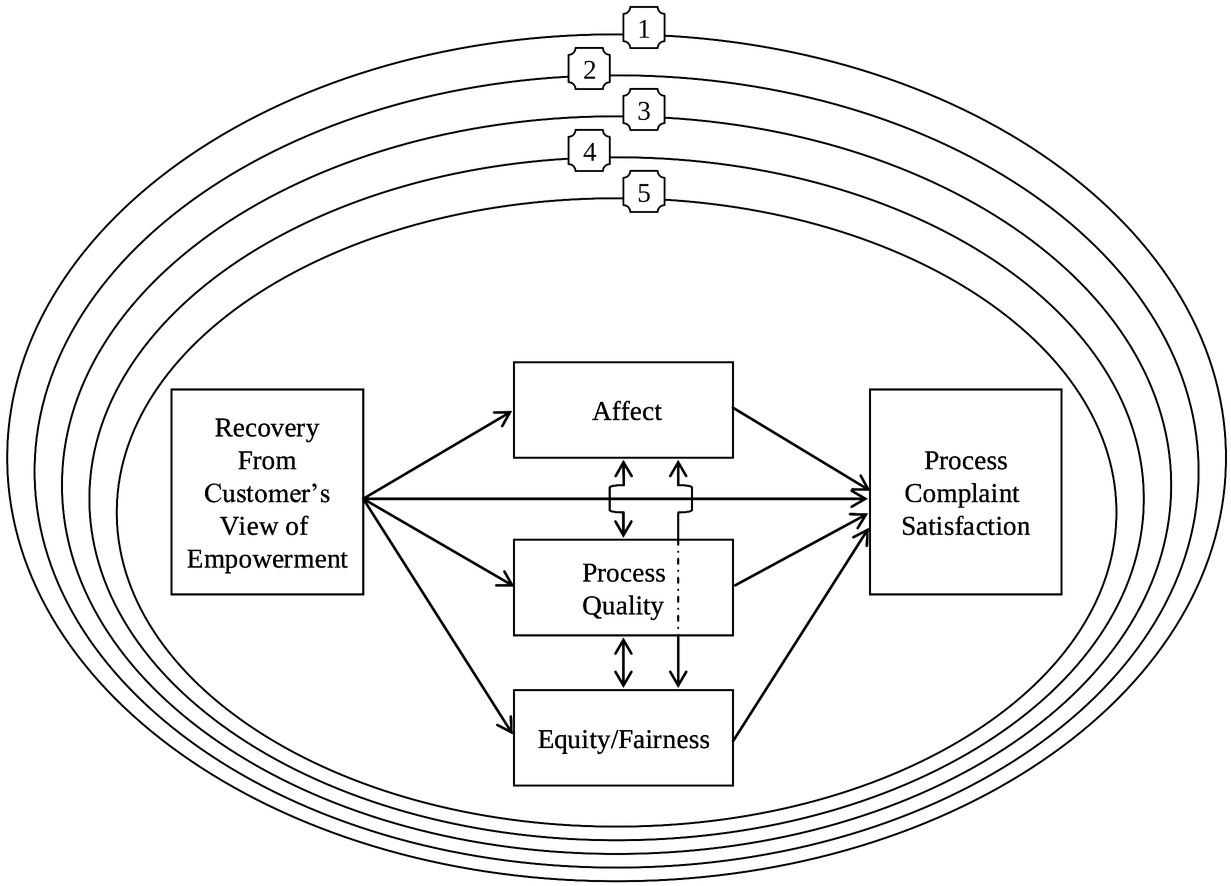
1.4.3. The Realism of Empowering Customers

In response to possible critique in case of outrageous requests by customers during service recovery, there is some evidence suggesting that customers can be uncomfortable if overly compensated. For instance, Domino's Pizza – following a discovery that customers were not comfortable asking for a free pizza if the driver narrowly missed a delivery deadline – changed its service guarantee from 'Delivery within 30 minutes or receive a free pizza' to 'Delivery within 30 minutes or $3.00 off the purchase price" (Tax et al., 1998; Zeithaml & Bitner, 2000). This rather anecdotal evidence suggests that before any empowerment strategy is deployed, the effect of varying levels of compensation on customer feeling of dis/comfort must undergo empirical scrutiny.

1.5. Conceptual Boundaries of the Study

The model in Figure 1 depicts this study's conceptual boundaries – as represented by ovals with numbers. Thus, the implications of this research pertain to customers complaining directly to providers in failed hotel encounters. The study's focus is on complaints registered directly (in person or by telephone) with the front-line service provider since they likely represent the majority of complaint-lodging instances that provide the firm with an opportunity to recover effectively from the service failure (e.g., Tax & Brown, 1998). One should exercise caution in attempting to apply this study's findings to situations that lay outside the conceptual boundaries. For example, when

Figure 1: Conceptual Boundaries of the Study



Key:

1 Customers in business encounters

2 Customers in service encounters

3 Customers in hotel encounters

4 Customers in failed hotel encounters

5 Customers complaining directly to service staff

customers lodge complains in writing (i.e., letter of complaint), hotel managers may find this study's implications of limited use. Nevertheless, managers in related service industries (e.g., restaurants) may find this study's results helpful in some circumstances.

1.6. Definitions

The proposed research presents a model to empirically test the role of customer empowerment in successful service recovery in hotels. A meaning of words or word groups used in the service recovery context is defined as follows:

1. <u>Service Recovery</u>. 'Service recovery' and 'service recovery process' are synonymous and refer to a process-related criterion (as opposed to an outcome-based criterion; Grönroos, 1984) in customers' evaluations of actions taken by an organization and its employees in response to a customer complaint following a service failure (Spreng et al., 1995; Zeithaml & Bitner, 2000).
2. <u>Empowered Customer</u>. A consumer who has information, competence, and influence in the service recovery process.
3. <u>Affect</u>. The term 'affect' usually refers to a wide range of emotions, moods, feelings, and drives generated by individuals as they decipher events around them (Batra & Ray, 1986; Hoffman, 1986; Maute & Dubé, 1999).
4. <u>Service Outcome Quality</u>. It refers to the evaluation of *what* service is provided (e.g., the cleanliness of the room) (Arora & Stoner, 1996; Grönroos, 1984, 1990; Hui et al., 2004; Lassar et al., 2000; Mittal & Lassar, 1998).
5. <u>Service Process Quality</u>. It refers to the evaluation of *how* service is provided (e.g., the care and/or manners of the service provider) (Arora & Stoner, 1996;

Grönroos, 1984, 1990; Hui et al., 2004; Lassar et al., 2000; Mittal & Lassar, 1998).

6. Equity / Fairness. The customer's fairness comparison of an exchange between themselves and other entities (Maxham & Netemeyer, 2003; Oliver, 1997).
7. Distributive Justice. A customer-perceived fairness of the outcome (e.g., tangible remedy offered to resolve the complaint) (Blodgett et al., 1997).
8. Procedural Justice. A customer-perceived fairness of the policies and rules used by decision-makers in arriving at the outcome (Lind & Tyler, 1988; Smith et al., 1999).
9. Interactional Justice. A customer-perceived fairness of the interpersonal treatment customers receive during service recovery process (Blodgett et al., 1997; Tax et al., 1998).
10. Complaint Satisfaction. "The satisfaction of a complainant with a company's response to her/his complaint" (Stauss, 2002, p. 174).
11. Outcome Complaint Satisfaction. It refers to the evaluation of *what* the complainant gets from the company (Stauss, 2002).
12. Process Complaint Satisfaction. It refers to the evaluation of *how* the customer's complaint is handled (Stauss, 2002).

1.7. Organization of the Dissertation

This study is organized into 5 chapters. Chapter 1 includes background for the problem statement, the problem statement, the objectives of the study, justifications for the study, propositions to be tested, conceptual boundaries of the study, and definitions of certain terms. Chapter 2 reviews the literature that is relevant to the study of service recovery from the customer's perspective, and develops the theoretical model of service recovery. It also identifies the portion of the theoretical model that will be tested in this dissertation.

Chapter 3 details the research methodology used in this study, including research design, instrumentation, data collection procedures, and statistical analysis. Chapter 4 outlines and discusses the results of the data analysis and presents tests of the research propositions. Chapter 5 summarizes the study and offers conclusions, implications, and recommendations for further research.

Supplementary materials are located in the appendices. The study ends with a detailed list of references.

CHAPTER 2

BACKGROUND AND OVERVIEW

2.1. Introduction

This chapter reviews the literature that is relevant to the study of service recovery from the customer's perspective. Initially, the theoretical model of service recovery is developed and presented. Therein, the portion of the model that will be tested in Chapter 3 is outlined. Next is a review of the literature supporting the relationships posited in the theoretical model.

2.2. Theoretical Model of the Service Recovery Process

Customer satisfaction is influenced by both cognitive (specific product or service features, customers' perceptions of quality, their attributions for service success or failure, and their perceptions of equity or fairness) and affective (customers' emotional responses) phenomena (Liljander & Strandvik, 1997; Oliver, 1989; Weber & Roehl, 2001; Zeithaml & Bitner, 2000). While the cognitive processes require deliberate processing of information, the affective processes are thought to be partly outside the customer's conscious control (Liljander & Strandvik, 1997). Amid other affective phenomena, consumption emotions are typically characterized as motivationally potent and relatively intense reactions elicited during product/service consumption (Gardner, 1985; Maute & Dubé, 1999; Westbrook & Oliver, 1991).

Within the context of service recovery, higher consumer expectations imply stronger emotional responses in terms of the extent of the initial expectations being met. It also seems reasonable to expect that because the consumer is more actively engaged in a service recovery (via complaining), and has more investment in that interaction, consumer emotions would be more significantly engaged by recovery encounters than by ordinary service-delivery encounters. The interactive nature of the customer-provider relationship (Guiry, 1992) and customers' high service expectations of complaint handling (Zeithaml & Bitner, 2000) put forward the important role of emotions as customers may experience overall positive or negative affect (i.e. emotion) and overall satisfaction or dissatisfaction with service recovery. By failing to understand the root causes of consumers' dissatisfaction with service recovery, providers employ various defensive strategies (i.e., complaint management programs [i.e., Fornell & Wernerfelt, 1987] and service guarantees [i.e., Hart, 1988]) that only seem to treat the symptoms (as opposed to treating the causes) of discontent.

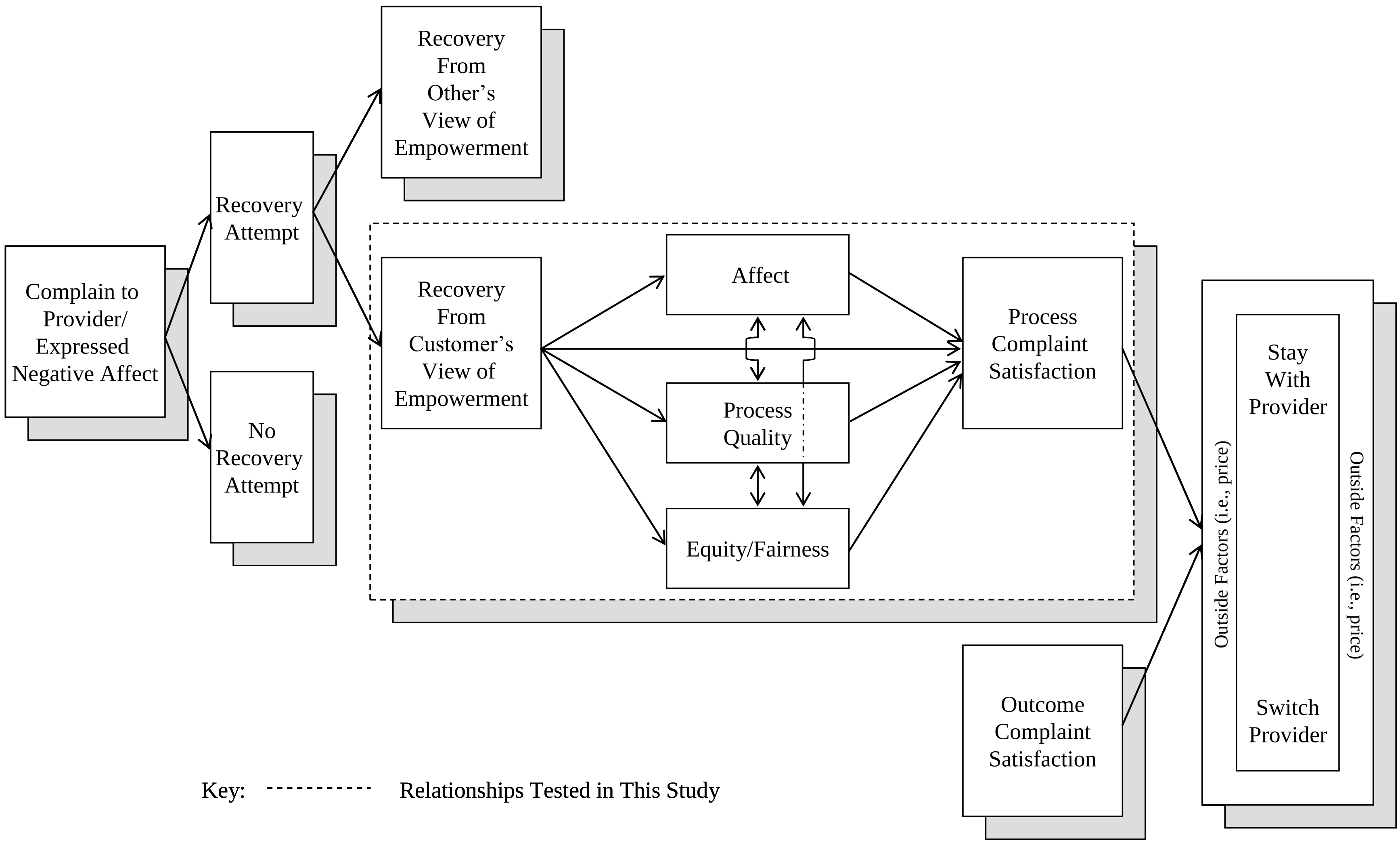
What causes this discontent is customers' inability to control and/or influence policies and procedures (e.g., type of service recovery remedy) directly affecting their lives (Klinkman, 1991; Kosciulek, 1999a, 1999b). This lack of control suggests a greater need for customer empowerment. To date, evidence from tourism and business management scholarly literature and practice suggests that customer empowerment is a construct representing the *provider's* point of view. According to this view, delegation of activities to customers may lead to greater management efficiency, as the customer carries out tasks that otherwise have to be carried out by the service provider's employees (e.g., Hoffman & Bateson, 1997; Maister, 1982).

In addition to this view, some scholars in healthcare services consider customer empowerment as a construct that *also* includes a *customer's* point of view. Here, both technical (i.e., outcome) aspect and customer service (i.e., process) aspect should be shaped to meet the needs and preferences of individual patients/customers (Institute of Medicine [IOM], 2001; Mayer & Cates, 2004; Tressolini & The Pew-Fetzer Task Force, 1994; Veatch, 1991). Because patients' preferences are vastly erratic, clinicians *alone* cannot make the best decisions for their patients (Balint, 1993; Barry et al., 1995; Brock, 1991; Emanuel & Emanuel, 1992; IOM, 2001; Szasz & Hollender, 1956; Wagner et al., 1995). Patients increasingly require information and participation in decision-making (Deber et al., 1996; Degner & Russell, 1988; Guadagnoli & Ward, 1998; IOM, 2001; Mansell et al., 2000; Mazur & Hickam, 1997). Moreover, allowing patients to play the central role in service production and delivery can improve the outcomes they desire (Brown, 1990; DeBusk et al., 1994; IOM, 2001; Linden & Chambers, 1994; Mullen et al., 1987) and may bring about patient satisfaction (Kosciulek, 1999a, 1999b, 2005; Kosciulek & Merz, 2001), at least in part, by increasing their involvement in decision making (Greenfield et al., 1985, 1988; IOM, 2001; Kaplan et al., 1989; Mahler & Kulik, 1991; Orth et al., 1987; Stewart, 1995).

The model in Figure 2 illustrates the logical sequence of the theoretical components that are critical to the determination of successful service recovery. By expanding a portion of Zeithaml and Bitner's (2000) model (Figure 3 in Appendix A) – namely the customer who complains to a service provider – the theoretical model of service recovery process is proposed (Figure 2). The dashed area in Figure 2 describes the portion of the proposed model tested in this study.

According to the proposed model, the degree of customer-felt empowerment during service recovery process determines both the level of customer's cognitive/affective responses and the level of subsequent process complaint satisfaction.

Figure 2: Theoretical Model of the Service Recovery Process



Beside the direct effect of the provider's opening (empowering) act on process complaint satisfaction, customer affect and cognitions are positioned as the partial mediators of this relationship. In addition to the mediating effects of the three cognitive/affective concepts on process complaint satisfaction, the model also proposes all two-way interactions among cognitive/affective constructs. It could well be that outcome complaint satisfaction may similarly be determined by empowerment and cognitive/affective domains, but that is beyond the scope of this research.

A review of the literature supporting the relationships posited in Figures 2 follows.

2.3. Empowerment

This section starts by offering a brief chronological overview of development of empowerment. Next, study of empowerment in various streams of literature is outlined. Finally, construct definition of customer empowerment in service recovery context is presented.

2.3.1. Chronological Development of Empowerment

Hamon L'Estrange (1605-1660), an English theologian and historian, provides the first recorded use of the word *empower* and its derivations in his 17^{th} century book *The Reign of King Charles* where he writes in the context of 'Letters from the Pope' as 'empowering them to this college' (Lincoln et al., 2002). The Industrial Revolution that began in the 18^{th} century England is another major momentum behind progress in empowerment; it acted as a catalyst in extending (albeit at dissimilar pace) the democratic principles down the societal hierarchy worldwide through distribution of wealth, political changes reflecting the shift in economic power, and sweeping social changes.

As empowerment historically is a term used across a wide range of disciplines, its definitions and interpretations vary with destination discipline (Lincoln et al., 2002). Since in research we often evolve from a conceptual to an operational definition (Patten, 2000), the contextual nature of the empowerment phenomenon (Lincoln et al., 2002) logically necessitates the development of a new measure of the empowerment construct that will be in line with milieu of this study. (This topic will be revisited in more detail in the section dealing with research design and methodology).

The issue of empowerment in the non-management literature has largely been centered on women, minorities, education, and politics and viewed from the perspective of powerlessness and oppression (Lincoln et al., 2002). In short, the overarching contention of non-management disciplines is that the empowerment of one group (e.g., women or minority) does not involve the disempowerment of the other group (e.g., men or majority). Stated differently, the purpose of group A is not to take power from group B; rather, the goal of group A is to develop its own power while respecting group B for what it is (Hall, 1992). Moreover, empowerment is not the transfer of a finite amount of power from one group to another; instead, it is the creation of more power (Lincoln et al., 2002). Thus, ‘‘empowerment is not a zerosum game’’ (Saltman, 1994, p. 8) but rather a positive-sum (Dunlop, 1958).

Within the management discipline, as Industrial Democracy fell short globally in addressing workers’ growing alienation and disaffection with the bureaucratic, mass production form of work organization, in the 1970s it was augmented with the concept of Workplace Democracy (e.g., Bernstein, 1976, 1980; Derber, 1970; Greenberg, 1975; Herbst, 1976; Hunnius et al., 1973; Pateman, 1970; Tannenbaum et al., 1974; Thorsrud, 1977; Walker, 1974; Witte, 1980; Zwerdling, 1978). However, with many basic industries in the U.S. facing the rapid economic recession in the early 1980s, firms' focus turned to increasing global competitiveness via employee initiative and innovation (Drucker, 1988; Ezzamel et al., 1996; Schurman & Eaton, 1996). Thus employee empowerment was born.

2.3.2. Studying Empowerment

Empowerment has been studied across different streams of literature at individual, organizational, and community level, and thus can be conceptualized as multilevel in nature (Peterson & Zimmerman, 2004). However, since these levels are not mutually exclusive but rather inclusive (e.g., individual is a basic denominator of both organization and community s/he is a part of), the following discussion on empowerment more appropriately centers on community, organizational, and customer empowerment literature.

2.3.2.1. Community Empowerment

Community empowerment is thought to include efforts to deter community threats, improve quality of life, and facilitate individual participation (Holden et al., 2004; Peterson & Zimmerman, 2004). Others define it as the expansion of individual's or group's assets and capabilities to participate in, negotiate with, influence, control, and hold accountable institutions affecting their lives (Alsop & Heinsohn, 2005; Khwaja, 2005; Narayan, 2002). Here empowerment commonly indicates (1) both a process (of empowering individuals or groups) and an outcome (a person or group is empowered), and (2) an end in itself (empowerment as a component of agent's welfare or utility) or a means to an end (empowerment as influence on agent's welfare, e.g. income or health status).

Community empowerment is exhibited in 4 elements: (1) access to information (2-way information flows between government and citizens), (2) inclusion/participation (authority and control over decisions and resources), (3) accountability (holding state/public officials, private providers, employers, and politicians responsible for their policies and actions affecting citizens), and (4) capacity (ability to work together, envisage options and make a choice) (Narayan, 2002). Degree of empowerment can be measured by considering (1) whether a person or group has the opportunity to make a choice, (2) whether a person or group actually uses the opportunity to choose, and (3) once the choice is made, whether it brings the desired outcome (Alsop & Heinsohn, 2005).

2.3.2.2. Organizational Empowerment

Organizational empowerment is synonymous with employee empowerment and is seen as the route to improved work and organizational performance (Wall et al., 2002). While some scholars appear to hold a relatively uniform understanding of employee empowerment (e.g., Conger & Kanungo, 1988; Lee & Koh, 2001), others find it as individually, contextually, and variably defined (e.g., Foster-Fishman et al., 1998; Quinn & Spreitzer, 1997; Zimmerman, 1995). Nevertheless, it appears to have two broad uses (Lee & Koh, 2001; Menon, 2001; Wall et al., 2002).

First is an empowering 'behavior of a supervisor' who empowers his/her subordinates and who is the cause of empowerment (e.g., Mankin et al., 1997; Menon, 2001; Quinn & Spreitzer, 1997; Thorlakson & Murray, 1996). Here employee empowerment means decentralization or spreading decision-making authority down the organizational hierarchy and granting employees the ability to significantly affect organizational outcomes. It can also involve energizing behavior of a leader who energizes and thus empowers her/his followers to perform by providing an exciting vision for the future.

Second is the ‘psychological state of a subordinate’ or ‘psychological empowerment’ (PE) which is the consequential perception of a subordinated resulting from his/her supervisors’ act of empowering (Conger & Kanungo, 1988; Menon, 2001; Spreitzer, 1995; Thomas & Velthouse, 1990). PE is manifested in 4 cognitions: meaning (value of work goal or purpose), competence (self-efficacy), self-determination (autonomy in initiation and continuation of work behaviors), and impact (influence of work outcomes). PE’s antecedents are self-esteem, information, and rewards. In terms of operationalization of PE’s dimensions, for instance, impact/control is measured with the item ‘I can influence decisions in my department,’ whereas competence is measured with the item ‘I have the capabilities required to do my job well’ (Menon, 2001).

While PE is thought of as a unique concept, many similar keywords exist in the literature (Lee & Koh, 2001). These include ‘authority delegation’ (Burke, 1986), ‘motivation’ (Hackman & Oldham, 1980), ‘self-efficacy’ (Gist & Mitchell, 1992), ‘job enrichment’ (Hackman & Oldham, 1980), ‘employee ownership’ (Pierce et al., 1991), ‘autonomy’ (Evans & Fischer, 1992), ‘self-determination’ (Deci et al., 1989), ‘self-management’ (Mills, 1983), ‘self-control’ (Manz, 1986), ‘self-influence’ (Manz, 1986), ‘self-leadership’ (Manz & Sims, 1991), ‘high-involvement’ (Wilkinson et al., 1997), and ‘participative management’ (Block, 1987).

In addition to a distinction between an empowering ‘behavior of a supervisor’ and PE, differentiation is also made between empowering and empowered organizations. While empowering organizations produce PE for individual members as part of their organizational process, empowered organizations influence the larger system of which they are a part (Gerschick et al., 1990; Zimmerman, 2000, as cited in Peterson & Zimmerman, 2004).

2.3.2.3. Customer Empowerment

As organizations often regard customers as co-producers (Edvardsson et al., 1994) or ‘partial’ employees (Bateson, 1985; Kelley et al., 1992, 1990; Mills, 1986, 1983; Mills et al., 1983; Mills & Moberg, 1982; Mills & Morris, 1986), customer empowerment is a natural and logical extension of employee empowerment. While customer empowerment in the context of aiding organizational performance (organization’s view) is not new per se, customer empowerment is a brand new concept in the examination of the relationship between the level of customer participation in service delivery and the resulting customer satisfaction (customer’s view).

The most significant contribution in this area has been the recent introduction of the *consumer-directed theory of empowerment* (CDTE; Kosciulek, 1999b). Although the CDTE was developed specifically as a theoretical framework for research in healthcare rehabilitation services, it provides a useful conceptual and philosophical guide for this study. In healthcare, empowerment may be broadly defined as “the transfer of power and control over the values, decisions, choices, and directions of human services from external entities to the consumers of services, resulting in increased motivation to participate and succeed and a greater dignity for the consumer" (West & Parent, 1992, as cited in Kosciulek, 1999b, p. 4).

According to Kosciulek and Merz (2001), consumer direction – a central feature of the CDTE – is "a philosophy and orientation whereby informed consumers have control over the policies and practices that directly affect their lives" (Kosciulek & Merz, 2001, p. 210). The concept of consumer direction is positioned as an antecedent to customer empowerment and consisting of 4 components: (1) consumers' ability to control and direct the delivery of rehabilitation services, (2) consumers' ability to participate in disability policy-making process, (3) the availability of variety of service options, and (4) the availability of adequate information and long-term supports (Kosciulek, 1999a, 1999b, 2005). An example of operational measure of consumer control – a component of consumer direction – is the item "overall, to what extent did you take charge of decisions during your VR experience?" (to a great extent, to some extent, not at all; Kosciulek, 2005).

Customer empowerment – which is a consequent of consumer direction in CDTE – involves both internal-psychological and situational-social factors (Kosciulek, 2005). Internal-psychological aspects include a sense of control, competence, responsibility, participation, and future orientation. Situational-social aspects include control over resources, interpersonal skills, work, organizational skills, and savvy. Here empowerment was measured as self-esteem with the item 'my life is controlled mostly by people who are in power' (agree, no opinion, disagree; Kosciulek, 2005).

In short, the major tenets of the CDTE – as it applies to this research – are that (1) greater consumer control in service production and delivery will lead to perception of empowerment and increased quality of life (Kosciulek, 1999a, 1999b, 2005; Kosciulek & Merz, 2001), and (2) individuals should be free to make their own decisions about the management of their own lives (Kosciulek, 1999a, 1999b, 2005).

In addition to the healthcare view of customer empowerment, McGregor (2005) offers an educational notion of customer empowerment. Accordingly, giving someone information is enabling them to do something but not empowering them. Hence a truly empowered customer must create and hold an inner perception of power and authority to take action. This is accomplished through encouraging and enabling of individuals to do things and to think for themselves. By teaching people to act and think independently, their abilities and competence increase, they become more self-reliant, and they perceive themselves as empowered to take action and control of conditions affecting their daily lives. McGregor's is strictly a theoretical piece, and thus, does not offer any direction as to operationalization of the concepts discussed.

In sum, common dimensions shared by all approaches (community, organizational, and customer) to the study of empowerment are (1) access to information, (2) participation and influence in decision-making, and (3) competence to make decisions. Moreover, the review of community, organizational, and customer empowerment literature suggests that empowerment at the individual level denotes either (1) an empowering behavior of person A who empowers person B and who is the cause of empowerment or (2) 'psychological empowerment' which is the consequential perception of a person B resulting from person A's act of empowering (e.g., Alsop & Heinsohn, 2005; Kosciulek, 1999a, 1999b; Mankin et al., 1997; McGregor, 2005; Menon, 2001; Peterson & Zimmerman, 2004; Quinn & Spreitzer, 1997; Spreitzer, 1995; Thorlakson & Murray, 1996).

2.3.3. Construct Definition of Customer Empowerment in Service Recovery Context

Review of the various streams of empowerment research outlined above reveals that, at an individual level in the context of service recovery, the three underlying theoretical components in customer empowerment are (1) information, (2) competence, and (3) control/influence.

Information is conceptualized as both provision of and access to information by the empowered agent, to and from the external agent or organization respectively (Khwaja, 2005). When customers in service recovery are empowered, they are both able to provide information about their own preferences and gain information from the service provider that may in turn enhance their capacity to make optimal choices. Both types of information are likely to lead to increased welfare of the empowered customer.

Competence, or self-efficacy, is conceptualized as an individual's belief in her/his capability to "mobilize the motivation, cognitive resources, and courses of action needed to meet given situational demands" (Wood & Bandura, 1989, p. 408). People tend to avoid activities they perceive as exceeding their coping skills. Conversely, they get involved in situations they perceive as within their power to handle (Menon, 2001). When customers in service recovery are empowered, they both have the capacity to articulate information about their preferences and use information from service provider to make optimal choices.

Control or influence is conceptualized as an agent's ability to influence a particular decision, and knowledge that s/he has this ability (Khwaja, 2005). By giving greater influence in a decision to the agent whose perspective matters most for outcome of the decision, we are ensuring that this agent has a high incentive to supply her/his perspective. All parties involved experience higher overall benefits from such a decision.

In sum, an empowered customer in service recovery is defined as a consumer who has information, competence, and influence in the service recovery process. Customer empowerment is manifested in three dimensions (information, competence, and influence) that are argued to combine additively to create an overall construct of customer empowerment in service recovery. Additionally, empowerment is a continuous variable wherein customers are more or less empowered, rather than empowered or not empowered (Spretizer, 1995). Thus, the decrease in any single dimension will reduce – albeit not completely eliminate – the overall degree of felt empowerment.

2.4. Affect

The term 'affect' usually refers to a wide range of emotions, moods, feelings, and drives generated by individuals as they decipher events around them (Maute & Dubé, 1999; Hoffman, 1986; Batra & Ray, 1986). Amid other affective phenomena, consumption emotions are typically characterized as motivationally potent and relatively intense reactions elicited during product/service consumption (Maute & Dubé, 1999; Westbrook & Oliver, 1991: Gardner, 1985).

By default, service encounters are a source of emotions. Whether these emotions are positive or negative, they will influence the overall degree of satisfaction or dissatisfaction with the service (Herrmann et al., 1999; Maute & Dubé, 1999; Stephens & Gwinner, 1998; Tsiros, 1998; Westbrook, 1980; Westbrook & Oliver, 1991; Zeelenberg & Pieters, 1999). Moreover, emotions may also partly determine the customer's subsequent behavior in relation to the service and service provider, such as the likelihood of complaining, the probability of switching provider, and the prospect of engaging in word-of-mouth communication (Zeelenberg & Pieters, 2004). In fact, a recent study by Zeelenberg and Pieters (2004) suggests that disappointment (a form of emotion) with the service leads to complaining. This finding is in line with previous research by Zeelenberg et al. (1998) whereby disappointment is experienced in situations where others are responsible for the bad experience. Thus, when a customer holds the service provider responsible for service failure, it intuitively makes sense to complain.

Recognizing the often highly influential role of service encounter on customer response to a service, researchers have also expended their efforts towards understanding service provider performance during the service encounter. In spite of voluminous research documenting special relationship between service employees and customers (Mars & Nicod, 1984; McCallum & Harrison, 1985; Mills & Morris, 1986; Rafaeli, 1989; Spradley & Mann, 1975; Sutton & Rafaeli, 1988), much of this research uses simplistic indicators of provider performance and is therefore deemed superficial (Price et al., 1995; Westbrook, 1980). By employing a participant observation/consumer diary methodology (i.e., customers record characteristics of and emotional reactions to each and every service encounter in which they participate during a given time frame) across a variety of service encounters, Price et al. (1995) find a significant influence of the service provider's extra attention on creation of positive emotions by customers. In a service recovery setting, this finding suggests that the service provider may be able to time after time ensure customers' positive emotions by explicitly inviting them (i.e., extra attention) to select a type of remedy that best meets their individual needs and expectations.

Within the context of service recovery, higher consumer expectations imply stronger emotional responses (i.e., affect) in terms of the extent of the initial expectations being met. Similarly, the interpersonal nature of the customer-provider relationship (Guiry, 1992) suggests that the role customers play in a service encounter may influence their emotional states (i.e., affect), and thus their overall satisfaction. Although widely regarded as a primary influence on human motivation (see Hoffman, 1986), consumer affect has only recently begun to receive greater research attention in marketing vis-à-vis the concept of Customer Relationship Marketing (CRM; see Special Issue on Relationship Marketing, 1995; also see Grönroos, 1990; Gummesson, 1987; Fornell & Wernerfelt, 1987; Vavra, 1992).

In terms of types of emotional responses experienced during consumption, Westbrook and Oliver (1991) differentiate five groups of consumers with 'qualitatively different' affective responses: (1) happy/content, (2) pleasantly surprised, (3) unemotional, (4) unpleasantly surprised, and (5) angry/upset. While the two positive types of affective responses (akin to 'positive affect' [PA]) are associated with high levels of satisfaction, the last two types are associated with low satisfaction, or dissatisfaction (akin to 'negative affect' [NA]); the 'unemotional' consumers report moderately high satisfaction.

In their review of affective-processing mechanisms, Cohen and Areni (1991) reaffirm these claims by suggesting that emotions – both positive and negative – produced during consumption experiences are believed to leave strong affective mark in individuals' episodic memory. Accordingly, when an evaluation of a particular service is required, the affective experiences are accessed and integrated into the evaluative judgment of that service (Westbrook & Oliver, 1991).

2.5. Service Process Quality

Perceived service quality may be defined as the customer's assessment of the relative inferiority/superiority of the provider organization and its services (Bitner & Hubbert, 1994; Zeithaml, 1988). At the individual customer level, numerous studies have shown that perceived service quality is a partial determinant of satisfaction (Anderson et al., 1994; Anderson & Sullivan, 1993; Bearden & Teel, 1983; Bolton & Drew, 1991; Cadotte et al., 1987; Churchill & Suprenant, 1982; Cronin & Taylor, 1992; Fornell, 1992; Lassar et al., 2000; Mittal & Lassar, 1998; Oliver & DeSarbo, 1988; Parasuraman et al., 1985, 1988; Spreng & Mackoy, 1996; Tse & Wilton, 1988).

Two most popular schools of thought on service quality are the North American and the Nordic European (Brogowicz et al., 1990; Ekinci et al., 1998; Weber & Roehl, 2001). The North American School is represented by the SERVQUAL model (Parasuraman et al., 1985, 1988, 1991), while the Technical/Functional Quality (T/FQ) framework embodies the Nordic European School (Grönroos, 1984, 1990). The SERVQUAL instrument is a multiple-item scale designed to determine a perception of service quality as a function of the difference between consumer's expectations and actual service performance (Parasuraman et al., 1985). The SERVQUAL is claimed to consist of five dimensions of service quality: reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman et al., 1988). Reliability denotes dependable and accurate performance of service. Responsiveness involves the willingness of employees to provide service. Assurance concerns the knowledge and courtesy of employees and their ability to convey trust and confidence. Empathy corresponds to caring, individualized attention to customers. Tangibles are the physical facilities, appearance of personnel, and equipment used to provide service.

The SERVQUAL is the most widely used measure of service quality (Brown et al., 1993; Buttle, 1996; Ekinci et al., 1998; Weber & Roehl, 2001), replicated across a range of service industries – notably in tourism and hospitality (e.g., Ekinci et al., 1998; Komppula, 2006; Luk & Layton, 2004; Petrick, 2004; Weber & Roehl, 2001), healthcare (e.g., Babakus & Mangold, 1989; Boshoff & Gray, 2004; Carman, 1990), banking (e.g., Bahia & Nantel, 2000; Bhat, 2005; Finn & Lamb, 1991), etc. Within the tourism and hospitality industry, the SERVQUAL has been utilized to assess the quality of services provided by hotels (e.g., Armstrong et al., 1997; Ekinci et al., 1998; Getty & Thompson, 1994; Lau et al., 2005; Oberoi & Hales, 1990; Tsang & Qu, 2000), restaurants (e.g., Bojanic & Rosen, 1994; Lee & Hing, 1995), airlines (e.g., Abdlla et al., 2007; Fick & Ritchie, 1991), CVB's (e.g., Weber & Roehl, 2001), travel agencies (e.g., Bigne et al., 2003; Ryan & Cliff, 1997), cruises (e.g., Petrick, 2004), attractions (e.g., Tomas et al., 2002), National Tourist Offices (e.g., Braunlich et al., 1995), etc.

In the T/FQ framework – representing the Nordic European School – service quality is believed to consist of two dimensions – technical or outcome quality and functional or process quality (Arora & Stoner, 1996; Grönroos, 1984, 1990; Hui et al., 2004; Lassar et al., 2000; Mittal & Lassar, 1998). While technical quality refers to what is provided (e.g., the cleanliness of the room), functional quality considers how it is provided (e.g., the care and/or manners of the service provider). In contrast to the SERVQUAL model, the T/FQ framework lacks stronger empirical validation. In fact, the further application of the T/FQ framework in the assessment of service quality has been suggested by two studies in the hotel sector (i.e., Ekinci et al., 1998; Oberoi, 1989) and another study involving banks, insurance brokers, motor repair service stations, an electrical appliance repair company, and a life insurance company (i.e., Mels et al., 1997).

If one wishes to compare the SERVQUAL to the T/FQ, the following is evident. In the SERVQUAL, 'reliability' is akin to 'technical quality' whereas the 'responsiveness,' 'assurance,' and 'empathy' dimensions are akin to 'functional quality' (Mittal & Lassar, 1998). In terms of models' predictability, the findings are inconclusive. For instance, in hotel services (Ekinci et al., 1998) and in the private banking industry (Lassar et al., 2000), the T/FQ model outperforms the SERVQUAL model in assessing service quality. However, in healthcare services, both the SERVQUAL and the T/FQ produce similar results (Mittal & Lassar, 1998).

Moreover, despite its widespread use, the SERVQUAL instrument has generated considerable criticism in most replication studies, both on theoretical and operational grounds (Brown et al., 1993; Cronin & Taylor, 1992; Komppula, 2006; Luk & Layton, 2004). In particular, many SERVQUAL replications show that the number of dimensions in the scale range from one to sixteen in different contexts, including the hotels (Carman, 1990; Ekinci et al., 1998; Gil et al., 2006; Lewis, 1984). In response to the criticism, the researchers adapted the SERVQUAL tool to suit specific operational characteristics of the tourism and hospitality environment. Consequently, scales such as LODGQUAL, LODGSERV, DINESERV, HOLSAT, GROVQUAL, HOTELQUAL, SERVPERF, SERVPERVAL, REQUAL, WEBQUAL, and TNE-Matrix (Abdlla et al., 2007;

Augustyn & Ho, 1998; Barnes et al., 2001; Cronin & Taylor, 1992; Knutson et al., 1990; MacKay & Crompton, 1988; O'Neill, 2001; Petrick, 2002; Sierra Diez et al., 1999; Stevens et al., 1995; Tribe & Snaith, 1998) were developed.

Irrespective of which model is used, the degree of interpersonal contact seems important in evaluation of technical and functional aspects of quality. Functional quality significantly and positively affects satisfaction in high contact services whereas technical quality is more important in low contact services (Mittal & Lassar, 1998). In high contact services – such as hotels, restaurants, airline travel, and retail banking – customers visit the service facility and remain throughout the service delivery (Lovelock & Wirtz, 2004). Moreover, high contact services involve an active (i.e., direct) and relatively intense contact between customers and service personnel (Lovelock & Wirtz, 2004; Mittal & Lassar, 1998). In contrast, low contact services (e.g., car repair, insurance, internet banking) feature little or no physical contact with service personnel, and contact is usually at arm's length through electronic (e.g., Web) or physical distribution channels (Lovelock & Wirtz, 2004). Overall, service on possessions is a 'lower' contact service while service on the person himself/herself is a 'higher' contact service (Mittal & Lassar, 1998).

In the context of hotel service recovery, customer's evaluation of technical vs. functional quality in high vs. low contact services invokes two important implications. First, in line with Lovelock and Wirtz (2004) and Mittal and Lassar's (1998) differentiation between high and low contact services, hotel service recovery is considered a high contact service since it involves a direct and relatively intense contact between the complainant and the service provider. Second, the theoretical application of functional or process quality seems more appropriate to this study because it is the only dimension that is significant in terms of explaining functional or process satisfaction (as opposed to technical or outcome satisfaction; Lassar et al., 2000).

2.6. Equity / Fairness

Equity, also referred to as fairness (De Ruyter & Wetzels, 2000) or justice (Maxham & Netemeyer, 2003), is defined as customer's fairness comparison of an exchange between themselves and other entities (Maxham & Netemeyer, 2003; Oliver, 1997). In a service encounter, customers compare their inputs (e.g., monetary expenses, time, and effort) and outputs (e.g., service performance) to the provider's inputs (e.g., time and effort) and outputs (e.g., monetary gain, customer satisfaction and retention; De Ruyter & Wetzels, 2000). Equity has been widely and successfully employed in many contexts – e.g. legal, organizational, buyer-seller, marriage, computer monitoring (Clemmer, 1993; Douthitt & Aiello, 2001; Folger & Konovsky, 1989; Gilliland, 1993; Goodwin & Ross, 1992; Greenberg, 1986a, 1986b; Korsgaard et al., 1995; Lind & Tyler, 1988; Oliver & Swan, 1989; Thibaut & Walker, 1975). Hotel managers, too, need to be weary of customers' perceptions of equity because fairness considerations shape customer satisfaction (Bei & Chiao, 2001; Tax et al., 1998; Zeithaml & Bitner, 2000), perceptions of service quality (Bitner et al., 1990; Hui & Bateson, 1991; Parasuraman et al., 1985), and customers' emotional states (Katz et al., 1991; Venkatesan & Anderson, 1985).

Customers evaluate equity via three dimensions: distributive justice, procedural justice, and interactional justice (Blodgett et al., 1997; Choi & Mattila, 2004; Clemmer & Schneider, 1996; Smith et al., 1999; Sparks & McColl-Kennedy, 2001; Tax et al., 1998; Zeithaml & Bitner, 2000). Distributive justice refers to the perceived fairness of outcomes. In service recovery context, distributive justice centers on customer's perception of fairness in terms of tangible remedy offered to resolve the complaint (Blodgett et al., 1997). Thus, favorable complaint handling includes redress that is in line with the perceived costs experienced by the customer (Kelley et al., 1993).

Procedural justice entails perceived fairness of the policies and rules used by decision-makers in arriving at the outcome (Lind & Tyler, 1988; Smith et al., 1999). Fair procedures are based on accurate information, representative of all parties' interests, flexible, and allow concerned parties some control over the decision (Blodgett et al., 1997; Goodwin & Ross, 1992; Greenberg & Folger, 1983; Leventhal et al., 1980; Tax et al., 1998).

Interactional justice corresponds to the perceived fairness of the interpersonal treatment customers receive during service recovery process (Blodgett et al., 1997; Tax et al., 1998). Fair interactions include offer of an apology, acceptance of blame, provision of explanation, empathy, assurance, politeness, friendliness, sensitivity, interest, honesty, directness, and effort (Bies & Moag, 1986; Bies & Shapiro, 1987; Blodgett et al., 1997; Clemmer, 1993; Folkes, 1984; Goodwin & Ross, 1992; Mohr, 1991; Parasuraman et al., 1985; Ulrich, 1984).

Since the focus of this study is on how complaints are handled (i.e., process) – not what is offered (i.e., outcome) – distributive justice is excluded from further consideration and only procedural and interactional justices are employed. In terms of the relationship between procedural justice and interactional justice, it is suggested that these two dimensions may complement each other (Blodgett et al., 1997).

2.7. Process Complaint Satisfaction

According to Oliver (1997),

> Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment (p. 13).

In more practical terms, satisfaction is customer's assessment of a product or service in terms of whether that product or service has met his or her needs and expectations. Thus dissatisfaction with a product or service is attributed to customer's unmet needs and expectations. Customer satisfaction is influenced by specific product or service features, perceptions of quality, customers' emotional responses, their attributions for service success or failure, and their perceptions of equity or fairness (Zeithaml & Bitner, 2000).

In the context of service recovery, Oliver's global definition of satisfaction is substituted with 'complaint satisfaction', which refers to complainant's satisfaction with a company's response to her/his complaint (Stauss, 2002). With respect to the terminology used, many synonyms of 'complaint satisfaction' exist in literature (Stauss, 2002). These include 'secondary satisfaction' (Etzel & Silverman, 1981; Oliver, 1997), 'complaint response satisfaction' (Lewis, 1983), 'satisfaction with organization complaint response' (Blodgett & Granbois, 1992), 'redress satisfaction/dissatisfaction' (Dellande, 1995), 'service recovery satisfaction' (Boshoff, 1999; De Ruyter & Wetzels, 2000), 'satisfaction with complaint resolution' (Andreassen, 1999) or 'recovery disconfirmation' (McCollough et al., 2000).

Complaint satisfaction is different from transaction satisfaction and relationship satisfaction (Stauss, 2002). Transaction satisfaction is customer's satisfaction with a specific purchased or consumed service, and as such, it may or may not lead to complaining and the subsequent complaint dis/satisfaction. Ultimately, it is the marriage of transaction satisfaction and the following complaint satisfaction that has an impact on an ongoing relationship satisfaction (Stauss, 2002).

In line with Grönroos' (1984) differentiation between technical and functional service quality (T/FQ), complaint satisfaction is believed to consist of outcome (technical) satisfaction and process (functional) satisfaction (Lassar et al., 2000; Stauss, 2002). While the former refers to the evaluation of *what* the complainant gets from the company, the latter includes the evaluation of *how* the customer's complaint is handled. In a first empirical study of outcome/process dimensions of complaint satisfaction, Stauss (2002) links speed and reliability to outcome complaint satisfaction and friendliness and empathy to process complaint satisfaction.

Another conception and measure of satisfaction with the process of service recovery is RECOVSTAT (Boshoff, 1999; Boshoff et al., 2005). RECOVSTAT encompasses 6 dimensions of service recovery process: (1) communication (the manner in which provider addresses the customer lodging a complaint), (2) employee empowerment (authority to act and decisions that can be made), (3) feedback (the provision of information about the problem and what is being done about it after complaint has been registered), (4) atonement (apologies made because of service failure), (5) explanation (the reason behind the occurrence of the problem), and (6) tangibles (appearance of the provider and the physical environment).

Since both approaches (Outcome/Process Satisfaction [O/PS] vs. RECOVSTAT) to studying process satisfaction are very recent, no meaningful empirical comparison has been made between the two. However, RECOVSTAT does appear broader in focus as it dwells into domains of employee empowerment, problem justification (explanation), and tangibles. In O/PS framework, friendliness and empathy (akin to process satisfaction) seem to parallel RECOVSTAT's communication/feedback/atonement dimensions.

This two-dimensional structure of complaint satisfaction is analogous to how researchers view the global construct of satisfaction; overall customer satisfaction in the service environment is both an outcome and a process (Boshoff & Gray, 2004; Yi, 1991). Since the focus of this study is on how complaints are handled (i.e., process) – not what is offered (i.e., outcome) – outcome complaint satisfaction is excluded from further consideration and only process complaint satisfaction is examined.

2.8. Control Variables

Research on service recovery does not specifically address the effect of demographics on customers' cognitive/affective responses, satisfaction, and empowerment. However, taking a closer look at demographics as examined in other areas of research provides a better understanding of their influence. In terms of gender, some find that the patterns of emotional experiences are stronger for women then men (Bagozzi et al., 1999). Others believe that in the context of organizational/employee empowerment, PE construct can be assumed invariant across genders (Boudrias et al., 2004). Age, education, and income have also been found to be of importance, albeit in the context of technology adoption (e.g., Morris & Venkatesh, 2000; Brancheau & Wetherbe, 1990), diffusion (e.g., Zhang et al., 2002), and retail electronic purchasing (e.g., Burroughs & Sabherwal, 2002). Since the sample used in this study (students) can be considered as homogeneous, the effect of demographics (other than gender) is not expected to be influential, and will thus, serve only as a data check.

2.9. Summary

This chapter developed the theoretical model for the study of service recovery from the customer's perspective. According to the proposed model, the degree of customer-felt empowerment during service recovery process determines both the level of customer's cognitive/affective responses and the level of subsequent complaint satisfaction. Therein, complaint satisfaction is believed to consist of outcome satisfaction (i.e., *what* the complainant gets from the company) and process satisfaction (i.e., *how* the customer's complaint is handled). Moreover, process complaint satisfaction is influenced by both cognitive (customers' perceptions of quality and their perceptions of equity or fairness) and affective (customers' emotional responses) phenomena.

Analogous to complaint satisfaction, service quality is believed also to consist of two dimensions – outcome quality (i.e., *what* is provided) and process quality (i.e., *how* it is provided). Moreover, process quality appears relevant in terms of explaining process complaint satisfaction (as opposed to outcome complaint satisfaction) in high contact services. Since hotel service recovery involves a direct and relatively intense contact (i.e., over the phone or in person) between the complainant and the service provider, it may be considered a high contact service.

Hotel managers, too, need to be weary of customers' perceptions of equity because fairness considerations shape customers' satisfaction, their perceptions of service quality, and their emotional states. Customers evaluate equity via three dimensions: distributive justice (i.e., the perceived fairness of the outcome), procedural justice (the perceived fairness of the policies and rules used by decision-makers in arriving at the outcome), and interactional justice (the perceived fairness of the interpersonal treatment customers receive during service recovery process). In line with the logic behind the process complaint satisfaction and the service process quality, procedural and interactional justices appear of greater relevance than distributive justice.

Within the context of service recovery, the interactive nature of the customer-provider relationship and customers' high service expectations of complaint handling also put forward the important role of emotions as customers may experience overall positive or negative affect (i.e. emotion) with service recovery. Whether these emotions are positive or negative, they will influence the overall degree of satisfaction or dissatisfaction with the service. Indeed, emotions – both positive and negative – produced during consumption experiences are believed to leave strong affective mark in individuals' episodic memory. Accordingly, when an evaluation of a particular service is required, the affective experiences are accessed and integrated into the evaluative judgment of that service.

Customers' affective responses, their perceptions of service process quality and fairness, and their process complaint satisfaction appear influenced by customers' inability to control and/or influence policies and procedures directly affecting their lives. This lack of control suggests a greater need for customer empowerment. To date, evidence from tourism and business management scholarly literature and practice suggests that customer empowerment is a construct representing a *provider's* point of view. In addition to this view, some scholars in healthcare services consider customer empowerment as a construct that should *also* include a *customer's* point of view. Here, both outcome aspect and process aspect should be shaped to meet the needs and preferences of individual patients/customers. Moreover, allowing patients to play the central role in service production and delivery can improve the outcomes they desire and may bring about patient satisfaction, at least in part, by increasing their involvement in decision making. The next chapter will discuss the methodology and develop the empirical model of service recovery.

The most significant contribution in this area has been the recent introduction of the *consumer-directed theory of empowerment* (CDTE). In short, the major tenets of the CDTE – as it applies to this research – are that (1) greater consumer control in service production and delivery will lead to perception of empowerment and increased quality of life, and (2) individuals should be free to make their own decisions about the management of their own lives. However, since the CDTE was developed specifically as a theoretical framework for research in healthcare rehabilitation services, it lacks theoretical and operational soundness in the context of hotel service recovery. As empowerment definitions and interpretations historically vary with destination discipline, it is necessary to conceptualize and operationalize a new measure of customer empowerment in the context of hotel service recovery.

The review of the various streams of empowerment research reveals that, at an individual level in the context of service recovery, the three underlying theoretical components in customer empowerment are (1) information, (2) competence, and (3) control/influence. In sum, an empowered customer in service recovery is defined as a consumer who has information, competence, and influence in the service recovery process. The three dimensions of customer empowerment (information, competence, and influence) are argued to combine additively to create an overall construct of customer empowerment in service recovery. Additionally, empowerment is a continuous variable wherein customers are more or less empowered, rather than empowered or not empowered. Thus, the decrease in any single dimension will reduce – albeit not completely eliminate – the overall degree of felt empowerment.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

The preceding chapters defined the research problem, reviewed the literature that is relevant to the study of service recovery from the customer's perspective, and developed the theoretical model of service recovery. This chapter identifies the methodology that will be used to empirically investigate the proposed relationships among customer empowerment, affect, process quality, equity/fairness, and process complaint satisfaction constructs. Thus, the research design and methodology herein are based on research questions and the body of knowledge offered by literature on the subject.

Therefore, in the second section of this chapter, instrumentation of the variables in the empirical model is addressed; it involves (1) development of a hypothetical scenario, (2) adaptation of existing measures, (3) development and testing of a new measurement scale, and (4) detailed description of the instrument (i.e., web questionnaire booklet) format.

The third section offers the results of the final instrument pre-test. In the fourth section, the issue of sample size is embraced. Next, sampling procedures and the response rate are discussed. The seventh section describes the data collection process, followed by the section covering the handling of the data.

The chapter then continues with the examination of validity and reliability issues in the context of this study. In section ten, the empirical model is presented that is derived from the theoretical model of service recovery. Next, a restatement of the research objectives and propositions presented in this study are disclosed in sections eleven and twelve, respectively. Based upon the repeated-measures nature of the data collected from a survey instrument, either regression or Linear Mixed Model (LMM) will be used to explore a selected portion of the theoretical model of service recovery. Thus, the chapter concludes with a discussion about the use of either regression or LMM as analytic methods to empirically test this study's research propositions.

The level of statistical significance in this dissertation is 5% (0.05) in all cases. A word of caution about the selection of this significance for exploratory research is that it could cause an increase in Type II error during proposition testing (Mayer, 1999). Nevertheless, all hypotheses will be tested at 0.05 significance level. The propositions will be tested based upon the data collected from a self-administered web survey that was delivered as an email link to respondents' email accounts of the university that served as the research setting for this study.

3.2. Instrumentation

This dissertation represents exploratory research in a previously under researched area of service recovery (Becker, 2000; Davidow, 2000; Ekiz & Arasli, 2007). Since hypothetical service recovery situation is an essential part of the web survey, scenario development is covered first. Next, a discussion as to the measurement of the variables (i.e., instrument scales) in the empirical model is addressed. Subsequently, the measure development process for the construct of 'Customer Empowerment' is presented. This section ends with the detailed description of the survey instrument, that is, the actual web survey as seen by the respondents.

3.2.1. Scenario Development

This study's respondents read 10 hypothetical scenarios (1 warm-up + 9 actual; Appendix C) and used the information provided in them to indicate their reactions as measured by independent and dependent variables. As noted earlier, scenario research is a frequently used (Carlsmith et al., 1976) and an internally valid methodology for theory testing of situations having a high degree of realism, provided the scenarios are applicable and appropriate for the sample at hand (Brown, 1962; Kelman, 1968; Maute & Dubé, 1999; Schmitt et al., 1992; Schultz, 1969; Thaler, 1985).

The scenarios presented to respondents are based on review of literature and describe different service recovery processes in terms of three attributes (e.g., Expedia.com; Maxham, 2001; Smith et al., 1999). The selected attributes and their levels are: (1) degree of customer empowerment (low, medium, high), (2) type of service failure (minor, moderate, serious), and (3) quality of hotel (1-star, 3-star, 5-star).

3 attributes, each with 3 levels produce $3^3 = 27$ possible scenarios. Since the evaluation of all 27 possible scenarios is an unmanageable task for respondents (Crouch & Louviere, 2004), a fractional factorial design was used to create a manageable total of 9 scenarios presented to each subject (Montgomery, 1991).

To narrate the hypothetical levels of each of the three attributes used in study's scenarios, a pool of 13 potential customer empowerment strategies, 16 potential service failures, and 3 qualitative hotel descriptions were put together using the combination of sources – academic literature, expert testimonies, industry standards, and anecdotal examples. Table 1 illustrates the set of 13 potential customer empowerment strategies (i.e., hotel's responses to a customer's complaint). The array of 16 potential types of service failures are presented in Table 2. Both sets had to be scrutinized in order to generate 3 customer empowerment strategies (low, medium, high) and 3 types of service failure (minor, moderate, serious) for further analysis. To accomplish this objective, 2 miniature studies were carried out. Since failure types were to be used as inputs in the examination of customer empowerment strategies, the miniature studies were conducted in that order (see below).

In contrast to customer empowerment strategies and failure types, the 3 descriptions of hotel quality (i.e., 1-star, 3-star, 5-star) were borrowed and negligibly modified from the American Automobile Association (AAA), Expedia, Travelocity, Orbitz, SideStep, Hotels.com, Priceline.com, Hotwire, and Travelweb (Grossman, 2004). All of the descriptions of hotel quality are presented in the Appendix E.

Table 1: Customer Empowerment Strategies

1. You are offered a complimentary bottle of champagne.
2. You are offered a full reimbursement.
3. You are offered a partial refund/discount.
4. You are offered a gift certificate for use at any of the chain's properties at any time.
5. You are offered a choice among a bottle of champagne, a partial refund / discount, or a gift certificate for use at the same hotel unit at any time.
6. You are offered a choice between a bottle of champagne or a partial refund.
7. You are offered the opportunity to choose what type of action and/or compensation you prefer from the hotel.
8. You are offered a gift certificate for use at any of the chain's properties within a pre-specified time period.
9. You are offered a gift certificate for use at the same hotel unit within a pre-specified time period.
10. You are offered a room change (in the same price category).
11. You are offered a room upgrade (to the higher-price category).
12. You are offered a choice among a bottle of champagne, a partial refund, a room change, or a gift certificate for use at the same hotel unit at any time.
13. You are offered a gift certificate for use at the same hotel unit at any time.

Table 2: Types of Service Failure

1. No turndown service
2. Incorrect room service (food) order
3. Room not ready upon guests' arrival
4. Telephone problems
5. Heat/AC problems
6. Dissatisfaction with the décor of the room
7. Dissatisfaction with the size of the room
8. Limo ordered by the concierge not arriving to chauffeur guests
9. Noise from the streets disturbing the guests' sleep
10. Wake-up call never received
11. Stained sheets
12. Uneven bed
13. Odor in the room
14. Cigarette smell in the room
15. Bill contains charges (e.g., pay-per-view) not ordered/requested by the guest
16. Not getting the type of room the guest reserved with the credit card

3.2.1.1. Mini-Study of Failure Types

26 Temple University School of Tourism and Hospitality Management students were recruited to rank a set of 16 different types of hotel failures (Table 2). To measure the severity of these hotel failures, the respondents were asked to rate them on a 9-point Likert scale anchored in 1=very minor and 9=very serious. Data were then entered into SPSS Release 13.0 for the analysis of descriptive statistics (Table 3). The analysis revealed that the respondents rated '*wake-up call never received*' as the most severe (i.e., serious) type of failure ($\bar{x}$ =7.80). '*Telephone problem*' was judged as the least severe (i.e., minor) type of failure ($\bar{x}$ =3.38), while '*dissatisfaction with the décor of the room*' seemed a moderately serious failure ($\bar{x}$ =5.15). These 3 failure types were selected as inputs in the next step.

Table 3: Ratings of Service Failures

	Failure type	Mean[1]	S.D.
1.	Wake-up call never received[2]	7.80	1.936
2.	Stained sheets	7.73	2.089
3.	Not getting the type of room the guest reserved with the credit card	7.65	2.116
4.	Cigarette smell in the room	7.27	2.051
5.	Room not ready upon guests' arrival	7.20	1.915
6.	Odor in the room	7.08	2.171
7.	Heat/AC problems	6.96	2.126
8.	Bill contains charges (e.g., pay-per-view) not ordered / requested by the guest	6.88	2.338
9.	Uneven bed	6.50	2.387
10.	Limo ordered by the concierge not arriving to chauffeur guests	6.38	2.299
11.	Noise from the streets disturbing the guests' sleep	6.04	2.029
12.	Incorrect room service (food) order	5.31	2.429
13.	Dissatisfaction with the décor of the room[2]	5.15	2.092
14.	Dissatisfaction with the size of the room	4.88	2.108
15.	No turndown service	4.12	2.519
16.	Telephone problems (e.g., telephone not working)[2]	3.38	2.246

[1]Anchored with 1 = *very minor* and 9 = *very serious*

[2]Items selected for further analysis

3.2.1.2. Mini-Study of Customer Empowerment Strategies

Following the outcome of the failure type analysis, 3 short scenarios were constructed, with each scenario depicting either minor, moderate or serious type of service failure. Each scenario was accompanied with a set of 13 different types of customer empowerment strategies (i.e., hotel's responses to a customer's complaint; Table 1). The respondents then had to rate each of these 13 responses in terms of how empowered they felt by the way the hotel responded to their complaint (Table 4). All responses were measured on a 9-point Likert scale, ranging from 1=low empowerment to 9=high empowerment. A different group of students (Temple University School of Tourism and Hospitality Management, Devry University, and Townsend University undergraduates and Thomas Jefferson University graduate students) were recruited to complete the task.

Moreover, 26 respondents took part in the scenario featuring minor type of failure, whereas 16 respondents completed the other 2 scenarios with moderate and serious types of failure.

Table 4: Ratings of Empowerment Strategies

Empowerment strategy	Failure type			Overall weighted $\bar{x}$ [1]
	Telephone	Décor	Wake-Up	
2	7.45	8.38	8.13	7.84
7[2]	6.86	7.88	7.75	7.35
12	6.91	6.75	7.13	6.86
5	7.18	6.67	6.81	6.85
11	6.39	6.73	6.06	6.33
6	6.65	6.13	6.13	6.28
4	6.43	6.13	6.31	6.24
13	6.17	6.38	6.38	6.23
3	6.09	6.31	6.38	6.18
8	5.30	5.69	6.38	5.67
9	4.61	5.19	5.75	5.06
10[2]	4.96	5.13	4.88	4.94
1[2]	5.86	3.50	3.75	4.51
N	23	16	16	

[1]Anchored with 1 = *low empowerment* and 9 = *high empowerment*

[2]Items selected for further analysis

Given the unequal sample sizes (26 vs. 16 vs. 16) across 3 rated scenarios, weighted means ($\bar{x}$) for all the hotel's responses were calculated (Table 4). The analysis showed that the respondents felt most empowered when hotel's response to their complaint was '*You are offered the opportunity to choose what type of action and/or compensation you prefer from the hotel*' (response # 7, weighted $\bar{x}$ = 7.35). Although response # 2 ('*You are offered a full reimbursement*') had a slightly higher mean compared to response # 7, it was left out for couple of reasons. First, offering only one choice to a complainant hardly empowers him/her during service recovery. A fully reimbursed complainant would certainly be better-off financially, however not empowered by means of a greater amount of information and control in service recovery. Second, perhaps even more important, the financial attractiveness of full reimbursement is likely to be blamed for its highest rating. Given these logical inconsistencies and doubts, response # 2 appeared too questionable, and it was thus excluded from further analysis.

As expected, offering a complimentary bottle of champagne (response # 1) was regarded as the most disempowering response to a complainant by a hotel (weighted $\bar{x}$ = 4.51). Picking a response that reflected a medium degree of empowerment was a bit less straightforward. The weighted means column in Table 4 suggested picking either response # 9 or response # 10 because they both have equal distances from the middle of the 9-point scale, which is 5. However, comparing the means of responses in each of the 3 scenarios, response # 10 is closer to the targeted mid-point of the scale. Additionally, response # 10 has smaller standard deviations from the mean compared to response # 9. For these reasons, response # 10 ('*You are offered a room change in the same price category*') was chosen to represent medium degree of empowerment in the later analysis.

These rankings were then used in designing an overall scenario. For example, the 'high service failure' hotel attribute level was represented by scenario depiction of a service failure ranked by students as 'high' (i.e., severe). After the narratives of attribute levels have been spelled out, scenarios (profiles) were developed and the entire survey instrument (including scenarios/profiles) was subsequently pilot-tested for accuracy with a different sample of 15 business administration students. Pending results of the pilot-test, the survey instrument was used to collect data relating to the variables and relationships in study's proposed model of service recovery.

3.2.2. Instrument Scales

In Chapter 1 it was noted that there are still gaps in our understanding of the cognitive components of satisfaction (e.g., Liljander, 1995; Liljander & Strandvik, 1995, 1993; Oliver & Swan, 1989; Woodruff et al., 1991; Zeithaml et al., 1993). However there are even wider gaps in our knowledge of the affective elements of satisfaction (Liljander & Strandvik, 1997). Given this imbalance in knowledge between cognitive and affective phenomena of satisfaction – and for practical reasons (i.e., vast number of items that need be measured) – this research will emphasize the affective elements of satisfaction while using global (as opposed to in-depth) measures of cognitive components of satisfaction.

Each construct (except 'customer empowerment' – see next section titled 'Scale Development for the Construct of 'Customer Empowerment,'') used in this study was measured with multi-item measures adapted from previous research. The scale items used are presented in Table 5.

Affect was measured by a bipolar semantic differential scale, which is thought to be an accepted measure of affect (Bagozzi et al., 1999). This scale had a reasonable convergent validity (correlations ranged from $r = .36$ to $r = .86$) and good discriminant validity (correlations ranged from $r = .01$ to $r = .23$), thus indicating overall satisfactory construct validity (Feldman Barrett & Russell, 1998). For measurement scales of process quality, equity/fairness, and 2 items measuring process complaint satisfaction, the reported Cronbach's α's ranged from .80 to .95 (Hui et al., 2004; Smith et al., 1999; Stauss, 2002; Tax et al, 1998).

Table 5: Scale Items for Variables

Customer Empowerment
Scale is developed (see below) for this study according to De Vellis (1991) guidelines.
Affect [1]
7-point semantic differential scale. Adapted from Feldman Barrett & Russell (1998). 1. Unhappy - Happy 2. Pleased - Annoyed 3. Content - Discontent 4. Despairing - Hopeful
Process Quality [2]
7-point semantic differential scale. Adapted from Hui et al. (2004). 1. Helpful - Not Helpful 2. Enthusiastic - Apathetic
Equity/Fairness [2]
• Procedural Justice 7-point scale, anchored with strongly disagree/strongly agree. Adapted from Tax et al. (1998) and Smith et al. (1999). 1. The employee was willing to adapt hotel's complaint handling procedures to satisfy my needs. 2. The employee showed adequate flexibility in dealing with my problem. • Interactional Justice 7-point scale, anchored with strongly disagree/strongly agree. Adapted from Blodgett et al. (1997). 1. I was treated with respect. 2. The employee seemed to care about me. 3. The employee listened to what I had to say. 4. I feel that I was treated rudely.
Process Complaint Satisfaction
7-point scale, anchored with totally satisfied/very dissatisfied. Adapted from Stauss (2002) and Lassar et al. (2000). 1. How satisfied are you with employee's friendliness?[2] 2. How satisfied are you with employee's empathy?[2] 3. How satisfied are you with employee's courtesy?[1]

Notes: [1]α's not reported in original study.
[2]α's range from .80 to .95.

The remaining measures of process complaint satisfaction were borrowed from a 9-item index consisting of 3 functional (process) and 6 technical (outcome) satisfaction characteristics (Lassar et al., 2000). Therein the functional and technical subdimensions of satisfaction were significantly correlated (r = .69) yet statistically distinct in that their pair-wise correlation plus twice its standard error summed to less than 1.00 (Lassar et al., 2000; Bagozzi, 1991). In this dissertation, all Likert scale questions in the final web survey instrument followed a positive wording format (Baker & Fesenmaier, 1997).

3.2.3. Scale Development for the Construct of 'Customer Empowerment'

The term 'scale' usually refers to a measurement instrument developed for the purpose of measuring a theoretical phenomenon that cannot be readily observed or assessed directly (DeVellis, 2003). Therefore, the scale development process is pivotal and specific steps should be carried out in order to craft a reliable and valid measure and to have any confidence in drawing conclusions about the construct(s) being measured (Osteen, 2004).

The measure of 'customer empowerment' construct had to be developed specifically for this study, for two primary reasons. First, it was believed that this study was the first of its kind in attempting to examine customer's perception of empowerment during service recovery process. Consequently, no validated measurement scale of 'consumer empowerment' existed for this research. Second, all of the scale items had to be specifically adapted to the particular research setting involved in this study – the service recovery process in a lodging establishment.

The measure development process was patterned on the DeVellis (2003, 1991) set of specific guidelines for scale development. These guidelines are (in chronological order):

1. Determine clearly what it is one wants to measure;
2. Generate an item pool;
3. Determine the format for measurement;
4. Have an initial item pool reviewed by experts;
5. Consider inclusion of validation items;

6. Administer items to a development sample;
7. Evaluate the items;
8. Optimize scale length.

3.2.3.1. Determination of What is Being Measured

Prior to the development of any tools, it was necessary to clarify exactly what it was that was going to be measured, including the different aspects (domains or dimensions) and what the purpose of that measurement was (DeVellis, 2003, 1991). In Chapter 2, following an extensive review of the various streams of empowerment research, an empowered customer in service recovery was defined as a consumer who has information, competence, and influence in the service recovery process. Thus, at an individual level in the context of service recovery, the 3 underlying theoretical dimensions in customer empowerment were identified as (1) information, (2) control/influence, and (3) competence.

3.2.3.2. Generation of an Item Pool

The generation of an item pool could have occurred in a variety of ways (DeVellis, 2003, 1991). A good way was to analyze the literature surrounding the target concepts in order to uncover other similar tools, that are similar to the new tool under construction but that are not exactly what is desired from a content or methodological viewpoint. Another particularly effective way of developing items was to perform a content analysis of several related tools to identify the full range of the items included in similar tools and then use these content guides for the new tool. This process could have also been successfully completed by deriving each item directly from the statement of what the tool was intended to measure.

The extensive review of the theoretical and empirical realms of the organizational / employee (Carson et al., 1999; Ellefsen & Hamilton, 2000; Kim, 2002; Lin, 2002; Menon, 2001; Spreitzer, 1995), healthcare (Kosciulek, 2005; Kosciulek & Merz, 2001; Rogers et al., 1997), community (Alsop & Heinsohn, 2005; Grootaert et al., 2004; Khwaja, 2005), and educational (McGregor, 2005) empowerment literature yielded an initial pool containing 67 items of relevance to this study. In terms of the 3 underlying theoretical dimensions in customer empowerment (information, control, and competence), the 67-item pool (Appendix F) was made up of 17 information items, 40 control items, and 10 competence items. All items were modified in order to display a positive wording format (Baker & Fesenmaier, 1997).

3.2.3.3. Determination of the Measurement Format

The scale format of the items in the tool under development presented was an important design decision (DeVellis, 2003, 1991). The types of scale formats that are usually considered for use with measurement tool items are Likert, Guttman, multiple response, semantic differential, and numerical rating (visual analog) scales. Although there are virtues associated with different types of response categories (Polgar & Thomas, 2007), a Likert scale format was selected for use in this dissertation for a number of reasons.

The Likert scale, named after Rensis Likert (Likert, 1932), requires respondents to specify their degree of agreement or disagreement with a particular statement, and it is widely used in survey research (Malhotra, 1996). Researchers often favor Likert scales over all other methods because (1) they are easy to construct and administer, (2) they are usually highly reliable, (3) they can be adapted to measure many different things, (4) respondents readily understand them, and (5) they have produced meaningful results in numerous studies (Malhotra, 1996; Nunnally, 1978). In this dissertation, it had been anticipated that the measurement instrument (i.e., the web survey booklet) was going to be quite laborious because it was to be made up of 9 scenarios and a large (at that point yet undetermined) number of replicating questions. For all of the reasons indicated above, a Likert scale format was selected for use in this dissertation.

Use of a Likert scale, however, necessitated that decision be made as to the range of the scale. From the two influential articles by Miller (1956) and Cox (1980), the 7-point scale (+/− 2 points) appears to be a reasonable range for the optimal number of response alternatives. Similarly, in terms of reliability, validity, discriminating power, and respondent preferences, the scale with around seven response categories consistently outperforms scales with either fewer (i.e., < 5) or greater (i.e., >10) number of response categories (Preston & Colman, 2000). In addition, much of the services marketing research often utilizes a 7-point Likert scale (e.g., Ausbonteng et al., 1996; Boyt, 1994; Cronin & Taylor, 1992; Dawes, 2008; Lee & Hing, 1995; Mayer, 1999; Taylor, 1997; Zeithaml et al., 1990). Moreover, majority of other scales that were adapted from other studies and used in this dissertation also used 7 points. Thus, a 7-point Likert scale was selected to capture the subsequent items operationalizing the Customer Empowerment construct.

3.2.3.4. Expert Review of an Initial Item Pool

Review of the item pool that has been generated using the previous steps in the process is deemed a particularly useful procedure (DeVellis, 2003, 1991). As a result of a review by 3 experts in social science research, wording of some items was modified in favor of relevance, clarity, and completeness. Additionally, some items were deleted because they had been judged either redundant or somewhat disconnected from the concepts they were supposed to measure. At the end of the day, following an expert review, the initial 67-item pool was eventually reduced to a pool made up of 51 items for further consideration (Appendix G). Specifically, the reduced 51-item pool was comprised of 14 (17) information items, 27 (40) control items, and 10 (10) competence items; the numbers in parentheses represent past figures from the initial 67-item pool.

3.2.3.5. Consideration of Inclusion of Validation Items

The inclusion of validation items could have been achieved in several different ways (Schommer & Kucukarslan, 1997). For the purpose of validation, some investigators have suggested adding either authenticated validation items to a survey, or developing new validation items specifically for the given study (O'Hea et al., 2001). For instance, there should be items that serve to detect other motivations influencing responses, such as social desirability. By including a 10- or 20-item social-desirability scale, researchers can assess how strongly responses to individual items are biased by social desirability (Strahan & Gerbasi, 1972.). If there are items in the questionnaire that correlate well with the social-desirability score, they should be considered for exclusion unless there is a sound theoretical reason that suggests otherwise (Schommer & Kucukarslan, 1997).

Furthermore, the questionnaire should include items pertaining to construct validity (a component of overall validity). If the construct to be measured is believed to relate to other phenomena, the evidence of relationship between these constructs can help validate the measure (Schommer & Kucukarslan, 1997).

For this dissertation, there were no authenticated validation items for inclusion in the single scale measuring Customer Empowerment construct. However, other scales contained validation items. 2 items measuring Affect, 2 items measuring Service Process Quality and 3 items measuring Process Complaint Satisfaction were reverse coded to control for potential response bias (Schommer & Kucukarslan, 1997). Moreover, Equity scale comprised one negatively worded and reverse scored item (e.g., 'I feel that I was treated rudely'). Furthermore, the final survey instrument encompasses several constructs that this dissertation hypothesizes are theoretically related. Indeed, the overarching theme of this dissertation is that there is a relationship among Customer Empowerment, Affect, Process Quality, Fairness/Equity, and Process Complaint Satisfaction constructs. Thus, the subsequent analysis of the hypothesized relationships among these constructs will serve to empirically validate or invalidate the Customer Empowerment scale.

3.2.3.6. Administration of the Items to a Development Sample

No matter how carefully the earlier steps (e.g., expert review) have been implemented, there are statistical issues and logistic issues pertinent to scale development that cannot always be predicted at the design stage (DeVellis, 2003, 1991). Therefore it is important to check the new scale against a small group of people drawn from the target population.

In this dissertation, the 51 items were administered by card sorting method to a sample of 26 undergraduate students at TU STHM. Card sorting is a simple data collection technique that is useful in understanding respondents' perceptions of relationships between items (Capra, 2005; Dong et al., 2001). Items of interest (e.g., written statements, pictures, etc.) are given to a respondent, who then sorts them into groups (Fincher & Tenenberg, 2005). Thus, card sorting is also a categorization task because it rests on the belief that different people categorize the world differently, however with enough commonality to let us understand each other and enough differences to make us individuals (Upchurch et al., 2001). Card sorting can be either open, repeated or closed (Fincher & Tenenberg, 2005).

In open card sorts, items are grouped according to the respondent's choice, and the participant provides a name for each group by which items are categorized. In repeated card sorts, participants are prompted to re-sort the stimuli into a different groups using another criterion, and to continue re-sorting until they are no longer able to do so. In closed card sorts, respondents are usually supplied with a priori groups so that they only have to choose which item belongs to any given category (Fincher & Tenenberg, 2005).

In this dissertation, open card sort was performed in the following manner. First, all 51 items were printed one item per index card (Figure 5). Index cards were then split into 3 different groups (i.e., A, B, and C) that mirrored 3 dimensions (i.e., information, control, and competence) of the Customer Empowerment construct. Thus, group A contained 14 information items, group B had 27 control items, and group C included 10 competence items. A number of blue, red, and green colored blank index cards were also obtained for this card sort.

Second, each of the 26 sampled respondents received an instruction sheet guiding him / her through the card sort task (Appendix H). Next, each respondent received a set of 14 A index cards and a sufficient number of blue colored blank index cards. As per instructions, they read through the cards in order to become familiar with them. They then sorted the cards into piles so that cards carrying a common / similar theme were placed together in a pile. There was no limit as to how many common / similar themes they were allowed to identify and each theme could have represented one or more cards.

After having grouped the cards, they named or labeled each pile using the supplied blue colored blank cards. Once the set of 14 A index cards was sorted and labeled, the respondents handed it in.

Figure 4: Sample Index Card (Group A)

> A
>
> The employee helped me
> understand which different
> complaint-resolution options
> were available so I could
> make the best choice.

The respondents then repeated the above steps for card-sets B and C, using red and green colored blank cards, respectively. Once all 3 sets of index cards were sorted and labeled, the open card sort task was complete. Later it was revealed that, from the sample of 26 respondents, the results from 22 card-sets A, 16 card-sets B, and 19 card-sets C were suitable for further analyses. All sampled students agreed to participate in card sorting voluntarily (with encouragement from instructor) in the context of lecture-based classes. There was no educational or financial incentive for students to participate in card sorting.

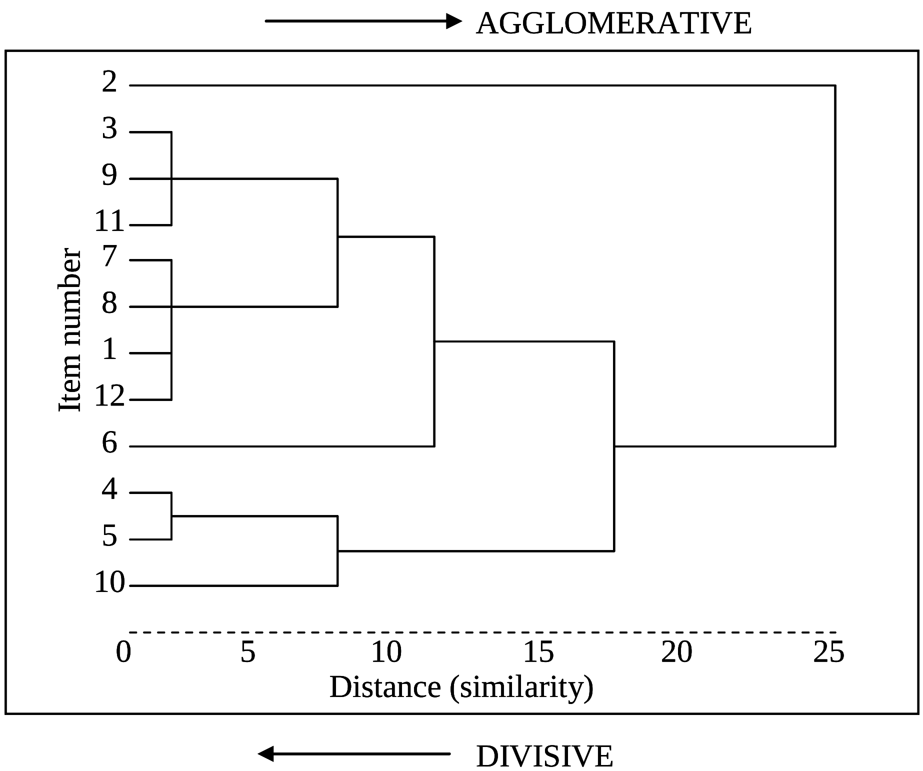
3.2.3.7. Item Evaluation

Once the measurement tool was administered by card sorting method to a sample of 26 undergraduate students, data were cluster analyzed. Cluster analysis is a frequently used and a purely empirical method for data classification and reduction (Gerard, 1957; Hair et al., 1998; Punj & Stewart, 1983). Whenever the data are too numerous or too detailed to be manageable, cluster analysis is used for data simplification and aggregation, and thus serves as the basis for further analysis (Fisher, 1969; Punj & Stewart, 1983). Cluster analysis evaluates card sorting data by computing similarity scores, which represent the strength of the perceived relationships between pairs of cards, based on how often the members of each possible pair appear in a common group (Dong et al., 2001).

Two general approaches to cluster analysis are hierarchical and nonhierarchical clustering (Hair et al., 1998). In hierarchical clustering, the object is to group index cards that are 'close' to one another. A key component of the analysis is repeated calculation of similarity measures between cards, and between clusters once cards begin to be grouped into clusters (Hierarchical Cluster, 2007). The outcome is represented graphically as a dendrogram tree (Bertin 1967; Hartigan 1967). As per SPSS Release 13.0, dendrogram is a visual representation of the steps in a hierarchical clustering solution that shows the clusters being combined and the values of the similarity coefficients at each step. Connected vertical lines designate joined cases, and as such, can be used to assess the cohesiveness of the clusters formed and can provide information about the appropriate number of clusters to keep.

Hierarchical cluster analysis is a treelike construction process that uses either agglomerative or divisive clustering strategies (Hair et al., 1998). Agglomerative hierarchical clustering (i.e., forward clustering) starts by treating every item (i.e., index card) as a separate cluster, and then the two items with the highest similarity are combined into a cluster. The process is repeated until only one 'umbrella' cluster is left. Divisive hierarchical clustering (i.e., backward clustering) works in the opposite direction. It begins with one large cluster containing all the observations, and it carries on until each observation is a cluster in itself (Figure 6).

Figure 5: Sample Dendrogram Illustrating Hierarchical Clustering



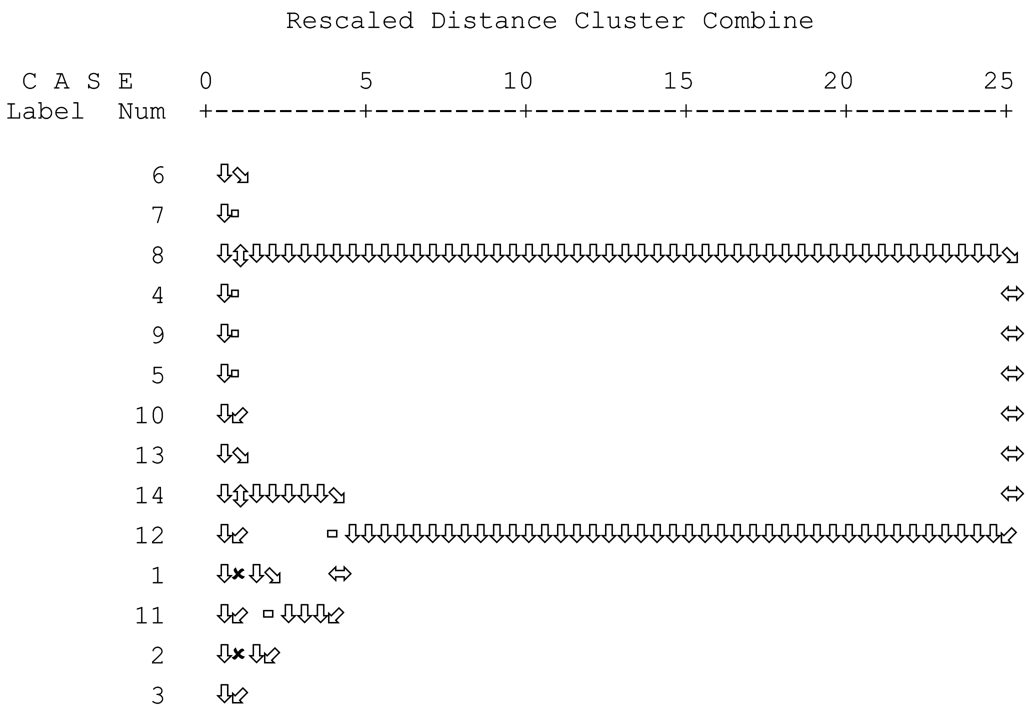
In contrast to hierarchical procedure, in nonhierarchical clustering, in brief, the researcher specifies the number of clusters in advance, and then assigns the objects into clusters (Hair et al., 1998). The first step in nonhierarchical method is to select a central cluster seed in the measurement and the distance of all objects (individuals) is measured from such central point (seed). As far as the dilemma whether hierarchical or nonhierarchical method should be used, there is no definite rule as to which type of clustering to use (Sclove, 2001). While both methods are commonly used (Punj & Stewart, 1983), nonhierarchical clustering procedures tend to be less popular because identifying a right central position (seed) is a considerable challenge (Sambamoorthi, 2002). Morover, many card-sorting software programs, such as EZSort from IBM's Ease of Use group use hierarchical cluster analysis (Dong et al., 2001; Martin & Kidwell, 2001). Thus, agglomerative hierarchical clustering was selected for the analysis of card sort data.

In this dissertation, after all 3 sets of index cards were sorted and labeled in card sorting task, 3 separate similarity matrices were then constructed. Similarity matrix is a table in which both the rows and columns are the units of analysis and the cell entries are a measure of similarity or distance for any pair of items (i.e., index cards). Next, in SPSS Release 13.0, 3 agglomerative hierarchical cluster analyses with Ward's method and squared Euclidean distance were executed, using the 3 similarity matrices as inputs. The analyses produced 3 dendrograms representing 3 dimensions (i.e., information, control, and competence) of the Customer Empowerment construct.

The first dendrogram in Figure 6 displays the outcome of the agglomerative hierarchical cluster analysis of the information dimension of the Customer Empowerment construct. This dendrogram produced a three cluster solution that showed a 7-item cluster, a 3-item cluster, and a 4-item cluster. Next, Coefficient Alphas were calculated to assess the internal consistency reliability of the 3 derived clusters (Cortina, 1993; Cronbach, 1951). For the 7-item cluster, a 4-item subscale (items 6, 7, 8, and 10) achieved the highest Cronbach's α - .98. The Cronbach's Alphas for the 3-item cluster and the 4-item cluster were shown to be .92 and .76, respectively.

The second dendrogram in Figure 7 showcases the outcome of the agglomerative hierarchical cluster analysis of the control dimension of the Customer Empowerment construct. Following the visual inspection of the dendrogram, cluster with items 20, 22-24, and 26 was excluded from further consideration because of the source items' negative wording (Parasuraman et al., 1991) and their large squared Euclidean distance from other items. The remaining items were encapsulated in a two cluster solution that showed a 15-item cluster and a 7-item cluster. Next, these 2 clusters were checked for scale homogeneity using Cronbach's alpha (Cronbach, 1951). The Cronbach's α Coefficient showed the 15-item cluster with a 4-item subscale (items 9, 10, 14, and 15) to be very reliable (α=.98). In the 7-item cluster, a 3-item subscale (items 3, 4, and 21) achieved the highest Cronbach's alpha - .93.

Figure 6: Information Dendrogram



The third dendrogram in Figure 8 illustrates the outcome of the agglomerative hierarchical cluster analysis of the competence dimension of the Customer Empowerment construct. As expected, items 1, 4, and 9 were excluded. The remaining two cluster solution showed a 4-item cluster and a 3-item cluster. Removing item 8 from the 4-item cluster yielded a .98 Coefficient α. The Cronbach's α Coefficient for the 3-item cluster was .91.

Figure 7: Control Dendrogram

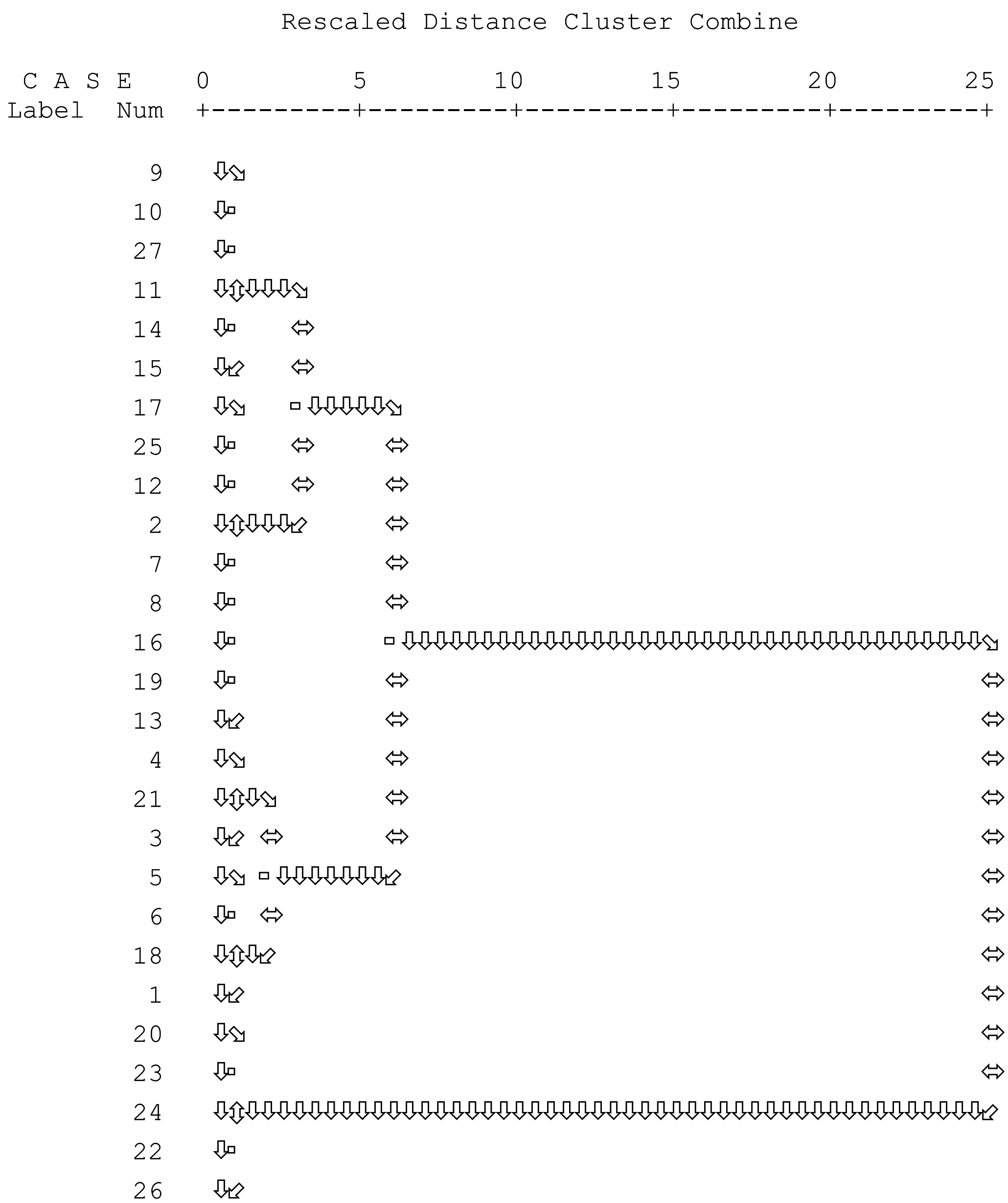
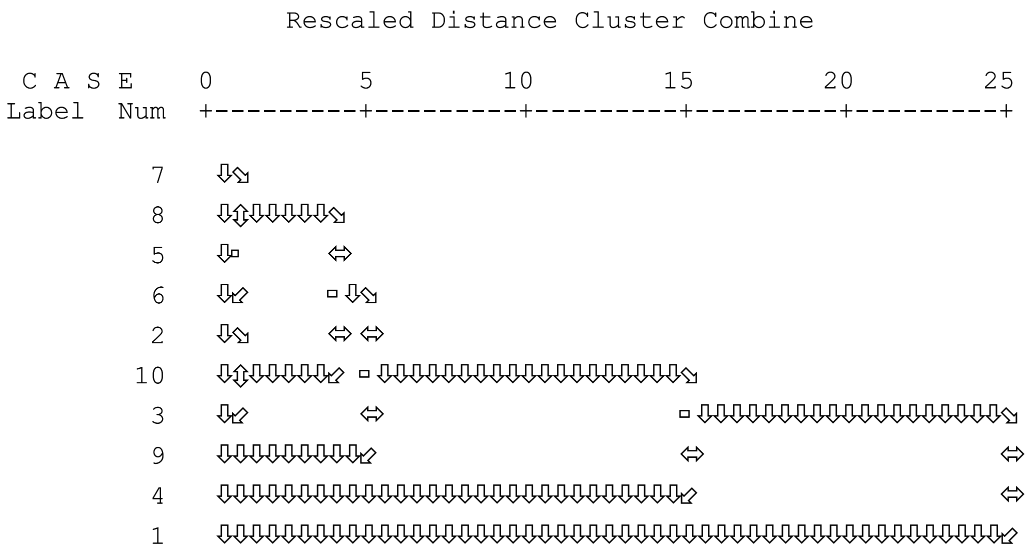


Figure 8: Competence Dendrogram



3.2.3.8. Optimization of scale length

Both adequate domain sampling and parsimony are important issues in determining the scale length (Hinkin, 1995). Since length of the scale can affect responses (e.g., respondent fatigue; Roznowski, 1989), keeping a measure short is an effective means of minimizing response bias (Schmitt & Stults, 1985; Schriesheim & Eisenbach, 1990). In this study, scale parsimony was achieved by deletion of poorly performing or negatively worded items using the agglomerative hierarchical cluster analyses described above. Thus, 24 items (Appendix I) were retained from the previous seven steps, with 11 items for information, 7 items for control, and 6 items for competence. This 24-item scale yields the highest subscale reliabilities for the fewest items measuring the Customer Empowerment construct in the service recovery context.

3.2.4. Instrument Format

The web survey instrument for this study was designed as a 11-page internet booklet. A copy of the instrument is located in Appendix B (for brevity, only a portion of the questionnaire is shown). Questionnaire design followed the established guidelines for mail and Internet surveys (Dillman, 2000). Attempts were made to maintain consistency in how questions were to be answered, to order the questions in a logically consistent manner, and to avoid a cluttered appearance. The survey questionnaire consisted vastly of Likert-type questions whereby the respondents chose one of several predetermined answers. In addition, categorical questions were used in answering few questions.

The first page of the instrument contained the survey title, followed by TU logo at the top. The logo also identified the School of Tourism and Hospitality Management (STHM) and the National Lab for Tourism and eCommerce (NLTeC) as benefactors of this study. Although STHM supplied both (1) the incentive to encourage greater survey participation – i.e., the 25 industry-related hours reward, and (2) the data set with students' email addresses and first names, technically, neither STHM nor NLTeC sponsored this study. Nevertheless, it was anticipated what the use of the STHM / NLTeC logo and designation would boost survey credibility, and thus provide an additional incentive to partake in the survey.

The remainder of the first page contained general survey instructions and a humorous cartoon. The survey instructions were presented in the 'follow-these-steps' format that, if followed, was supposed to aid the respondents' in navigating through the survey. A humorous cartoon was inserted in an attempt to generate favorable mood, and thus preempt the downbeat feelings that were expected to result from completing an otherwise lengthy and monotonous survey. The inclusion of a cartoon illustration in the survey was not expected to introduce any survey bias, because at least one previous study did not find any significant effect of cartoon illustrations on survey respondents (Pressley

& Tullar, 1977). Located at the bottom of the first page – and every page thereafter – was the survey progress mark.

The second page of the instrument started with a warm-up hypothetical scenario, followed by 10 warm-up questions that measured respondents' reactions to the information contained in the scenario. Questions were not numbered. The purpose of the second page was not to generate data for use in the subsequent analysis. Instead, the goal was to get the respondents accustomed to logic and format of the ensuing pages within the web survey.

Pages 3 through 11 (for brevity, pages 4-11 not shown in Appendix B) begun each with a hypothetical scenario (9 in total), each followed by a set of 39 unnumbered questions about the information contained in each scenario. Each scenario was inside a text box with different background color. Disparate background coloring of scenarios was used as a way to supply respondents with visual cues to differences among scenarios. Moreover, each scenario contained a unique combination of 3 attributes, each of which had 3 levels. These attributes and their levels are: (1) degree of customer empowerment (low, moderate, high), (2) type of service failure (low, moderate, high), and (3) quality of hotel (1-star, 3-star, 5-star). For instance, 1 of the 9 scenarios contained the following combination: high degree of customer empowerment, moderate service failure, and description of a 1-star hotel.

The 39 unnumbered questions on each of the pages 3 – 11 were divided into 4 sections. It is important to note that questions within each of the 4 sections were sequentially rotated in each of the 9 scenarios so to avoid question order bias (Bickart, 1992; Drury & Farhoomand, 1997). The first section, questions 1 – 4 (Q1 – Q4), was designed to gather information about respondents affective reactions (i.e., feelings) to scenario manipulations. The second section, Q5 and Q6, involved respondents' assessments of service process quality. The third section, Q7 – Q36, measured fairness / equity and customer empowerment. Specifically, Q7 – Q12 entailed respondents' judgments as to the fairness / equity of the service recovery process. When broken down further, Q7 and Q8 gauged respondents perceptions of fairness of the procedures described in the scenarios, whereas Q9 – Q12 examined respondents perceptions of fairness of the interactions manipulated in the scenarios.

Q13 – Q36 were designed to measure how respondents – as customers – perceived their own level of empowerment in the manipulated scenarios. Specifically, Q 13 – Q23 assessed the informational aspects of customer empowerment. Q24 – Q30 involved the investigation of the degree of customer control during service recovery. In Q31 – Q36, respondents evaluated their own level of competence during service recovery. The fourth section, Q37 – 39, was designated to gather information about respondents' satisfaction with the complaint process.

The final page of the instrument, that is, page 11, also contained 5 demographic questions that measured respondents' age, gender, income, education level, and frequency of hotel patronage (shown at the end of the survey instrument in Appendix B). Another humorous cartoon was inserted at the bottom of page 11, which was also the end of the survey instrument.

3.3. Pretest

Following scenario and instrument development, a final instrument (i.e., web questionnaire booklet) was put together. However, before proceeding with the final data collection, a final web survey had to be pre-tested. A pretest is used to test the survey instrument and the administrative and data analysis procedures (Mayer, 1999). Moreover, pretest can reveal whether respondents understand the question and instructions for a survey instrument. Conversely, pretest can divulge potential problems with the instrument and offer suggestions for improvements from the pretest sample of respondents (Bourque & Clark, 1992).

For this dissertation, a web-based pretest was conducted to assess the final web survey. A link to a final web survey was emailed to a sample of 7 PhD students at TU FSBM / STHM to be completed at their convenience. Within few days, all web surveys were completed. Within 1 day of survey completion, each PhD student was directly contacted (e.g., in person, by telephone or by email) in an attempt to provide additional feedback about the instrument. As expected, all respondents reported that it took them a long time (i.e., between 45 – 60 minutes) to complete the survey. They further explained that the vast number of scenarios and questions (10 and 366, respectively) was the only reason why the survey took them so long. Ultimately, all of them expressed concern about the response rate, which they anticipated would be very low. Their (indeed legitimate) concerns were alleviated after they learnt about the steps undertaken to combat this non-trivial issue (i.e., the provision of an attractive incentive to the student sample).

Other than the time issue, there were only a few typos that were easily corrected. In sum, all respondents found the web survey well designed, interesting, straightforward, and Internet user-friendly. From a logistical point of view, all the data from respondents was automatically recorded and stored in an SPSS-compatible file format for further analysis. Therefore, based on the results from the pretest, the final survey instrument did not necessitate any significant changes and it was thus used in the final data collection (i.e., main study).

3.4. Sample Size

The study was presented as a web survey of service excellence (Appendix B). More importantly, respondents read 9 hypothetical scenarios (Appendix C) and used the information provided in them to indicate their reactions as measured by independent and dependent variables / items. However, in order to assess whether the presumed independent and dependent variables are related, it is important to address the issue of sample size (Cook & Campbell, 1979). Sample size can influence the detection of significant differences, relationships or interactions (Peers, 1996). Thus, when the sample size is small, the likelihood of making a Type II error (i.e., not rejecting a false null hypothesis) increases. Such false conclusions about relationships among variables are threats to valid inference-making and are termed threats to statistical conclusion validity, which in turn, is a threat to internal validity (Cook & Campbell, 1979).

Since larger samples result in increased power (Wilson Van Voorhis & Morgan, 2007), the question that naturally follows is: how many subjects does it take to ensure internal validity in this study. The review of the numerous rules-of-thumb (e.g., Green, 1991) suggest that the recommended case-to-variable ratio ranges from the minimum 5:1 (Bartlett et al., 2001; Hair et al., 1995; Tabachnick & Fidell, 1989) to 10:1 (Halinski & Feldt, 1970; Miller & Kunce, 1973), and even more conservative ratio of 25:1 (Schmidt, 1971).

Thus, for this study's survey instrument with 39 variables, an adequate sample size would be between 195 and 975 cases (e.g., 5 cases X 39 variables = 195), with 195 being on the low end of acceptability. However, since this study features a repeated measures design (i.e., each of the 9 scenarios is followed by a set of 39 questionnaire items), a total of 195-975 cases will actually amount to 1,755 – 8,775 cases (e.g., 195 cases X 9 scenarios = 1,755).

This study's survey administration generated 139 usable responses. Working backwards, it appears that a sample of 139 respondents (cases) is more than enough for this study's subsequent data analysis (i.e., 139 cases X 9 scenarios = total of 1,251 cases; 1,251 cases / 39 variables = 32:1 case-to-variable ratio).

3.5. Sampling Procedures

A population is defined as the totality of cases that conform to some designated specifications (Churchill, 1995). Since researching entire population (i.e., census) is often not feasible, a sample from the larger population is usually taken instead (Mayer, 1999). According to Churchill (1995), a sample is the selection of a subset of elements, following prescribed rules, from a larger group of elements. Sampling is often carried out because of the time and monetary constraints involved in taking a census (Malhotra, 1996).

The sample of undergraduate students majoring in tourism and hospitality at Temple University was chosen for this study. This sampling procedure represents a convenience sampling technique, since the respondents were selected mainly because they were relatively easy to reach (Malhotra, 1996). Yet convenience sampling is a non-probability technique, and as such, its generalizability to a larger population is limited (Malhotra, 1996).

Since the goal of this study is theory research beyond the research setting (i.e., to test the relationships among the variables in the proposed theoretical model of service recovery), it is the theory that should be generalizable, rather than the particular empirical results (Calder et al., 1981, 1982; McGrath & Brinberg, 1983). The preferred theory research procedure, however, is to employ the maximally homogeneous sample (Cook & Campbell, 1975) because it typically provides a stronger test of the theory and a lower error variance (Calder et al., 1981). Heterogeneous sample, on the other hand, constitutes a threat to statistical conclusion validity (i.e., internal validity; Cook & Campbell 1975) because it increases the chance of making a Type II error (i.e., not rejecting a false null hypothesis; Calder et al., 1981).

While it is difficult to simultaneously establish high levels of both internal and external validity (Cook & Campbell, 1979), the issue of internal validity is of primary concern in theoretical research (Calder et al., 1982; Cook & Campbell, 1979). In practice, external validity is often sacrificed in favor of the greater statistical power that comes through having isolated settings, standardized procedures, and homogeneous respondent populations. Thus, given the goals of this dissertation (i.e., theory disconfirmation), a non-probability convenience sample involving a homogeneous group of tourism and hospitality students was justified because these students were expected to be broadly familiar with hotel services.

With this in mind, the Institutional Review Board (IRB) and the Office for Human Subjects Protections at Temple University was contacted in order to gain permission to recruit their undergraduate students for survey participation. On October 25th, 2006, the

IRB issued the 'Certification of Approval for a Project Involving Human Subjects', valid for 1 year.

This study was presented as a web survey of service excellence whereby respondents read 10 hypothetical scenarios (1 warm-up + 9 actual), each followed by a series of 39 questions. Due to a large number of scenarios (i.e., 10) and questions (i.e., 366), completing an entire survey in one sitting was presumed a non-trivial challenge from the perspective of respondents. It took an estimated 1 hour to complete the survey. Thus, as an incentive to encourage greater survey participation, a school within the university agreed to award their undergraduate students 25 hours (out of the school-required 250 hours) of volunteer, industry related experience and internship work. Moreover, the same school provided the sampling frame containing 507 valid university e-mail addresses with the corresponding first names of its undergraduate students. This study used *WebSurveyor* computer software package in developing, designing, and administering a web survey.

3.6. Response Rate

Response rate is the percentage of respondents who complete a questionnaire compared to the total number of respondents who receive a questionnaire (Glossary, 2005). The response rate for this research was calculated using the following formula suggested by Dillman (1978):

$$\text{Response rate} = \frac{\text{Number returned}}{\text{Number in sample} - (\text{noneligible} + \text{nonreachable})} \times 100$$

Using this formula, the response rate was calculated at 28% (507 distributed surveys via email / 142 responses received = 0.28). Ultimately, there were 139 (27%) usable responses. While there were zero (0) nonreachable respondents, there appear to be some noneligible respondents. For instance, some students had no actual use for the incentive that was offered to encourage greater participation in the rather lengthy survey - i.e., they had already completed the school-required 250 volunteer hours. Furthermore, after having contacted the survey participants via email, some respondents replied indicating that they had already graduated from the university. At the time of writing this dissertation, it was not possible to inspect the school database for the accuracy of the students' enrollment status.

In addition to the non-eligible respondents, there are some general issues concerning the web survey response rates. The existing research on response rates in web surveys, while indeed very much alive and moving forward, does not provide a definitive answer to the question what response rates should and could be expected from web surveys. While some web surveys yielded comparable or even higher response rates then mail surveys (Parker, 1992; Porter & Whitcomb, 2007; Schaefer & Dillman, 1998), most others generated lower response rates (Bachmann et al., 2000; Couper et al., 1997; Kwak & Radler, 2002; Mavis & Brocato, 1998; Mehta & Sivadas, 1995; Schuldt & Totten, 1994; Tse et al., 1995). For instance, Tourangeau et al. (2004) reported web survey response rates of 5% and 12%, whereas Porter & Whitcomb (2007) obtained web survey response rates ranging between 14.8% and 62.9%.

Some attribute the lower web survey response rates to email spam or junk email (Porter & Whitcomb, 2007; Sills & Song, 2002). In 2004 and 2006, almost 40% of the emails sent were spam (Kopytoff, 2004; Evett, 2006). In the whole 2007 and in January of 2008, rate of spam was estimated at 63%, with 43% of spam originating in the U.S. (Email Security, 2008; Evett, 2006). On a brighter note, Porter & Whitcomb (2007) speculate that sending a web survey via email address ending in '.edu' email suffix serves as a strong signal of academic involvement, and may thus heighten legitimacy and improve web survey response rates.

Yet, since the goal of this study is theory research involving experimental manipulation of key variables, a 28% response rate coming from a reasonably homogeneous sample should reduce extraneous sources of variation, thus providing for a strong test of relationships (i.e., statistical conclusion validity and internal validity) among this study's variables.

3.7. Data Collection

This study was presented as a self-administered web survey (Appendix B) of service excellence whereby respondents read 10 hypothetical scenarios (1 warm-up + 9 actual) and used the information provided in them to indicate their reactions as measured by independent and dependent variables. As such, it employed primary data collection (during August of 2007) and analysis. In social science research, mental simulation is a frequently used (Carlsmith et al., 1976) and an internally valid methodology for theory testing of situations having a high degree of realism, provided the scenarios are applicable and appropriate for the sample at hand (Brown, 1962; Kelman, 1968; Maute & Dubé, 1999; Schmitt et al., 1992; Schultz, 1969; Thaler, 1985). For this dissertation, web survey was developed, designed, and administered using *WebSurveyor* computer software package.

After having secured access to the sample of 507 university undergraduate students, all email correspondence was conducted using 'blind carbon copy' (bcc), so as to assure respondent privacy and to avoid appearance of mass emailing. Initially, a first email (E1) informing the respondents about source, scope, nature, and date of the approaching survey was sent (all email communiqué appears in Appendix D).

Following E1 (baseline), a second email (E2) with an electronic link to the survey followed 2 days later. The respondents were given 6 days to complete the questionnaire. For those respondents who failed to complete the survey within the 6-day time-period, E3 was sent 9 days later (from baseline) as a reminder to complete the questionnaire. This time, the respondents were given 4 days for completion. Within the 4-day time-period following E3, an acceptable total of 142 completed surveys was reached. In an attempt to obtain additional completed surveys, E4 was sent out, but to no avail. At this point, data collection was concluded. 3 out of the 142 completed surveys were unusable, yielding a total of 139 usable responses.

3.8. Data Handling

All web survey data were pre-coded and automatically collected and stored in a database by *WebSurveyor* computer software package for final data analysis. A database was then exported from *WebSurveyor* and imported into the Statistical Program for the Social Sciences (SPSS) computer software, Release 13.0. Next, *WebSurveyor* and SPSS databases were thoroughly visually compared for accuracy. There were no noticeable discrepancies between the two databases.

3.9. Reliability and Validity

If a survey instrument is to be practical, it must be both reliable and valid (Cook & Campbell, 1979; DeVon et al., 2007; Roberts et al., 2006; Twycross & Shields, 2004a, 2004b). This section discusses the issues of reliability and validity.

3.9.1. Reliability

Reliability refers to the ability of an instrument to consistently and repeatedly measure an attribute and obtain similar results in identical situations on different occasions (Carmines & Zeller, 1979; Cook & Campbell, 1979; DeVon et al., 2007; Twycross & Shields, 2004a). Cronbach's Coefficient Alpha (Cronbach, 1951) is by far the most popular way to assess scale reliability (Carmines & Zeller, 1979; Nunnally, 1978; Roberts et al., 2006). Chronbach's Alpha is sample specific, and thus should be computed each time the measurement instrument is administered (Waltz et al., 2005).

The value of Alpha Coefficient ranges from 0 to 1. While established scales should have a reliability of at least .80 (Carmines & Zeller, 1979), a Coefficient Alpha of .70 is acceptable for new scales (DeVellis, 2003; Nunnally, 1978). In general, if items are not correlated, the value of Alpha is reduced. Alternatively, higher values of Cronbach's Alpha are obtained by adding items that are correlated (DeVellis, 2003; Nunnally & Bernstein, 1994). For instance, when an overall scale is comprised of 2 or more subscales, computing reliability for an overall scale yields inflated Alpha. Therefore, in this dissertation, Alpha Coefficients are computed for both for the overall scale and for each subscale (Nunnally & Bernstein, 1994). These individual Alpha's are displayed in Chapter 4.

3.9.2. Validity

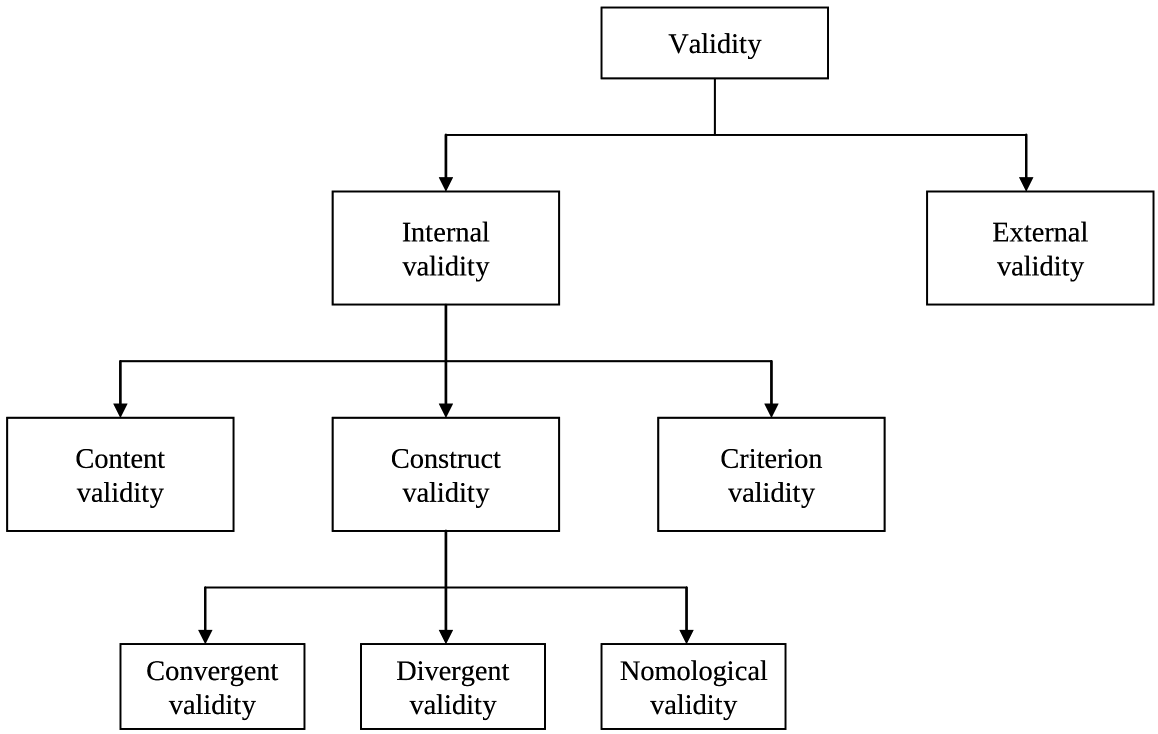
In comparison to reliability, validity is a subtler concept. Validity is concerned with whether an instrument measures what it sets out to measure (Carmines & Zeller, 1979; Cook & Campbell, 1979; Punch, 1998; Twycross & Shields, 2004b). Broadly speaking, there are 2 measures of validity – external and internal (Roberts et al., 2006; Twycross &

Shields, 2004b). External validity refers to the ability of research findings to be generalized beyond the immediate study sample and setting (Cook & Campbell, 1979; Black, 1999). Thus, it will be revisited in Chapter 5. Internal validity relates to the soundness of causal inferences regarding cause-effect relationships in empirical research (Cook & Campbell, 1979; Mitchell & Jolley, 2001).

The 3 most prominent approaches to assessing internal validity (Figure 10) are content, criterion, and construct validity (Carmines & Zeller, 1979; Eby, 1993; Punch, 1998; Twycross & Shields, 2004b). Content validity is the weakest evaluation of internal validity because it represents a qualitative (subjective) assessment of the relevance and representativeness of scale items to the theoretical domain of the construct being measured. It can be achieved by reviewing the literature, seeking expert opinion, performing population sampling or through qualitative research (Carmines & Zeller, 1979; DeVon et al., 2007; Hogan et al., 2001; Netemeyer et al., 2003). The early stages of instrument development should include the largest pool of potential items possible, which can be later be reduced, based on content reviews (Netemeyer et al., 2003). A panel of content experts is then asked to review the potential scale items and validate that they are appropriate indicators of the construct (Schultz & Whitney, 2005).

Criterion validity refers to the strength of the correlation between an instrument such as a survey and some other similar validated measure (i.e., criterion variable) of the same concept or phenomenon (Bollen, 1989; Eby, 1993; Waltz et al., 2005). Criterion validity becomes an issue when a certain instrument is used to estimate some important behavior that is external to the measuring instrument itself (Nunnally, 1978). Construct validity is the degree to which the instrument's items are related to its operationally defined theory and concepts (Cook & Campbell, 1979; Cronbach & Meehl, 1955; DeVon et al., 2007).

Figure 9: Components of Validity



Given the context of this dissertation, content and construct validity necessitate the most attention. The issue of criterion validity does not apply to this study because the goal of this dissertation is not to predict customer behavior (i.e., stay with provider vs. switch provider) based upon the theoretical model of service recovery process. Moreover, there is no actual criterion variable upon which to validate customer-perceived empowerment during service recovery. Content validity was established initially through a literature review in Chapter 2, and more recently, by the measure development process patterned on the DeVellis (2003, 1991) set of specific guidelines for scale development, as discussed in this chapter.

Construct validity, however, is the most sophisticated and difficult type of validity to establish (Malhotra, 1996), thus requiring lengthier treatment. It includes the concepts of convergent, divergent (discriminant), and nomological validity (Malhotra, 1996). Convergent and divergent validity can be thought of as concepts at opposite ends of a spectrum (DeVon et al., 2007). Convergent validity is a correspondence between constructs that are theoretically similar (Garson, 2008). The correlation among items that make up the scale or instrument measuring a construct would be high in an instrument that has convergent validity. Cronbach's Alpha is also commonly used to establish convergent (internal consistency) validity because Alpha will generally increase when the correlations between the items increase (Garson, 2008). Conversely, divergent validity is the instrument's capability to differentiate between constructs that are theoretically different (DeVon et al., 2007; Garson, 2008). Thus, the correlation among items that make up scales measuring different constructs would be low in an instrument with divergent validity.

To demonstrate an overall construct validity (i.e., convergent, divergent, and nomological validity), Exploratory Factor Analysis (EFA) is often used for examining the relationships among large numbers of items (Burns & Grove, 2005; DeVon et al., 2007; Roberts et al., 2006). Since factor is a combination of items that are believed to belong together, EFA helps investigators identify the various factors that define the construct. Moreover, EFA (together with the Principal Components Analysis – PCA) helps to validate a scale by demonstrating that its constituent items load on the same factor, and to drop proposed scale items which cross-load on more than one factor – expressed statistically as an Eigenvalue >1.0. Convergent validity is assessed by demonstrating that scale items for a given construct load unambiguously on their own factor (Garson, 2008). Thus, to check for convergent validity, items for each construct are factored separately. Divergent validity is evaluated by showing that the scale items for different constructs load most heavily on different factors (Garson, 2008; Straub, 1989). Accordingly, to check for divergent validity, all items for all constructs are factored together (Garson, 2008).

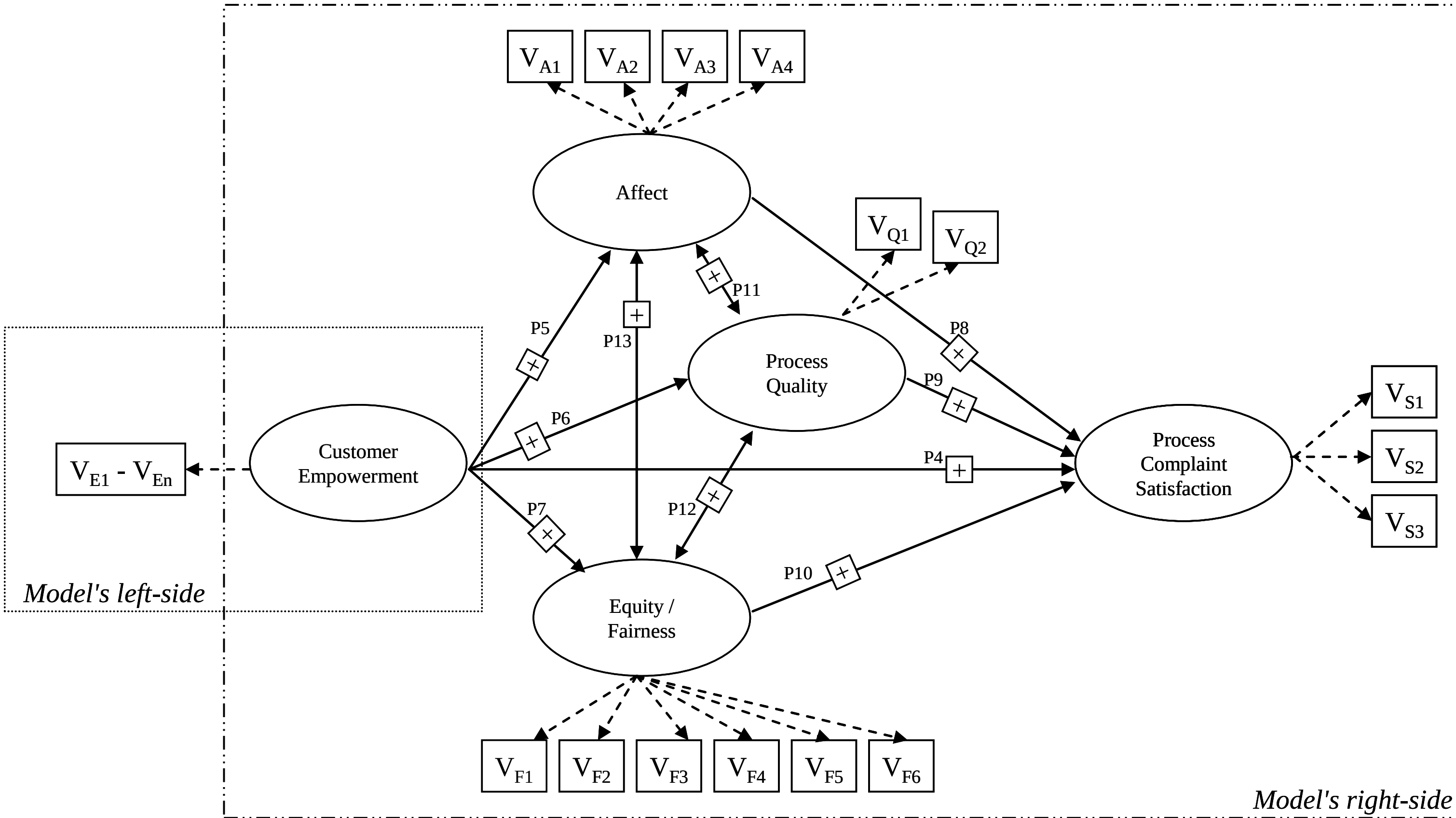
Nomological validity refers to the extent to which a construct behaves as it should within a theoretical (i.e., nomological) network of related constructs (Bagozzi, 1980; Barki & Hartwick, 1994; Cronbach & Meehl, 1955). To show that a measure is nomologically valid, the empirical relationship between the construct of interest and other related construct should behave as predicted by theory (Cadogan et al., 1999; Peter, 1981). In this dissertation, nomological validity is assessed via examination of study's propositions embedded in the empirical model of service recovery. The results of these analyses are discussed in Chapter 4.

3.10. Empirical Model of the Service Recovery Process

A model is a series of hypothesized relationships (Tabachnick & Fidell, 1996). In this dissertation, the empirical model in Figure 10 represents an expanded, in-depth version of the theoretical model in Figure 2. The empirical model should be read from left to right. It provides a structure for empirically investigating the hypothesized relationships among measures of customer empowerment, affect, process quality, equity/fairness, and process complaint satisfaction constructs (Bagozzi, 1980).

Investigation of the proposed relationships within the empirical model of service recovery will involve either regression or Linear Mixed Model (LMM) analysis, and

Figure 10: Empirical Model of the Service Recovery Process



Key:

- Construct
- Variable
- Positive relationships between constructs

V_{E1}-V_{En}= Variable yet to be operationalized

V_{Q1}= Helpful - Not Helpful

V_{Q2}= Enthusiastic - Apathetic

V_{A1}= Unhappy - Happy

V_{A2}= Pleased - Annoyed

V_{A3}= Content - Discontent

V_{A4}= Despairing - Hopeful

V_{S1}= Employee Friendliness

V_{S2}= Employee Empathy

V_{S3}= Employee Courtesy

V_{F1}= Employee Adaptability

V_{F2}= Employee Flexibility

V_{F3}= Respectful Treatment

V_{F4}= Employee Caring

V_{F5}= Employee Listening

V_{F6}= Rude Treatment

consist of 2 parts. The first part of the analysis (the left-hand side of the theoretical model), will investigate how the service failure experience shapes customers' perceptions of empowerment. Therein, customer empowerment will be treated as the dependent variable. The second part of the analysis (the right-hand side of the theoretical model) will involve testing the hypothesized relationships among empowerment, affect, process quality, equity/fairness, and process complaint satisfaction. The overall empirical model includes constructs (i.e., customer empowerment, affect, process quality, equity/fairness, and process complaint satisfaction) and measurable variables (denoted by the capital letter 'V' and a subscript combination of a capital letter and a number).

3.11. Research Objectives

In Chapter 1 of this dissertation, 5 research questions (objectives) were identified. The first research objective was concerned with whether – (1) empowerment level, (2) failure type, and (3) hotel quality – impact the degree of customer-perceived empowerment. Accomplishing this objective entailed empirically testing the left-hand side of the empirical model of service recovery (Figure 4).

The second objective of this research was to ascertain whether the degree of customer-perceived empowerment impacts customers' satisfaction with the way their complaint is handled? The third objective was to determine if the degree of customer-perceived empowerment impacts customers' emotions and cognitions? The fourth objective was to find out if the relationship between customer empowerment and process complaint satisfaction is mediated by customers' emotions and cognitions? Achieving these 3 objectives involved empirically testing the right-hand side of the empirical model of service recovery (Figure 4).

Finally, the fifth objective was to examine the influence of customers' demographic characteristics on the relationships in the above objectives 1-4. Thus, this study will add valuable perspective on these unresolved issues. The specific research propositions stemming from these objectives are reviewed next.

3.12. Restatement of Research Propositions

Based on the top 4 research objectives, the research propositions examined in this study are as follows:

P1: There is a relationship between the level of hotel-provided customer empowerment and the degree of customer-perceived empowerment;

P2: There is a relationship between the type of service failure and the degree of customer-perceived empowerment;

P3: There is a relationship between the hotel quality rating and the degree of customer-perceived empowerment;

P4: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived process complaint satisfaction;

P5: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived affect;

P6: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived service process quality;

P7: The degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived equity/fairness;

P8: The degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived affect;

P9: The degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived service process quality;

P10: The degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived equity/fairness;

P11: There is a positive relationship between the degree of customer-perceived affect and the degree of customer-perceived service process quality;

P12: There is a positive relationship between the degree of customer-perceived service process quality and the degree of customer-perceived equity/fairness; and

P13: There is a positive relationship between the degree of customer-perceived affect and the degree of customer-perceived equity/fairness.

The statistical methods used to test the above propositions are covered next.

3.13. Statistical Methods

As seen in the empirical model (Figure 4), the analysis consists of two parts. The first part of the analysis (the left side of the empirical model) tests this study's initial 3 propositions by investigating the effect of experiential features (empowerment level, failure type, and hotel quality) on customer-perceived empowerment. The second part of the analysis (the right side of the empirical model) tests propositions 4-13 by examining the theoretical relationships among customer empowerment, affect, process quality, equity / fairness, and process complaint satisfaction constructs.

Overall, either LMM or regression analysis will be used to test this study's 13 propositions. Additionally, either LMM or regression will be used to assess the effect of demographic characteristics (gender, age, education, income, experience) on customer empowerment, affect, process quality, fairness/equity, and process complaint satisfaction. LMM allows for analysis of repeated measurements or other correlated data (Hanley et al., 2003; SPSS version 15; Zorn, 2001). In contrast, regression analysis may or may not produce inaccurate and misleading results when repeated measures are taken within individuals (Goldstein, 1987; Laird, 1992; Neuhaus, 1992; Zeger & Liang, 1992), because observations within an individual are likely to be correlated with one another (Burton et al., 1998).

In this dissertation, the repeated measurements of all 39 variables of interest in each of the 139 respondents suggests the use of LMM. Yet a significant portion (i.e., second part) of the analysis suggests the use of regression-based Path Analysis. However, should both LMM and regression produce similar output in the first part of the analysis, using either technique in the second part of the analysis would be appropriate. Namely, the customer empowerment variable is both the dependent variable in the first part of the analysis and the independent variable in the second part of the analysis. Moreover, the second analysis step is essentially a replication of the first analysis step, albeit with a different set of variables. Thus, the resulting similarity or dissimilarity of LMM and regression outputs in the first analysis step is expected to carry on in the second analysis step.

If it happens so that using either LMM or regression-based Path Analysis in the second part of the analysis is appropriate, the latter technique would be preferred because Path Analysis is a widely used method in examining the theoretical relationships among variables (Grapentine, 2000). Failing regression applicability in the first analysis step, then LMM will be used as an analytical technique in the second analysis step. Thus, the initial comparison of LMM and regression output in the first part of the analysis is needed. This comparison will involve the examination of the similarity of statistical outputs, specifically the values of coefficients, t values, and the associated probabilities (i.e., p values). LMM and Path Analysis are next discussed in greater detail.

3.13.1. Linear Mixed Model (LMM) Analysis

Popularized by Laird and Ware (1982), LMM – as a form of the Generalized Estimating Equations (GEE) – extends the Generalized Linear Model (GzLM) to allow for analysis of repeated measurements or other correlated data (Hanley et al., 2003; SPSS version 15; Zorn, 2001). Repeated measures designs can be very powerful, both statistically and scientifically, because they enable repeated observations of a variable of interest within individuals (Burton et al., 1998). LMM has the ability to extract the full information content of the data set, without inflating the apparent sample size. Additionally, LMM maintains the original structure of the data by avoiding the need to aggregate the data before analysis (Burton et al., 1998).

Typical statistical techniques – such as OLS Regression – rest on the assumption that each observation that makes up a data set is independent of all of the others (Armitage & Berry, 1987; Burton et al., 1998; Feldman, 1988). This assumption can be violated when repeated measures are taken within individuals (Goldstein, 1987; Laird, 1992; Neuhaus, 1992; Zeger & Liang, 1992) because observations within an individual are likely to be correlated with one another (Burton et al., 1998). In other words, 2 random measures from the same individual tend to be more similar than 2 random measures from 2 different individuals (Goldstein, 1987; Liang & Zeger, 1986; Neuhaus, 1992; Zeger & Liang, 1992, 1986). Consequently, when performing an analysis of repeated measures data under the assumption of independent observations, results may be inaccurate and misleading (Burton et al., 1998). The fact that each person is represented repeatedly in the data set means that there is a lack of independence among the observations.

The most important feature of LMM is that independent observations are not assumed, which is why LMM is recommended when intra-class correlation exists (Garson, 2008). Intra-class correlation can be illustrated by the most extreme case: repeated measurements that vary between individuals but always take exactly the same value in any one particular individual (Burton et al., 1998). In the opposite extreme, repeated measurements that vary within an individual but always take exactly the same value between individuals is an example of no intra-class correlation. Moreover, the presence of a significant intra-class correlation is an indicator of the need to employ LMM rather than conventional regression (Garson, 2008). Conversely, the absence of a significant intra-class correlation suggest that regression may also be employed.

One approach to detect the presence of intra-class correlation is by employing the Wald test in LMM. The result of the Wald test indicates how much variance in a particular repeated measure is attributable to variability between individuals, and how much is attributable to variability within individuals. Thus, if majority of variance in a particular repeated measure is attributable to variability between individuals, one would expect significant intra-class correlation, and would thus use LMM. Alternatively, if majority of variance in a particular repeated measure is attributable to variability within individuals, one would expect low intra-class correlation. In this case, the assumption of observation independency (Armitage & Berry, 1987; Burton et al., 1998; Feldman, 1988) would not appear to be violated, and one could thus use either regression or LMM.

3.13.2. Path Analysis

For marketing researchers and decision-makers examining the theoretical relationships among variables, Path Analysis and Structural Equation Modeling (SEM) are two widely used methods in this regard (Grapentine, 2000). To some, SEM is a more powerful alternative to Path Analysis (Garson, 2006; Grapentine, 2000).

However, in the context of this study, an important disadvantage of SEM – in comparison to Path Analysis – is that it is substantially influenced by sample size (Bentler, 1990; Fan et al., 1996; Marsh et al., 1988; McDonald & Marsh, 1990; Mulaik et al., 1989). Specifically, when examining the difference between the hypothesized theoretical model and the data, any model can be rejected if the sample is large enough (Bentler, 1990; Fan et al., 1996; Marsh et al., 1988).

Since LMM necessitates that data be in the long form (as opposed to wide data format in General Linear Model (GLM)), SEM would treat the repeated measures as independent observations and thus artificially inflate the sample size. In this study there are 9 repeated measures of each of the 139 respondents, totaling 1,251 observations. With such a large sample, even trivial differences between the hypothesized model and the data will be statistically significant in SEM (Fan et al., 1996). Because hypothesized models should be regarded as approximations of reality rather than exact reflections of truth (Marsh et al., 1988), it is preferable to depart from the unrealistic assumption that any hypothesized model will exactly fit the data (Cudeck & Browne, 1983). Thus, due to the negative effect of large number of observations on the fit between the hypothesized model and the data, SEM is excluded from further consideration and only Path Analysis is used.

In Path Analysis, respondents typically evaluate product or service on a series of attributes using some kind of scale where two or more items measuring a common underlying construct are summed and divided by the number of items; such 'summed' measure of a construct is termed summated scale (Grapentine, 2000). Summated scale is thought of as a more valid reflection of the underlying dimensions being measured than are any of the individual items (Grapentine, 2004). In addition, variance of the summated scale is less than the variance of the individual items that constitute it, thus increasing the precision of the statistical test.

3.14. Summary

This chapter identified the methodology that was used to empirically investigate the proposed relationships among customer empowerment, affect, process quality, equity/fairness, and process complaint satisfaction constructs. Specifically, it presented an empirical model of service recovery. Additionally, the research process and the issue of sample size were embraced. Next, sampling procedures and the data collection process were discussed, followed by description of the survey instrument that that was used for data collection. Moreover, measurement and operationalization of the variables in the empirical model were addressed.

The chapter also tackled the issues of validity and reliability in the context of this study. This chapter concluded with a restatement of the research objectives and propositions presented in this study, and the use of LMM and Path Analysis as analytic methods to test this study's research propositions was presented. The results of the application of these methods are discussed next in Chapter 4.

CHAPTER 4

ANALYSIS AND RESULTS

4.1. Introduction

This chapter discusses the results of the analysis and the proposition testing for the data that were collected as outlined in Chapter 3. The second section of the chapter presents the demographic profile of respondents, followed by the section covering the descriptive statistics. In section four, reliability and validity for this study's instrument are covered. Therein, the instrument reliability is assessed via Cronbach's Coefficient Alpha. Moreover, in the context of this dissertation, the scale validity is evaluated through content and construct (convergent, divergent, and nomological) validity and Exploratory Factor Analysis (EFA).

Following the description of the sample and the establishment of reliability and validity for the scales, inferential statistics are covered next in section five. Therein, the statistical analysis consists of two parts. In the first part of the analysis (*the left side of the empirical model*), both LMM and regression are used to investigate the effects of experiential features (*empowerment level, failure type, and hotel quality*) and demographic characteristics (*gender, age, education, income, and experience*) on the overall customer-perceived empowerment (EMPo). Also, regression and LMM are compared in terms of their statistical outputs (i.e., the values of coefficients, *t* values, and the associated *p* values) in order to determine whether regression or LMM are to be used in the second analysis step. The second part of the analysis (*the right side of the empirical model*) tests the hypothesized paths among customer empowerment (EMPo), affect (AFCT), process quality (QUAL), equity / fairness (FAIR), and process complaint satisfaction (SAT) constructs by use of either regression analysis or LMM (based on the outcome of the first analysis step).

The chapter concludes with a discussion of the results of proposition testing.

4.2. Demographic Profile of Respondents

An average respondent in this sample (Table 6) can best be described as a female (55%), age 24 or younger (90%), having some college education (91%), and with an income bellow $35,000 (77%).

Respondent experience with lodging facilities (e.g., hotel, bed & breakfast, etc.) is grouped into four categories based on the number of separate overnight stays at a lodging facility in a typical year (Table 6). The data suggests that the majority of respondents - 94% - spend at least 1 night at a lodging facility of any type in a typical year. Over 70% of the respondents spend - on minimum 2 separate occasions - at least 1 night at a lodging facility of any type in a typical year. Furthermore, over 41% of the respondents spend - on minimum 3 separate occasions - at least 1 night at a lodging facility of any type in a typical year. In addition, over 18% of the respondents spend at least 1 night at a lodging facility of any type in a typical year - on 4 or more separate occasions.

4.3. Descriptive Statistics

This section reports the descriptive statistics for the 39 key variables that were contained in the final dataset used in this dissertation, which consisted of 139 respondents and 1,251 responses. In other words, all 139 respondents read each of the 9 distinct survey scenarios, answering after each scenario a set of 39 survey items. This resulted in a total of 1,251 responses (139 x 9 = 1,251).

Table 6: Respondent Characteristics

	Count[1]	Percentage (%)	Cumulative percentage (%)
Gender			
Female	77	55.4	55.4
Male	62	44.6	100.0
Age			
≤ 24	125	89.9	89.9
≥ 25	14	10.1	100.0
Education			
Some college	127	91.4	91.4
Graduate or grad student	12	8.6	100.0
Income			
< $35,000	108	77.7	77.7
≥ $35,000	8	5.8	83.5
I prefer not to give my income level	23	16.5	100.0
Experience[2]			
None	8	5.8	5.8
On 1 occasion	33	23.7	29.5
On 2 separate occasions	10	28.8	58.3
On 3 separate occasions	32	23.0	81.3
On ≥ 4 separate occasions	26	18.7	100.0

[1] N = 139

[2] The number of separate occasions in a typical year that a respondent spends at least one (1) night at a lodging facility of any type - e.g. hotel, bed&breakfast, etc.

Overall, the data was collected as described in Chapter 3 using the survey instrument that is shown in Appendix B. The 39 survey variables represent 5 distinct constructs (*customer empowerment, affect, process quality, equity / fairness, and process complaint satisfaction*), as seen in the empirical model (Figure 4). Moreover, 2 of these 5 constructs (*customer empowerment and equity / fairness*) contain subconstructs (3 and 2, respectively). Thus, descriptive statistics for these 5 model constructs and 5 subconstructs are also reported. A separate table is presented for each variable (Appendix J), featuring its percentages, mean, and number of valid observations across 9 distinct survey scenarios (B, C, D, E, F, H, J, L, and M). For detailed scenarios, please see Appendix C; brief scenario descriptions are presented here in Table 7. For each of the 5 constructs and 5 subconstructs, its mean, median, standard deviation, minimum / maximum value, and number of valid observations is presented (Table 8).

Table 7: Brief Scenario Descriptions

Scenario	Empowerment level	Failure type	Hotel quality
B	low	moderate	5-star
C	low	serious	3-star
D	medium	minor	5-star
E	medium	moderate	3-star
F	medium	serious	1-star
H	high	minor	3-star
J	high	moderate	1-star
L	high	serious	5-star
M	low	minor	1-star

While detailed descriptive statistics are presented in the next sections, their brief summary is as follows. Overall – for this study's 5 constructs and 5 subconstructs – scenarios H, J, and L without a doubt elicited the most favorable reactions from the respondents. Interestingly enough, these three scenarios share the high level of empowerment, however they vary in terms of failure type and hotel quality attributes. Scenarios B, C, and F, however, generated the least favorable responses from the participants. While scenarios B and C share the low level of empowerment, scenario F features the moderate empowerment level; all three scenarios vary in respect to the other two attributes (i.e., failure type and hotel quality).

Table 8: Descriptive statistics for 5 constructs and 5 subconstructs

Construct	Subconstruct	Mean	Median	Standard Deviation	Minimum	Maximum	N
Affect		13.58	14.00	7.00	4.00	28.00	1,251
Process Quality		6.20	6.00	3.35	2.00	14.00	1,251
Equity / Fairness		30.72	32.00	8.70	6.00	42.00	1,251
	Procedural Justice	9.60	10.00	3.48	2.00	14.00	1,251
	Interactional Justice	21.12	22.00	5.72	4.00	28.00	1,251
Customer Empowerment		110.92	111.00	34.43	24.00	168.00	1,251
	Information	49.59	50.00	16.34	11.00	77.00	1,251
	Control	31.77	32.00	11.58	7.00	49.00	1,251
	Competence	29.56	30.00	8.89	6.00	42.00	1,251
Process Complaint Satisfaction		9.41	8.00	5.48	3.00	21.00	1,251

4.3.1. Affect

Affect was measured by questionnaire items 1-4 (4 items), using a 7-point semantic differential scale. The first item gauged the respondents' answers to a scale ranging from *unhappy* to *happy* across 9 different scenarios. The calculated percentages and means of the data (Table 9.1., Appendix J) suggest that majority of the respondents reported *somewhat happy* to *happy* in scenarios J, H, M, E, D, and L (in that order), whereas *somewhat unhappy* to *unhappy* was reported in scenarios F, C, and B (in that order).

The second item gauged the respondents' answers to a scale ranging from *pleased* to *annoyed* across 9 different scenarios. The calculated percentages and means of the data

(Table 9.2., App. J) suggest that majority of the respondents reported *somewhat pleased* to *pleased* in scenarios J, M, H, E, D, and L (in that order), whereas *somewhat annoyed* to *annoyed* was reported in scenarios F, C, and B (in that order).

The third item gauged the respondents' answers to a scale ranging from *content* to *discontent* across 9 different scenarios. The calculated percentages and means of the data (Table 9.3., App. J) suggest that majority of the respondents reported *somewhat content* to *content* in scenarios J, H, M, E, D, and L (in that order), whereas *somewhat discontent* to *discontent* was reported in scenarios F, C, and B (in that order).

The fourth item gauged the respondents' answers to a scale ranging from *despairing* to *hopeful* across 9 different scenarios. The calculated percentages and means of the data (Table 9.4., App. J) suggest that majority of the respondents reported *somewhat hopeful* to *hopeful* in scenarios H, J, M, E, D, and L (in that order), whereas *somewhat despairing* to *despairing* was reported in scenarios F, C, and B (in that order).

4.3.2. Process Quality

Perceptions of service process quality were measured by questionnaire items 5-6 (2 items), also using a 7-point semantic differential scale. The fifth item gauged the respondents' answers to a scale ranging from *helpful* to *not helpful* across 9 different scenarios. The reported means of the data (Table 9.5., App. J) suggest that majority of the respondents rated the service provider as *somewhat helpful* to *helpful* in scenarios H, J, E, M, D, and L (in that order), whereas *somewhat not helpful* to *not helpful* rating was rooted in scenarios B, C and F (in that order).

The sixth item gauged the respondents' answers to a scale ranging from *enthusiastic* to *apathetic* across 9 different scenarios. The calculated percentages and means of the data (Table 9.6., App. J) suggest that majority of the respondents rated the service provider as somewhat enthusiastic to enthusiastic in scenarios H, J, D, E, M, and L (in that order), whereas *neither enthusiastic nor apathetic* rating was obtained from scenarios B, C, and F.

4.3.3. Equity / Fairness

Perceptions of equity / fairness were measured by questionnaire items 7-12 (6 items), using a 7-point scale ranging from *strongly disagree* to *strongly agree*. The equity / fairness scale is made up of 2 subscales - the procedural justice subscale (items 7-8) and the interactional justice subscale (items 9-12).

4.3.3.1. Procedural justice

The seventh item gauged the respondents' rating of the statement reading "The employee was willing to adapt hotel's complaint handling procedures to satisfy my needs." The calculated percentages and means of the data (Table 9.7., App. J) suggest that majority of the respondents *somewhat agree* to *strongly agree* with the previous statement in scenarios H, J, L, D, M, and E (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B, C, and F (in that order).

The eighth item examined the respondents' rating of the statement reading "The employee showed adequate flexibility in dealing with my problem." The calculated percentages and means of the data (Table 9.8., App. J) suggest that majority of the respondents *somewhat agree* to *strongly agree* with the previous statement in scenarios H, J, D, L, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B, C, and F (in that order).

4.3.3.2. Interactional justice

The ninth item examined the respondents' rating of the statement reading "I was treated with respect." The calculated percentages and means of the data (Table 9.9., App. J) suggest that majority of the respondents *somewhat agree* to *strongly agree* with the previous statement in scenarios H, J, D, M, E, and L (in that order), whereas *neither agree nor disagree* rating was obtained in scenarios B, C, and F.

The tenth item examined the respondents' rating of the statement reading "The employee seemed to care about me." The calculated percentages and means of the data (Table 9.10., App. J) suggest that majority of the respondents *somewhat agree* to *strongly agree* with the previous statement in scenarios H, J, M, E, D, and L (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenario B. In addition, *neither agree nor disagree* rating was obtained in scenarios F and C.

The eleventh item examined the respondents' rating of the statement reading "The employee listened to what I had to say." The calculated percentages and means of the data (Table 9.11., App. J) suggest that majority of the respondents *somewhat agree* to *strongly agree* with the previous statement in scenarios H, J, D, E, L, M, and F (in that order), whereas *neither agree nor disagree* rating was obtained in scenarios B and C.

The twelfth item examined the respondents' rating of the statement reading "I feel that I was treated rudely." The calculated percentages and means of the data (Table 9.12., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in all 9 scenarios - M, H, J, D, E, L, F, C, and B (in that order).

4.3.4. Customer Empowerment

Customer empowerment was measured by questionnaire items 13-36 (24 items), using a 7-point scale ranging from *strongly disagree* to *strongly agree*. The customer empowerment scale is made up of 3 subscales - information subscale (items 13-23), control subscale (items 24-30), and competence subscale (items 31-36).

4.3.4.1. Information

Item no. 13 examined the respondents' rating of the statement reading "Complaining customers have more possibilities to receive information about available complaint-related options from employee." Similarly, item no. 14 read "Complaining customers have more possibilities to seek out complaint-related ideas from employees." Item no. 16 read "Complaining customers have more possibilities to be sought out by employee for customer-known, complaint-related information." Item no. 21 read "There is a free flow of complaint-related information." 23rd item read "I had/have access to the complaint-related information necessary to make sound choices." The calculated percentages and means for items 13 (Table 9.13.), 14 (Table 9.14.), 16 (Table 9.16.), 21 (Table 9.21.), and 23 (Table 9.23.), all in App. J, suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, J, L, D, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B, C, and F (in that order).

Item no. 15 examined the respondents' rating of the statement reading "Complaining customers have more possibilities to receive helpful complaint-related information from employee." Item no. 20 read "I can obtain complaint-related information upon request." The calculated percentages and means for items 15 (Table 9.15.) and 20 (Table 9.20.), both in App. J, suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, L, J, D, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B, C, and F (in that order).

Item no. 17 read "I understand/understood the employee's response to my complaint." Item no. 18 read "The employee told me about the solutions to my complaint

I could choose at the hotel." Item no. 19 read "The employee helped me understand which different complaint-resolution options were available so I could make the best choice." Item no. 22 read "Hotel XYZ is characterized by effective complaint-related communication." The calculated percentages and means for items 17 (Table 9.17.), 18 (Table 9.18.), 19 (Table 9.19.), and 22 (Table 9.22.), all in App. J, suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, D, L, J, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B, C, and F (in that order).

4.3.4.2. Control

Item no. 24 examined the respondents' rating of the statement reading "I have a great deal of control over what happens after I complain." Similarly, item no. 25 read "I have significant influence over what happens after I complain." Item no. 27 read "I can influence complaint-related decisions taken at XYZ Hotel." Item no. 28 read "I feel that I had input in the development of the solution to my complaint." Item no. 29 read "I had a greater amount of participation in complaint resolution." Item no. 30 read "I feel very involved in the complaint handling process at the moment." The calculated percentages and means for items 24 (Table 9.24.), 25 (Table 9.25.), 27 (Table 9.27.), 28 (Table 9.28.), 29 (Table 9.29.), and 30 (Table 9.30.), all in App. J, suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, J, L, D, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B, C, and F (in that order).

Item no. 26 read "I can influence the way my complaint is handled at XYZ Hotel." The calculated percentages and means for item 26 (Table 9.26., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios J, H, L, D, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B, C, and F (in that order).

4.3.4.3. Competence

Item no. 31 read "I have the capabilities required to handle my complaint." The calculated percentages and means for item 31 (Table 9.31., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, J, L, D, E, M, and C (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenario B.

Item no. 32 read "I have the skills and abilities to handle my complaint." The calculated percentages and means for item 32 (Table 9.32., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, L, J, D, E, M, and C (in that order).

Item no. 33 read "I have the competence to handle my complaint." The calculated percentages and means for item 33 (Table 9.33., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, J, L, D, M, and E (in that order).

Item no. 34 read "I am confident about my ability to resolve my complaint." The calculated percentages and means for item 34 (Table 9.34., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, J, L, D, M, and E (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenario B.

Item no. 35 read "I am self-assured about my capabilities to fix my problem." The calculated percentages and means for item 35 (Table 9.35., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, L, J, D, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenario B.

Item no. 36 read "I feel that I can make my own personal decisions regarding my complaint if I want to." The calculated percentages and means for item 36 (Table 9.36., App. J) suggest that majority of the respondents *somewhat disagree* to *strongly disagree* with the previous statement in scenarios H, L, J, D, E, and M (in that order), whereas *somewhat disagree* to *strongly disagree* rating was obtained in scenarios B and F.

4.3.5. Process Complaint Satisfaction

Perceptions of satisfaction with the complaint process were measured by questionnaire items 37-39 (3 items), also using a 7-point scale ranging from *totally satisfied* to *very dissatisfied*. Item no. 37 examined the respondents' rating of the statement reading "How satisfied are you with employee's friendliness?" The calculated percentages and means of the data (Table 9.37., App. J) suggest that majority of the respondents reported *somewhat satisfied* to *totally satisfied* with the previous statement in scenarios H, D, J, L, E, M, F and C (in that order), whereas *neither satisfied nor dissatisfied* rating was obtained in scenario B.

Item no. 38 examined the respondents' rating of the statement reading "How satisfied are you with employee's empathy?" The calculated percentages and means of the data (Table 9.38., App. J) suggest that majority of the respondents reported *somewhat satisfied* to *totally satisfied* with the previous statement in scenarios H, J, L, D, M, E, and F (in that order), whereas *neither satisfied nor dissatisfied* rating was obtained in scenarios B and C.

Finally, item no. 39 examined the respondents' rating of the statement reading "How satisfied are you with employee's courtesy?" The calculated percentages and means of the data (Table 9.39., App. J) suggest that majority of the respondents reported *somewhat satisfied* to *totally satisfied* with the previous statement in scenarios H, D, J, L, E, M, and F (in that order), whereas *neither satisfied nor dissatisfied* rating was obtained in scenarios B and C.

4.4. Reliability and Validity of the Key Constructs

Since the concept of measurement is crucial to scientific inquiry, reliability and validity are important aspects of survey research that must be addressed (Carmines & Zeller, 1979; DeVon et al., 2007; Roberts et al., 2006; Twycross & Shields, 2004a, 2004b). This section first discusses the reliability of the survey instrument that was used in this dissertation. Subsequently, the issue of validity is addressed.

4.4.1. Reliability

Cronbach's Coefficient Alpha (Cronbach, 1951) is by far the most popular way to assess scale reliability (Carmines & Zeller, 1979; Nunnally, 1978; Roberts et al., 2006). It is also commonly used to establish convergent (internal consistency) validity because Cronbach's alpha will generally increase when the correlations between the items increase (Garson, 2008). Since Chronbach's Alpha is sample specific, it had to be computed for this study (Waltz et al., 2005). As discussed in Chapter 3, Alpha Coefficients in this dissertation were computed for both for the overall scale and for each subscale (Nunnally & Bernstein, 1994), because when an overall scale is comprised of 2 or more subscales, computing reliability for an overall scale yields inflated Alpha (DeVellis, 2003; Nunnally & Bernstein, 1994).

Table 10 presents the results of reliability analysis using Coefficient Alpha for the overall scales and for each subscale. All values of Alpha appear well above the minimum acceptable guideline of .70 for new scales (DeVellis, 2003; Nunnally, 1978) and .80 for established scales (Carmines & Zeller, 1979). Therefore, based on the summary shown in Table 10, the reliability of the survey instrument that was used herein may be deemed acceptable given the exploratory nature of this study. Moreover, the reported Alpha values show support for convergent validity since increased correlations between the items correspond to high Alpha Coefficients.

Table 10: Scale Reliability (N = 1,251)

Construct (Scale)	Subconstruct (Subscale)	Coefficient Alpha	Number of Items
Customer Empowerment		.98	24
	Information	.96	11
	Control	.96	7
	Competence	.95	6
Affect		.94	4
Process Quality		.84	2
Equity / Fairness		.91	6
	Procedural Justice	.91	2
	Interactional Justice	.87	4
Process Complaint Satisfaction		.96	3

4.4.2. Validity

As discussed in Chapter 3, given the context of this dissertation, content and construct (convergent, divergent, and nomological) validity necessitated the most attention. Content validity was established initially through a literature review in Chapter 2, and by the measure development process patterned on the DeVellis (2003, 1991) set of specific guidelines for scale development in Chapter 3.

Support for the nomological validity was found by failure to disconfirm the study's 12 of 13 propositions. Moreover, the signs of all statistically significant regression coefficients were in the hypothesized directions and in line with theoretical predictions, thus providing evidence for the nomological validity of the service recovery model (Wang & Fesenmaier, 2003).

Convergent and divergent validities were evaluated through Exploratory Factor Analysis (EFA) using Principal Components Analysis (PCA) with Varimax rotation. To assess convergent validity, EFA was performed separately on each of the scales measuring the five constructs (Customer Empowerment, Affect, Process Quality, Equity/Fairness, and Process Complaint Satisfaction).

Table 11 shows the results of EFA for the Customer Empowerment construct (v13-v36). The Kaiser-Meyer-Olkin measure of sampling adequacy was .979, and the Bartlett's test of sphericity was significant (X^2=36028.628, *df*=260, *p*<.001). Both of these measures indicated that the data were appropriate for factor analysis (Norman & Streiner, 1994; Pedhazur & Schmelkin, 1991). Moreover, the Cattell scree test (Cattell, 1966; Figure 11) and the 'Eigenvalue > 1' criterion (Kaiser, 1960; Table 11) suggested a 3 factor solution accounting for 79.3% of the variance.

Using a factor loading cutoff of .50, the factor loadings in Table 12 indicate that the Control (v24-v30) and Competence (v31-v36) subscales load on separate factors, while Information may actually be two subscales, with v13-16 and v17-v23 loading on different factors. Since Table 12 has factor loadings that are generally 'clean and high' between factors that should represent different theoretical subconstructs, it provides valuable insight about construct validity.

Table 11: Results of EFA for Customer Empowerment

Total Variance Explained			
Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	16.223	67.596	67.596
2	1.755	7.313	74.909
3	1.050	4.376	79.285
4	0.651	2.715	81.999
5	0.477	1.989	83.988
-	-	-	-
-	-	-	-
24	0.123	0.513	100.000

Extraction Method: Principal Component Analysis

Figure 11: Scree test for Customer Empowerment

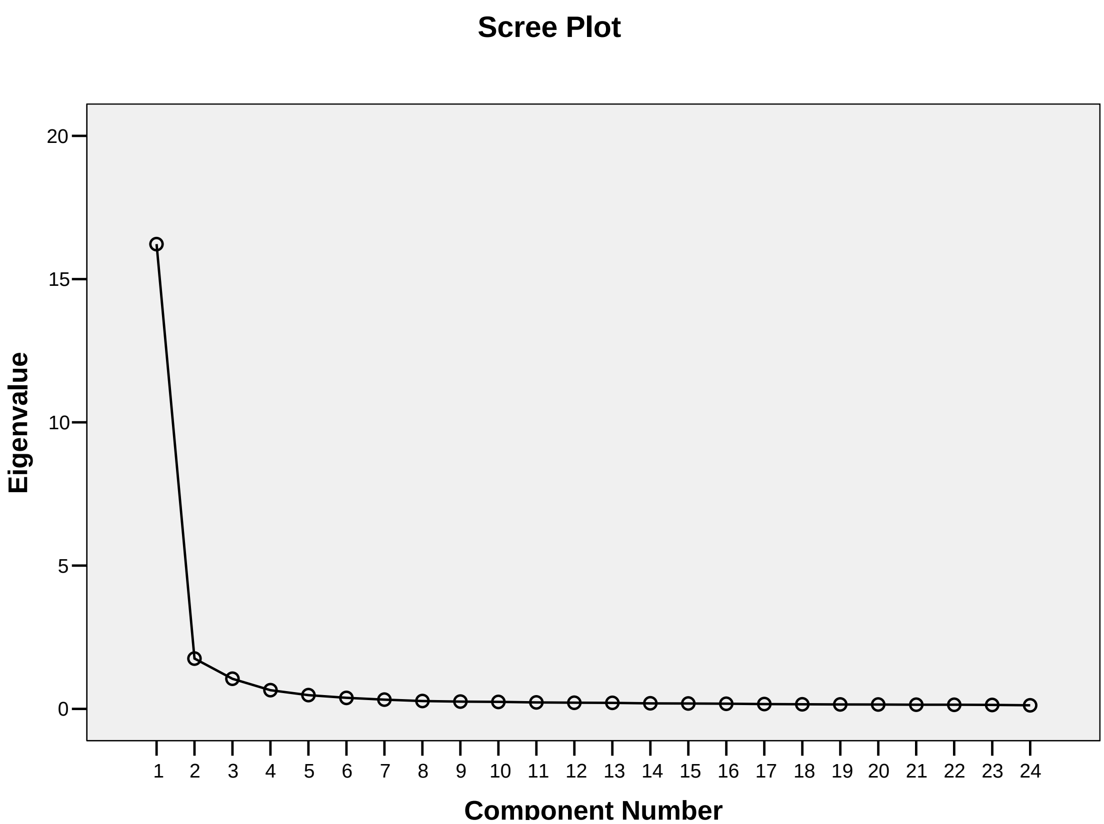


Table 12: Factor Loadings for Customer Empowerment

Item	Component 1	Component 2	Component 3	Communality Estimates (h^2)
V19	**0.804**[1]	0.271	0.246	0.780
V18	**0.778**	0.257	0.258	0.738
V24	**0.747**	0.333	0.332	0.779
V23	**0.743**	0.299	0.383	0.789
V25	**0.733**	0.369	0.326	0.779
V21	**0.732**	0.255	0.373	0.739
V22	**0.717**	0.271	0.418	0.762
V30	**0.714**	0.463	0.285	0.805
V28	**0.711**	0.475	0.237	0.788
V26	**0.699**	0.377	0.378	0.774
V29	**0.692**	0.453	0.306	0.777
V27	**0.666**	0.474	0.321	0.771
V20	**0.658**	0.307	0.457	0.736
V17	**0.585**	0.361	0.390	0.625
V32	0.272	**0.848**	0.230	0.846
V31	0.312	**0.843**	0.232	0.861
V33	0.261	**0.836**	0.251	0.830
V34	0.359	**0.809**	0.258	0.850
V35	0.358	**0.807**	0.233	0.834
V36	0.451	**0.723**	0.195	0.763
V15	0.386	0.281	**0.797**	0.863
V13	0.396	0.259	**0.795**	0.855
V16	0.376	0.241	**0.792**	0.826
V14	0.387	0.314	**0.780**	0.857

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
[1]Bold font indicates loadings greater than the .5 treshold.

For instance, all 6 Competence items load heavily on Factor 2, which is indicative of good convergent validity. Overall, while 17 of 24 items (v13-v16 and v24-v36) load unambiguously on their own factors, the remaining 7 items (v17-v23) do not load as expected. Nonetheless, there appears to be a good convergent validity for the overall Customer Empowerment scale since 70% of items load heavily on their respective factors and communality estimates for all variables are acceptable. In addition, Table 12 provides support for divergent validity among Customer Empowerment subconstructs. Since, for the most part, items for the three different subconstructs load heavily on the three different factors, these results lend support to the concept of divergent validity in this study.

EFA for Affect suggested a 1 factor solution accounting for 85.7% of the variance (Table 13 and Figure 12), thus providing support for convergent validity. The Kaiser-Meyer-Olkin measure of sampling adequacy was .855, and the Bartlett's test of sphericity was significant (X^2=4834.410, *df*=6, *p*<.001). EFA for Process Quality suggested a 1 factor solution accounting for 86.6% of the variance (Table 14 and Figure 13), implying convergent validity. The Kaiser-Meyer-Olkin measure of sampling adequacy was .500, and the Bartlett's test of sphericity was significant (X^2=959.886, *df*=1, *p*<.001).

Table 13: Results of EFA for Affect

Total Variance Explained			
Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	3.428	85.706	85.706
2	0.261	6.536	92.242
3	0.185	4.629	96.871
4	0.125	3.129	100.000

Extraction Method: Principal Component Analysis

Table 14: Results of EFA for Process Quality

Total Variance Explained			
Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	1.732	86.621	86.621
2	0.268	13.379	100.000

Extraction Method: Principal Component Analysis

Figure 12: Scree test for Affect

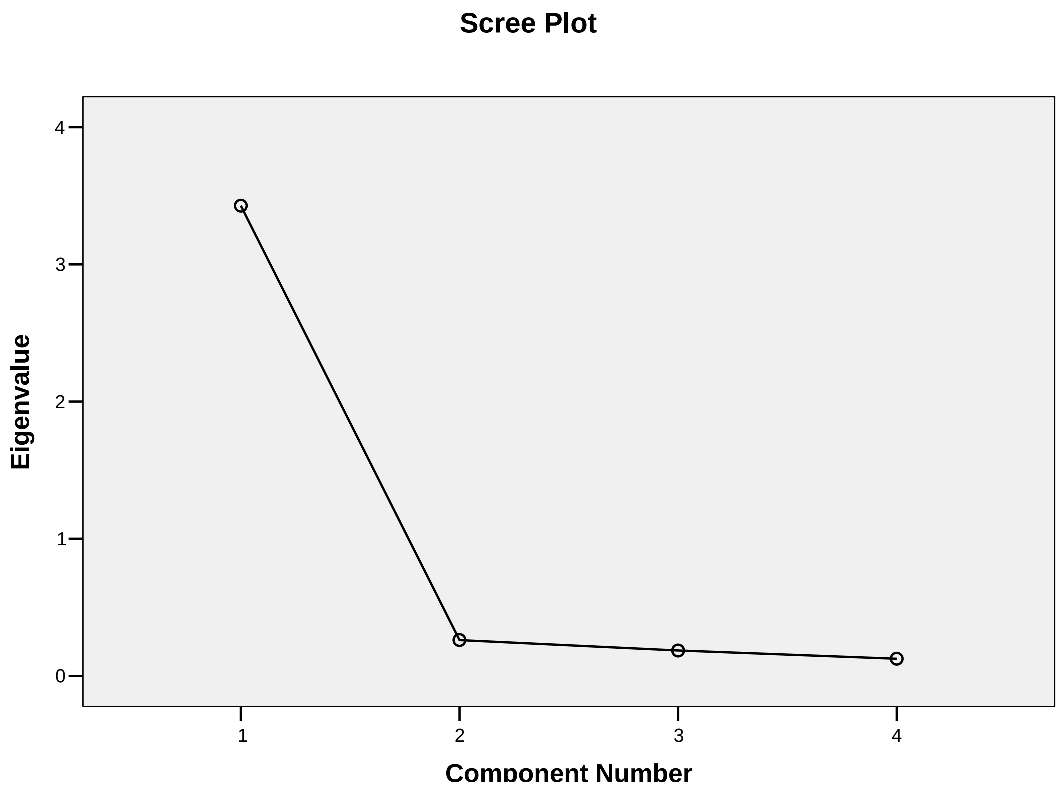
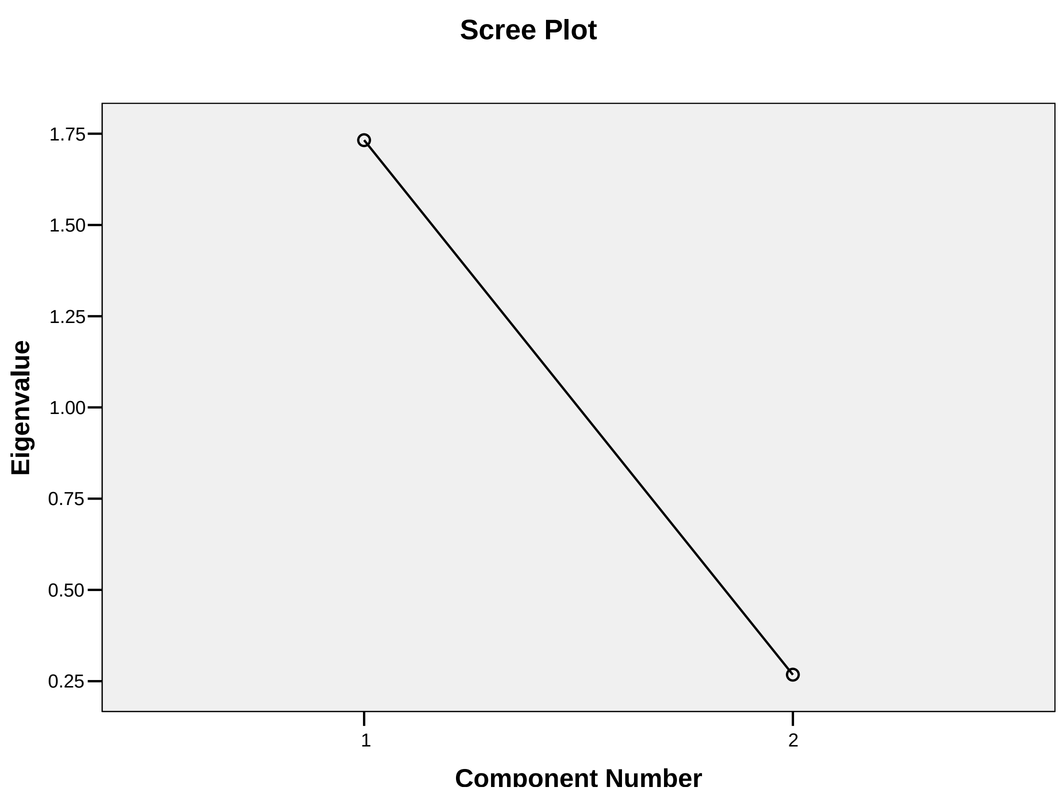


Figure 13: Scree test for Process Quality



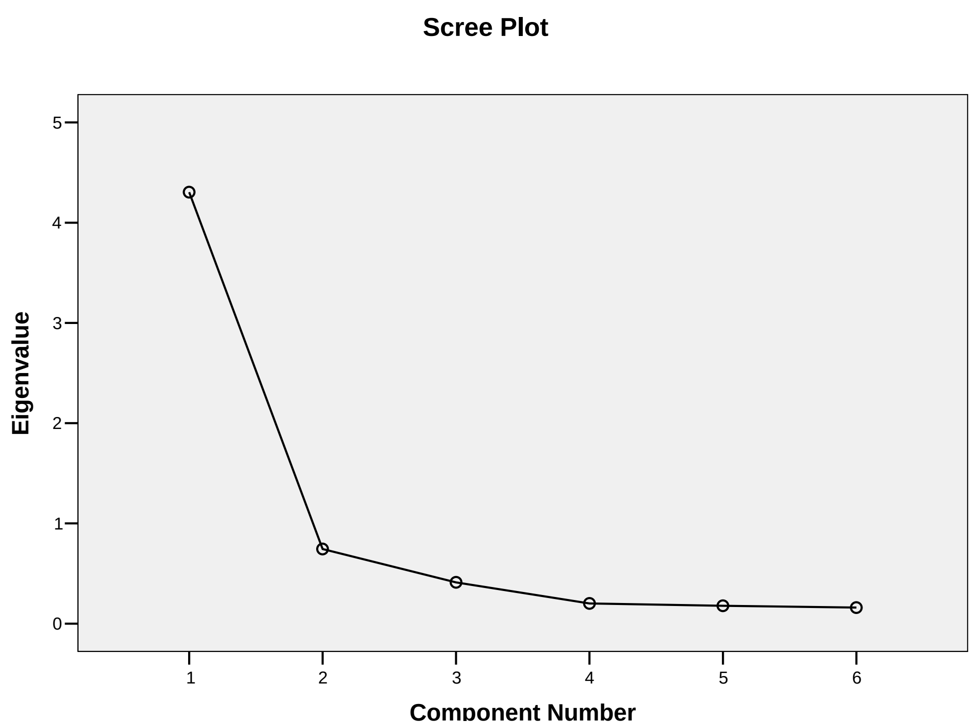
EFA for Equity/Fairness suggested a 1 factor solution accounting for 71.7% of the variance (Table 15 and Figure 14). Since Equity/Fairness construct (v7-v12) is made up of two subscales – procedural justice (v7-v8) and interactional justice (v9-v12) – these 6 items do not load as expected. In other words, the EFA for the two subscales/subconstructs did not yield the anticipated 2 factor solution. Yet, the Kaiser-Meyer-Olkin measure of sampling adequacy was .855, and the Bartlett's test of sphericity was significant (X^2=6090.663, *df*=15, *p*<.001).

Table 15: Results of EFA for Equity / Fairness

Total Variance Explained			
Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	4.304	71.736	71.736
2	0.744	12.408	84.145
3	0.412	6.866	91.011
4	0.201	3.355	94.366
5	0.178	2.969	97.335
6	0.160	2.665	100.000

Extraction Method: Principal Component Analysis

Figure 14: Scree test for Equity / Fairness



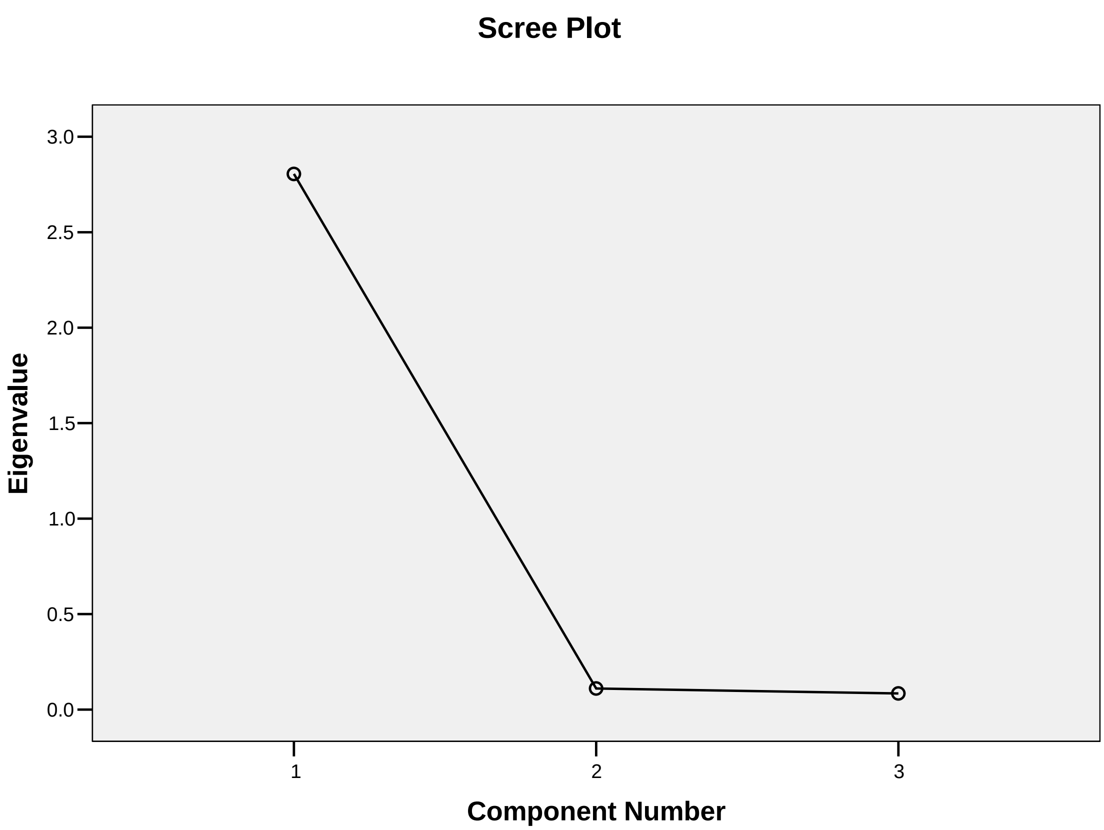
Finally, EFA for Process Complaint Satisfaction suggested a 1 factor solution accounting for 93.5% of the variance (Table 16 and Figure 15), indicating convergent validity. The Kaiser-Meyer-Olkin measure of sampling adequacy was .781, and the Bartlett's test of sphericity was significant (X^2=4550.619, *df*=3, *p*<.001).

Table 16: Results of EFA for Process Complaint Satisfaction

Total Variance Explained			
Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	2.805	93.511	93.511
2	0.110	3.679	97.190
3	0.084	2.810	100.000

Extraction Method: Principal Component Analysis

Figure 15: Scree test for Process Complaint Satisfaction



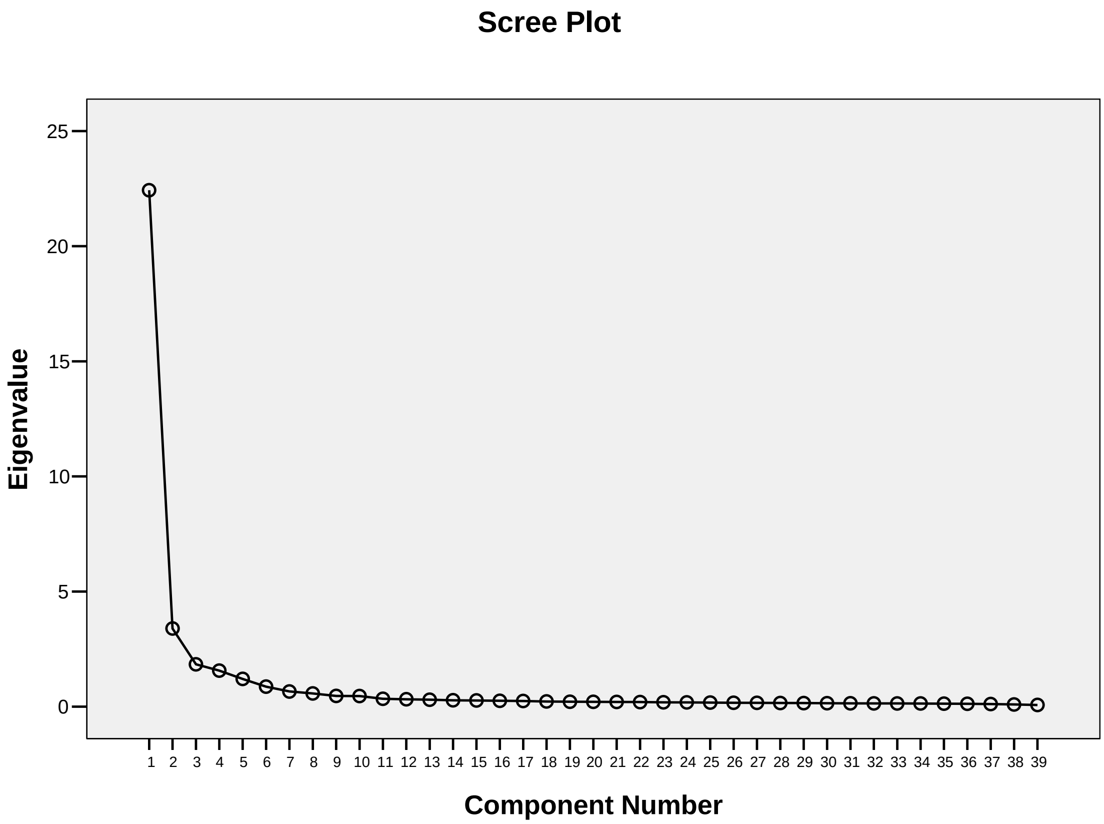
To assess divergent validity, all items for all constructs were factored together in an attempt to check whether the scale items for different constructs load on different factors (Garson, 2008; Straub, 1989). Table 17 shows the results of factor analyzing all five constructs for divergent validity assessment purposes. These five constructs are Affect (v1-v4), Process Quality (v5-v6), Equity/Fairness (v7-v12), Customer Empowerment (v13-v36), and Process Complaint Satisfaction (v37-v39). The Kaiser-Meyer-Olkin measure of sampling adequacy was .980, and the Bartlett's test of sphericity was significant (X^2=57984.622, *df*=741, *p*<.001). Both of these measures indicated that the data were appropriate for factor analysis (Norman & Streiner, 1994; Pedhazur & Schmelkin, 1991). Moreover, the Cattell scree test (Cattell, 1966; Figure 16) and the 'Eigenvalue > 1' criterion (Kaiser, 1960; Table 17) suggested a 5-factor solution accounting for 78% of the variance.

Table 17: Results of EFA for a Full Dataset

Total Variance Explained			
Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	22.431	57.515	57.515
2	3.396	8.708	66.223
3	1.840	4.717	70.940
4	1.565	4.013	74.953
5	1.207	3.096	78.049
6	0.869	2.229	80.278
7	0.661	1.694	81.972
-	-	-	-
-	-	-	-
39	0.074	0.190	100.000

Extraction Method: Principal Component Analysis.

Figure 16: Scree test for a Full Dataset



Using a factor loading cutoff of .50, the factor loadings in Table 18 indicate that the scales representing Process Complaint Satisfaction (v37-v39) and, for the most part, Equity/Fairness (v7 and v9-v11), load on separate factors. Within the Equity/Fairness scale, one items (v8) loads on more than one factor, though just under the .50 cutoff. Additionally, v12 – although an item belonging to the Equity/Fairness scale – loads on a different factor, albeit below the .50 cutoff.

Customer Empowerment (v13-v36) may actually be two subscales, with v13-v30 and v31-v36 loading on different factors. Moreover, within the Customer Empowerment scale, four items (v13-v16) load on more than one factor. On a different note, Affect (v1-v4) and Process Quality (v5-v6) load on the same factor. This comes at no surprise, because it is expected from the theoretical model of service recovery that Affect and Process Quality should be highly correlated.

Table 18: Factor Loadings for a Full Dataset

	Component					Communality
Item	1	2	3	4	5	Estimates (h^2)
V23	**0.782**[1]	0.201	0.243	0.242	0.132	0.787
V24	**0.780**	0.241	0.281	0.168	0.100	0.784
V19	**0.780**	0.216	0.222	0.156	0.142	0.749
V21	**0.779**	0.176	0.202	0.230	0.102	0.742
V25	**0.772**	0.233	0.317	0.167	0.080	0.786
V26	**0.749**	0.237	0.325	0.222	0.074	0.778
V18	**0.747**	0.212	0.210	0.189	0.154	0.706
V29	**0.730**	0.212	0.401	0.170	0.118	0.781
V20	**0.728**	0.183	0.249	0.305	0.125	0.734
V27	**0.728**	0.200	0.426	0.166	0.062	0.782
V28	**0.725**	0.216	0.428	0.125	0.116	0.784
V30	**0.719**	0.252	0.410	0.182	0.132	0.800
V22	**0.713**	0.291	0.207	0.294	0.209	0.767
V17	**0.526**	0.359	0.305	0.370	0.193	0.673
V8	0.498	0.427	0.256	0.479	0.200	0.765
V2	0.236	**0.868**	0.109	0.133	0.146	0.859
V3	0.261	**0.850**	0.124	0.144	0.177	0.857
V1	0.267	**0.823**	0.148	0.207	0.139	0.832
V4	0.284	**0.780**	0.166	0.194	0.113	0.767
V5	0.380	**0.694**	0.152	0.290	0.247	0.795
V6	0.271	**0.612**	0.159	0.275	0.263	0.618
V12	-0.027	0.405	0.159	0.310	0.343	0.404
V32	0.338	0.141	**0.814**	0.187	0.093	0.839
V31	0.375	0.133	**0.808**	0.186	0.108	0.858
V33	0.310	0.164	**0.800**	0.228	0.118	0.829
V34	0.412	0.184	**0.769**	0.203	0.108	0.848
V35	0.405	0.184	**0.769**	0.186	0.093	0.832
V36	0.499	0.145	**0.685**	0.122	0.101	0.765
V11	0.204	0.382	0.302	**0.656**	0.218	0.757
V15	**0.540**	0.230	0.203	**0.624**	0.109	0.787
V16	**0.549**	0.194	0.163	**0.619**	0.063	0.753
V9	0.237	0.452	0.255	**0.614**	0.242	0.760
V14	**0.551**	0.216	0.237	**0.607**	0.081	0.782
V10	0.303	0.437	0.300	**0.602**	0.249	0.798
V13	**0.565**	0.218	0.178	**0.600**	0.095	0.768
V7	0.494	0.381	0.240	**0.510**	0.200	0.747
V37	0.146	0.224	0.111	0.145	**0.905**	0.924
V39	0.190	0.232	0.101	0.139	**0.898**	0.927
V38	0.191	0.246	0.116	0.122	**0.889**	0.916

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
[1]Bold font indicates loadings greater than the .5 treshold.

Taken as a whole, EFA has identified five separate factors that generally correspond to five constructs that are theoretically involved in this analysis. Overall, few observed variables loaded on more than one factor and no observed variable loaded on all five factors. Moreover, the communality estimates for this solution are acceptable, although the lower value of v12 shows that it does not fit as well as the others. In conclusion, the results of EFA are supportive of construct validity for this study. Convergent validity has been provided by the results of the series of separate factor analyses for each of the five constructs. Good support for divergent validity has been shown by factoring together all items representing all constructs. Thus, the requirements for reliability and content and construct validity have been met in this dissertation.

4.5. Inferential Statistics

As described in Chapter 3, the statistical analysis consisted of two parts. In the first part of the analysis (*the left side of the empirical model*), both LMM and regression were used to investigate this study's initial 3 propositions – that is, the effects of experiential features (*empowerment level, failure type, and hotel quality*) on customer-perceived empowerment. Additionally, the effect of demographic characteristics (gender, age, education, income, and experience) on customer-perceived empowerment was examined using both LMM and regression analysis. Ultimately, LMM and regression outputs were also compared to determine whether LMM or regression would be used in the second analysis step.

The second part of the analysis (*the right side of the empirical model*) tested propositions 4-13 by assessing the theoretical relationships among customer empowerment, affect, process quality, equity / fairness, and process complaint satisfaction constructs by use of either LMM or regression analysis (from the first analysis step). Additionally, either LMM or regression were used to assess the effect of demographic characteristics (gender, age, education, income, experience) on customer empowerment, affect, process quality, fairness/equity, and process complaint satisfaction.

The results from the first part of the analysis are next discussed in greater detail. This is followed by presentation of the results from the second analysis part.

4.5.1. Analysis – First Part

This section presents the results of regression and LMM applied to test the effects of experiential features (*empowerment level, failure type, and hotel quality*) on customer-perceived empowerment. The results herein are presented as follows. First, analysis of the overall customer-perceived empowerment is presented (survey items 13-36). Second, analyses of the 3 customer empowerment subconstructs are presented. These 3 subconstructs are information (represented by survey items 13-23), control (survey items 24-30), and competence (survey items 31-36). The affect, process quality, equity / fairness, and process complaint satisfaction variables (survey items 1-12 and 37-39) were omitted from this section since they are used in the second part of the analysis. Variables' abbreviations and descriptions are presented in Table 19.

4.5.1.1. Overall Customer-Perceived Empowerment (EMPo)

Table 20 provides a summary of the estimates of covariance parameters in LMM. In this summary, the intercept (subject) is significant by the Wald test, which suggests that the degree of the overall customer-perceived empowerment (EMPo) varies between individuals. However, only 23% (207/[658+207] = 0.23) of the variance in EMPo is attributable to variability between respondents. Conversely, the majority of variance (77%) in EMPo is attributable to variability within respondents. This finding is rather interesting because it suggests that individual respondents reacted differently to dissimilar

Table 19: Variables' Abbreviations and Descriptions

Variables	
Abbreviation	Description
EMPh	High empowerment
EMPm	Medium empowerment
EMPw[1]	Low empowerment
FAILs	Serious failure
FAILm	Moderate failure
FAILn[1]	Minor failure
QUAL5	5-star hotel quality
QUAL3	3-star hotel quality
QUAL1[1]	1-star hotel quality
SEX	Gender
AGE	Age
EDU	Education level
INCw	Annual income < $ 35,000
INCn	I prefer not to give my income level
INCh[1]	Annual income ≥ $ 35,000
EXP1	Number of separate occasions one spends at least one (1) night at a lodging facility
EXP1	On 1 occasion spent at least one (1) night at a lodging facility
EXP2	On 2 occasions spent at least one (1) night at a lodging facility
EXP3	On 3 occasions spent at least one (1) night at a lodging facility
EXP4	On ≥ 4 occasions spent at least one (1) night at a lodging facility
EXP0[1]	Did not spent at least one (1) night at a lodging facility
EMPo	Degree of customer-perceived empowerment (overall measure)
INFO	Degree of customer-perceived information (subscale measure)
CNTRL	Degree of customer-perceived control (subscale measure)
COMP	Degree of customer-perceived competence (subscale measure)
AFCT	Customer affect
QUAL	Customer perception of process quality
FAIR	Customer perception of equity/fairness
SAT	Customer process complaint satisfaction

[1]Reference category for the associated dummy variables.

scenarios. More importantly, it indicates that it is the manipulation of treatment levels that is driving most of the variation in EMPo. It also goes to show that the repeated measures did not produce significant intra-class correlations within individuals, and as such, the assumption of observation independency (Armitage & Berry, 1987; Burton et al., 1998; Feldman, 1988) appears not to be violated.

Table 20: Estimates of Covariance Parameters[1]

Parameter	Estimate	Std. Error	Wald Z	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Residual	658.353	27.996	23.516	.000	605.705	715.575
Intercept [subject] Variance	207.317	35.060	5.913	.000	148.827	288.792

[1]Dependent Variable: EMPo

This finding fell short, however, in determining whether regression or LMM could be used in the second analysis step. Thus, in addition to the Wald test, the comparison between regression and LMM was necessary. This comparison (Table 21) involved examining the similarity of statistical outputs, specifically the values of coefficients, *t* values, and the associated probabilities (i.e., *p* values).

Table 21: Comparison of Regression and LMM[1]

	REGRESSION			LMM		
	Unstandardized Coefficents	t	p[2]	Estimates	t	p[2]
EMPh	38.168	18.867	.000***	38.168	21.479	.000***
EMPm	16.775	8.292	.000***	16.775	9.440	.000***
FAILs	-22.415	-11.080	.000***	-22.415	-12.614	.000***
FAILm	-15.671	-7.747	.000***	-15.671	-8.819	.000***
QUAL5	1.542	0.762	.446	1.542	0.868	.386
QUAL3	1.839	0.909	.363	1.839	1.035	.301
SEX	1.861	1.090	.276	1.861	0.634	.527
AGE	-1.373	-0.421	.674	-1.373	-0.245	.807
EDU	0.206	0.059	.953	0.206	0.034	.973
INCw	-3.376	-0.850	.395	-3.376	-0.494	.622
INCn	1.448	0.333	.739	1.448	0.194	.847
EXP1	3.747	0.960	.337	3.747	0.558	.578
EXP2	2.199	0.577	.564	2.199	0.335	.738
EXP3	4.678	1.197	.232	4.678	0.696	.488
EXP4	8.029	2.020	.044*	8.029	1.175	.242

[1]Dependent Variable: EMPo
[2]*p < .05; **p < .01; ***p < .001

The output in Table 21 can be interpreted as follows. First, the unstandardized coefficients in regression and LMM estimates are identical across all independent variables. Moreover, the *t* values of repeated measures (EMPh, EMPm, FAILs, FAILm, QUAL5, QUAL3) are somewhat lower in regression as compared to LMM. The *t* value is obtained simply by dividing either regression or LMM coefficient by its standard error. For instance, in regression, *t* (EMPh) = 38.168 / 2.023 = 18.867. Similarly, in LMM, *t* (EMPh) = 38.168 / 1.777 = 21.479. The apparent differences in *t* values are driven by the denominator (i.e., standard error) in the *t* statistic being bigger in the regression model than in the LMM. The *p* values behave similarly in regression and LMM, with the exception of EXP4, which is discussed below.

In both regression and LMM, the variables representing the degree of empowerment treatment effects, EMPh and EMPm are strongly statistically significant. So are the variables representing the failure type treatment, FAILs and FAILm. In contrast, the variables representing the hotel quality treatment, QUAL5 and QUAL3, are not statistically significant. This suggests that EMPo significantly varies across empowerment and failure type treatment conditions within the same individual. Conversely, EMPo does not significantly vary across hotel quality treatment conditions within the same individual.

From Table 21, it follows that the medium empowerment treatment level (EMPm) lowers the observed degree of customer-perceived empowerment by a little over 21 units compared to the high empowerment treatment level (EMPh). Similarly, those in the low empowerment treatment perceived their degree of customer-perceived empowerment as 38.16 units less than those in the high empowerment treatment and 16.77 units less than those in the medium empowerment treatment (38.16 - 21.39); all other variables being equal. Yet it is not immediately apparent whether EMPh and EMPm are different from each other. In order to test for a difference in the effects of EMPh and EMPm, a *t* test ($t = (EMPh - EMPm) / [\mathrm{var}\ (EMPh) + \mathrm{var}\ (EMPm) - 2\mathrm{cov}\ (EMPhEMPm)]^{1/2}$ for the difference in regression coefficients is used (Hardy, 1993). Using the conventional $\alpha = .05$ to determine critical *t* values of ±1.96, it is clear from the resulting *t* value of 10.59 that the effect of EMPh differs from the effect of EMPm – that is, the high empowerment treatment level (EMPh) averages higher degree of customer-perceived empowerment compared to the medium empowerment treatment level (EMPm).

Table 21 further suggests that the moderate failure treatment (FAILm) increases the observed degree of customer-perceived empowerment by a little over 6 units compared to the serious failure treatment level (FAILs). Similarly, those in the minor failure treatment perceived their degree of customer-perceived empowerment as 22.41 units more than those in the serious failure treatment and 15.67 units more than those in the moderate failure treatment (22.41 - 6.74); all other variables being equal. As with the empowerment treatment levels, it is not immediately apparent whether FAILs and FAILm are different from each other. Using a *t* test for the difference in regression coefficients (Hardy, 1993), the resulting *t* value of -3.33 shows that the effect of FAILs differs from the effect of FAILm – that is, the moderate failure treatment level (FAILm) averages higher degree of customer-perceived empowerment compared to the serious empowerment treatment level (FAILs).

Furthermore, the variables representing sex, age, education, and income are not statistically significant. Thus, EMPo does not significantly vary across covariates within the same individual. However, EXP4 (i.e., having spent at least one [1] night at a lodging facility of any type on 4 or more separate occasions in a typical year) is marginally significant in regression while insignificant in LMM, as indicated by the *p* value. This discrepancy in *p* values is attributable to differences in *t* values between regression and LMM. Namely, the *t* value of EXP4 is somewhat higher in regression as compared to

LMM (2.020 vs. 1.175). The apparent difference in *t* values are driven by the denominator (i.e., standard error) in the *t* statistic being lower in the regression model than in the LMM (3.975 vs. 6.836). This being said, the marginally significant *p* value in regression suggests that those with no experience at a lodging facility of any type perceived their degree of customer-perceived empowerment as 8.02 units less than those who on 4 or more separate occasions spent at least 1 night at a lodging facility of any type; all other variables being equal.

4.5.1.2. Analyses of the 3 Customer Empowerment Subconstructs

Tables 22, 23, and 24 provide summaries of the estimates of covariance parameters in LMM. In these summaries, the intercepts (subject) are significant by the Wald test, which suggests that information (INFO), control (CNTRL), and competence (COMP) vary between individuals. However, only 21% (43/[155+43] = 0.21) of the variance in INFO, 19% of the variance in CNTRL, and 33% of the variance in COMP is attributable to variability between subjects. Conversely, 79% of variance in INFO, 81% of variance in CNTRL, and 67% of variance in COMP is attributable to variability within subjects. Again, these findings suggests that individual respondents reacted differently to dissimilar scenarios. More importantly, it indicates that it is the manipulation of treatment levels that is driving most of the variation in INFO, CNTRL, and COMP. It also goes to show that the repeated measures did not produce significant intra-class correlations within individuals, and as such, the assumption of observation independency (Armitage & Berry, 1987; Burton et al., 1998; Feldman, 1988) appears not to be violated.

Tables 25, 26, and 27 further illustrate the effects of disparate treatment levels on INFO, CNTRL, and COMP in regression and LMM. As with the overall customer-perceived empowerment (EMPo), the unstandardized coefficients in regression and LMM estimates are identical across all independent variables in INFO, CNTRL, and COMP.

Table 22: Estimates of Covariance Parameters[1]

Parameter	Estimate	Std. Error	Wald Z	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Residual	155.579	6.615	23.516	.000	143.137	169.101
Intercept [subject] Variance	43.212	7.568	5.709	.000	30.655	60.910

[1]Dependent Variable: INFO

Table 23: Estimates of Covariance Parameters[1]

Parameter	Estimate	Std. Error	Wald Z	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Residual	75.975	3.230	23.516	.000	69.899	82.578
Intercept [subject] Variance	18.861	3.418	5.517	.000	13.222	26.906

[1]Dependent Variable: CNTRL

Table 24: Estimates of Covariance Parameters[1]

Parameter	Estimate	Std. Error	Wald Z	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Residual	44.424	1.889	23.516	.000	40.871	48.285
Intercept [subject] Variance	22.973	3.481	6.599	.000	17.070	30.918

[1]Dependent Variable: COMP

Table 25: Comparison of Regression and LMM[1]

	REGRESSION			LMM		
	Unstandardized Coefficents	t	p[2]	Estimates	t	p[2]
EMPh	16.784	17.302	.000***	16.784	19.430	.000***
EMPm	8.400	8.660	.000***	8.400	9.725	.000***
FAILs	-11.269	-11.616	.000***	-11.269	-13.045	.000***
FAILm	-7.986	-8.232	.000***	-7.986	-9.245	.000***
QUAL5	0.585	0.603	.546	0.585	0.677	.498
QUAL3	1.125	1.159	.247	1.125	1.302	.193
SEX	0.857	1.047	.295	0.857	0.628	.531
AGE	-0.861	-0.551	.582	-0.861	-0.331	.741
EDU	0.180	0.107	.915	0.180	0.064	.949
INCw	-2.939	-1.544	.123	-2.939	-0.927	.356
INCn	0.663	0.318	.751	0.663	0.191	.849
EXP1	0.603	0.322	.747	0.603	0.194	.847
EXP2	-0.394	-0.215	.829	-0.394	-0.129	.897
EXP3	0.192	0.102	.919	0.192	0.061	.951
EXP4	3.159	1.657	.098	3.159	0.995	.322

[1]Dependent Variable: INFO

[2]*p < .05; **p < .01; ***p < .001

Table 26: Comparison of Regression and LMM[1]

	REGRESSION			LMM		
	Unstandardized Coefficents	t	p[2]	Estimates	t	p[2]
EMPh	13.868	20.686	.000***	13.868	22.974	.000***
EMPm	5.511	8.220	.000***	5.511	9.129	.000***
FAILs	-6.827	-10.184	.000***	-6.827	-11.310	.000***
FAILm	-4.643	-6.925	.000***	-4.643	-7.691	.000***
QUAL5	0.470	0.701	.483	0.470	0.779	.436
QUAL3	0.211	0.315	.753	0.211	0.350	.727
SEX	0.227	0.401	.689	0.227	0.247	.805
AGE	-0.627	-0.581	.562	-0.627	-0.359	.721
EDU	-0.263	-0.226	.821	-0.263	-0.139	.889
INCw	-1.703	-1.295	.196	-1.703	-0.800	.425
INCn	-0.605	-0.420	.675	-0.605	-0.259	.796
EXP1	0.763	0.590	.555	0.763	0.365	.716
EXP2	0.012	0.009	.993	0.012	0.006	.995
EXP3	0.455	0.352	.725	0.455	0.217	.828
EXP4	2.389	1.814	.070	2.389	1.120	.265

[1]Dependent Variable: CNTRL

[2]*p < .05; **p < .01; ***p < .001

Table 27: Comparison of Regression and LMM[1]

	REGRESSION			LMM		
	Unstandardized Coefficents	t	p[2]	Estimates	t	p[2]
EMPh	7.516	13.356	.000***	7.516	16.282	.000***
EMPm	2.863	5.088	.000***	2.863	6.203	.000***
FAILs	-4.319	-7.675	.000***	-4.319	-9.357	.000***
FAILm	-3.043	-5.408	.000***	-3.043	-6.593	.000***
QUAL5	0.487	0.865	.387	0.487	1.055	.292
QUAL3	0.504	0.895	.371	0.504	1.091	.276
SEX	0.777	1.637	.102	0.777	0.839	.403
AGE	0.116	0.128	.899	0.116	0.065	.948
EDU	0.289	0.296	.768	0.289	0.152	.880
INCw	1.266	1.147	.252	1.266	0.588	.558
INCn	1.390	1.149	.251	1.390	0.589	.557
EXP1	2.380	2.193	.028*	2.380	1.124	.263
EXP2	2.581	2.433	.015*	2.581	1.248	.214
EXP3	4.031	3.706	.000***	4.031	1.900	.060
EXP4	2.481	2.244	.025*	2.481	1.150	.252

[1]Dependent Variable: COMP

[2]*p < .05; **p < .01; ***p < .001

The variable representing experience behaves differently in regression and LMM within the competence dimension of the overall customer-perceived empowerment. Specifically, in regression, EXP3 is very significant (p = .000), whereas EXP1, EXP2, and EXP4 are marginally significant (p's = .028, .015, and .025, respectively).

Taken as a whole, the comparison of regression and LMM outputs across overall customer-perceived empowerment (EMPo) – and EMPo's 3 dimensions (i.e., information, control, competence) – does not yield compelling evidence that would favor use of LMM over Regression in subsequent analysis. Moreover, the Wald tests in all 4 instances suggest that (1) the majority of variance in EMPo, INFO, CNTRL, COMP is attributable to variability within respondents, (2) it is the manipulation of treatment levels that is driving most of the variation, and (3) the repeated measures did not produce significant intra-class correlations within individuals. In other words, the assumption of observation independency (Armitage & Berry, 1987; Burton et al., 1998; Feldman, 1988) appears not to be violated.

Thus, the use of either regression-based Path Analysis or LMM in the second part of the analysis seems plausible. As described in Chapter 3, if it happened so that using either regression-based Path Analysis or LMM in the second part of the analysis was appropriate, the former technique would be preferred because Path Analysis is a widely used method in examining the theoretical relationships among variables (Grapentine, 2000).

4.5.2. Analysis – Second Part

The second part of the analysis (*the right side of the empirical model*) tested the hypothesized paths among customer empowerment (EMPo), affect (AFCT), process quality (QUAL), equity / fairness (FAIR), and process complaint satisfaction (SAT).

Based on the results in the first part of the analysis, regression-based Path Analysis was used herein. AMOS was used to test the hypothesized paths and the results are summarized in Table 28.

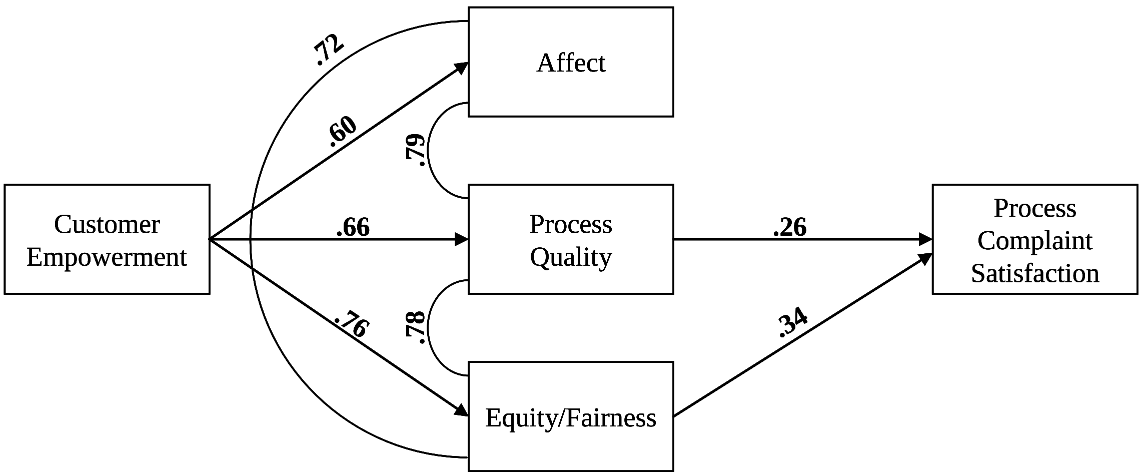
Almost all of the relationships in the model are in the hypothesized directions and have significant explanatory power at the 5% level. Significant positive relationships were found (1) between customer-perceived empowerment and affect, process quality, and equity / fairness, (2) between affect, process quality, equity / fairness, and process complaint satisfaction, and (3) among affect, process quality, and equity / fairness. No significant relationships were found (1) between customer-perceived empowerment and process complaint satisfaction, (2) between affect and process complaint satisfaction, and (3) between demographic variables and process complaint satisfaction. However, the hypothesized model does not fit the data well (*Chi-Square* = 1235.348, *Df* = 3, *p* = .000, *CFI* = .701). All significant paths are summarized in the Path diagram (Figure 17).

Table 28: Results of Regression-Based Path Analysis

Paths	Beta	p[1]
EMPo → SAT	-.02	.575
EMPo → AFCT	.60	.000***
EMPo → QUAL	.66	.000***
EMPo → FAIR	.76	.000***
AFCT → SAT	.04	.118
QUAL → SAT	.26	.000***
FAIR → SAT	.34	.000***
AFCT ↔ QUAL	.79	.000***
AFCT ↔ FAIR	.72	.000***
QUAL ↔ FAIR	.78	.000***

[1]*p < .05; **p < .01; ***p < .001

Figure 17: Path Diagram



From Figure 17, it is apparent that the customer empowerment affects process complaint satisfaction indirectly but not directly. The indirect effect involves 3 mediators (affect, process quality, and equity / fairness) and it is calculated in the following manner. First, the coefficient represented by the arrow from customer empowerment to process quality (.66) is multiplied by the coefficient represented by the arrow from process quality to process complaint satisfaction (.26), or .66 x .26 = .17. Second, the coefficient represented by the arrow from customer empowerment to equity / fairness (.76) is multiplied by the coefficient represented by the arrow from equity / fairness to process complaint satisfaction (.34), or .76 x .34 = .25. Thus the total indirect effect of customer empowerment on process complaint satisfaction is .17 + .25 = .42. In other words, 100% of the relationship between customer empowerment and process complaint satisfaction was due to an indirect effect.

4.6. Results of Propositions Testing

The 13 propositions contained in this study were tested using the results of the OLS regression. Propositions 4-13 involved the existence of various paths that had been illustrated in the Path diagram (Figure 17). For all propositions, a significance level of .05 was used.

Proposition 1 (P1)

The first proposition put forward that there is a relationship between the level of hotel-provided customer empowerment and the degree of customer-perceived empowerment. The regression coefficients for EMPh and EMPm (Table 21) are strongly statistically significant at .05 level, thus P1 is supported.

Proposition 2 (P2)

The second proposition put forward that there is a relationship between the type of service failure and the degree of customer-perceived empowerment. The regression coefficients for FAILs and FAILm (Table 21) are strongly statistically significant at .05 level, thus P2 is supported.

Proposition 3 (P3)

The third proposition put forward that there is a relationship between the hotel quality rating and the degree of customer-perceived empowerment. The regression coefficients for QUAL5 and QUAL3 (Table 21) are not statistically significant at .05 level, thus P3 is not supported.

Proposition 4 (P4)

The fourth proposition put forward that the degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived process complaint satisfaction. The path coefficient from EMPo to SAT (Table 28 and Figure 17) is not statistically significant at .05 level, thus P4 is not supported.

Proposition 5 (P5)

The fifth proposition put forward that the degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived affect. The path coefficient from EMPo to AFCT (Table 28 and Figure 17) is strongly statistically significant at .05 level, thus P5 is supported.

Proposition 6 (P6)

The sixth proposition put forward that the degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived service process quality. The path coefficient from EMPo to QUAL (Table 28 and Figure 17) is strongly statistically significant at .05 level, thus P6 is supported.

Proposition 7 (P7)

The seventh proposition put forward that the degree of customer-perceived empowerment directly and positively impacts the degree of customer-perceived equity/fairness. The path coefficient from EMPo to FAIR (Table 28 and Figure 17) is strongly statistically significant at .05 level, thus P7 is supported.

Proposition 8 (P8)

The eighth proposition put forward that the degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived affect. Although the path coefficient from EMPo to AFCT is strongly statistically significant, the path coefficient from AFCT to SAT (Table 28 and Figure 17) is not statistically significant at .05 level, thus P8 is not supported.

Proposition 9 (P9)

The ninth proposition put forward that the degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived service process quality. The path coefficients from EMPo to QUAL and from QUAL to SAT (Table 28 and Figure 17) are strongly statistically significant at .05 level, thus P9 is supported.

Proposition 10 (P10)

The tenth proposition put forward that the degree of customer-perceived empowerment indirectly and positively impacts the degree of customer-perceived process complaint satisfaction through customer-perceived equity/fairness. The path coefficients from EMPo to FAIR and from FAIR to SAT (Table 28 and Figure 17) are strongly statistically significant at .05 level, thus P10 is supported.

Proposition 11 (P11)

The eleventh proposition put forward that there is a positive relationship between the degree of customer-perceived affect and the degree of customer-perceived service process quality. The correlation coefficient from AFCT to QUAL (Table 28 and Figure 17) is strongly statistically significant at .05 level, thus P11 is supported.

Proposition 12 (P12)

The twelfth proposition put forward that there is a positive relationship between the degree of customer-perceived service process quality and the degree of customer-perceived equity/fairness. The correlation coefficient from QUAL to FAIR (Table 28 and Figure 17) is strongly statistically significant at .05 level, thus P12 is supported.

Proposition 13 (P13)

The thirteenth proposition put forward that there is a positive relationship between the degree of customer-perceived affect and the degree of customer-perceived equity/fairness. The correlation coefficient from AFCT to FAIR (Table 28 and Figure 17) is strongly statistically significant at .05 level, thus P13 is supported.

4.7. Summary

This chapter presented the findings and results of this study. This study employed a repeated-measures design in which 139 respondents read each of the 9 distinct survey scenarios, answering after each scenario a set of 39 survey items. This resulted in a total of 1,251 responses (139 x 9 = 1,251). In terms of the demographic profile of respondents, it is revealing that 94% of the respondents spend at least 1 night at a lodging facility of any type in a typical year – thus indicating that this study's sample is generally familiar with services provided by the lodging facilities.

The results of reliability analysis for the overall scales and for each subscale indicated that all values of the Coefficient Alpha were well above the minimum acceptable guideline of .70 for new scales and .80 for established scales. Therefore, the reliability of the survey instrument that was used herein is deemed acceptable given the exploratory nature of this study.

The scale validity was evaluated through content and construct (convergent, divergent, and nomological) validity and Exploratory Factor Analysis (EFA). Content validity was established initially through a literature review in Chapter 2, and by the measure development process patterned on the DeVellis set of specific guidelines for scale development in Chapter 3. Some support for the nomological validity was found by failure to disconfirm the study's 10 of 13 propositions. Moreover, the signs of all statistically significant regression coefficients were in the hypothesized directions and in line with theoretical predictions, thus providing additional evidence for the nomological validity of the service recovery model.

Convergent and divergent validities were evaluated through Exploratory Factor Analysis (EFA) using Principal Components Analysis (PCA) with Varimax rotation. To assess convergent validity, EFA was performed separately on each of the scales measuring the five constructs (Customer Empowerment, Affect, Process Quality, Equity/Fairness, and Process Complaint Satisfaction). For the most part, the results of the EFA, together with the Cattell scree test and the 'Eigenvalue > 1' criterion, lend support to the concept of convergent validity in this study. To assess divergent validity, all items for all five constructs were factored together in an attempt to check whether the scale items for different constructs load on different factors. Using a factor loading cutoff of .50, EFA has identified five separate factors that generally correspond to five constructs that are theoretically involved in this analysis. Overall, few observed variables loaded on more than one factor and no observed variable loaded on all five factors. Thus, the results of EFA were supportive of the requirements for reliability and validity (content and construct validity) for this study.

Following the description of the sample and the establishment of reliability and validity for the scales, multivariate statistics were covered next. Therein, the statistical analysis consisted of two parts. In the first part of the analysis (*the left side of the empirical model*), both LMM and regression were used to investigate the effects of experiential features (*empowerment level, failure type, and hotel quality*) and demographic characteristics (*gender, age, education, income, and experience*) on the overall customer-perceived empowerment (EMPo). In LMM, the majority of variance

(77%) in EMPo was attributable to variability within respondents. This finding was revealing for three reasons. First, it suggested that individual respondents reacted differently to dissimilar scenarios. Second, it indicated that the manipulation of treatment levels drove most of the variation in EMPo. Third, the repeated measures did not produce significant intra-class correlations within individuals, and as such, the assumption of observation independency appeared not to be violated.

As this finding fell short in determining whether regression or LMM could be used in the second analysis step, the comparison of statistical outputs (i.e., the values of coefficients, *t* values, and the associated *p* values) between regression and LMM was necessary. The values of coefficients (the unstandardized coefficients in regression and LMM estimates), *t* values, and *p* values were either identical or comparable in both regression and LMM. Specifically, in both regression and LMM, the overall customer-perceived empowerment (EMPo) significantly varied across empowerment and failure type treatment conditions, but not across hotel quality treatment conditions within the same individual. Taken as a whole, the comparison of regression and LMM outputs in the first analytical step did not yield compelling evidence that would favor use of LMM over regression in the second part of the analysis. Moreover, since the assumption of observation independency – critical in regression analysis - appeared not to be violated, the use of either regression-based Path Analysis or LMM in the second part of the analysis seemed plausible. As described in Chapter 3, if it happened so that using either regression-based Path Analysis or LMM in the second part of the analysis was appropriate, the former technique would be preferred because Path Analysis is a widely used method in examining the theoretical relationships among variables.

The second part of the analysis (*the right side of the empirical model*) tested the hypothesized paths among customer empowerment (EMPo), affect (AFCT), process quality (QUAL), equity / fairness (FAIR), and process complaint satisfaction (SAT) constructs by use of regression analysis (from the first analysis step). Additionally, regression was also used to assess the effect of demographic characteristics (*gender*, *age*, *education*, *income*, *experience*) on customer empowerment, affect, process quality, fairness/equity, and process complaint satisfaction. Based on the regression results, it was established that the customer empowerment affects process complaint satisfaction indirectly (via *affect*, *process quality*, and *fairness/equity*). Overall, the hypothesized model did not fit the data well.

Ultimately, based on the outcome from the multivariate analysis (i.e., the first and the second analytical steps), propositions 1, 2, 5-7, and 9-13 were supported, while propositions 3, 4, and 8 were not supported. The final chapter (Chapter 5) summarizes the study, discusses the implications of findings, and offers an agenda for future research.

CHAPTER 5

SUMMARY AND CONCLUSIONS

5.1. Introduction

This chapter summarizes and discusses the findings of this dissertation, and reviews the implications that stem from those findings. The second section of the chapter offers a summary of the study, followed by a discussion of the specific results of the proposition testing from Chapter 4. Subsequently, some general implications that may emanate from the study are identified. Next, key limitations of the study are stated. The chapter concludes with a number of suggestions for future research.

5.2. Summary of the Study

This dissertation examined the service recovery process from the customer's point of view whereby empowering customers to play the central role in service production and delivery may bring about their satisfaction. Based on a review of empowerment, services, and tourism/hospitality literature, a theoretical model of service recovery process was developed that is comprised of components that are critical to the determination of successful service recovery for customers complaining directly to providers in failed hotel encounters. In the proposed theoretical model, the degree of customer-felt empowerment during service recovery process determines both the level of customer's cognitive/affective responses (i.e., affect, process quality, and equity/fairness) and the level of subsequent process complaint satisfaction. The model also suggests that customer empowerment has both a direct effect on process complaint satisfaction, and an indirect effect through affect, process quality, and equity/fairness. In addition to the mediating effects of the three cognitive/affective constructs on process complaint satisfaction, the model also proposes all two-way interactions among affect, process quality, and equity/fairness.

The overarching goals of this study were to develop and empirically test a portion of the service recovery model. The testing of the selected portion of the model involved five research objectives. A first research objective involved examining the effects of empowerment level, failure type, and hotel quality on the degree of customer-perceived empowerment. A second research objective involved investigating whether the degree of customer-perceived empowerment impacts customers' satisfaction with the way their complaint is handled. A third research objective involved probing the effect of the degree of customer-perceived empowerment on customer emotions and cognitions. A fourth research objective involved exploring the mediating role of customers' emotions and cognitions on the relationship between customer-perceived empowerment and process complaint satisfaction. A fifth and final research objective involved testing the role of customers' demographic characteristics on the relationships in the research objectives 1-4.

The sampling frame for this study comprised undergraduate students majoring in tourism and hospitality at Temple University. These students responded to a web-based survey instrument in August of 2007. A total of 507 web surveys were distributed via email to the students during that time period. Of these, 139 net usable responses were returned, which resulted in a 27% overall response rate. The obtained figure was judged acceptable for a web survey. Moreover, it provided a sufficient number of observations for the quantitative data analyses that were required in order to test the propositions in this dissertation.

This study involved exploratory research in a previously under-researched area of service recovery. While some measurement scales were adapted from previous research, no validated measurement scale of consumer empowerment was available, and an entirely new scale had to be developed for this purpose. Thus a 24-item scale of customer empowerment was developed by drawing upon the available empowerment literature. The final web survey for this study was a 11-page internet booklet containing 9 hypothetical scenarios (developed specifically for this study), each followed by a set of 39 questions/variables. This final survey was pretested prior to its final distribution to the respondents.

A total of thirteen propositions were put forward and empirically tested in this study, based on the data collected from student responses to the web survey. Regression was employed to test propositions 1-3, and regression-based Path Analysis was used to test propositions 4-13. In addition, the study was examined for reliability and validity considerations that are required in survey research of this type. The next section discusses the results of proposition testing.

5.3. Discussion of Findings

This section discusses the specific proposition tests and their possible meaning, both in theoretical and practical terms. It is followed by a review of the general implications that stem from this research effort.

Proposition 1 (P1)

The level of hotel-provided customer empowerment directly affects the degree of customer-perceived empowerment

This proposition was supported by the regression analysis. The regression coefficients for the two dummy variables representing the degree of empowerment treatment effects, high empowerment treatment level and medium empowerment treatment level, were strongly statistically significant at the five percent level. Thus, when service fails and guest complains, the higher the level of empowerment awarded to a guest by the hotel in response to a guest's complaint, the higher the degree of empowerment as perceived by that guest. Conversely, the lower the level of empowerment awarded to a guest by the hotel in response to a guest's complaint, the lower the degree of empowerment as perceived by that guest. Stated differently, lower level of empowerment awarded to a guest by the hotel in response to a guest's complaint is not likely to be perceived as highly empowering by that guest, and vice versa. Accordingly, hotel managers wanting to empower their guests during service recovery can use this finding to increase the amounts of information, control, and competence furnished to guests.

Proposition 2 (P2)

The type of service failure directly affects the degree of customer-perceived empowerment

This proposition was also supported by the regression analysis. The regression coefficients for the two dummy variables representing the type of service failure treatment effects, serious failure treatment and moderate failure treatment, were strongly statistically significant at the five percent level. Consequently, when service fails and guest complains, the more severe the service failure that caused a guest to complain, the lower the degree of empowerment as perceived by that guest. Conversely, the less severe the service failure that caused a guest to complain, the higher the degree of empowerment as perceived by that guest. In other words, a guest is not likely to feel highly empowered in a service recovery situation preceded by a serious service failure, and vice versa.

Consequently, hotel managers wanting to empower their guests during service recovery can use this finding in at least two ways. First, managers can categorize service failures in terms of their severity, say, from least severe to most severe on some sort of a scale. Here it is important to categorize service failures as they are seen by the guests (i.e., customer view), and not according to some rule 'rule of thumb' devised by the hotel (i.e., organizational view). Once having categorized the service failures, manager's attention can then turn to providing a greater degree of customer empowerment in situations involving more severe service failures. In particular, when the front desk staff receives a complaint involving a severe service failure, they should bestow the complainant with higher levels of information, control, and competence. In the case of less severe service failures, hotel staff could 'relax' the level of empowerment supplied to guests.

Proposition 3 (P3)

Hotel's quality rating directly affects the degree of customer-perceived empowerment

This proposition was not supported by the regression analysis. The regression coefficients for the two dummy variables representing the hotel quality treatment effects, 5-star quality treatment and 3-star quality treatment, were not statistically significant at the five percent level. Therefore, when service fails and guest complains, it appears that hotel quality does not affect the degree of empowerment as perceived by a guest. Stated differently, a guest's perception of empowerment in a service recovery situation is not likely to increase or decrease as a result of the number of 'stars' that a hotel has.

Proposition 4 (P4)

Customer empowerment directly and positively affects process complaint satisfaction

This proposition was not supported by the Path Analysis. The path coefficient between customer empowerment and process complaint satisfaction was not statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, a direct path does not exist between customer empowerment and process complaint satisfaction. This finding suggests that guests who feel empowered during the service recovery process are not necessarily going to be satisfied with the way their complaints are handled.

Proposition 5 (P5)

Customer empowerment directly and positively influences affect

This proposition was also supported by the Path Analysis. The path coefficient between customer empowerment and affect was strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, a direct path exists between customer empowerment and affect. This finding suggests that guests who feel empowered during the service recovery process are going to experience a number of positive emotions with the way their complaints are handled.

This finding comes as no surprise because the consumer is more actively engaged in a service recovery (via complaining) and has more emotional investment in that interaction. Moreover, consumer emotions would be more significantly engaged by recovery encounters than by ordinary service-delivery encounters since consumers' in/ability to control and/or influence the type of service recovery remedy directly affects their lives. Hence, hotel managers interested in guests' emotional states can use this finding to put the accent on awarding guests superior amounts of information, control, and competence during the service recovery process.

Proposition 6 (P6)

Customer empowerment directly and positively affects process quality

This proposition was also supported by the Path Analysis. The path coefficient between customer empowerment and process quality was strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, a direct path exists between customer empowerment and process quality. This finding suggests that guests who feel empowered during the service recovery process are going to rate that process as high in quality. As a result, if guest is to perceive a hotel's recovery effort as high in quality, a manager should empower that guest by supplying the appropriate amounts of information, control, and competence.

Proposition 7 (P7)

Customer empowerment directly and positively affects equity/fairness

This proposition was also supported by the Path Analysis. The path coefficient between customer empowerment and equity/fairness was strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, a direct path exists between customer empowerment and equity/fairness. This finding suggests that guests who feel empowered during the service recovery process are going to rate that process as fair. As a result, if guest is to perceive a hotel's recovery effort as just, a manager should empower that guest through adequate levels of information, control, and competence.

Proposition 8 (P8)

Customer empowerment indirectly and positively impacts process complaint satisfaction through affect

This proposition was not supported by the Path Analysis. The path coefficient from customer empowerment to affect was strongly statistically significant at the five percent level; however, the path coefficient from affect to process complaint satisfaction was not statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, no indirect (mediating) path exists between customer empowerment and process complaint satisfaction through affect. This finding suggests that guests who feel empowered during the service recovery process are going to experience a number of positive emotions, however, these positive emotions may not necessarily lead to satisfaction with the way their complaints are handled.

Proposition 9 (P9)

Customer empowerment indirectly and positively affects process complaint satisfaction through process quality

This proposition was also supported by the Path Analysis. The path coefficients from customer empowerment to process quality and from process quality to process complaint satisfaction were strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, an indirect (mediating) path exists between customer empowerment and process complaint satisfaction through process quality. This finding suggests that guests who feel empowered during the service recovery process are going to rate that process as high in quality, and in turn, be satisfied with the way their complaints are handled.

Proposition 10 (P10)

Customer empowerment indirectly and positively affects process complaint satisfaction through equity/fairness

This proposition was also supported by the Path Analysis. The path coefficients from customer empowerment to equity/fairness and from equity/fairness to process complaint satisfaction were strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, an indirect (mediating) path exists between customer empowerment and process complaint satisfaction through equity/fairness. This finding suggests that guests who feel empowered during the service recovery process are going to perceive that process as equitable, and in turn, be satisfied with the way their complaints are handled.

Proposition 11 (P11)

Affect and process quality are directly and positively related

This proposition was also supported by the Path Analysis. The correlation coefficient between affect and process quality is strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, a correlation path exists between affect and process quality. This finding suggests that guests who experience positive emotions during service recovery process also rate that process as high in quality.

Proposition 12 (P12)

Process quality and equity/fairness are directly and positively related

This proposition was also supported by the Path Analysis. The correlation coefficient between process quality and equity/fairness is strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, a correlation path exists between process quality and equity/fairness. This finding suggests that guests who rate the service recovery process as high in quality also consider that process as evenhanded.

<u>Proposition 13 (P13)</u>

Affect and equity/fairness are directly and positively related

This proposition was also supported by the Path Analysis. The correlation coefficient between affect and equity/fairness is strongly statistically significant at the five percent level. Accordingly, in the portion of the theoretical model of service recovery that was tested in this study, a correlation path exists between affect and equity/fairness. This finding suggests that guests who experience positive emotions during service recovery process also consider that process as fair.

5.4. General Implications Arising from the Study

This study is useful for multiple reasons. First, the study contributes to the research on service recovery that is – both theoretically and empirically – at the development stage in tourism and hospitality literature (Becker, 2000; Ekiz & Arasli, 2007). A theoretical contribution to the existing body of knowledge is achieved by importing the Consumer-Directed Theory of Empowerment (CDTE) from healthcare rehabilitation research into the study of tourism services. In particular, this study aids in development of the customer empowerment concept from the customer's perspective in the service recovery context. Also, it presents a workable service recovery model that may begin to explain the service recovery process as seen by the customer. Furthermore, while there are still gaps in our understanding of the cognitive components of satisfaction, there is a paucity of empirical inquiry pertaining to the emotional mechanisms underlying dissatisfaction and its behavioral consequences (Forrester & Maute, 2001; Liljander, 1995; Liljander &

Strandvik, 1997, 1995, 1993; Maute & Dubé, 1999; Oliver & Swan, 1989; Woodruff et al., 1991; Zeithaml et al., 1993). Thus, this dissertation helps reduce this imbalance in knowledge between cognitive and affective phenomena of satisfaction.

The study also provides some empirical support for the relationship between customer empowerment, customer cognitions/affect, and customer satisfaction as core components of successful service recovery. Specifically, this study entails the simultaneous investigation and treatment of customer empowerment, affect, process quality, equity/fairness, and process complaint satisfaction measures for the development of a measure of successful service recovery. Additionally, it presents a first step in the operationalization and validation of the customer empowerment construct from the customer's perspective into the context of service recovery.

On a practitioner level, this study can assist decision makers in the lodging sector in recognizing customer empowerment potentials and service recovery strategies. Indeed, this dissertation's findings suggest that the service recovery policies should be shaped to meet the needs and preferences of individual customers. Hence, managers may find it useful to identify some obsolete aspects of contemporary service delivery and recovery efforts from the customer's perspective. These managers can then encourage their front-line staff to empower customers, not only for the sake of improving organizational efficiency, but also to deliver services that match customer needs and wants. In this sense, realizing, for example, that customers want to actively participate in the resolution of their problems, will allow lodging managers to sharpen their service recovery tools to create a 'win-win' situation for both the customer (e.g., need fulfillment) and the service provider (e.g., customer satisfaction and loyalty).

Moreover, by examining the actual number of customers who complain to the service provider and are ultimately satisfied (e.g., returning), managers can assess the potential for service recovery improvements. The findings of this study may also prove helpful in planning and developing appropriate human resource strategies. For instance, HR and operations managers in the lodging sector could use the results of this study to augment their approaches to employee recruitment, hiring, training, evaluation, motivation, and compensation/award.

5.5. Limitations

While this study has made a contribution to research in service recovery and tourism/hospitality, it contains a number of limitations that must be noted. First, this was an exploratory study that used a convenience (non-probability) sample of tourism and hospitality undergraduate students, instead of actual complaining customers. Therefore, a certain degree of realism was sacrificed. Moreover, tourism and hospitality undergraduate students are likely to have been employed in hotels and other types of lodging businesses. Therefore, their responses may have been biased in favor of the employee/employer view of service recovery because they might have been influenced by the established organizational policies and procedures for dealing with customer complaints – at the expense of the customer view of service recovery. Also, the data was collected using a web survey instrument containing a fictitious scenario of service recovery, instead of a genuine service recovery situation. Moreover, this study's focus is on hotel service recovery. Thus, one must ask the following question: Are the results of this study generalizable to different populations, measures, and circumstances (Mitchell, 1985)?

Clearly, this is a question of external validity, referring to the extent to which the inferences drawn from this dissertation can be replicated across times, settings, and persons (Cook & Campbell, 1979). It is indeed possible that the students' responses differ from those of actual customers who complain to the service provider. Nonetheless, previous psychological research has consistently demonstrated that mental simulation is an internally valid methodology for theory testing of situations that appear real to respondents and that respondents experience on a regular basis (Brown, 1962; Kelman, 1968; Maute & Dubé, 1999; Maxham, 2001; Schmitt et al., 1992; Schultz, 1969; Thaler, 1985). Next, a different depiction of the service failure scenario may yield dissimilar results. Likewise, collecting the data through, say, personal interviews, may lead to different findings. In addition, caution should be exercised when trying to interpret the results of this study across other, non-hotel services.

Second, this study used a new, non-previously validated scale of customer empowerment, which had to be developed specifically for the service recovery context. This issue relates to the following question of construct validity: Are we measuring what we say we are measuring (Campbell & Fiske, 1959; Cook & Campbell, 1979; Cronbach, 1971; Straub, 1989)? Construct validity, of course, is not something that can be established in a single investigation (Anastasi, 1976). Rather, it is an incremental buildup of information from various studies dealing with the concept of scientific inquiry.

The use of a 2-item scale to measure the process quality construct was a third limitation. Although this was a validated global scale adopted from previous research, scales comprised of three or more items are generally recommended for most measures (Cook et al., 1981). Overall, it should be noted that these limitations pave the way for suggestions for future research, which is discussed next in the last section of this chapter.

5.6. Suggestions for Future Research

The findings and the limitations of this exploratory study provide directions for future research in the area of service recovery. First, the relationships found in this study should be tested by way of triangulation, which refers to the process of synthesizing data using multiple data collection methods and data sources to check the validity of the findings (Campbell & Fiske, 1959; Denzin, 1978; Jick, 1979; Smith, 1975; Webb et al., 1966). By examining data collected by different methods and in different populations, findings can be substantiated across data sets, reducing the impact of potential biases that can exist in a single study (Bouchard, 1976; Campbell & Fiske, 1959; Denzin, 1978).

In the context of this dissertation, triangulation could involve the use of a probability (i.e., random) sample from the general population of actual hotel complainants. It would also be beneficial to use methods other then a lengthy web survey to shed light on the effects of customer empowerment on customer satisfaction with the service recovery process. For example, a field experiment conducted in real-time at a hotel could provide a higher level of external validity. Alternatively, the effectiveness of customer empowerment may be studied by interviewing the customer, observing his or her behavior, and evaluating hotel's service recovery records. Yet another way of improving validity could be by employing the between-subjects design (i.e., treatment and control groups are different), as opposed to the within-subjects design (i.e., each subject is its own control) used in this study. The future research endeavors should also attempt to measure the process quality construct with a scale comprised of three or more items (Cook et al., 1981) in order to further enhance reliability and validity.

Second, other aspects of the theoretical model of service recovery that were not investigated in this dissertation, may also be issues for future research. For example, one may wish to examine how other's (e.g., organization's) view of empowerment influences customer satisfaction. Similarly, the examination of the effect of customer empowerment on outcome complaint satisfaction (as opposed to the process complaint satisfaction) appears sensible. Furthermore, one could test the ability of customer empowerment to predict customer behavior, such as the decision to stay with or to switch the current service provider. This would also help establish the predictive validity of the portion of the service recovery model that was presented and tested herein.

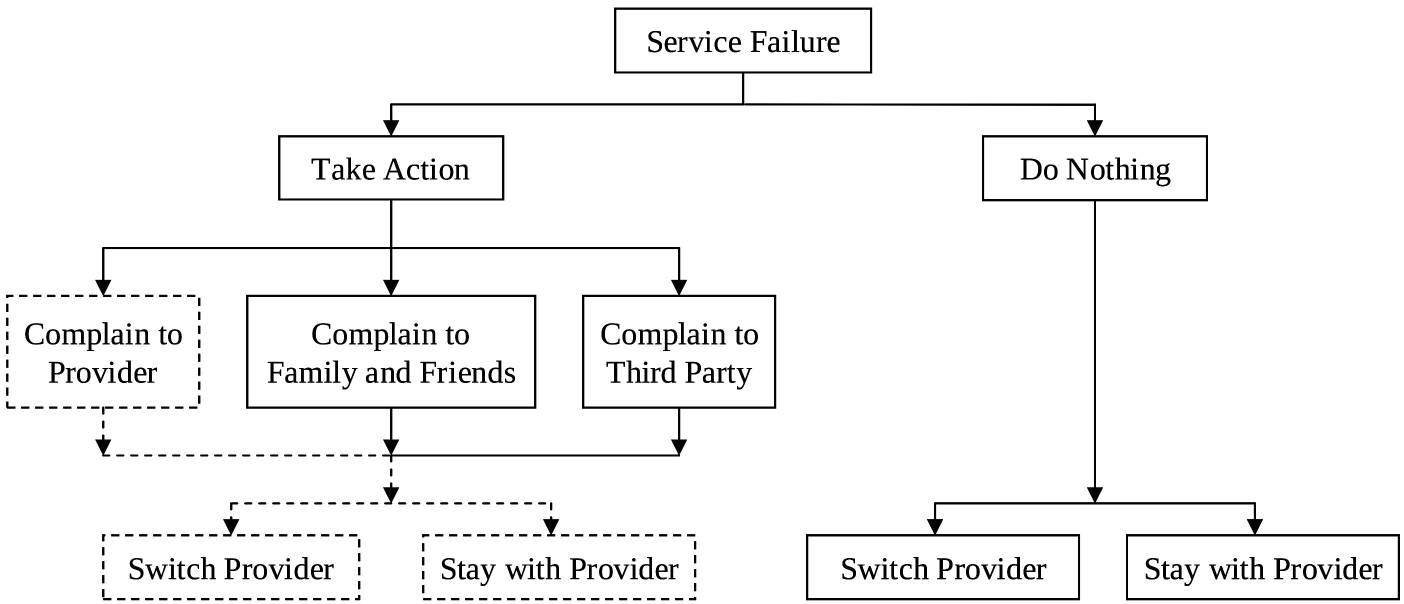
Third, more research is needed to understand how customer empowerment influences customers' cognitions, affect, and satisfaction in other service contexts. Thus, this study could also be repeated in many other service settings in which customers complain to the providers of those services. For instance, such settings might comprise the areas of healthcare, retail banking, real estate, entertainment, restaurants, air travel, automobile renting, vehicle repair, etc. Moreover, additional research is needed to compare the relationships found in this study between high (i.e., private banking, health care) and low (i.e., car repair) contact services. While high contact services involve a customer's direct and relatively intense contact with the service provider, the inverse is the truth for the level of customer-provider involvement in low contact services (Mittal & Lassar, 1998; Shao et al., 2004). Therefore, customer empowerment may be more important for high contact services and may play a less significant role in low contact service industries.

Obviously, the realization of the abovementioned research directions is likely to be driven by the amount of resources available to the investigators. In light of the preceding discussion, it is apparent that a good deal of productive research could be conducted as a follow-up on the results of this study. The exploratory effort that was involved in this dissertation is hopefully only a beginning step in the process of examining the complex yet managerially relevant and captivating area of service recovery.

APPENDIX A

MODEL OF CUSTOMER RESPONSE FOLLOWING A SERVICE FAILURE

Figure 3: Model of Customer Response Following a Service Failure



Key: - - - - - - - - - - Portion of the Model Expanded for Use in This Research

Source: Zeithaml & Bitner (2000)

APPENDIX B

SURVEY INSTRUMENT

Survey of Service Excellence

by

School of Tourism and
Hospitality Managment
TEMPLE UNIVERSITY

National Lab for Tourism and eCommerce

To complete this survey, please follow these steps…

Step 1: On the next page, please start off the survey by reading a brief scenario (1 scenario per page x 10 scenarios = 10 pages total);

Step 2: After reading the scenario, please answer a set of 39 questions (EXCEPTION: Scenario 1 is followed by a short set of 10 questions);

Step 3: After completing the questions, click on the NEXT PAGE button to view another page;

Step 4: Follow the same steps until you finish evaluating all TEN (10) scenarios and then please click on the SUBMIT SURVEY button to exit the survey.

NOTE: Each time you click on the NEXT PAGE button, all of your work up to that point is automatically saved. This means that – should you choose to do so – you can then exit the survey, return to it at your later convenience, and continue where you had previously left off without having to start all over!

To begin the survey, please click on the NEXT PAGE button below.

Next Page

9 %

SCENARIO J

Suppose for a moment that you and your best friend have just checked in to the JJJ Hotel for a 4-day, 3-night vacation. This is a 1-star hotel, meaning that it appeals to the budget-minded traveler. It provides essential, no-frills accommodations. It meets your basic requirements pertaining to comfort, cleanliness, and hospitality. You don't have any previous experience with JJJ's services since this is the first time you stayed at the JJJ Hotel.

After check-in at the front-desk, you go to your room, where - upon entering - you are dissatisfied with the décor (i.e., color and/or style of decoration, furnishings) of the room. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you the opportunity to choose what type of action and/or compensation you prefer from the hotel.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

On a scale from 1 to 7, please rate your experience following MMMs service (please select one answer in each row):

Unhappy						Happy
1	2	3	4	5	6	7
Pleased						Annoyed
1	2	3	4	5	6	7
Content						Discontent
1	2	3	4	5	6	7
Despairing						Hopeful
1	2	3	4	5	6	7

On a scale from 1 to 7, please rate the behavior of the service provider following your complaint (<u>please select one answer in each row</u>):

Helpful						Not Helpful
1	2	3	4	5	6	7
Enthusiastic						Apathetic
1	2	3	4	5	6	7

On a scale from 1 (strongly disagree) to 7 (strongly agree), please rate the following statements regarding MMM Hotel (<u>please select one answer per row</u>):

	Strongly Disagree						Strongly Agree
The employee was willing to adapt hotel's complaint handling procedures to satisfy my needs.	1	2	3	4	5	6	7
The employee showed adequate flexibility in dealing with my problem.	1	2	3	4	5	6	7
I was treated with respect.	1	2	3	4	5	6	7
The employee seemed to care about me.	1	2	3	4	5	6	7
The employee listened to what I had to say.	1	2	3	4	5	6	7
I feel that I was treated rudely.	1	2	3	4	5	6	7
Complaining customers have more possibilities to receive information about available complaint-related options from employee.	1	2	3	4	5	6	7
Complaining customers have more possibilities to seek out complaint-related ideas from employees.	1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
Complaining customers have more possibilities to receive helpful complaint-related information from employee.	1	2	3	4	5	6	7
Complaining customers have more possibilities to be sought out by employee for customer-known, complaint-related information.	1	2	3	4	5	6	7
I understand/understood the employee's response to my complaint.	1	2	3	4	5	6	7
The employee told me about the solutions to my complaint I could choose at the hotel.	1	2	3	4	5	6	7
The employee helped me understand which different complaint-resolution options were available so I could make the best choice.	1	2	3	4	5	6	7
I can obtain complaint-related information upon request.	1	2	3	4	5	6	7
There is a free flow of complaint-related information.	1	2	3	4	5	6	7
Hotel MMM is characterized by effective complaint-related communication.	1	2	3	4	5	6	7
I had/have access to the complaint-related information necessary to make sound choices.	1	2	3	4	5	6	7
I have a great deal of control over what happens after I complain.	1	2	3	4	5	6	7
I have significant influence over what happens after I complain.	1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
I can influence the way my complaint is handled at MMM Hotel.	1	2	3	4	5	6	7
I can influence complaint-related decisions taken at MMM Hotel.	1	2	3	4	5	6	7
I feel that I had input in the development of the solution to my complaint.	1	2	3	4	5	6	7
I had a greater amount of participation in complaint resolution.	1	2	3	4	5	6	7
I feel very involved in the complaint handling process at the moment.	1	2	3	4	5	6	7
I have the capabilities required to handle my complaint.	1	2	3	4	5	6	7
I have the skills and abilities to handle my complaint.	1	2	3	4	5	6	7
I have the competence to handle my complaint.	1	2	3	4	5	6	7
I am confident about my ability to resolve my complaint.	1	2	3	4	5	6	7
I am self-assured about my capabilities to fix my problem.	1	2	3	4	5	6	7
I feel that I can make my own personal decisions regarding my complaint if I want to.	1	2	3	4	5	6	7

On a scale from 1 (totally satisfied) to 7 (very dissatisfied), please rate the following statements (<u>please select one answer per row</u>):

	Totally Satisfied						Very Dissatisfied
How satisfied are you with employee's friendliness?	1	2	3	4	5	6	7
How satisfied are you with employee's empathy?	1	2	3	4	5	6	7
How satisfied are you with employee's courtesy?	1	2	3	4	5	6	7

Are you… (<u>please select one</u>)?

↓ Male ↓ Female

What is your age (<u>please select one</u>)?

↓ Under 18 ↓ 46 to 55
↓ 18 to 25 ↓ 56 to 65
↓ 26 to 35 ↓ 66 to 75
↓ 36 to 45 ↓ 76 or more

What is your education level (<u>please select one</u>)?

↓ Some high school ↓ Technical or Vocational school graduate
↓ High school graduate ↓ College graduate or equivalent
↓ Some college ↓ Graduate or Professional school

What is your annual income (<u>please select one</u>)?

↓ Under $35,000 ↓ $75,000 to $99,999
↓ $35,000 to $49,999 ↓ $100,000 or more
↓ $50,000 to $74,999 ↓ I prefer not to give my income level

In a typical year, on how many SEPARATE occasions do you spend at least one (1) night at a lodging facility of any type - e.g. hotel, bed & breakfast, etc. (<u>please select one</u>)?

- None
- On 1 occasion
- On 2 separate occasions
- On 3 separate occasions
- On 4 or more separate occasions

THANK YOU!
TO EXIT, PLEASE CLICK ON THE "SUBMIT SURVEY" BUTTON

Previous Page | Submit Survey | 100 %

APPENDIX C

SURVEY SCENARIOS

Scenario Z: Practice

SCENARIO Z

Suppose for a moment that you and your best friend have just checked in to the ZZZ Hotel for a 4-day, 3-night vacation. This is a 1-star hotel, meaning that it appeals to the budget-minded traveler. It provides essential, no-frills accommodations. It meets your basic requirements pertaining to comfort, cleanliness, and hospitality. You don't have any previous experience with ZZZ’s services since this is the first time you stayed at the ZZZ Hotel.

After check-in at the front-desk, you go to your room, where - upon entering - you are dissatisfied with the décor (i.e., color and/or style of decoration, furnishings) of the room. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you a different room (in the same price category) with acceptable décor.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario B: Hotel quality – 5-star; Failure type – moderate; Empowerment level – low

SCENARIO B

Suppose for a moment that you and your best friend have just checked in to the BBB Hotel for a 4-day, 3-night vacation. This is a 5-star hotel, meaning that it features first-class accommodations and offers the ultimate in luxury and sophistication. The fundamental hallmarks at this level are providing meticulous service, exceeding guest expectations, maintaining impeccable standards of excellence, a high staff-to-guest ratio, gourmet dining, and 24-hour room service. Guestrooms offer ample space, the finest furnishings and decor, premium bedding, luxury bath products, high-speed Internet access and CD and/or DVD players. On-site spa services, a top-notch fitness center, and a pool are generally available, as well. You don't have any previous experience with BBB’s services since this is the first time you stayed at the BBB Hotel.

After check-in at the front-desk, you go to your room, where - upon entering - you are dissatisfied with the décor (i.e., color and/or style of decoration, furnishings) of the room. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you a complimentary bottle of champagne.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario C: Hotel quality – 3-star; Failure type – serious; Empowerment level – low

SCENARIO C

Suppose for a moment that you and your best friend have just checked in to the CCC Hotel for a 4-day, 3-night vacation. This is a 3-star hotel, meaning that it places a greater emphasis on style, comfort, and personalized service for the traveler with comprehensive needs. Guestrooms offer more extensive amenities and more careful attention to decor and comfort. An on-site dining room service, a pool and/or fitness center, a gift shop, baggage assistance, conference rooms for meetings, and extended services for business travelers are usually offered. You don't have any previous experience with CCC’s services since this is the first time you stayed at the CCC Hotel.

During your first 24 hours at the hotel, you don’t receive an important wake-up call that you have previously scheduled in order to keep up with your planned vacation itenerary. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you a complimentary bottle of champagne.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario D: Hotel quality – 5-star; Failure type – minor; Empowerment level – medium

SCENARIO D

Suppose for a moment that you and your best friend have just checked in to the DDD Hotel for a 4-day, 3-night vacation. This is a 5-star hotel, meaning that it features first-class accommodations and offers the ultimate in luxury and sophistication. The fundamental hallmarks at this level are providing meticulous service, exceeding guest expectations, maintaining impeccable standards of excellence, a high staff-to-guest ratio, gourmet dining, and 24-hour room service. Guestrooms offer ample space, the finest furnishings and decor, premium bedding, luxury bath products, high-speed Internet access and CD and/or DVD players. On-site spa services, a top-notch fitness center, and a pool are generally available, as well. You don't have any previous experience with DDD's services since this is the first time you stayed at the DDD Hotel.

After check-in at the front-desk, you go to your room, where - upon entering - you experience a problem with the telephone in the room (i.e., telephone not working) while attempting to make an important call. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you a choice between getting the problem fixed or a different room (in the same price category) with the functioning telephone.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario E: Hotel quality – 3-star; Failure type – moderate; Empowerment level – medium

SCENARIO E

Suppose for a moment that you and your best friend have just checked in to at the EEE Hotel for a 4-day, 3-night vacation. This is a 3-star hotel, meaning that it places a greater emphasis on style, comfort, and personalized service for the traveler with comprehensive needs. Guestrooms offer more extensive amenities and more careful attention to decor and comfort. An on-site dining room service, a pool and/or fitness center, a gift shop, baggage assistance, conference rooms for meetings, and extended services for business travelers are usually offered. You don't have any previous experience with EEE's services since this is the first time you stayed at the EEE Hotel.

After check-in at the front-desk, you go to your room, where - upon entering - you are dissatisfied with the décor (i.e., color and/or style of decoration, furnishings) of the room. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you a different room (in the same price category) with acceptable décor.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario F: Hotel quality – 1-star; Failure type – serious; Empowerment level – medium

SCENARIO F

Suppose for a moment that you and your best friend have just checked in to the FFF Hotel for a 4-day, 3-night vacation. This is a 1-star hotel, meaning that it appeals to the budget-minded traveler. It provides essential, no-frills accommodations. It meets your basic requirements pertaining to comfort, cleanliness, and hospitality. You don't have any previous experience with FFF's services since this is the first time you stayed at the FFF Hotel.

During your first 24 hours at the hotel, you don't receive an important wake-up call that you have previously scheduled in order to keep up with your planned vacation itenerary. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you a different room (in the same price category) where you are promised to receive your next wake-up call.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario H: Hotel quality – 3-star; Failure type – minor; Empowerment level – high

SCENARIO H

Suppose for a moment that you and your best friend have just checked in to at the HHH Hotel for a 4-day, 3-night vacation. This is a 3-star hotel, meaning that it places a greater emphasis on style, comfort, and personalized service for the traveler with comprehensive needs. Guestrooms offer more extensive amenities and more careful attention to decor and comfort. An on-site dining room service, a pool and/or fitness center, a gift shop, baggage assistance, conference rooms for meetings, and extended services for business travelers are usually offered. You don't have any previous experience with HHH's services since this is the first time you stayed at the HHH Hotel.

After check-in at the front-desk, you go to your room, where - upon entering - you experience a problem with the telephone in the room (i.e., telephone not working) while attempting to make an important call. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you both to have the problem fixed and the opportunity to choose what type of action and/or compensation you prefer from the hotel.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario J: Hotel quality – 1-star; Failure type – moderate; Empowerment level – high

SCENARIO J

Suppose for a moment that you and your best friend have just checked in to the JJJ Hotel for a 4-day, 3-night vacation. This is a 1-star hotel, meaning that it appeals to the budget-minded traveler. It provides essential, no-frills accommodations. It meets your basic requirements pertaining to comfort, cleanliness, and hospitality. You don't have any previous experience with JJJ's services since this is the first time you stayed at the JJJ Hotel.

After check-in at the front-desk, you go to your room, where - upon entering - you are dissatisfied with the décor (i.e., color and/or style of decoration, furnishings) of the room. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you the opportunity to choose what type of action and/or compensation you prefer from the hotel.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario L: Hotel quality – 5-star; Failure type – serious; Empowerment level – high

SCENARIO L

Suppose for a moment that you and your best friend have just checked in to the LLL Hotel for a 4-day, 3-night vacation. This is a 5-star hotel, meaning that it features first-class accommodations and offers the ultimate in luxury and sophistication. The fundamental hallmarks at this level are providing meticulous service, exceeding guest expectations, maintaining impeccable standards of excellence, a high staff-to-guest ratio, gourmet dining, and 24-hour room service. Guestrooms offer ample space, the finest furnishings and decor, premium bedding, luxury bath products, high-speed Internet access and CD and/or DVD players. On-site spa services, a top-notch fitness center, and a pool are generally available, as well. You don't have any previous experience with LLL's services since this is the first time you stayed at the LLL Hotel.

During your first 24 hours at the hotel, you don't receive an important wake-up call that you have previously scheduled in order to keep up with your planned vacation itenerary. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you the opportunity to choose what type of action and/or compensation you prefer from the hotel.

Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.

Scenario M: Hotel quality – 1-star; Failure type – minor; Empowerment level – low

<table>
<tr><td>
SCENARIO M
Suppose for a moment that you and your best friend have just checked in to the MMM Hotel for a 4-day, 3-night vacation. This is a 1-star hotel, meaning that it appeals to the budget-minded traveler. It provides essential, no-frills accommodations. It meets your basic requirements pertaining to comfort, cleanliness, and hospitality. You don't have any previous experience with MMM’s services since this is the first time you stayed at the MMM Hotel.
After check-in at the front-desk, you go to your room, where - upon entering - you experience a problem with the telephone in the room (i.e., telephone not working) while attempting to make an important call. During your explanation of your problem to the front-desk employee, the employee carefully listens to your complaint, expresses a sense of compassion regarding your problem and apologizes for the mishap. Further, the employee offers you both to have the problem fixed and a complimentary bottle of champagne.
Given that this has just happened to you, please scroll down to some questions regarding your view of what has happened.
</td></tr>
</table>

APPENDIX D

EMAILS TO RESPONDENTS

First Email (E1) to the Respondents

Hi Studentfirstname,

As you well know, customers like yourself are central to hotel operations. Here at Temple University's National Laboratory for Tourism & eCommerce (NLTeC) we are doing a project that examines service excellence. Your voluntary feedback is of utmost importance to us because it will greatly contribute to the overall knowledge in the areas of hotel marketing and management. For this reason, your participation in this study is greatly appreciated.

Should you decide to participate in the survey, we guarantee that you will receive your 25 INDUSTRY-RELATED HOURS, courtesy of STHM (approved by Assistant Dean John Doe), a few days after you complete the survey and hit the 'SUBMIT SURVEY' button at the end of the survey. We will use your Temple email account (included in the link below) to confirm your survey completion and submission, so you don't have to worry about not getting the credit for participating in the survey.

2 days from today you will receive an email with an electronic link to the survey. We would greatly appreciate it if you could take a few moments to complete it. By doing so, you will help ensure that we have the best information available. The survey can only be taken on the Internet and will take no more than 1 hour of your time in exchange for your 25 INDUSTRY-RELATED HOURS. In comparison with some other ways of earning industry-related hours, this opportunity is less demanding and less time-consuming. In addition, you get to take the survey when you want and where you want. Thus, while the decision to participate in the survey is entirely up to you, this is a way to earn 25 INDUSTRY-RELATED HOURS.

Your responses will be kept strictly confidential, and only general findings pertaining to the purpose of this study will be reported.

If you have any questions and/or comments, feel free to contact the project coordinator Louie Pranic by email at lpranic@temple.edu.

Thank you,

Louie Pranic, MTHM
Study Coordinator
National Laboratory for Tourism & eCommerce (NLTeC),
School of Tourism & Hospitality Management (STHM), and
Fox School of Business & Management (FSBM)
Temple University
1700 N. Broad Street
Suite 201
Philadelphia, PA 19122, USA

Second Email (E2) to the Respondents

Hi Studentfirstname,

As per our email 2 days ago, here's a great opportunity to earn 25 INDUSTRY-RELATED HOURS, courtesy of STHM (approved by Assistant Dean John Doe). In order to earn 25 INDUSTRY-RELATED HOURS, simply take part in the Survey of Service Excellence, conducted by the School of Tourism & Hospitality Management (STHM) and the National Laboratory for Tourism & eCommerce (NLTeC) at Temple University.

The survey can only be taken on the Internet and will take no more than 1 hour of your time in exchange for your 25 INDUSTRY-RELATED HOURS. In comparison with some other ways of earning industry-related hours, this opportunity is less demanding and less time-consuming. In addition, you get to take the survey when you want and where you want. Thus, while the decision to participate in the survey is entirely up to you, this is a way to earn 25 INDUSTRY-RELATED HOURS.

Should you decide to participate in the survey, we guarantee that you will receive your 25 INDUSTRY-RELATED HOURS a few days after you complete the survey and hit the 'SUBMIT SURVEY' button at the end of the survey. We will use your Temple email account (included in the link below) to confirm your survey completion and submission, so you don't have to worry about not getting the credit for participating in the survey.

To complete the survey, please follow the link below:

http://tourism.temple.edu/ws/wsb.dll/louie/HotelSurvey1.htm?wsb291=studentemail@temple.edu

Thank you,

____

Louie Pranic, MTHM
Study Coordinator
National Laboratory for Tourism & eCommerce (NLTeC),
School of Tourism & Hospitality Management (STHM), and
Fox School of Business & Management (FSBM)
Temple University
1700 N. Broad Street
Suite 201
Philadelphia, PA 19122, USA

Third Email (E3) to the Respondents

Hi Studentfirstname,

This is just a reminder that you have a great opportunity to earn 25 INDUSTRY-RELATED HOURS, courtesy of STHM (approved by Assistant Dean John Doe). In order to earn 25 INDUSTRY-RELATED HOURS, simply take part in the Survey of Service Excellence, conducted by the School of Tourism & Hospitality Management (STHM) and the National Laboratory for Tourism & eCommerce (NLTeC) at Temple University.

The survey can only be taken on the Internet and will take no more than 1 hour of your time in exchange for your 25 INDUSTRY-RELATED HOURS. In comparison with some other ways of earning industry-related hours, this opportunity is less demanding and less time-consuming. In addition, you get to take the survey when you want and where you want. Thus, while the decision to participate in the survey is entirely up to you, this is a way to earn 25 INDUSTRY-RELATED HOURS.

Should you decide to participate in the survey, we guarantee that you will receive your 25 INDUSTRY-RELATED HOURS a few days after you complete the survey and hit the 'SUBMIT SURVEY' button at the end of the survey. We will use your Temple email account (included in the link below) to confirm your survey completion and submission, so you don't have to worry about not getting the credit for participating in the survey.

To complete the survey, please follow the link below:

http://tourism.temple.edu/ws/wsb.dll/louie/HotelSurvey3.htm?wsb291=studentemail@temple.edu

Thank you,

Louie Pranic, MTHM
Study Coordinator
National Laboratory for Tourism & eCommerce (NLTeC),
School of Tourism & Hospitality Management (STHM), and
Fox School of Business & Management (FSBM)
Temple University
1700 N. Broad Street
Suite 201
Philadelphia, PA 19122, USA

Fourth Email (E4) to the Respondents

Hi Studentfirstname,

This is a FINAL REMINDER that you have a great opportunity to earn 25 INDUSTRY-RELATED HOURS, courtesy of STHM (approved by Assistant Dean John Doe). In order to earn 25 INDUSTRY-RELATED HOURS, simply take part in the Survey of Service Excellence, conducted by the School of Tourism & Hospitality Management (STHM) and the National Laboratory for Tourism & eCommerce (NLTeC) at Temple University.

The survey can only be taken on the Internet and will take no more than 1 hour of your time in exchange for your 25 INDUSTRY-RELATED HOURS. In comparison with some other ways of earning industry-related hours, this opportunity is less demanding and less time-consuming. In addition, you get to take the survey when you want and where you want. Thus, while the decision to participate in the survey is entirely up to you, this is a way to earn 25 INDUSTRY-RELATED HOURS.

Should you decide to participate in the survey, we guarantee that you will receive your 25 INDUSTRY-RELATED HOURS a few days after you complete the survey and hit the 'SUBMIT SURVEY' button at the end of the survey. We will use your Temple email account (included in the link below) to confirm your survey completion and submission, so you don't have to worry about not getting the credit for participating in the survey.

To complete the survey, please follow the link below:

http://tourism.temple.edu/ws/wsb.dll/louie/HotelSurvey3.htm?wsb291=studentemail@temple.edu

Thank you,

___

Louie Pranic, MTHM
Study Coordinator
National Laboratory for Tourism & eCommerce (NLTeC),
School of Tourism & Hospitality Management (STHM), and
Fox School of Business & Management (FSBM)
Temple University
1700 N. Broad Street
Suite 201
Philadelphia, PA 19122, USA

APPENDIX E

DESCRIPTIONS OF HOTEL QUALITY

1-Star Hotel

A 1-star hotel appeals to the budget-minded traveler. It provides essential, no-frills accommodations. It meets your basic requirements pertaining to comfort, cleanliness, and hospitality.

3-Star Hotel

A 3-star hotel places a greater emphasis on style, comfort, and personalized service for the traveler with comprehensive needs. Guestrooms offer more extensive amenities and more careful attention to decor and comfort. An on-site dining room service, a pool and/or fitness center, a gift shop, baggage assistance, conference rooms for meetings, and extended services for business travelers are usually offered.

5-Star Hotel

A 5-star hotel features first-class accommodations and offers the ultimate in luxury and sophistication. The fundamental hallmarks at this level are providing meticulous service, exceeding guest expectations, maintaining impeccable standards of excellence, a high staff-to-guest ratio, gourmet dining, and 24-hour room service. Guestrooms offer ample space, the finest furnishings and decor, premium bedding, luxury bath products, high-speed Internet access and CD and/or DVD players. On-site spa services, a top-notch fitness center, and a pool are generally available, as well.

APPENDIX F

INITIAL ITEM POOL FOR THE DEVELOPMENT OF CUSTOMER EMPOWERMENT MEASURE

Information Dimension

Lin (2002)

1. We can obtain work-related information upon request.
2. There is a free flow of work-related information.
3. Our department is characterized by effective communication.

Ellefsen & Haimilton (2000)

4. Nurses in leadership positions had more possibilities to be sought out by head nurse for ideas about ward management issues.
5. Nurses in leadership positions had more possibilities to have immediate supervisor ask for opinion.
6. Nurses in leadership positions had more possibilities to receive early information of upcoming in the work unit from immediate supervisor.
7. Nurses in leadership positions had more possibilities to seek out ideas from auxiliary workers on the unit.
8. Nurses in leadership positions had more possibilities to receive helpful feedback from peers.
9. Nurses in leadership positions had more possibilities to have peers asking about opinion.
10. Nurses in leadership positions had more possibilities to be sought out by physicians for patient information.
11. Nurses in leadership positions had more possibilities to nurses in leadership position were more likely to get better access to information about how salary decisions are made for people in the same position.
12. Nurses in leadership positions had more possibilities to nurses in leadership position were more likely to get support through information and suggestion about job possibilities.

Spreitzer (1995)

13. The extent to which respondents agree that they had/have access to the strategic information necessary to do their jobs well.
14. The extent to which respondents agree that they understand/understood top management's vision of the organization.
15. The extent to which respondents agree that they understand/understood the goals of the organization.

Kosciulek (2005)

16. Did your VR counselor tell you about the services you could choose through the VR agency?

    Yes No
17. Do you think your counselor helped you understand which different service providers were available so you could make the best choices?

    Yes No

Control/Influence Dimension

Lin (2002)

1. In our company, power is evenly distributed; Even the lowest levels have some degree of autonomy.
2. We can decide for ourselves what is the best way to do our own work.

Kim (2002)

3. I feel that I had input in the development of my department's strategic planning process.

Ellefsen & Hamilton (2000)

4. Nurses in leadership positions had a greater amount of participation in problem solving task forces.
5. Staff nurses were more likely to have opportunity to collaborate on patient care with physicians.
6. Nurses in leadership position were more likely to get resources through influencing decisions about obtaining human resources/supplies/equipment for the unit.

Carson et al. (1999)

7. My job affords me enough power to take any corrective action I deem necessary when a patron is dissatisfied with service.
8. I do not have the authority necessary to take actions for turning dissatisfied patrons into satisfied ones.

Spreitzer (1995)

9. My impact on what happens in my department is large.
10. I have a great deal of control over what happens in my department.
11. I have significant influence over what happens in my department.
12. I have significant autonomy in determining how I do my job.
13. I can decide on my own how to go about doing my work.
14. I have considerable opportunity for independence and freedom in ho I do my job.

Menon (2001)

15. I can influence the way work is done in my department.
16. I can influence decisions taken in my department.
17. I have the authority to make decisions at work.
18. I have the authority to work effectively.
19. Important responsibilities are part of my job.

Kosciulek (2005)

20. When you and your counselor developed your service plan, how would you describe the way you chose your vocational goal, or the type of job you wanted to work toward obtaining? Would you say:
    a. You decided
    b. Your counselor decided
    c. You and your counselor decided together
    d. Some other VR staff decided
    e. A family member/advocate decided
    f. You already had a job and didn't want a different one
    g. Other *(Please describe)*
    h. Don't remember
21. When you and your counselor were discussing the kinds of services you might obtain, how would you describe the way you chose your services? Would you say:
    a. You decided what services you would get
    b. Your counselor decided what services you would get

c. You and your counselor decided together
d. A family member/friend decided the services
e. Other *(Please specify)*
f. Don't remember

22. How did you feel about the choice of services made available to you? Would you say you were:
    a. Very satisfied
    b. Mostly satisfied
    c. Indifferent
    d. Somewhat dissatisfied
    e. Very dissatisfied
23. Do you think you had enough choice in selecting a vocational goal?
    Yes No
24. Did you and your VR counselor choose your service providers together?
    Yes No
25. When you and your counselor discussed possible providers of services, how would you describe the way you chose specific providers? Would you say:
    a. You decided what service providers you would have
    b. Your counselor decided what service providers you would have
    c. You and your counselor decided together
    d. A family member/friend decided the service providers
    e. Other *(Please specify)*
    f. Don't remember
26. Were you satisfied with the available choice of providers?
    a. Very satisfied
    b. Mostly satisfied
    c. Indifferent
    d. Somewhat dissatisfied
    e. Very dissatisfied
27. Overall, to what extent did you take charge of decisions during your *VR* experience?
    a. To a great extent
    b. To some extent
    c. Not at all

Alsop & Heinsohn (2005)

28. How much influence do you think you have when each group chooses its leaders?
    a. A lot of influence
    b. Some influence
    c. A little influence
    d. No influence
29. Do you feel that people like yourself can generally change things in your community if they want to?
    a. Yes very easily
    b. Yes fairly easily
    c. Yes but with a little difficulty
    d. Yes but with a great deal of difficulty

e. No not at all

30. How involved in the political process at these levels do you feel you are at the moment?
    a. Very involved
    b. Fairly involved
    c. Slightly involved
    d. Not involved at all
    e. Would rather not say
31. Would you like to be more or less involved in the political process than you are at the moment?
    a. Much more involved
    b. A little more involved
    c. Neither more nor less involved
    d. A little less involved
    e. Much less involved
32. How much power/influence do you think your local elected representative at each level has in the political process?
    a. A lot
    b. Some
    c. None
    d. Would rather not say
33. How much choice do you feel you have in deciding your occupation?
    a. Complete choice
    b. Some choice
    c. No choice
34. How easy would it be to change your occupation if you wanted to?
    a. Very easy
    b. Fairly easy
    c. Not very easy
    d. Impossible to change
35. When decisions are made regarding the following aspects of household life, who is it that normally takes the decision?
36. To what degree do you feel you have control over decisions regarding your own personal welfare, health and body?
    a. To a very high degree
    b. To a fairly high degree
    c. To a small degree
    d. Not at all
37. Who makes the main decisions about public services in your community?
38. How involved do you feel in these decision-making processes within your community?
    a. Very involved
    b. Fairly involved
    c. Slightly involved
    d. Not involved at all

39. How much would you like to be involved in these decision-making processes within your community?
    a. Much more involved
    b. Slightly more involved
    c. Neither more nor less involved
    d. Slightly less involved
    e. Much less involved
40. How much influence do you feel you have in community level decision-making processes?
    a. A great deal of influence
    b. A reasonable level of influence
    c. A low level of influence
    d. No influence at all

Competence Dimension

Lin (2002)

1. In our department, each and everyone is capable of solving his/her own problems.

Spreitzer (1995)

2. I am confident about my ability to do my job.
3. I am self-assured about my capabilities to perform my work activities.
4. I have mastered the skills necessary for my job.

Menon (2001)

5. I have the capabilities required to do my job well.
6. I have the skills and abilities to do my job well.
7. I have the competence to work effectively.
8. I can do my work efficiently.
9. I can handle the challenges I face at work.

Alsop & Heinsohn (2005)

10. To what degree do you feel you can make your own personal decisions regarding these issues if you want to?
    a. To a very high degree
    b. To a fairly high degree
    c. To a small degree
    d. Not at all

APPENDIX G

ITEM POOL FOLLOWING EXPERT REVIEW

Information Dimension

1. I can obtain complaint-related information upon request.
2. There is a free flow of complaint-related information.
3. Hotel ABC is characterized by effective complaint-related communication.
4. Complaining customers have more possibilities to be sought out by employees for ideas about complaint-related issues.
5. Complaining customers have more possibilities to have employee ask for complaint-related opinion.
6. Complaining customers have more possibilities to receive information of available complaint-related options from employee.
7. Complaining customers have more possibilities to seek out complaint-related ideas from employees.
8. Complaining customers have more possibilities to receive helpful complaint-related information from employee.
9. Complaining customers have more possibilities to have employee asking about complaint-related opinion.
10. Complaining customers have more possibilities to be sought out by employee for customer-known, complaint-related information.
11. I had/have access to the complaint-related information necessary to make sound choices.
12. I understand/understood employee's response to my complaint.
13. The employee told me about the solutions to my complaint I could choose at a hotel.
14. The employee helped me understand which different complaint-resolution options were available so I could make the best choice.

Control/Influence Dimension

1. In ABC Hotel, the complaint-related power between the employee and the customer is evenly distributed; Even the customers have some degree of autonomy.
2. I can decide for myself what is the best way to handle my complaint.
3. I feel that I had input in the development of the solution to my complaint.
4. I had a greater amount of participation in complaint resolution.
5. I was more likely to have the opportunity to collaborate on complaint handling with employees.
6. I was more likely to get my complaint handled correctly through influencing complaint-related decisions.
7. Being a customer affords me enough power to take any corrective complaint-related action I deem necessary when I am dissatisfied with service.
8. My impact on what happens when I complain is large.
9. I have a great deal of control over what happens after I complain.
10. I have significant influence over what happens after I complain.
11. I have significant autonomy in determining how my complaint is resolved.
12. I can decide on my own how to resolve my complaint.
13. I have considerable opportunity for independence and freedom in how my complaint is resolved.

14. I can influence the way my complaint is handled at ABC Hotel.
15. I can influence complaint-related decisions taken at ABC Hotel.
16. I have the authority to make complaint-related decisions at ABC Hotel.
17. I have the authority to resolve my complaint effectively.
18. Important responsibilities are part of my customer role.
19. Overall, I took charge of decisions during my complaint.
20. I have no influence when I complain.
21. I feel very involved in the complaint handling process at the moment.
22. I would like to be much more involved in the complaint handling process than I am at the moment.
23. I have no power/influence in the complaint handling process.
24. I have no control over decisions regarding my complaint.
25. I make the main decision about my complaint resolution.
26. I feel not involved at all in the present complaint-related decision-making process with the employee.
27. I have a great deal of influence in the present complaint-handling processes

Competence Dimension

1. In hotel-related complaint handling, each and every customer is capable of solving his/her own problems.
2. I am confident about my ability to resolve my complaint.
3. I am self-assured about my capabilities to fix my problem.
4. I have mastered the skills necessary for the handling of my complaint.
5. I have the capabilities required to handle my complaint.
6. I have the skills and abilities to handle my complaint.
7. I have the competence to handle my complaint.
8. I can handle my complaint competently.
9. I can handle the complaint I face at ABC Hotel.
10. I feel that I can make my own personal decisions regarding my complaint if I want to.

APPENDIX H

ADMINISTRATION OF ITEMS TO A SAMPLE

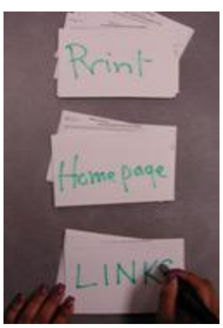
Instructions:

1. You have:
    a. Three sets of cards – A, B, and C – containing written statements;
    b. Three sets of cards – either blue, red or green;
    c. A number of blank cards.

2. Within set A, please read through the cards and become familiar with them;


3. Within set A, sort the cards into piles where cards carrying a common / similar theme are placed together in a pile. REMEMBER, there is no limit as to how many common / similar themes you can identify and each theme can represent one or more cards;

4. After having grouped the cards, please name or label each pile using BLUE cards (for set A);



5. Next, I encourage you (OPTIONAL) to change any card's wording, add new items (using blank cards) or throw out the cards you find unfitting or redundant (simply cross it out);
6. Repeat steps 2 – 5 for card-sets B and C. In step 4, name or label each pile using either RED cards (for set B) or GREEN cards (for set C);
7. Once you are finished with all 3 sets of cards, please return them to the study coordinator.

APPENDIX I

A FINAL MEASURE OF CUSTOMER EMPOWERMENT

Information Dimension

1. Complaining customers have more possibilities to receive information about available complaint-related options from employee.
2. Complaining customers have more possibilities to seek out complaint-related ideas from employees.
3. Complaining customers have more possibilities to receive helpful complaint-related information from employee.
4. Complaining customers have more possibilities to be sought out by employee for customer-known, complaint-related information.
5. I understand/understood the employee's response to my complaint.
6. The employee told me about the solutions to my complaint I could choose at the hotel.
7. The employee helped me understand which different complaint-resolution options were available so I could make the best choice.
8. I can obtain complaint-related information upon request.
9. There is a free flow of complaint-related information.
10. Hotel MMM is characterized by effective complaint-related communication.
11. I had/have access to the complaint-related information necessary to make sound choices.

Control/Influence Dimension

1. I have a great deal of control over what happens after I complain.
2. I have significant influence over what happens after I complain.
3. I can influence the way my complaint is handled at MMM Hotel.
4. I can influence complaint-related decisions taken at MMM Hotel.
5. I feel that I had input in the development of the solution to my complaint.
6. I had a greater amount of participation in complaint resolution.
7. I feel very involved in the complaint handling process at the moment.

Competence Dimension

1. I have the capabilities required to handle my complaint.
2. I have the skills and abilities to handle my complaint.
3. I have the competence to handle my complaint.
4. I am confident about my ability to resolve my complaint.
5. I am self-assured about my capabilities to fix my problem.
6. I feel that I can make my own personal decisions regarding my complaint if I want to.

APPENDIX J

DESCRIPTIVE STATISTICS FOR VARIABLES 1 - 39

Table 9.1.: Questionnaire item # 1 accross selected scenarios
(On a scale from 1 to 7, please rate your experience following MMMs service)

	Unhappy						Happy		
Scenario	1	2	3	4	5	6	7	Mean[2]	N
J	0.0[1]	2.2	8.6	7.9	18.0	25.2	38.1	5.70	139
H	1.4	2.9	6.5	12.2	15.1	26.6	35.3	5.58	139
M	0.7	2.9	10.8	11.5	15.8	25.9	32.4	5.46	139
E	2.2	2.2	11.5	12.2	16.5	32.4	23.0	5.28	139
D	3.6	6.5	7.2	16.5	15.1	24.5	26.6	5.13	139
L	10.1	12.9	10.1	15.1	16.5	15.1	20.1	4.41	139
B	15.8	19.4	20.1	20.1	18.0	4.3	2.2	3.27	139
C	15.8	25.2	21.6	17.3	15.1	4.3	0.7	3.06	139
F	26.6	20.9	14.4	17.3	12.2	6.5	2.2	2.96	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*unhappy*) to 7 (*happy*)

Table 9.2.: Questionnaire item # 2 accross selected scenarios
(On a scale from 1 to 7, please rate your experience following MMMs service)

	Pleased						Annoyed		
Scenario	1	2	3	4	5	6	7	Mean[2]	N
J	39.6[1]	25.2	15.8	11.5	4.3	2.9	0.7	2.27	139
M	32.4	24.5	20.1	11.5	9.4	0.7	1.4	2.49	139
H	38.8	22.3	11.5	12.9	7.9	5.0	1.4	2.50	139
E	23.0	29.5	24.5	12.9	6.5	2.2	1.4	2.63	139
D	27.3	26.6	11.5	16.5	10.1	5.0	2.9	2.82	139
L	20.1	18.7	10.8	12.2	14.4	13.7	10.1	3.63	139
B	1,4	6.5	16.5	20.1	19.4	18.0	18.0	4.76	139
C	1.4	4.3	17.3	13.7	24.5	21.6	17.3	4.89	139
F	3,6	7.9	8.6	18.0	19.4	15.8	26.6	4.96	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*pleased*) to 7 (*annoyed*)

Table 9.3.: Questionnaire item # 3 accross selected scenarios
(On a scale from 1 to 7, please rate your experience following MMMs service)

	Content						Discontent		
Scenario	1	2	3	4	5	6	7	Mean[2]	N
J	40.3[1]	23.7	18.0	11.5	5.8	0.7	0.0	2.21	139
H	42.4	17.3	14.4	17.3	3.6	4.3	0.7	2.38	139
M	33.1	22.3	18.0	20.9	3.6	1.4	0.7	2.47	139
E	27.3	24.5	25.9	15.8	4.3	2.2	0.0	2.52	139
D	30.9	19.4	20.1	14.4	5.8	7.2	2.2	2.75	139
L	20.9	20.9	9.4	17.3	11.5	15.1	5.0	3.43	139
B	5,0	7.9	13.7	20.9	16.5	18.7	17.3	4.61	139
C	5.0	5.8	12.2	20.1	21.6	22.3	12.9	4.66	139
F	5.8	7.9	10.8	14.4	24.5	15.8	20.9	4.75	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*content*) to 7 (*discontent*)

Table 9.4.: Questionnaire item # 4 accross selected scenarios
(On a scale from 1 to 7, please rate your experience following MMMs service)

	Despairing						Hopeful		
Scenario	1	2	3	4	5	6	7	Mean[2]	N
H	0.7[1]	5.0	3.6	13.7	13.7	25.9	37.4	5.62	139
J	1.4	5.0	2.9	18.0	15.1	23.0	34.5	5.47	139
M	0.7	2.2	6.5	16.5	26.6	18.7	28.8	5.37	139
E	1.4	1.4	7.9	16.5	19.4	30.2	23.0	5.34	139
D	1.4	5.8	10.8	15.1	14.4	22.3	30.2	5.23	139
L	4.3	13.7	10.1	17.3	17.3	18.0	19.4	4.61	139
B	11.5	21.6	17.3	25.9	14.4	6.5	2.9	3.41	139
C	8.6	20.9	23.0	28.8	13.7	3.6	1.4	3.35	139
F	18.0	20.1	17.3	22.3	12.9	7.2	2.2	3.22	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*despairing*) to 7 (*hopeful*)

Table 9.5.: Questionnaire item # 5 accross selected scenarios
(On a scale from 1 to 7, please rate the behavior of the service provider following your complaint)

	Helpful						Not Helpful		
Scenario	1	2	3	4	5	6	7	Mean[2]	N
H	50.4[1]	25.9	12.9	5.0	2.9	2.9	0.0	1.93	139
J	46.8	23.0	12.2	11.5	4.3	2.2	0.0	2.10	139
E	36.0	27.3	25.2	8.6	2.2	0.7	0.0	2.17	139
M	41.7	25.2	13.7	9.4	6.5	2.2	1.4	2.26	139
D	38.1	26.6	13.7	9.4	9.4	2.9	0.0	2.34	139
L	32.4	21.6	18.0	10.8	9.4	6.5	1.4	2.68	139
F	7.9	8.6	18.0	16.5	15.8	12.9	20.1	4.43	139
C	5.0	7.9	10.8	19.4	18.0	25.2	13.7	4.68	139
B	5.0	3.6	12.9	25.9	15.1	15.1	22.3	4.77	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*helpful*) to 7 (*not helpful*)

Table 9.6.: Questionnaire item # 6 accross selected scenarios
(On a scale from 1 to 7, please rate the behavior of the service provider following your complaint)

	Enthusiasti						Apathetic		
Scenario	1	2	3	4	5	6	7	Mean[2]	N
H	38.1[1]	25.2	20.1	8.6	2.9	4.3	0.7	2.29	139
J	31.7	25.9	21.6	16.5	1.4	2.2	0.7	2.40	139
D	30.2	21.6	18.7	16.5	9.4	3.6	0.0	2.64	139
E	21.6	29.5	26.6	10.8	7.9	1.4	2.2	2.67	139
M	25.9	24.5	20.9	18.0	6.5	2.2	2.2	2.70	139
L	23.7	23.7	19.4	13.7	9.4	7.2	2.9	2.94	139
F	7.2	9.4	15.8	25.2	21.6	10.1	10.8	4.18	139
C	5.8	7.9	15.8	25.2	24.5	12.9	7.9	4.25	139
B	2.9	8.6	15.8	25.2	21.6	15.8	10.1	4.42	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*enthusiastic*) to 7 (*apathetic*)

Table 9.7.: Questionnaire item # 7 accross selected scenarios
(The employee was willing to adapt hotel's complaint handling procedures to satisfy my needs)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	2.2[1]	3.6	2.9	8.6	12.2	33.8	36.7	5.73	139
J	0.7	2.2	6.5	12.2	16.5	24.5	37.4	5.65	139
L	2.2	2.2	5.8	14.4	22.3	15.1	38.1	5.50	139
D	1.4	2.9	4.3	18.0	18.0	24.5	30.9	5.45	139
M	2.2	4.3	7.9	17.3	18.7	30.2	19.4	5.14	139
E	2.2	5.8	5.8	16.5	24.5	26.6	18.7	5.10	139
F	10.8	18.0	14.4	19.4	22.3	9.4	5.8	3.76	139
C	12.2	17.3	13.7	25.2	14.4	12.9	4.3	3.68	139
B	16.5	21.6	18.0	20.1	13.7	7.2	2.9	3.26	139

[1] Valid percent (%)

[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.8.: Questionnaire item # 8 accross selected scenarios
(The employee showed adequate flexibility in dealing with my problem)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.0[1]	2.9	2.9	7.9	15.1	30.2	41.0	5.90	139
J	0.7	1.4	8.6	8.6	14.4	31.7	34.5	5.68	139
D	0.7	5.0	2.2	12.9	20.1	24.5	34.5	5.58	139
L	1.4	5.0	4.3	10.8	18.0	24.5	36.0	5.56	139
E	1.4	2.9	6.5	16.5	21.6	31.7	19.4	5.27	139
M	2.9	5.0	10.1	16.5	20.1	25.9	19.4	5.01	139
F	12.2	13.7	22.3	20.9	10.1	15.1	5.8	3.71	139
C	15.1	19.4	18.7	19.4	12.9	8.6	5.8	3.45	139
B	20.9	22.3	19.4	20.1	12.2	4.3	0.7	2.96	139

[1] Valid percent (%)

[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.9.: Questionnaire item # 9 accross selected scenarios
(I was treated with respect)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.7[1]	2.9	0.0	5.8	12.2	33.1	45.3	6.06	139
J	0.7	1.4	5.0	5.8	20.1	26.6	40.3	5.84	139
D	0.7	5.0	4.3	6.5	15.8	29.5	38.1	5.73	139
M	2.2	3.6	2.2	8.6	20.9	30.2	32.4	5.63	139
E	3.6	1.4	3.6	7.2	21.6	29.5	33.1	5.63	139
L	2.9	2.2	5.0	9.4	18.0	24.5	38.1	5.63	139
F	5.8	7.9	12.2	25.2	20.1	15.1	13.7	4.46	139
C	7.9	12.2	10.1	23.7	14.4	18.7	12.9	4.32	139
B	7.9	10.1	17.3	20.1	18.7	18.7	7.2	4.17	139

[1] Valid percent (%)

[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.10.: Questionnaire item # 10 accross selected scenarios
(The employee seemed to care about me)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.7[1]	2.9	2.9	7.2	15.1	28.1	43.2	5.90	139
J	0.7	2.9	4.3	11.5	15.8	30.2	34.5	5.68	139
M	0.7	4.3	1.4	12.9	18.0	30.2	32.4	5.63	139
E	2.2	2.2	0.7	13.7	20.9	34.5	25.9	5.56	139
D	1.4	4.3	2.2	14.4	14.4	34.5	28.8	5.55	139
L	2.2	5.8	7.2	9.4	20.1	20.9	34.5	5.40	139
C	7.2	7.9	15.8	26.6	18.0	18.0	6.5	4.20	139
F	6.5	12.2	16.5	20.9	19.4	16.5	7.9	4.16	139
B	10.1	15.1	16.5	25.2	15.1	12.2	5.8	3.80	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.11.: Questionnaire item # 11 accross selected scenarios
(The employee listened to what I had to say)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.0[1]	2.9	1.4	4.3	13.7	33.1	44.6	6.06	139
J	1.4	2.9	2.9	8.6	18.0	30.2	36.0	5.73	139
D	0.7	2.2	7.2	12.2	7.9	31.7	38.1	5.72	139
E	1.4	2.9	3.6	5.8	18.0	37.4	30.9	5.72	139
L	1.4	4.3	2.2	10.1	16.5	27.3	38.1	5.71	139
M	1.4	2.2	4.3	7.2	22.3	32.4	30.2	5.65	139
F	8.6	6.5	8.6	21.6	18.7	22.3	13.7	4.57	139
C	5.0	12.9	10.8	20.1	20.9	15.1	15.1	4.45	139
B	9.4	10.1	7.2	20.1	23.7	20.1	9.4	4.37	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.12.: Questionnaire item # 12 accross selected scenarios
(I feel that I was treated rudely)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
M	51.1[1]	23.7	6.5	9.4	4.3	3.6	1.4	2.09	139
H	56.8	17.3	9.4	3.6	5.0	4.3	3.6	2.10	139
J	49.6	20.1	7.9	6.5	7.9	4.3	3.6	2.30	139
D	51.8	14.4	9.4	10.1	6.5	5.0	2.9	2.32	139
E	46.0	23.7	5.0	9.4	7.9	5.0	2.9	2.36	139
L	45.3	18.0	12.9	9.4	4.3	6.5	3.6	2.43	139
F	23.7	16.5	22.3	18.0	9.4	6.5	3.6	3.06	139
C	23.0	19.4	16.5	18.0	10.8	8.6	3.6	3.14	139
B	18.0	20.9	12.9	24.5	8.6	7.9	7.2	3.37	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.13.: Questionnaire item # 13 accross selected scenarios
(Complaining customers have more possibilities to receive information about available complaint-related options from employee)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	1.4	5.8	14.4	20.1	26.6	30.2	5.51	139
J	2.2	5.0	2.9	16.5	23.7	25.2	24.5	5.28	139
L	2.2	3.6	7.2	22.3	18.0	20.1	26.6	5.17	139
D	2.2	3.6	4.3	26.6	21.6	22.3	19.4	5.06	139
E	2.2	4.3	5.8	25.9	19.4	29.5	12.9	4.96	139
M	2.9	7.9	7.2	18.7	24.5	28.1	10.8	4.81	139
F	12.2	10.8	18.0	28.8	18.0	7.9	4.3	3.71	139
C	10.8	14.4	20.9	25.9	13.7	11.5	2.9	3.63	139
B	11.5	16.5	15.8	30.2	15.8	5.0	5.0	3.58	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.14.: Questionnaire item # 14 accross selected scenarios
(Complaining customers have more possibilities to seek out complaint-related ideas from employees)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	2.9	3.6	16.5	19.4	26.6	29.5	5.47	139
J	2.2	2.9	2.2	18.0	25.2	29.5	20.1	5.30	139
L	2.2	3.6	7.9	18.7	20.9	23.0	23.7	5.17	139
D	2.2	4.3	7.2	18.7	25.2	22.3	20.1	5.08	139
E	2.2	3.6	7.2	24.5	27.3	23.7	11.5	4.88	139
M	2.2	7.9	8.6	18.0	27.3	23.7	12.2	4.81	139
F	10.8	12.2	18.7	24.5	20.1	9.4	4.3	3.76	139
C	10.1	15.8	15.1	28.8	17.3	10.1	2.9	3.69	139
B	7.9	20.1	14.4	30.2	19.4	5.8	2.2	3.59	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.15.: Questionnaire item # 15 accross selected scenarios
(Complaining customers have more possibilities to receive helpful complaint-related information from employee)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	0.7	5.8	16.5	18.7	25.9	30.9	5.52	139
L	2.9	4.3	6.5	15.1	21.6	24.5	25.2	5.22	139
J	1.4	5.7	5.8	15.8	23.7	28.8	18.7	5.18	139
D	0.7	3.6	7.9	21.6	22.3	24.5	19.4	5.12	139
E	1.4	5.8	5.0	17.3	32.4	25.9	12.2	5.00	139
M	2.2	7.2	9.4	20.1	22.3	28.1	10.8	4.81	139
F	9.4	9.4	18.7	30.9	20.1	9.4	2.2	3.80	139
C	7.9	18.0	16.5	29.5	14.4	10.8	2.9	3.68	139
B	10.1	19.4	15.1	26.6	17.3	7.2	4.3	3.60	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.16.: Questionnaire item # 16 accross selected scenarios
(Complaining customers have more possibilities to be sought out by employee for customer-known, complaint-related information)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	2.2[1]	1.4	5.0	15.1	23.7	23.7	28.8	5.43	139
J	1.4	3.6	6.5	23.0	17.3	22.3	25.9	5.22	139
L	1.4	3.6	7.2	24.5	20.9	21.6	20.9	5.08	139
D	2.2	5.0	5.0	23.7	21.6	22.3	20.1	5.05	139
E	4.3	5.0	5.8	23.7	24.5	23.7	12.9	4.82	139
M	2.2	6.5	6.5	25.9	28.1	20.1	10.8	4.75	139
F	7.9	15.1	14.4	28.1	19.4	10.8	4.3	3.86	139
C	9.4	13.7	15.8	33.8	12.9	10.1	4.3	3.75	139
B	10.1	18.0	16.5	30.9	13.7	7.2	3.6	3.56	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.17.: Questionnaire item # 17 accross selected scenarios
(I understand/understood the employee's response to my complaint)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.7[1]	2.9	2.9	7.9	17.3	32.4	36.0	5.79	139
D	1.4	3.6	7.2	8.6	17.3	28.1	33.8	5.56	139
L	2.9	2.9	7.2	10.8	18.7	27.3	30.2	5.42	139
J	0.7	5.0	8.6	12.9	14.4	29.5	28.8	5.39	139
E	1.4	3.6	4.3	11.5	30.2	27.3	21.6	5.34	139
M	5.0	4.3	5.0	12.2	23.0	28.1	22.3	5.17	139
F	15.8	15.1	11.5	19.4	23.7	11.5	2.9	3.66	139
C	14.4	15.8	14.4	25.9	14.4	10.8	4.3	3.60	139
B	14.4	25.9	15.8	17.3	12.9	12.2	1.4	3.31	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.18.: Questionnaire item # 18 accross selected scenarios
(The employee told me about the solutions to my complaint I could choose at the hotel)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.0[1]	2.9	3.6	15.8	16.5	25.9	35.3	5.65	139
D	1.4	3.6	7.2	10.1	18.0	23.7	36.0	5.55	139
L	3.6	3.6	8.6	12.9	18.0	25.2	28.1	5.26	139
J	4.3	11.5	5.8	10.1	15.1	25.9	27.3	5.07	139
E	7.2	10.8	10.1	16.5	25.2	15.8	14.4	4.47	139
M	9.4	15.8	9.4	14.4	20.1	19.4	11.5	4.24	139
F	15.8	15.8	17.3	19.4	16.5	9.4	5.8	3.56	139
C	27.3	22.3	13.7	16.5	10.1	7.2	2.9	2.93	139
B	26.6	27.3	14.4	15.8	8.6	4.3	2.9	2.77	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.19.: Questionnaire item # 19 accross selected scenarios
(The employee helped me understand which different complaint-resolution options were available so I could make the best choice)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	2.9[1]	3.6	4.3	11.5	24.5	17.3	36.0	5.47	139
D	1.4	5.8	7.2	15.1	13.7	23.0	33.8	5.38	139
L	4.3	7.9	3.6	15.8	17.3	23.7	27.3	5.14	139
J	3.6	6.5	12.9	11.5	16.5	23.0	25.9	5.04	139
E	6.5	7.2	10.1	22.3	26.6	13.7	13.7	4.51	139
M	7.2	18.0	10.1	21.6	18.7	11.5	12.9	4.13	139
F	15.8	19.4	19.4	23.0	12.9	5.8	3.6	3.29	139
C	25.9	20.1	19.4	17.3	10.1	5.0	2.2	2.89	139
B	30.9	23.0	20.1	14.4	5.0	4.3	2.2	2.61	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.20.: Questionnaire item # 20 accross selected scenarios
(I can obtain complaint-related information upon request)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	2.2	5.0	15.8	20.9	30.2	24.5	5.41	139
L	0.0	5.0	9.4	15.8	18.0	27.3	24.5	5.27	139
J	2.9	3.6	7.9	21.6	15.1	29.5	19.4	5.09	139
D	2.2	1.4	9.4	26.6	20.9	20.1	19.4	5.01	139
E	5.0	5.8	7.2	25.2	27.3	15.1	14.4	4.67	139
M	5.0	4.3	9.4	26.6	24.5	16.5	13.7	4.65	139
F	9.4	14.4	21.6	26.6	18.0	7.2	2.9	3.63	139
C	12.9	17.3	15.8	20.1	20.1	10.1	3.6	3.62	139
B	17.3	23.0	18.0	22.3	12.9	4.3	2.2	3.12	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.21.: Questionnaire item # 21 accross selected scenarios
(There is a free flow of complaint-related information)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	4.3	7.2	17.3	17.3	27.3	25.2	5.27	139
J	1.4	5.8	10.1	15.8	25.2	21.6	20.1	5.03	139
L	1.4	7.2	11.5	12.9	24.5	22.3	20.1	4.99	139
D	2.9	2.9	10.1	28.8	19.4	18.7	17.3	4.84	139
E	4.3	5.8	12.2	25.9	28.1	16.5	7.2	4.46	139
M	5.0	8.6	13.7	25.9	23.0	11.5	12.2	4.37	139
F	10.8	18.7	18.0	27.3	14.4	8.6	2.2	3.50	139
C	19.4	14.4	18.0	28.1	10.8	7.2	2.2	3.27	139
B	19.4	23.0	17.3	26.6	7.9	4.3	1.4	2.99	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.22.: Questionnaire item # 22 accross selected scenarios
(Hotel MMM is characterized by effective complaint-related communication)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	2.2	3.6	17.3	20.1	26.6	28.8	5.47	139
D	0.7	2.2	10.1	18.7	19.4	27.3	21.6	5.22	139
L	2.2	3.6	5.8	22.3	22.3	15.8	28.1	5.19	139
J	1.4	5.8	7.9	23.0	11.5	30.9	19.4	5.08	139
E	2.2	5.8	10.1	22.3	29.5	18.7	11.5	4.73	139
M	5.0	3.6	6.5	28.1	27.3	15.8	13.7	4.71	139
F	15.1	12.9	21.6	25.2	13.7	8.6	2.9	3.47	139
C	16.5	20.1	15.8	23.0	14.4	8.6	1.4	3.30	139
B	15.1	27.3	18.7	23.7	8.6	5.8	0.7	3.04	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.23.: Questionnaire item # 23 accross selected scenarios
(I had/have access to the complaint-related information necessary to make sound choices)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.7[1]	3.6	6.5	18.7	18.7	24.5	27.3	5.34	139
J	2.9	7.2	6.5	20.9	18.0	21.6	23.0	5.01	139
L	2.9	9.4	4.3	17.3	20.9	24.5	20.9	5.01	139
D	1.4	5.8	7.2	23.0	23.0	18.7	20.9	5.00	139
E	3.6	9.4	7.9	25.9	27.3	16.5	9.4	4.51	139
M	5.8	8.6	15.1	23.7	20.1	13.7	12.9	4.37	139
C	15.8	20.9	12.2	23.7	15.8	10.1	1.4	3.39	139
F	15.8	18.7	15.1	27.3	15.1	6.5	1.4	3.32	139
B	18.7	26.6	22.3	18.7	10.8	2.2	0.7	2.86	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.24.: Questionnaire item # 24 accross selected scenarios
(I have a great deal of control over what happens after I complain)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	2.2[1]	0.0	5.0	12.2	21.6	23.7	35.3	5.63	139
J	1.4	1.4	6.5	13.7	18.0	22.3	36.7	5.59	139
L	3.6	3.6	5.0	13.7	20.9	22.3	30.9	5.35	139
D	0.7	4.3	8.6	20.9	19.4	23.7	22.3	5.14	139
E	2.9	11.5	10.1	20.9	27.3	17.3	10.1	4.50	139
M	6.5	12.9	10.1	23.0	22.3	15.8	9.4	4.27	139
F	12.9	15.8	20.1	22.3	18.0	7.9	2.9	3.52	139
C	18.7	18.0	20.9	20.9	10.1	10.1	1.4	3.22	139
B	19.4	28.1	19.4	13.7	12.2	5.8	1.4	2.94	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.25.: Questionnaire item # 25 accross selected scenarios
(I have significant influence over what happens after I complain)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	0.7	2.9	12.9	19.4	26.6	36.0	5.72	139
J	1.4	4.3	6.5	9.4	15.8	24.5	38.1	5.60	139
L	2.9	4.3	5.8	10.8	18.7	29.5	28.1	5.39	139
D	1.4	2.2	8.6	23.0	22.3	18.7	23.7	5.14	139
E	3.6	9.4	8.6	20.9	27.3	18.7	11.5	4.61	139
M	4.3	13.7	10.8	23.0	19.4	16.5	12.2	4.38	139
F	11.5	15.8	22.3	25.2	15.1	6.5	3.6	3.50	139
C	18.0	21.6	18.0	17.3	12.9	10.1	2.2	3.24	139
B	17.3	23.0	23.0	15.1	12.2	7.9	1.4	3.12	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.26.: Questionnaire item # 26 accross selected scenarios
(I can influence the way my complaint is handled at MMM Hotel)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
J	2.2[1]	2.9	5.0	11.5	12.2	27.3	38.8	5.66	139
H	0.7	2.2	5.0	12.2	15.1	31.7	33.1	5.66	139
L	2.2	2.9	4.3	14.4	16.5	26.6	33.1	5.53	139
D	1.4	5.0	5.8	20.9	25.2	20.1	21.6	5.10	139
E	5.0	5.0	12.2	17.3	32.4	19.4	8.6	4.60	139
M	2.9	12.9	8.6	21.6	20.1	22.3	11.5	4.56	139
F	11.5	15.1	20.1	27.3	13.7	9.4	2.9	3.56	139
C	16.5	17.3	20.1	17.3	15.8	8.6	4.3	3.42	139
B	18.0	20.1	22.3	18.7	10.8	7.9	2.2	3.17	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.27.: Questionnaire item # 27 accross selected scenarios
(I can influence complaint-related decisions taken at MMM Hotel)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.7[1]	2.9	2.9	11.5	19.4	33.1	29.5	5.63	139
J	1.4	2.2	5.8	13.7	18.7	30.9	27.3	5.48	139
L	1.4	2.9	2.9	20.1	20.9	25.9	25.9	5.37	139
D	1.4	4.3	5.0	17.3	25.2	26.6	20.1	5.21	139
E	5.8	7.9	9.4	22.3	28.1	15.8	10.8	4.50	139
M	5.8	10.1	11.5	20.1	25.2	17.3	10.1	4.41	139
F	15.1	12.2	18.7	22.3	15.1	14.4	2.2	3.62	139
C	16.5	16.5	17.3	27.3	11.5	7.9	2.9	3.36	139
B	14.4	21.6	19.4	22.3	10.8	9.4	2.2	3.30	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.28.: Questionnaire item # 28 accross selected scenarios
(I feel that I had input in the development of the solution to my complaint)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	2.2	3.6	8.6	19.4	30.9	33.8	5.71	139
J	0.0	0.7	8.6	10.1	18.0	31.7	30.9	5.64	139
L	2.2	2.2	7.9	10.1	24.5	20.9	32.4	5.45	139
D	1.4	5.8	7.9	17.3	20.9	25.2	21.6	5.12	139
E	3.6	7.9	11.5	18.0	28.8	18.0	12.2	4.63	139
M	6.5	14.4	10.1	16.5	24.5	16.5	11.5	4.34	139
C	17.3	14.4	17.3	20.9	17.3	10.1	2.9	3.48	139
F	15.8	18.7	15.1	22.3	15.1	10.8	2.2	3.43	139
B	16.5	28.1	17.3	18.7	11.5	5.0	2.9	3.07	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.29.: Questionnaire item # 29 accross selected scenarios
(I had a greater amount of participation in complaint resolution)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.0[1]	2.2	3.6	10.1	17.3	32.4	34.5	5.78	139
J	0.0	3.6	5.8	10.8	13.7	30.2	36.0	5.69	139
L	2.2	0.7	3.6	14.4	20.1	26.6	32.4	5.59	139
D	2.9	6.5	4.3	16.5	19.4	28.1	22.3	5.17	139
E	4.3	12.2	10.8	20.1	25.2	15.1	12.2	4.44	139
M	5.0	12.9	13.7	19.4	19.4	18.7	10.8	4.35	139
F	15.1	15.8	18.7	22.3	15.8	8.6	3.6	3.48	139
C	18.0	15.1	17.3	24.5	14.4	7.2	3.6	3.38	139
B	20.1	25.9	17.3	15.8	10.8	8.6	1.4	3.03	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.30.: Questionnaire item # 30 accross selected scenarios
(I feel very involved in the complaint handling process at the moment)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.0[1]	2.9	2.2	7.9	19.4	30.9	36.7	5.83	139
J	0.0	2.2	6.5	12.2	19.4	25.2	34.5	5.63	139
L	2.2	2.9	2.9	10.8	20.9	25.9	34.5	5.61	139
D	1.4	5.8	9.4	12.9	23.7	22.3	24.5	5.17	139
E	2.9	11.5	10.1	19.4	26.6	15.8	13.7	4.58	139
M	5.8	9.4	10.1	19.4	28.8	15.1	11.5	4.47	139
F	15.8	20.1	14.4	22.3	11.5	11.5	4.3	3.45	139
C	17.3	21.6	15.1	19.4	12.2	10.8	3.6	3.35	139
B	19.4	22.3	18.7	20.9	10.1	5.8	2.9	3.09	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.31.: Questionnaire item # 31 accross selected scenarios
(I have the capabilities required to handle my complaint)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	2.2	4.3	7.2	21.6	31.7	31.7	5.67	139
J	0.7	2.2	4.3	13.7	19.4	31.7	28.1	5.56	139
L	0.0	3.6	2.9	16.5	20.1	25.2	31.7	5.55	139
D	0.7	3.6	7.9	15.8	20.9	26.6	24.5	5.30	139
E	0.7	4.3	10.8	16.5	27.3	26.6	13.7	5.00	139
M	2.2	4.3	12.2	14.4	23.7	28.8	14.4	4.97	139
C	6.5	11.5	12.2	23.0	23.7	15.1	7.9	4.23	139
F	8.6	7.9	14.4	27.3	18.7	15.8	7.2	4.16	139
B	8.6	16.5	12.9	20.9	20.1	13.7	7.2	3.97	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.32.: Questionnaire item # 32 accross selected scenarios
(I have the skills and abilities to handle my complaint)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.7[1]	2.9	2.2	6.5	26.6	31.7	29.5	5.68	139
L	0.0	3.6	4.3	12.2	20.1	30.2	29.5	5.58	139
J	0.7	3.6	5.8	13.7	18.0	30.9	27.3	5.47	139
D	0.7	4.3	5.8	12.2	23.0	27.3	26.6	5.41	139
E	0.0	5.0	7.9	16.5	27.3	28.1	15.1	5.11	139
M	1.4	4.3	15.8	12.9	24.5	23.0	18.0	4.96	139
C	5.0	10.8	13.7	20.9	22.3	20.9	6.5	4.33	139
F	7.9	10.8	8.6	24.5	23.0	16.5	8.6	4.28	139
B	6.5	12.2	13.7	20.9	23.7	11.5	11.5	4.24	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.33.: Questionnaire item # 33 accross selected scenarios
(I have the competence to handle my complaint)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	0.7	2.9	8.6	18.7	37.4	30.2	5.76	139
J	0.7	1.4	6.5	10.8	15.1	34.5	30.9	5.65	139
L	0.7	1.4	5.0	15.1	22.3	26.6	28.8	5.52	139
D	0.7	2.9	6.5	13.7	22.3	28.1	25.9	5.42	139
M	0.7	2.2	12.2	14.4	27.3	26.6	16.5	5.12	139
E	0.0	4.3	9.4	18.7	25.9	26.6	15.1	5.06	139
C	5.8	12.2	12.9	20.1	19.4	18.7	10.8	4.35	139
F	7.9	7.9	11.5	23.0	26.6	16.5	6.5	4.28	139
B	5.8	14.4	12.9	20.1	24.5	12.2	10.1	4.20	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.34.: Questionnaire item # 34 accross selected scenarios
(I am confident about my ability to resolve my complaint)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.0[1]	2.9	2.2	10.1	17.3	36.0	31.7	5.76	139
J	0.0	2.9	5.0	10.1	21.6	30.2	30.2	5.62	139
L	1.4	2.9	4.3	14.4	23.0	21.6	32.4	5.49	139
D	1.4	2.2	5.8	12.2	23.0	28.8	26.6	5.46	139
M	1.4	2.2	12.9	15.8	24.5	28.8	14.4	5.04	139
E	1.4	5.8	9.4	18.7	24.5	26.6	13.7	4.94	139
F	5.8	15.1	14.4	21.6	21.6	14.4	7.2	4.10	139
C	9.4	12.9	10.1	28.1	18.7	13.7	7.2	4.04	139
B	10.8	14.4	16.5	16.5	19.4	13.7	8.6	3.95	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.35.: Questionnaire item # 35 accross selected scenarios
(I am self-assured about my capabilities to fix my problem)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	1.4[1]	2.2	2.2	8.6	20.9	33.8	30.9	5.71	139
L	1.4	2.2	4.3	14.4	23.0	23.7	30.9	5.50	139
J	1.4	2.2	9.4	10.8	17.3	31.7	27.3	5.45	139
D	0.0	2.9	4.3	15.8	23.0	33.1	20.9	5.42	139
E	1.4	3.6	10.8	20.1	23.7	25.2	15.1	4.97	139
M	3.6	5.8	12.2	17.3	23.7	25.9	11.5	4.76	139
F	6.5	12.9	14.4	20.1	20.9	19.4	5.8	4.17	139
C	7.9	14.4	12.2	23.7	22.3	10.8	8.6	4.05	139
B	10.1	15.8	18.7	19.4	16.5	11.5	7.9	3.83	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.36.: Questionnaire item # 36 accross selected scenarios
(I feel that I can make my own personal decisions regarding my complaint if I want to)

Scenario	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7	Mean[2]	N
H	0.7[1]	1.4	5.0	7.9	15.1	35.3	34.5	5.79	139
L	1.4	2.2	5.0	12.9	18.7	27.3	32.4	5.57	139
J	0.7	2.9	5.0	12.9	18.7	31.7	28.1	5.53	139
D	1.4	5.0	7.2	15.8	23.7	27.3	19.4	5.15	139
E	2.9	7.2	9.4	20.9	23.0	23.7	12.9	4.77	139
M	4.3	6.5	12.9	15.1	28.1	19.4	13.7	4.69	139
C	12.2	11.5	11.5	23.0	18.7	16.5	6.5	4.00	139
F	12.2	13.7	10.1	24.5	20.9	12.9	5.8	3.90	139
B	13.7	20.1	12.2	25.2	10.8	10.8	7.2	3.60	139

[1] Valid percent (%)
[2] Mean ranging from 1 (*strongly disagree*) to 7 (*strongly agree*)

Table 9.37.: Questionnaire item # 37 accross selected scenarios
(How satisfied are you with employee's friendliness?)

Scenario	Totally Satisfied 1	2	3	4	5	6	Very Dissatisfied 7	Mean[2]	N
H	46.8[1]	20.1	9.4	5.8	6.5	7.2	4.3	2.44	139
D	38.1	23.7	10.1	8.6	8.6	7.9	2.9	2.61	139
J	38.8	23.0	8.6	9.4	9.4	5.0	5.8	2.65	139
L	32.4	26.6	10.1	10.1	8.6	9.4	2.9	2.76	139
E	28.8	30.2	7.9	12.2	10.8	5.0	5.0	2.81	139
M	30.9	24.5	10.8	13.7	6.5	8.6	5.0	2.86	139
F	10.1	20.1	10.1	28.8	15.1	10.1	5.8	3.72	139
C	8.6	20.9	12.2	17.3	18.0	12.9	10.1	3.94	139
B	7.9	12.2	15.1	23.7	21.6	13.7	5.8	4.03	139

[1] Valid percent (%)

[2] Mean ranging from 1 (*totally satisfied*) to 7 (*very dissatisfied*)

Table 9.38.: Questionnaire item # 38 accross selected scenarios
(How satisfied are you with employee's empathy?)

Scenario	Totally Satisfied 1	2	3	4	5	6	Very Dissatisfied 7	Mean[2]	N
H	43.9[1]	23.0	8.6	7.9	5.0	5.8	5.8	2.47	139
J	36.0	25.9	7.2	12.2	10.1	2.9	5.8	2.66	139
D	33.1	23.7	10.1	11.5	10.1	8.6	2.9	2.79	139
L	30.9	25.9	12.2	10.8	7.2	10.1	2.9	2.79	139
M	29.5	22.3	15.8	10.8	8.6	8.6	4.3	2.90	139
E	25.2	27.3	14.4	10.8	12.9	5.8	3.6	2.91	139
F	7.9	16.5	15.8	23.7	18.0	10.8	7.2	3.88	139
C	7.2	12.9	18.0	19.4	18.0	14.4	10.1	4.12	139
B	6.5	11.5	11.5	22.3	22.3	11.5	14.4	4.35	139

[1] Valid percent (%)

[2] Mean ranging from 1 (*totally satisfied*) to 7 (*very dissatisfied*)

Table 9.39.: Questionnaire item # 39 accross selected scenarios
(How satisfied are you with employee's courtesy?)

Scenario	Totally Satisfied 1	2	3	4	5	6	Very Dissatisfied 7	Mean[2]	N
H	46.0[1]	20.9	7.9	6.5	7.9	5.8	5.0	2.47	139
D	38.1	23.7	10.8	7.9	10.1	5.8	3.6	2.60	139
J	38.8	20.9	10.8	8.6	10.1	6.5	4.3	2.67	139
L	36.7	23.7	7.9	9.4	9.4	10.1	2.9	2.73	139
E	28.1	29.5	12.2	11.5	11.5	3.6	3.6	2.74	139
M	30.9	23.0	16.5	9.4	9.4	7.2	3.6	2.79	139
F	10.1	17.3	12.2	25.2	17.3	12.2	5.8	3.82	139
C	7.2	17.3	16.5	12.9	21.6	14.4	10.1	4.08	139
B	6.5	12.2	17.3	19.4	21.6	12.9	10.1	4.17	139

[1] Valid percent (%)

[2] Mean ranging from 1 (*totally satisfied*) to 7 (*very dissatisfied*)

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