# Emotional customer experience and value co-creation in the hospitality industry: Insights from customers and managers

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#### **DOCTOR OF PHILOSOPHY**

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**DECLARATION** 

I hereby certify that this material, which I now submit for assessment on the programme of study

leading to the award of Doctor of Philosophy is entirely my own work, and that I have exercised

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Date: 14 July 2020

#### Dedicated to

My aunt Ms Hsiu-Jui Wu and my family - Heng-Chi Yeh, Yu-Hsin Wu, Yun-Ju (Annie) Wu,

Szu-Wei Wu and Szu-Hao Wu

For their unconditional love and unreserved support

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# **Table of Contents**

| DECLARATION  | l   |
|--|-----|
| Acknowledgement  | III |
| LIST OF TABLES   | IX  |
| LIST OF FIGURES  | X   |
| ABSTRACT   | 1   |
| Chapter 1 INTRODUCTION   | 2   |
| 1.1 Research Background  | 2   |
| 1.2 Research Aim, Questions and Objectives                       | 5   |
| 1.3 Research Design  | 7   |
| 1.4 Thesis Structure   | 8   |
| Chapter 2 AN INTEGRATIVE LITERATURE REVIEW                       | 10  |
| 2.1 Emotional Aspect of Customer Experience                      | 10  |
| 2.1.1 Customer experience and its creation                       | 10  |
| 2.1.2 Emotional customer experience based on appraisal theory    | 12  |
| 2.1.3 Emotion triggers and customer behaviours                   | 23  |
| 2.2 Value Creation and Co-creation                               | 29  |
| 2.2.1 Theoretical perspectives in value creation and co-creation | 29  |
| 2.2.2 Value co-creation concept                                  | 34  |

| 2.2.3 Value co-creation outcomes                                | 41          |
|---|-------------|
| 2.3 Three-Dimensional Value Co-creation Framework               | 46          |
| 2.4 Chapter Summary   | 49          |
| Chapter 3 RESEARCH METHODOLOGY                                  | 51          |
| 3.1 Pragmatism Paradigm   | 51          |
| 3.2 Methodology Design  | 52          |
| 3.2.1 Multiple qualitative research methods                     | 52          |
| 3.3 Data Collection   | 54          |
| 3.3.1 Context of the study                                      | 54          |
| 3.3.2 Purposive sampling  | 56          |
| 3.3.3 Research ethics   | 63          |
| 3.4 Data Analysis Procedure                                     | 65          |
| 3.4.1 Thematic analysis   | 65          |
| 3.4.2 The analysis of TripAdvisor customer review data          | 69          |
| 3.4.3 The analysis of interview data                            | 75          |
| 3.5 Quality in Qualitative Research                             | 78          |
| Chapter 4 FINDINGS: EMOTIONAL CUSTOMER EXPERIENCE, TRIGGERS AND | CO-CREATION |
| BEHAVIOURS  | 81          |
| 4.1 Process Dimension: Emotional Customer Experience Typology   | 81          |

| 4.1.1 Positive emotional customer experience                           | 83           |
|--|--------------|
| 4.1.2 Negative emotional customer experience                           | 85           |
| 4.1.3 Ambivalent emotional customer experience                         | 86           |
| 4.1.4 Mixed emotional customer experience                              | 87           |
| 4.1.5 Neutral emotional customer experience                            | 89           |
| 4.1.6 Summary  | 90           |
| 4.2 Phenomenon Dimension: Service- and Customer-related Triggers       | 91           |
| 4.2.1 Service-related triggers   | 91           |
| 4.2.2 Customer-related triggers  | 102          |
| 4.2.3 Emotional customer experience and its triggers                   | 110          |
| 4.2.4 Summary  | 120          |
| 4.3 Outcome Dimension: Customer Co-creation Behaviours                 | 121          |
| 4.3.1 Direct co-creation behaviours                                    | 122          |
| 4.3.2 Indirect co-creation behaviours                                  | 127          |
| 4.3.3 Emotional customer experience and direct customer co-creation be | haviours 130 |
| 4.3.4 Summary  | 135          |
| 4.4 Chapter Summary  | 136          |
| Chapter 5 FINDINGS: VALUE CO-CREATION FROM MANAGERS' PERSPECTIVE       | 137          |
| 5.1 Process Dimension: Co-development and Co-creation                  | 137          |

|      | 5.1.1 Value proposition co-development   | 137 |
|------|--|-----|
|      | 5.1.2 Service experience co-creation   | 141 |
|      | 5.1.3 S.A.L.T.: Key steps of co-development and co-creation mechanisms           | 145 |
|      | 5.2 Phenomenon Dimension: Resource Integration and Value Co-creation Contexts    | 147 |
|      | 5.2.1 Resources  | 147 |
|      | 5.2.2 Value (co-)creation context  | 152 |
|      | 5.3 Outcome Dimension: Building an Ongoing and Trusting Relationship             | 156 |
|      | 5.3.1 Maintaining an ongoing relationship with customers                         | 158 |
|      | 5.3.2 (Re-) building a trusting relationship with customers                      | 160 |
|      | 5.4 Chapter Summary  | 163 |
| Chap | oter 6 DISCUSSIONS   | 165 |
|      | 6.1 Summary of Key Findings  | 165 |
|      | 6.2 New Insights into Emotional Customer Experience                              | 170 |
|      | 6.3 Customer Co-Creation Behaviours and Value Co-Creation with Service Providers | 175 |
|      | 6.4 Refining the Three-Dimensional Value Co-Creation Framework                   | 179 |
|      | 6.5 Chapter Summary  | 182 |
| Chap | oter 7 CONCLUSIONS   | 184 |
|      | 7.1 Achievement of the Research Objectives                                       | 184 |
|      | 7.2 Theoretical Contributions  | 187 |

|     | 7.3 Practical Implications          | . 190 |
|-----|-------------------------------------|-------|
|     | 7.4 Limitations and Future Research | . 192 |
|     | 7.5 Conclusion                      | . 195 |
| REF | ERENCES                             | . 198 |
| APF | PENDICES                            | . 235 |

# **LIST OF TABLES**

| Table 1.1 Research questions and associated objectives                                      |
|---|
| Table 2.1 A systematic synthesis of emotion classifications and descriptors identified from |
| previous hospitality studies  |
| Table 2.2 An integration of hospitality emotion classifications and appraisal dimensions 22 |
| Table 2.3 Summary of emotion triggers in hospitality research                               |
| Table 2.4 Comparison of good-dominant logic and service marketing logic                     |
| Table 3.1 TripAdvisor customer review elements collected                                    |
| Table 3.2 Information on participants and interview duration                                |
| Table 3.3 Thematic analysis procedure   |
| Table 4.1 Hotel Discrete Emotion Set (HDEMOS) with examples and percentage of total emotion |
| count82   |
| Table 4.2 Frequencies of all emotion triggers across emotional customer experience typology |
| and discrete emotions   |
| Table 4.3 Summary of customers' roles, co-creation behaviours and the number of cases       |
| identified  |
| Table 6.1 A summary of key findings   |

# **LIST OF FIGURES**

| Figure 2.1 Examples of positive and negative manifestations of three key appraisal types 16   |
|---|
| Figure 2.2 A conceptual framework for understanding key aspects of emotional customer         |
| experience and resulting co-creation behaviour29  |
| Figure 2.3 Value creation spheres   |
| Figure 2.4 Co-production to co-creation matrix  |
| Figure 2.5 An integration of interactive mechanisms in the value co-creation process 40       |
| Figure 2.6 A three-dimensional value co-creation framework in the hotel industry 47           |
| Figure 3.1 Research design  |
| Figure 3.2 Data collection procedure  |
| Figure 3.3 A comparison of customer review websites   |
| Figure 3.4 Data analysis procedure  |
| Figure 3.5 Profile of customer reviews  |
| Figure 3.6 Structure of the themes and sub-themes derived from customer comments 73           |
| Figure 3.7 Structure of the themes and sub-themes derived from hotel responses                |
| Figure 3.8 Structure of the themes and sub-themes derived from interview transcripts 77       |
| Figure 4.1 The proportion of emotional customer experience evoked by service-related trigger  |
| categories114   |
| Figure 4.2 The proportion of emotional customer experience evoked by customer-related trigger |
| categories  |

| Figure 4.3 Direct customer co-creation behaviours in relation to emotional customer experience |
|--|
| typology132  |
| Figure 5.1 Illustration and scenarios of key steps of adopting co-development and co-creation  |
| mechanisms   |
| Figure 6.1 The refined three-dimensional value co-creation framework                           |

#### **ABSTRACT**

Increased customer involvement in the service process raises a significant challenge for service providers to co-create positive customer experience. This is particularly important for the hospitality industry. Hence, a holistic understanding of customer behaviour is vital for co-creating memorable customer experience and reciprocal value. Despite extensive research on the cognitive aspect of customer experience and traditional customer behaviours (e.g., loyalty and satisfaction), there has been limited focus on and understanding of customers' emotional experience and co-creation behaviours. This research addresses this gap by providing an advanced understanding of customer emotion and co-creation behaviour and identifying important value co-creation opportunities. This is achieved through: (1) developing a new three-dimensional conceptual framework (phenomenon, process and outcome) based on a synthesis of the current literature to guide empirical exploration; (2) a study of 1,063 TripAdvisor customer reviews; and (3) a thematic analysis of six semi-structured interviews with hotel managers.

The study focuses on ten five-star hotels in Dublin (Ireland) to explore customer emotion and value co-creation based on a combined application of appraisal theory and thematic analysis. The customer review analysis is used to identify prominent service- and customer-related emotion triggers. This led to the development of a Hotel Discrete Emotion Set (HDEMOS) and customers' emotional experience typology (i.e., positive, negative, ambivalent, mixed and neutral responses). The analysis also identifies both direct and indirect co-creation behaviours (i.e., co-developing, integrating, reinforcing, diminishing, advising and justice voicing). In addition, examination of interviews with managers and their response to customer reviews highlights hotels' current customer experience management practices. Finally, key opportunities for value co-creation are also identified by integrating lessons from both customer and provider perspectives.

Overall, the thesis contributes to the literature and marketing practices in three main aspects. First, it highlights important areas for service improvement and innovation. Second, it expands on the current, somewhat limited, understanding of emotional customer experience through a nuanced account of hotel-specific discrete and multiple emotions and various co-creation behaviours. This is important to foster the co-creation of positive experience. Third, the lessons from both customers' and providers' perspectives offer more holistic knowledge that facilitates value co-creation. Finally, the research findings also offer important insights into the hospitality industry and the growing Irish tourism market.

Keywords: customer emotional experience; customer co-creation behaviour; value co-creation; hotel

## **Chapter 1 INTRODUCTION**

#### 1.1 Research Background

Customer experience is defined in terms of customers' multi-dimensional (e.g., cognitive, emotional, physical, sensorial and social) responses to interactions with a service provider throughout their consumption journey (Lemon and Verhoef 2016). A growing body of literature advocates that memorable customer experience needs to be co-created *with* customers (Prahalad and Ramaswamy 2004a, MSI 2014, Chathoth *et al.* 2016). With increasing customer involvement in service production and consumption processes (e.g., personalised Starbucks coffee, Lego ideas), customers have more opportunities to co-create better experiences through direct interactions with service providers (Ranjan and Read 2014). Such customer involvement also brings new challenges for service providers to create and manage customer experience within service settings (MSI 2016). As such, understanding and co-creating positive customer experience has been identified as one of the emerging research priorities (MSI 2014, Ostrom *et al.* 2015).

Value co-creation refers to joint collaboration processes that result in shared outcomes between customers and service providers (Prahalad and Ramaswamy 2004a, Grönroos and Voima 2013). These processes allow customers' active participation in service interactions in order to generate reciprocal value (Prahalad and Ramaswamy 2004a). Customers, in this context, are regarded as value co-creators who determine value based on their experience of service interactions (Prahalad and Ramaswamy 2004b, MSI 2016). Such value determination is referred to as value-in-experience (Vargo and Lusch 2008). Value-in-experience emphasises that value is not purely co-created from the resource integration within a service setting, but is also formed and manifested in various visible and invisible contexts (e.g., physical, social, and virtual). Thus,

service providers do not have full control over such value creation. Moreover, customers' multiple roles, such as father and/or businessman, and the social context influence their interpretation of value and how value is formed (e.g., Edvardsson *et al.* 2011, Helkkula *et al.* 2012). Instead of working alone, service providers are now making more effort to collaborate with customers on co-creating better service experience (Wu *et al.* 2018).

In comparison to the cognitive aspect of customer experience, emotional customer experience has received limited attention (De Keyser *et al.* 2015). Customers' emotional experience is generated following a cognitive appraisal of an interaction with a service provider (Bagozzi *et al.* 1999). Positive emotional experience is likely to last for an extended period of time in customers' memories and affect their future decision-making (Brakus *et al.* 2009, Tronvoll 2011). Several studies have also demonstrated that emotional experience has impacts on customer satisfaction, loyalty and purchasing behaviours (Van Dolen *et al.* 2001, Zhang *et al.* 2018). For example, high-intensity emotions have a significant influence on customer satisfaction (Van Dolen *et al.* 2001). As highlighted, these impacts are particularly significant in the context of hospitality services (Ladhari 2009, Jani and Han 2015).

The hotel industry is an experience-centric and high human interactions market (Tronvoll 2011). As distinct from other service industries, the hospitality sector involves service interactions that take place in a mixture of public and private domains. For hospitality staff, there is a thin line between being hospitable and being intrusive (Delpechitre *et al.* 2018). Thus, the co-creation of pleasant customer experience in the hotel sector involves more challenges than in other service sectors (Bastiaansen *et al.* 2019). Hotel services provide not only functionality, but also pleasure and hedonic experience derived from service interactions (Walls *et al.* 2011a, Jani and Han 2015). Within the hospitality context, a wide range of operand and operant resources are used to 'co-create' experience with customers. These resources include various physical materials (e.g., furniture and toiletries) as well as IT systems, operation processes and human resources

(Chathoth *et al.* 2016). That is, the wide range of hotel services and service interactions involve complex sources that trigger customers' emotional experience (Ottenbacher and Harrington 2010). A deep understanding of customer emotion and its triggers can therefore provide valuable insights into the design of service settings to help enhance future customer experience. Such understanding is especially regarded as a critical driver of service innovation and business growth in the hospitality industry (Kandampully *et al.* 2014, Hwang and Seo 2016).

Previous research suggests that emotional customer experience and its triggers can vary significantly depending on service contexts (Gentile *et al.* 2007, Walls *et al.* 2011a). For example, both positive (e.g., happiness) and negative (e.g., worry or frustration) emotions can be evoked by experiences of medical treatment in the health service context. In contrast, through interpersonal interactions, hospitality services are more likely to evoke pleasant emotions (Otto and Ritchie 1996, Pullman and Gross 2004). Recent studies suggest that positive emotions also encourage customers to spread (e)WOM about their hotel experience to help others' decision-making and to engage in co-creative activities (Wen *et al.* 2018, Zhang *et al.* 2018). Subsequently, prospective customers will tend to make hotel reservation based on online reviews and information (Solnet *et al.* 2010). These findings highlight the important role of customers' emotional experience in influencing their co-creative behaviour such as repurchasing, (e)WOM referrals, and affecting and helping others.

Customer co-creation behaviours incorporate customers' constructive participation and engagement with a service provider in both offline and online channels. Scholars suggest that customer co-creation behaviours can be observed through customers participating in service interactions and devoting certain resources based on a trusting relationship with a service provider (van Doorn *et al.* 2010). However, such behaviours do not always create reciprocal value for both customers and service providers (Chan *et al.* 2010, Echeverri and Skålén 2011). Chathoth *et al.* (2014) indicate that value co-creation with customers continues to encounter several

barriers in the hotel industry (e.g., customer perception, organisational culture and technology), even in renowned high-end hotels. In particular, customers stay in a hotel to 'enjoy' hedonic experiences rather than 'co-creating' better experience. Much research is needed to investigate how customer emotion influences customers' co-creation behaviour.

#### 1.2 Research Aim, Questions and Objectives

Previous studies have focused on the cognitive aspect of customer experience and traditional customer behaviours, such as satisfaction and loyalty (e.g., Klaus and Maklan 2012, Xiang *et al.* 2015). Various hospitality studies have demonstrated the importance of emotional customer experience (Crosby and Johnson 2007, Ladhari 2009, Jani and Han 2015, Bastiaansen *et al.* 2019) and its context-specific nature (Gentile *et al.* 2007, Lo and Wu 2014). Hospitality research emphasises that emotionally engaged customers not only spend more money but also have high life-time value potential (Bijmolt *et al.* 2010, Timmerman and Yu 2014, Bilro *et al.* 2019). However, these studies did not explain clearly how customer emotions can encourage customers to spend more and offer firms greater value. A focused investigation of customers' emotion and its triggers can help service providers to better co-create pleasant experience with customers (Torres *et al.* 2014, De Keyser *et al.* 2015, Delpechitre *et al.* 2018). Further, an exploration of the role of customer emotion in customer creation behaviour will then facilitate value co-creation between customers and service providers.

With a particular focus on the hospitality literature, four critical research gaps have been identified as follows. First, the majority of hospitality studies have only examined the impact of service-related factors on customers' binary (e.g., positive and negative) emotions (e.g., Laros and Steenkamp 2005, Ryu and Jang 2007, Liu and Jang 2009, Jani and Han 2015, Balaji *et al.* 2017, Ribeiro and Prayag 2019). Recent studies demonstrate that customers experience multiple emotions during a service interaction (e.g., Maguire and Geiger 2015, McColl-Kennedy *et al.* 2017). These studies reveal the need for a deep investigation into customers' discrete emotions

and emotional variation during service interactions in the hotel industry.

Second, previous hospitality research has predominantly focused on emotion triggers within providers' service settings, such as the physical environment and ambience (e.g., Torres and Kline 2013, Ali *et al.* 2016, Ribeiro and Prayag 2019). The complexity of hotel services indicates that customer emotions can be evoked by triggers originating from both service providers and customers (e.g., staff, environment, trip-related factors) (Walls *et al.* 2011a). In addition, several hospitality studies on customer emotions have not reached a consensus about the key factors which trigger emotions (e.g., Ryu and Jang 2007, Liu and Jang 2009, Lin and Liang 2011, Jani and Han 2015, Ribeiro and Prayag 2019). A more holistic investigation that takes into account customer-related factors is therefore needed. Service providers could then better accommodate customers' individual situations in a way that leads to positive emotional experience.

Third, while the effect of customer emotional experience on traditional customer behaviours (e.g., loyalty, purchasing) is well understood, little attention has been paid to its effect on cocreation behaviour, such as (e)WOM referrals and sharing creative ideas. In particular, prospective hotel customers tend to make booking decisions based on online reviews, feedback and WOM (Solnet *et al.* 2010). These tendencies highlight the importance of exploring if and how customer emotions influence customer behaviours and how those behaviours help other potential customers' decision-making and hotels' service improvement. A better understanding of this effect could facilitate service interactions between service providers and customers. Through customer co-creation behaviours, service providers have opportunities to learn from and communicate with customers, and thus co-create pleasant experience (Lemon and Verhoef 2016, MSI 2016).

Last, an increasing number of studies has highlighted positive outcomes of value co-creation with customers (Vargo and Lusch 2004, 2008, Ballantyne *et al.* 2011, Perks *et al.* 2012). However, researchers have also cautioned against the potential negative implications of value co-creation

when customers and service providers do not share similar views (Sandström *et al.* 2008, Echeverri and Skålén 2011). The barriers of value co-creation remain in the hotel industry (Chathoth *et al.* 2016). An investigation of value co-creation from the perspectives of both customers and service providers could offer new insights to guide hotel practitioners to better engage customers in service interactions.

This study aims to provide an enhanced understanding of emotional customer experience in order to facilitate value co-creation in the hotel industry. To achieve this, four key research questions and associated objectives are identified (Table 1.1).

Table 1.1 Research questions and associated objectives

| Research Questions   | Research Objectives  |
|--|--|
| Q1: What emotions do customers experience during their hotel stay?                                   | OB-A: To identify different emotions that customers might experience               |
| Q2: What are the triggers that evoke customer emotions?  | OB-B: To identify the triggers that evoke those customer emotions                  |
| Q3: Does emotional customer experience contribute to customer co-creation behaviours, and if so how? | OB-C: To examine how emotional customer experience leads to co-creation behaviours |
| Q4: How do service providers respond to customer co-creation behaviours?                             | OB-D: To explore current practices of customer experience management.              |

#### 1.3 Research Design

Qualitative research methods are employed to explore emotional customer experience and value co-creation from the perspectives of both customers and service providers. This study focuses on ten five-star hotels in Dublin (Ireland) due to the country's growing tourism market and significantly increased number of both international and domestic tourists since 2015 (Fitzpatrick Associates 2016). Two qualitative research methods were used. First, content analysis of 1,063 TripAdvisor customer reviews was conducted to capture emotional customer experience typology, emotion triggers and subsequent customer co-creation behaviours. Second, six semi-structured interviews with hotel managers were conducted to investigate current value

co-creation practices in hotels. A combined thematic analysis and appraisal theory were used to identify key themes from the customer review and interview data in order to provide a more holistic understanding of how emotional customer experience and co-creation behaviour facilitate value co-creation. The qualitative data analysis software, Nvivo 11, was used to organise, manage and analyse the large amount of textual data.

#### 1.4 Thesis Structure

**Chapter 1** offers the overall research background of the theoretical and industrial contexts of this study, including identifying research gaps and defining the aim and objectives. It also outlines the research methods and processes.

**Chapter 2** presents a synthesis of the literature review on value co-creation, emotional customer experience and customer co-creation behaviours, with a particular focus on hospitality studies. It also presents a conceptual three-dimensional value co-creation framework based on the review.

Chapter 3 provides an explanation and justification of the research methodology used in this study. The research paradigm is discussed in terms of how it underpins the researcher's philosophical position and informs the research design and methodology. The rationales for conducting a study of customer reviews and utilising semi-structured interviews are discussed along with other details concerning sampling methods, the design of the interview guide and the data collection procedure. This chapter also outlines the analysis process and ethical considerations in this study.

**Chapter 4** principally reports on the findings derived from a study of TripAdvisor customer reviews. An emotional customer experience typology, which integrates emotion triggers and customer co-creation behaviours, is developed to provide new insights into the role of customer emotion in value co-creation.

**Chapter 5** demonstrates the findings derived from the analysis of both hotel responses on TripAdvisor and the manager's interview transcripts. An updated understanding of the service providers' current customer experience management practices is presented.

**Chapter 6** discusses further key findings from the perspectives of both providers and customers in relation to the existing literature, to explore the opportunities for co-creating reciprocal value. The conceptual framework is also further refined, based on the empirical observations.

**Chapter 7** summarises the key findings and contributions of the study. The implications for management are also provided. A reflection on the research limitations is discussed to highlight potential opportunities for future research.

## **Chapter 2 AN INTEGRATIVE LITERATURE REVIEW**

The chapter provides a theoretical background for this study based on a synthesis of the literature on current understanding of emotional customer experience, customer behaviour and value co-creation with a special focus on the hospitality industry. The study applies the service logic as the theoretical lens through which the boundary of this research is defined, as elaborated in this chapter.

The chapter starts with discussing various aspects of the concept of customer experience, more specifically focusing on the emotional aspect of customer experience. This is followed by a discussion of application of appraisal theory in examining emotional customer experience in the hospitality industry. Then, following the service logic perspective, value co-creation concept is then defined and explored in terms of three key characterisations of customer experience co-creation, namely phenomenon, process and outcome. Finally, these three characterisations are used to develop a value co-creation framework, which is then applied for further investigation within this study.

#### 2.1 Emotional Aspect of Customer Experience

#### 2.1.1 Customer experience and its creation

The concept of customer experience has evolved over time. The earlier literature suggests that customer experience is generated within service settings (e.g., Bitner 1992, Pine and Gilmore 1999, Berry *et al.* 2002). Service providers manage these settings by strategically arranging both tangible and intangible elements, such as physical environment, service process and service staff, to improve customer experience (Teixeira *et al.* 2012). Later, the conceptualisation of customer experience has developed to consider customers' responses to both direct and indirect interactions with service providers (Meyer and Schwager 2007, Klaus and Maklan 2013). Direct

interactions generally occur under service providers' management. Indirect interactions mostly involve either one-way communication (e.g., advertisement) or unplanned encounters, such as customers learning about negative comments of other customers (Meyer and Schwager 2007).

The term has now evolved to a much more complex concept that takes into account customers' multidimensional responses: cognitive, emotional, behavioural, sensorial, and social (De Keyser et al. 2015). These dimensions are interrelated (Gentile et al. 2007). For example, customers' social roles (e.g., a mother, a scholar) could affect their cognitive assessment of service interactions (Edvardsson et al. 2011, Chandler and Lusch 2015). Moreover, these dimensions may vary by service contexts (Walls et al. 2011b). For example, customers' emotional experience in a health service context can be significantly different from a hospitality service. Due to this evolving and complex conceptualisation of customer experience, recent studies have urged an in-depth understanding of its creation and impacts on customer behaviour (MSI 2014, Ostrom et al. 2015, Lemon and Verhoef 2016).

Helkkula (2011) identified three characterisations of the concept of customer experience in the literature: phenomenological, process-based and outcome-based. Each of them will now be discussed. From a phenomenological viewpoint, studies have focused on examining customers' individual interpretation of service settings and encounters (Bitner 1992, Schmitt 1999, Grewal et al. 2009). Based on customers' evaluation of service settings, Teixeira et al. (2017) propose a comprehensive approach to designing multiple service elements that can improve customer experience. However, scholars have challenged such an element-arrangement view of customer experience (e.g., Helkkula et al. 2012, Chandler and Lusch 2015). They note that customers' evaluation of service settings and interactions can be subjective and influenced by their social background. These studies further highlight that understanding elements which were not sufficiently emphasised such as social role and background is also essential to create a better customer experience.

The process-based studies explore how customer experience is formed through interactions with service providers throughout the 'customer journey'. Customer journey contains three main stages of interactions: pre-encounter, encounter and post-encounter (Berry et al. 2002). These interactions may, for example, include making an inquiry online, shopping in retailers, and acquiring after-sales service, respectively (Puccinelli et al. 2009). The subjective and interactive nature of customer experience often makes it difficult for service providers to fully control and duplicate (Zomerdijk and Voss 2010, Helkkula et al. 2012). This poses a key challenge for service providers in delivering improved customer experience. Prahalad and Ramaswamy (2004a) recommend service providers to 'co-create' a memorable experience with their customers instead of just 'selling' service experience to customers. However, there has been limited effort in the literature to date to explain how to co-create a better experience with customers.

In contrast, outcome-based studies explore the causes and consequences of customer experience (e.g., Oh *et al.* 2007, Ariffin and Maghzi 2012, Walls 2013). Most of these studies examine how customers' cognitive experience affects their satisfaction (Wu and Liang 2009, Yu *et al.* 2017) and behavioural intention (e.g., loyalty) (Brakus *et al.* 2009, Yu *et al.* 2017). Limited attention has been given in this approach though to emotional customer experience and cocreation behaviours. An increasing number of studies have called for consideration of this emotional aspect of customer experience (Edvardsson 2005, Lemon and Verhoef 2016, MSI 2016). Previous studies also point out that emotional customer experience can create a long-term memory and bond between customers and service providers (Pine and Gilmore 1999, Zomerdijk and Voss 2010). It also has significant impacts on customer satisfaction and behaviour (Ladhari 2009, Gracia *et al.* 2011). The next section discusses the emotional aspect of customer experience in more detail.

#### 2.1.2 Emotional customer experience based on appraisal theory

Customer emotion is derived from a cognitive evaluation of service interactions with service

providers (Bagozzi *et al.* 1999). There are three broad theoretical approaches to assess emotions in the literature. The first is the bipolar dimensional approach that applies different bipolar dimensions to distinguish emotions (Mehrabian and Russell 1974, Morrison *et al.* 2011). The second is the categorical approach that focuses on the classifications and semantic expression of emotions (Plutchik and Kellerman 1980, Izard 1992). The third is appraisal theory which explores discrete emotions in relation to the evaluation of the social environment, which then leads to different behavioural responses (Lazarus 1991).

Bipolar dimensional approach. This approach suggests that emotions can be measured in binary terms, where the dimensions may be positive versus negative, or high versus low levels of arousal, for example (Bagozzi et al. 1999). Emotion terms can be defined as a combination of the degree of pleasure and degree of arousal (Russell 1980). For example, excitement is defined as a combination of high levels of both pleasure and arousal whereas contentment is depicted as a combination of high level of pleasure and low level of arousal. The assumption is that an emotion is a comparative reflection of different bipolar dimensions. Models based on this approach include the Stimulus-Organism-Response (S-O-R) paradigm (Mehrabian and Russell 1974) and the Circumplex model (Russell 1980, Watson 1985). The S-O-R paradigm has been applied in hospitality studies to identify primary environmental stimuli and to predict customer behaviours, such as purchasing behaviour, perceived value and loyalty (e.g., Desmet et al. 2009, Jang and Namkung 2009, Liu and Jang 2009, Jani and Han 2015). These studies tend to overlook extensive human interactions between customers and service staff, however, which also affect customer emotions (Anninou 2018). A paradigm that incorporates such types of human interaction is more appropriate to assess customer emotions in the context of hospitality services.

**Categorical approach.** This approach has been used to develop a basic set of emotions from cross-cultural studies. Examples of emotion sets typify this approach include the Emotions

Profile Index<sup>1</sup> (Plutchik and Kellerman 1980), the Differential Emotion Scale<sup>2</sup> (Izard 1992) and the Standardised Emotional Profile.<sup>3</sup> (Batra and Holbrook 1990). Customer emotions vary depending on contexts (Pullman and Gross 2004). Critics of this approach have argued that emotion classifications developed from life survival encounters (i.e., Emotions Profile Index), life experience (i.e., Differential Emotion Scale) and advertisements (i.e., Standardised Emotion Profile) are inadequate to explain customer emotions related to consumption experience (Richins 1997, Han and Back 2008). This suggests the need for a context-specific emotion classification to better understand customer emotions.

The Consumption Emotion Set (CES) proposed by Richins (1997) captures those emotions experienced directly in the course of product consumption, and it has been widely used in consumer behaviour studies (e.g., Lee and Song 2010, Maguire and Geiger 2015, Surachartkumtonkun *et al.* 2015). However, studies demonstrate that emotion terms such as 'sexy', 'panicky', and 'afraid' as listed in the CES are unlikely to be used in situations of service consumption (Han and Back 2008, Han *et al.* 2010). Huang (2001) also criticised that the CES mainly includes emotions related to product consumption. These debates highlight that the CES does not take account of service encounters where service staff, other customers and environmental factors are also involved. Barsky and Nash (2002) have adopted the Market Matrix Hotel Emotion Scale to study customer emotions specifically in hotels. However, Lo (2010) questioned whether emotion terms such as 'cool', 'elegant', and 'sophisticated' in their study are more appropriate to describe a person's attitude and perception, rather than his/her discrete

<sup>&</sup>lt;sup>1</sup> The Emotions Profile Index contains eight types of primary human emotions during life survival encounters: fear, anger, joy, sadness, acceptance, disgust, expectancy and surprise.

<sup>&</sup>lt;sup>2</sup> The Differential Emotion Scale captures ten types of common emotions in life experience: joy, surprise, anger, disgust, contempt, shame, guilt, fear, interest, and sadness.

<sup>&</sup>lt;sup>3</sup> The Standardized Emotional Profile is explicitly designed to describe emotional responses to advertisements, and it includes twelve emotion classifications: activation, scepticism, anger, restful, bored, fear, desire, social affection, gratitude, sadness, irritation, surgency.

emotions. A hospitality emotion set that incorporates various interactions with the physical environment, service staff and other fellow customers is still not fully developed.

It has been argued that the two foregoing theoretical approaches have significant limitations, in that the first approach is restricted to examining nuanced emotional changes in service interactions, while the latter is mainly limited to the communication of emotions (Weiner 1985, Lazarus 1991, Johnson and Stewart 2005). Addressing these limitations, appraisal theory offers a foundation for identifying triggers of customer emotions and subsequent behavioural tendencies (Nyer 1997, Ruth *et al.* 2002), as discussed below in more detail.

Appraisal theory. Emotion is a mental state resulting from a cognitive appraisal that leads to certain behavioural responses (Lazarus 1991). Appraisal here is a process through which an individual evaluates a change of circumstances in relation to one's goals that eventually results in a discrete emotion (Bagozzi et al. 1999). An appraisal process contains multiple evaluative dimensions such as goal congruency, motivation, pleasantness, agency or control (Smith and Ellsworth 1985, Johnson and Stewart 2005). However, there are more similarities than differences among the identified appraisal dimensions (Watson and Spence 2007). For example, goal congruency is also perceived to be an individual's evaluation of outcome desirability, which is called the pleasantness dimension (Smith and Ellsworth 1985, Nyer 1997). Consequently, a number of studies have selected outcome desirability and agency as the two dominant appraisal dimensions, and these explain most discrete emotions (e.g., Ruth et al. 2002, de Hooge 2017). The outcome desirability dimension refers to individuals' evaluative process of goal congruence in relation to their motivation; the agency dimension is related to their appraisal of responsibility and ability to control service interactions (Watson and Spence 2007).

The outcome desirability dimension is comprised of two sub-dimensions: goal congruence and motivation. Goal congruence refers to individuals' evaluation of service outcomes as they related to personal needs and goals (Lazarus 1991). Usefulness, pleasantness, and rightfulness appraisal

(Figure 2.1) are the three main criteria customers use to evaluate whether service interactions fulfil their needs and make them better-off (Desmet 2010). A congruent goal leads to a positive emotion while an incongruent goal results in a negative emotion.



Figure 2.1 Examples of positive and negative manifestations of three key appraisal types (Adapted from Desmet 2010)

Customers' motivation indicates whether a goal focuses on achieving a positive outcome (i.e., appetitive motivation) or avoiding a negative outcome (i.e., aversive motivation) (Higgins 1997). For example, frustration is a result of an incongruent goal with an appetitive motive (e.g., I wish to enjoy my hotel stay, but it is not possible). Relief, in contrast, emerges from a congruent goal with an aversive motivation (e.g., I do not want to miss my flight due to a long queue at the checkout. Fortunately, the hotel provides an express checkout service, which allows me to catch my flight) (Anninou 2018).

The agency dimension above refers to an evaluation of 'who' or 'what' is responsible for the result of a given situation (Ruth *et al.* 2002). The responsible party could be oneself, other people, an object, or an event. For example, anger is caused by others, but shame is a self-agency emotion (Agrawal *et al.* 2013). Agency also includes a sub-dimension related to controllability, meaning whether one has control over a service interaction (Ruth *et al.* 2002). For example, frustration is more likely to be caused by a particular circumstance, over which an individual has no control.

In addition to the two primary appraisal dimensions, emotional intensity refers to the extent to which the situation meets expectations or a desirable outcome (Clore and Ortony 2000). Individuals encounter every situation with idiosyncratic perspectives based on their unique sensations, expectations and goals (Surachartkumtonkun *et al.* 2015). In other words, customers' emotions elicited and intensities can differ for the same service interaction (Desmet 2010, Wen *et al.* 2018).

Recent appraisal studies suggest that emotions are more appropriately regarded as 'emotion episodes' (Moors *et al.* 2013, McColl-Kennedy *et al.* 2017). An emotion episode depicts a continuous and recursive appraisal process of how customers evaluate changes (Moors *et al.* 2013). Further, Maguire and Geiger (2015) capture such continuous emotional changes in various service contexts by using a mobile phone diary method. They suggest that a single service interaction could trigger more than one emotion. In comparison, the majority of hospitality studies have utilised a survey method to examine the relationship between the causes and consequences of customer emotions (e.g., Ryu and Jang 2007, Liu and Jang 2009). These survey studies do not take account of the continuous and recursive aspect of emotion episodes. A nuanced understanding of emotional changes is needed to offer new insights into emotional customer experience. The present study is intended to capture such nuanced understanding of emotional customer experience.

To summarise, there are three major deficiencies in emotion studies within the hospitality context. First, several hospitality studies have applied an S-O-R paradigm primarily to identify environmental stimuli (e.g., Desmet *et al.* 2009, Jang and Namkung 2009, Liu and Jang 2009, Walsh *et al.* 2011, Jani and Han 2015). These studies neglect extensive human interactions, which are generally important in hospitality services. Second, the types of emotion differ by consumption contexts. To date, there is little consensus on an emotion classification in the hospitality literature. Third, emotions were often treated as either pleasant or unpleasant in

many hospitality studies (e.g., Ryu and Jang 2007, Jang and Namkung 2009, Lo 2010, Jani and Han 2015). Discrete emotions and multiple changes of emotion during a single service interaction are not fully explored. These deficiencies highlight the need for further exploration of customers' idiosyncratic emotions in the hotel industry.

To address these deficiencies, this study summarises a hospitality emotion classification based on the CES (Table 2.1) based on a comprehensive review of the hospitality literature. Further, Table 2.2 integrates appraisal dimensions with the summarised classifications in Table 2.1. The synthesis (Table 2.2) shows how emotions result from appraisal dimensions that allow exploration of emotional customer experience in more detail. For example, joy is evoked by a congruent goal through self-agency. A possible hotel scenario could be: a customer feels joyful because the chosen hotel meets his/her appetitive motivation to have a comfortable stay.

Table 2.1 A systematic synthesis of emotion classifications and descriptors identified from previous hospitality studies

|                                  |   | Hospitality Emotion Classification  |  |
|----------------------------------|---|---|--|
| Positive<br>Emotion              | Love/loving, sentimental, warm-hearted, romantic, passionate; Peacefulness/calm, peaceful, relaxed; Contentment/contented, fulfilled satisfied; Optimism/optimistic, encouraged, hopeful, anticipated; Gratitude/grateful, appreciated; Joy/ proud, happy, pleased, joyfudelighted, cheerful, Excitement/excited, thrilled, enthusiastic; Pleasant Surprise/surprised, amazed, astonished; Relief |   | pleased, joyful;   |
| Negative<br>Emotion              | Sadness/depressed, sad,   | <ul> <li>irritated, annoyed; Discontent/unfulfilled, discontented, dissatisfied; Worry/nervous, v</li> <li>miserable, distressed, upset; Fear/scared, afraid, panicky; Shame/embarrassed, ashamed, hur</li> <li>Dinted, Displease/displeased, unhappy, disgusted</li> </ul>   | •  |
| Previous<br>Studies              | Theoretical Model   | Emotions Classifications/Phrases  | Context  |
| Richins (1997)                   | Categorical theory  | Anger/frustrated, angry, irritated; Discontent/unfulfilled, discontented; Worry/nervous, worried, tense; Sadness/depressed, sad, miserable; Fear/scared, afraid*, panicky; Shame/embarrassed, ashamed, humiliated; Envy*/envious, jealous; Loneliness*/lonely, homesick; Romantic love/sexy*, romantic, passionate; Love/loving, sentimental, warmhearted; Peacefulness/calm, peaceful; Contentment/contented, fulfilled; Optimism/optimistic, encouraged, hopeful; Joy/happy, pleased, joyful; Excitement/excited, thrilled, enthusiastic; Surprise/surprised, amazed, astonished; Guilty; Proud; Eager*; Relieved | consumption<br>context<br>(mainly<br>product<br>consumption) |
| Edwardson<br>(1998)              | Categorical theory  | <u>Pleasant emotions:</u> Anticipation; Content; Excited; Happy; Relaxed; Warm*; Welcome*<br><u>Unpleasant emotions:</u> Angry; Annoyed; Disappointed; Embarrassed; Frustrated; Impatient*  | hospitality<br>sector  |
| Barsky and<br>Nash (2002)        | Not specified   | Comfortable*; Content; Elegant*; Entertained*; Excited; Extravagant*; Hip or cool*; Important*; Inspired*; Pampered*; Practical*; Relaxed; Respected*; Secure; Sophisticated*; Welcome*   | hotel  |
| Laros and<br>Steenkamp<br>(2005) | Categorical theory  | <u>Positive Emotions:</u> Contentment/contented, fulfilled, peaceful; Happiness/optimistic, encouraged, hopeful, happy, pleased, joyful, relieved, thrilled, enthusiastic <u>Negative Emotions:</u> Anger/anger, frustrated, irritated, hostility, unfulfilled, discontented; <u>Fear</u> /scared, afraid, panicky, nervous, worried, tense; <u>Sadness</u> /depressed, sad, miserable, helpless, nostalgia, guilty; <u>Shame</u> /embarrassed, ashamed, humiliated   | daily grocery<br>shopping                                    |
| Desmet et al.                    | S-O-R model adopting  | Pleasant Emotion: Satisfaction; Joy; Pride; Admiration*; Attraction*; Fascination*; Hope*   | hotel  |

| (2009)                             | emotion classification<br>from Ekman, 1994;<br>Lazarus, 1991; Ortony et<br>al., 1988                                   | <u>Unpleasant Emotion:</u> Dissatisfaction; Aversion*; Boredom*; Sadness; Fear; Shame; Contempt*   |                       |
|------------------------------------|--|--|-----------------------|
| Jang and<br>Namkung<br>(2009)      | S-O-R model adopting<br>Differential Emotion Scale   | Positive Emotions: Joy/joyful, pleased, romantic, welcoming*; Excitement/excited, thrilled, enthusiastic; Peacefulness/comfortable*, relaxed, at rest*; Refreshment*/refreshed*, cool*;  Negative Emotions: Anger/angry, irritated; Distress/frustrated, disappointed, upset, downheartedness*; Disgust/disgusted, displeased, bad*; Fear/scared, panicky, unsafe*, tension*; Shame/embarrassed, ashamed, humiliated | restaurant            |
| Liu and Jang<br>(2009)             | S-O-R model adopting<br>emotion classification<br>from Izard, 1977; Ladhari<br>et al., 2008; Jang and<br>Namkung, 2009 | <u>Positive Emotions:</u> Pleasure; Excitement; Contentment; Refreshment*; Interest*; Relaxation <u>Negative Emotions:</u> Anger; Disgust; Boredom*; Regret, Distress; Contempt*;  | restaurant            |
| Han <i>et</i><br><i>al.</i> (2010) | Categorical theory   | Excitement: Sophisticated*, Interested*, Hopeful, Thrilled, Grateful, Passionate, Entertained*, Enthusiastic, Aroused, Pampered*  Comfort: Comfortable, Contented, Friendly*, Relaxed, Pleased, Respected*, Happy, Fulfilled, Warm*, Secure*  Annoyance: Irritated, Frustrated, Disappointed, Anger, Sceptical  Romance: Romantic, Love, Sentimental   | restaurant            |
| Lo (2010)                          | Combined bipolar dimension and appraisal theory  | Pleasant Emotion: Cheerful; Delighted; Happy; Pleasantly surprised; Pleased; Relieved; Warm-heartily; Unpleasant Emotions: Angry, Annoyed, Bored*, Disappointed, Discontented, Fearful, Frustrated, Irritated  | hotel                 |
| Han and Jeong<br>(2013)            | Categorical theory   | <u>Comfort:</u> Warm; Respected; Secure*; Comfortable*; Happy; Relaxed; Contented <u>Annoyance:</u> Frustrated; Irritated; Disappointed; Sceptical* <u>Stimulation:</u> Surprised; Curious*; Excited; Passionate; Grateful; Entertained*; <u>Sentimentality:</u> Loving; Romantic; Sentimental;  | upscale<br>restaurant |

| Jani and Han     | S-O-R model adopted  | Positive emotions: Happy; Proud; Pleased; Contented; Peaceful; Romantic; Excited; five-star hot |  |
|------------------|--|---|--|
| (2015)           | emotion scale from (Laros  | Surprised;  |  |
|                  | and Steenkamp 2005,  | Negative emotions: Angry; Ashamed; Upset; Worried   |  |
|                  | Han and Back 2008)   |   |  |
| * are phrases de | * are phrases describing a person's feeling, perception or attitude rather than an emotion phrase. |   |  |

are phrases describing a person's feeling, perception or attitude rather than an emotion phrase.

Table 2.2 An integration of hospitality emotion classifications and appraisal dimensions

| Emotion Classification | Emotion Phrase   | Intensity         | Appraisal Dimension |                 |                         |
|------------------------|--|-------------------|---------------------|-----------------|-------------------------|
|                        |  |                   | Goal congruence     |                 | A =====                 |
|                        |  |                   | <u>Appetitive</u>   | <u>Aversive</u> | Agency                  |
| Happiness              | happy, cheerful, proud                                       | Low/Moderate      | Congruent           |                 | Self                    |
| Joy                    | joyful   | High              | Congruent           |                 | Self                    |
| Gratitude              | grateful, appreciated  | Low/Moderate      | Congruent           |                 | Others                  |
| Love                   | loving, sentimental, warm-hearted/sexy, romantic, passionate | High              | Congruent           |                 | Others                  |
| Contentment            | contented, fulfilled, satisfied, pleased                     | Low/Moderate      | Congruent           |                 | Object or circumstances |
| Delight                | delighted  | High              | Congruent           |                 | Object or circumstances |
| Optimism               | optimistic, encouraged, hopeful, anticipated                 | Low/Moderate      | Congruent           |                 | Self/others/objects     |
| Excitement             | excited, thrilled, enthusiastic, eager                       | Low/Moderate      | Congruent           |                 | Self/others/objects     |
| Pleasant Surprise      | pleasantly surprised, amazed, astonished                     | Low/Moderate/High | Congruent           |                 | Self/others/objects     |
| Guilt/Distress         | guilty, embarrassed, ashamed, distressed                     | Low/Moderate      | Incongruent         |                 | Self                    |
| Humiliation/Depression | humiliated, depressed  | High              | Incongruent         |                 | Self                    |
| Anger                  | angry, irritated, annoyed                                    | Low/Moderate      | Incongruent         |                 | Others                  |
| Discontentment         | unfulfilled, discontented, dissatisfied; displeased          | Low/Moderate      | Incongruent         |                 | Object or circumstances |
| Disappointed           | disappointed, sad, upset                                     | Low/Moderate      | Incongruent         |                 | Object or circumstances |
| Frustration            | frustrated, miserable  | High              | Incongruent         |                 | Object or circumstances |
| Worry                  | nervous, worried, tense                                      | High              | Incongruent         |                 | Self/others/objects     |
| Fear                   | scared, afraid, panicky                                      | High              | Incongruent         |                 | Self/others/objects     |
| Disgust                | disgusted  | Low/Moderate/High |                     | Congruent       | Object or circumstances |
| Relief                 | calm, peaceful, relaxed; relieved                            | Low/Moderate/High |                     | Incongruent     | Object or circumstances |

(Adapted from Van Dijk and Zeelenberg 2002, Johnson and Stewart 2005, Ma et al. 2013)

#### 2.1.3 Emotion triggers and customer behaviours

This section reviews different triggers of emotions in the context of hospitality services. These are summarised under three key themes: the physical environment, human interaction, and service management and other contextual factors (see Table 2.3). Emotion triggers that are within service providers' span of control are hereafter called service-related triggers; those triggers related to customers' individual situations are hereafter referred to as customer-related triggers. Customer behaviours driven by their emotions are also discussed at the end of this section.

Service-related triggers. Within the hospitality context, ambience, design, and aesthetics are the three important trigger categories associated with the physical environment (see Table 2.3). For example, the significant impact of ambience on emotional customer experience is most frequently emphasised by several researchers (e.g., Ryu and Jang 2007, Liu and Jang 2009, Lin and Liang 2011, Jani and Han 2015, Ribeiro and Prayag 2019). However, in their studies, the components representing ambience, design, and aesthetics are not the same (see Table 2.3). For example, in-door lighting was one of the emotion triggers representing ambience in some studies (e.g., Jang and Namkung 2009, Liu and Jang 2009, Lin and Liang 2011) while it was perceived as a separate trigger category in Ryu and Jang's (2007) study. Mari and Poggesi (2013) further suggest that customers often 'see' interior design and aesthetics as similar environmental components. In other words, customers might not evaluate these 'visual' components separately. These different views have presented an important gap in emotion knowledge that require further examination.

Table 2.3 Summary of emotion triggers in hospitality research

| Studies                                  | Physical Environment   | Human Interaction  | Other Factors   |
|--|--|--|---|
| Ryu and Jang<br>(2007)*                  | Facility aesthetics: attractive paintings, appealing wall décor, warm colours, high-quality furniture; Lighting: warm, welcoming, comfortable lighting; Ambience: relaxing and pleasing music, comfortable temperature, enticing aroma; Layout: enough seat space, crowded seating arrangement, easy-to-move layout; Dining equipment: high-quality tableware, attractive linens, attractive table setting | employees  | N/A   |
| Brunner-Sperdin<br>and Peters<br>(2009)* |  | responsiveness, ability to take part in the service delivery process   | composition of guests, image, price/performance ratio, customer involvement, degree of intuition, situational and demographic factors |
| Liu and Jang<br>(2009)*                  | Interior design: overall interior design, Chinese-style furnishing, Chinese painting, Chinese-style table setting; Ambience: lighting, music, Chinese music, scent, temperature; Spatial layout: comfortable seat space, easy to move around, dining privacy   | employees, adequate employees  | N/A   |
| Jang and<br>Namkung (2009)*              | Product quality: attractive food presentation, healthy options, tasty food, fresh food; Atmospherics: facility layout, interior design, pleasant colour scheme, comfortable lighting, pleasing background music  |  | N/A   |
| Walls (2013)**                           |  | specific need and interest, caring, attention on individual customer, perform the service right at the first time; Professionalism: professional |   |

|                               |   | appropriate socio-economic level, value others' privacy  |  |
|-------------------------------|---|--|--|
| Torres and Kline (2013)**     | N/A   | taking care of the guest's needs, friendliness, staff professionalism, going beyond the call of duty, problem-solving skills   |  |
| Jani and Han<br>(2015)**      | Ambience: appropriate air quality, comfortable temperature, dry atmosphere, pleasant odour, enjoyable background music, high level of sound           | N/A  | Personality: openness, neuroticism, extraversion, agreeableness, conscientiousness                                     |
| Lo et al. (2015) **           | N/A   | Service quality: tangible, reliability, responsiveness, assurance and empathy  | N/A  |
| Ali et al. (2016) **          |   |  |  |
| Balaji et al.(2017)<br>**     | N/A   |  | Perceived injustice: treated unfairly, Treated wrongly, fairly dealt with Emotion regulation: reappraisal, suppression |
| Ribeiro and<br>Prayag (2019)* | Restaurant Atmospherics: authentic atmosphere, aroma and scents, music quality and volume, comfortable dining area, clean environment, pleasant décor | helpfulness, Staff knowledge of the menu, staff competency, dependability and consistency, level of personalised service, feeling special, general service level, the safety of the location | ,  |
| * studied in the res          | staurant context; ** studied in the hotel context   |  |  |

Many studies have also examined customer emotions arising from interactions with service staff (e.g., Ryu and Jang 2007, Brunner-Sperdin and Peters 2009, Liu and Jang 2009, Lin and Liang 2011, Torres and Kline 2013, Harkison 2018). Within hospitality research, interactions with staff have been studied in terms of staff's professional behaviour, attentiveness and reliability (Table 2.3), while interactions with fellow customers are generally overlooked (Walls *et al.* 2011a, Tax *et al.* 2013).

The significant impact of staff's professional behaviours such as their empathy and friendliness on positive emotions has been highlighted in previous studies (e.g., Brunner-Sperdin and Peters 2009, Torres and Kline 2013, Bastiaansen *et al.* 2019). Service staff play a critical role in engaging their customers in personal interactions that result in positive emotions (e.g., Torres *et al.* 2014, Harkison 2018). However, a review of hospitality studies reveals that there is contradictory evidence on prominent service-related triggers that evoke positive emotions. For example, Brunner-Sperdin and Peters (2009) indicate that interactions with service staff have a significant effect on customer emotions while other studies demonstrate the contrary (Liu and Jang 2009, e.g., Lin and Liang 2011, Walls 2013). A thorough examination of prominent service-related triggers and their representative components can offer new insights into how to create positive pleasant customer experience.

Customer-related triggers. While there is evidence, albeit contradictory, regarding service-related triggers, there is little research evidence on customer-related triggers. Customer-related triggers refer to those factors derived from customers' individual situations such as cultural background, previous tourism and hospitality experience, and personal traits (Mak *et al.* 2012, Torres *et al.* 2014). The growing trend of research findings on customer emotion suggest the need to incorporate the exploration of situational influence, such as customers' social roles and available resources (Tombs and McColl-Kennedy 2003, So *et al.* 2015, Surachartkumtonkun *et al.* 2015). Only a few hospitality studies have empirically analysed the influence of personality and

cultural values (e.g., Jani and Han 2015, Wen *et al.* 2018). Although customer-related triggers are beyond the control of service providers, they have important implications as far as emotional customer experience is concerned. A thorough exploration of service- and customer-related triggers can offer a better understanding of emotional customer experience.

Traditional customer behaviour and co-creation behaviour. Emotions evoked by the physical environment can further determine customers' approach or avoidance behaviours on successive service interactions (Mehrabian and Russell 1974, Bitner 1992). Previous studies indicate that, in general, positive emotions encourage cooperation, helping, and altruism behaviours (Kelley and Hoffman 1997, Cavanaugh *et al.* 2015, Zhang *et al.* 2018), while negative emotions lead to switching, avoidance, and destructive behaviours (Roos *et al.* 2009, Surachartkumtonkun *et al.* 2015, de Hooge 2017).

The significant impact of customer emotions on their behaviours has also been highlighted in existing hospitality studies (e.g., Ali *et al.* 2016). For example, emotions not only mediate the effect of service quality on behavioural intentions but also serve as an essential predictor of loyalty (Ladhari 2009, Gracia *et al.* 2011). These prior studies have predominately focused on examining the effect of customer emotions on their satisfaction, purchasing, and loyalty (e.g., Barsky and Nash 2002, Ladhari *et al.* 2008, Martin *et al.* 2008, Brunner-Sperdin and Peters 2009, Ladhari 2009, Gracia *et al.* 2011, Jani and Han 2015, Lo *et al.* 2015). However, other behaviours such as helping and providing feedback have not been explored fully.

Wen et al. (2018) demonstrate that positive emotions encourage customers to spread (e)WOM about the hotel they stayed in. Subsequently, prospective hotel customers tend to make booking decisions based on online reviews, feedback and WOM (Solnet et al. 2010). These tendencies highlight the importance of exploring if and how customer emotions influence their behaviours that help other's decision-making and hotels' service improvement. These behaviours can be regarded as co-creation behaviours (Tommasetti et al. 2017).

Customer co-creation behaviours refer to customers' discretionary behaviours when participating in and devoting resources to service interactions (van Doorn *et al.* 2010). However, depending on contexts, customers might demonstrate different co-creation behaviours, such as (e)WOM, blogging/vlogging, influencing others' decisions, sharing creative ideas, co-designing, tolerance, seeking and sharing information (van Doorn *et al.* 2010, Yi and Gong 2013, Tommasetti *et al.* 2017, Zhang *et al.* 2018). As stated in Section 2.1.1, for service providers, the challenge as to how to co-create better experience with customers remains. Previous studies propose that, to some extent, customer co-creation behaviours may help 'co-create' better experience that eventually leads to a reciprocal value for both customers and service providers (Prahalad and Ramaswamy 2004a, De Keyser *et al.* 2015, Chathoth *et al.* 2016, Lemon and Verhoef 2016). In comparison to traditional customer behaviours (e.g., loyalty, purchasing), customer co-creation behaviour is a relatively new concept that calls for further investigation.

To sum up, the representative components of emotion triggers presented above have not previously been explored sufficiently to allow up a comprehensive understanding of emotional customer experience in the hospitality context to be drawn. Customer co-creation behaviours demonstrated during and after service interactions are not understood thoroughly. Based on a review of the literature, a conceptual framework has been developed in this study to guide an investigation of emotional customer experience, its triggers and subsequent co-creation behaviours (Figure 2.2). As shown in Figure 2.2, customer emotions emerge from customers' evaluation of both service- and customer-related triggers, that is, an appraisal process. Outcome desirability and agency are two dominant dimensions of customers' appraisal process that will result in certain customer behaviours. The next section explores this dyadic value co-creation through such 'co-creation' on customer experience.



Figure 2.2 A conceptual framework for understanding key aspects of emotional customer experience and resulting co-creation behaviour

## 2.2 Value Creation and Co-creation

## 2.2.1 Theoretical perspectives in value creation and co-creation

Value creation in a business context mainly contains two aspects: Financial value for firms (e.g., manufacturers and service providers) and value for customers (Gupta and Lehmann 2006). Traditional marketing pays significant attention to financial growth for firms, such as wealth gain and cost saving, that implies a firm-oriented perspective of value creation. Recently, marketing scholars and practitioners have increasingly emphasised value creation for customers (Vargo and Lusch 2004, 2008, Ballantyne *et al.* 2011, Heinonen *et al.* 2018).

Traditional marketing focuses on maximising firms' profits. Manufacturers, for example, deploy operand resources such as machines and raw materials to manufacture products. They can maximise their profits through: (1) deploying resources to reduce the cost of production; and (2) controlling product distribution in the market (Moran and Ghoshal 1999). Value creation is traditionally a unidirectional process: Firms manufacture products and then deliver those products to customers at the end of the production process (Vargo and Lusch 2004, Hilton *et al.* 2012). A firm's value proposition focuses on signalling product differentiation as a superior value than other competitors' offerings (Ballantyne *et al.* 2011). As a result, value is embedded in products and remains static at the time of the exchange (Vargo and Akaka 2009). Such a traditional marketing perspective is referred to as good-dominant (G-D) logic (Vargo and Lusch 2004, 2008).

In contrast, service marketing logic, such as service-dominant (S-D) logic (Vargo and Lusch 2004),

service logic (Grönroos 2011) and customer-dominant (C-D) logic (Heinonen and Strandvik 2015), pays more attention to understand value from the customer perspective and emphasises cocreating value with customers. In general, service marketing logic aims to create reciprocal value for both service providers and customers.

S-D logic proposed by Vargo and Lusch (2004) prioritises operant resources over operand resources. Operant resources are typically intangible resources, such as human resources, knowledge, and relationship with economic actors (e.g., customers, employees, suppliers and stakeholders) (Vargo and Lusch 2004, Madhavaram and Hunt 2008). Scholars recommend applying operant resources to integrate operand resources in order to obtain strategic benefit (Vargo and Lusch 2004, Vargo and Akaka 2009). For example, understanding customer needs can be used to improve services that constantly satisfy different customers (Karpen *et al.* 2012). In return, service providers are able to maintain a sustainable business. That is a reciprocal value.

Following an S-D logic approach, customers, for example, have more opportunities to communicate their needs with service providers and further help on service improvement. Actors, particularly customers, are collaborative partners who create value with service providers together (Prahalad and Ramaswamy 2004a). Thus, S-D logic suggests that value is always co-created with customers rather than being delivered to them (Vargo and Lusch 2008).

Service logic developed by Grönroos (2011) shares a similar notion with S-D logic. Especially, service logic aims to provide a managerial framework that facilitates value co-creation by focusing on dyadic interactions between service providers and customers. Due to such dyadic and co-creative interactions, Grönroos (2006) proposes that the roles of customers and providers are interchangeable. In comparison with S-D logic, service logic is less concerned with other actors (e.g., suppliers and stakeholders) within a value co-creation network.

C-D logic, which is inspired by both service logic and S-D logic, pays significant attention to

customer value formation within their social environment (Heinonen and Strandvik 2015). Several tourism studies have adopted this framework to explore customer-to-customer interactions towards value co-creation (e.g., Rihova *et al.* 2013a, 2013b, Tynan *et al.* 2014, Malone *et al.* 2017). Although distinctions of service marketing logic exist in many areas, different service marketing logic still shares somewhat similar fundamental rationales. A comparison of G-D logic and service marketing logic is presented in Table 2.4.

Based on the original work of S-D logic (Vargo and Lusch 2004), the concept of value co-creation has been expanded to a more holistic and dynamic perspective. S-D logic was initially applied to a micro level of value co-creation, which mainly focused on dyadic interactions between service providers and customers. It has now been further expanded to meso- and macro-level of value co-creation in order to include other actors and their complex networks (Vargo and Lusch 2017). A meso-level of value co-creation involves triadic interactions between three actors (e.g., customers, service providers and suppliers) while a macro-level of value co-creation further includes actors' complex networks (e.g., customers' social network and service industry committee). All actors are co-creators participating in value co-creation activities (Vargo et al. 2008). S-D logic, here, demonstrates an attempt to create a value co-creation ecosystem in which all actors and their networks are granted an equal position.

Table 2.4 Comparison of good-dominant logic and service marketing logic

|  | Good-dominant logic (G-D logic)  | Service-dominant logic (S-D logic)  | Service logic   | Customer-dominant logic (C-D logic)  |
|--|--|---|---|--|
| Defined by                             | Vargo and Lusch (2004)   | Vargo and Lusch 2004; 2016; 2017  | Grönroos 2006; Grönroos and<br>Voima 2013   | Heinonen <i>et al.</i> 2010; Heinonen and Strandvik 2015   |
| Perspective                            | Product manufacturer perspective   | Actor to actor perspective  | Service provider to customer perspective  | Customer perspective   |
| Value co-<br>creation                  | G-D logic is understood as a manufacturer-oriented perspective. Customers are value destroyer while other company and supplier are competitors. The notion of co-create value together does not exist. | 1) Value is co-created by economy actors; (2) Value co-creation focuses equally on macro-, meso-, and micro-level of aggregation. Chandler and Vargo (2011) advocate the approach of oscillating foci, meaning zoom-in and -out, to understand the phenomenon at different levels of aggregation. | Value co-creation mainly focuses on a micro-level of aggregation that aims to provide managerial implication. | C-D logic mainly focuses on the customer perspective of value formation. The collaborative aspect of value creation among different actors is little explored. |
| Provider's<br>Role                     | Producer (Value manufacturer)  | Co-creator; Provider of value propositions  | Service provider is value facilitator   | Not specified  |
| Customer's<br>Role                     | Consumer (Value receiver and destroyer)  | Value co-producer and co-creator  | service user is creator and co-<br>creator  | Primary actors who play multiple social roles in an ecosystem  |
| Examples<br>of<br>prominent<br>studies | (McCarthy and Perreault<br>1993, Constantinides 2006)  | (Shaw <i>et al.</i> 2011, Skålén <i>et al.</i> 2015, Nenonen <i>et al.</i> 2018)  | (Chathoth <i>et al.</i> 2013, Fitz-<br>Patrick <i>et al.</i> 2015, Finne and<br>Grönroos 2017)                | (Helkkula <i>et al.</i> 2012, Rihova <i>et al.</i> 2013b, Malone <i>et al.</i> 2017)   |

Similarly, researchers note that value co-creation goes beyond service interactions between providers and customers (Heinonen *et al.* 2010). Customers may also create value solely for themselves (Grönroos 2008). In this case, service providers do not have full control over such value creation. Moreover, customers' multiple roles, such as father and/or businessman, and the social context influence their interpretation of value and how value is formed (e.g., Edvardsson *et al.* 2011, Helkkula *et al.* 2012). Following such rationale, C-D logic proposes that value is socially constructed and formed based on cumulative experiences rather than being deliberately created (Heinonen *et al.* 2013).

Debates are raised around the control over the value co-creation process and actors' roles in value co-creation networks. Fisher and Smith (2011) argue that value co-creation can be chaotic when no one holds a majority of control. Grönroos (2012) also criticises that the notion of 'all actors are equal co-creators' in S-D logic makes the roles of service providers and customers ambiguous. Following such a notion, value co-creation is then regarded as an 'all-encompassing' process (Grönroos and Voima 2013). It is not clear what are the actions taken by service providers and customers at different stages of such an 'all-encompassing' process (Grönroos and Voima 2013). Therefore, it is challenging to examine who co-creates value and how and when value can be co-created.

Heated scholarly debates have urged an evolution of service marketing logic to develop a more robust theory. S-D logic provides several revised fundamental promises as a sound foundation for investigating value co-creation in various contexts (see Vargo and Lusch 2016). However, In the hospitality industry, interactions between service providers and customers are crucial to value co-creation (Chathoth *et al.* 2016). Service logic empowers S-D logic with an additional framework through which dyadic value co-creation can be explained in more detail (Anker *et al.* 2015). Vargo and Lusch (2016) also suggest that an investigation focusing on a micro-level of value co-creation can offer useful managerial implications. This study adopts service logic as a

theoretical foundation to explore dyadic value co-creation between service providers and customers. The following section provides a definition of dyadic value co-creation.

#### 2.2.2 Value co-creation concept

Academics and practitioners have increasingly highlighted the creation of reciprocal value for all actors instead of merely focusing on value for a single actor (Vargo and Lusch 2004, 2008, Ballantyne *et al.* 2011). In particular, the advancement of technology (e.g., online forum, self-checkout services) facilitates actors taking part in co-creative activities (MSI 2016). Value co-creation suggests the collaborative nature of value creation between actors (Vargo and Akaka 2009). They eventually share the outcomes of such collaboration together. Thus, value co-creation aims to generate reciprocal value as outcomes of co-creative activities.

Dyadic value co-creation is inherently interactive and requires the collaboration between two actors, such as service providers and customers (Prahalad and Ramaswamy 2004c, Ballantyne and Varey 2006). In other words, it requires customers directly interacting with the providers' processes rather than outputs (Grönroos 2008). Through direct interactions, service providers have chances to engage customers in value co-creation by learning from and communicating with them (Ballantyne 2004). This may lead to an agreement on the collaborative process and a consensus view on value (Echeverri and Skålén 2011).

On the other hand, through indirect interactions, customers only consume providers' outputs without interactive communication and collaboration (Grönroos and Voima 2013). In this case, service providers can only influence customers' value perception (Grönroos and Voima 2013). For example, an individual discovers a wonderful destination on a travel agent website (i.e., a firm's output). Instead of value co-creation, value can also be derived from the individual's imagination without direct interactions with the provider's value creation process (e.g., making enquiries about holiday package).

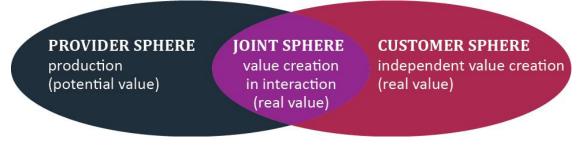
Within in a service context, it might be debatable whether self-service machines and service robots in hotels are service providers' outputs or service processes. Take a self-checkout machine as an example: customers interact with a self-checkout machine and follow a designed procedure in order to complete the payment in supermarkets. Even though the interaction is constrained to the providers' procedure and limited interpersonal interactions, the interaction takes place in order to complete the payment. Thus, it is considered as a direct interaction between providers and customers. Value can be co-created when a customer achieves his/her goal by using a self-checkout machine (e.g., saving time, avoid human contacts, being able to pack groceries in their own pace) instead of a cashier counter. As such, the supermarket can receive payment and create a positive shopping experience with customers.

Researchers further propose that value co-creation is not limited to customers' participation in the consumption and usage process (e.g., service co-creation when using a self-checkout machine) but also in the production process (e.g., co-designing a T-shirt)(Ballantyne and Varey 2006, Sandström et al. 2008, Vargo 2008, Lemke et al. 2011). Moreover, in some situations, services may not have distinct boundary between the production and consumption processes (Cova et al. 2011). For example, value co-creation can be manifested through customers constantly communicating their desired hairstyle with a hairdresser while service interactions are taking place. The boundary between the production and consumption processes becomes blurry. However, this stream of research still lacks empirical evidence to demonstrate how to co-create value with customers and other stakeholders (Reypens et al. 2016).

To sum up, value co-creation allows customers to participate at multiple stages of production and consumption process through direct interactions with service providers (Payne et al. 2008, Tynan et al. 2010, Grönroos and Voima 2013). A mutual understanding can be obtained through various direct interactions, such as learning from and communicating with customers. The collaborative nature of value co-creation also offers a greater potential to generate reciprocal

value for both service providers and customers. Therefore, value co-creation is depicted as a joint creation (including processes and outcomes) of value between service providers and customers. Value co-creation as a process

Key spheres in the value co-creation process. Value co-creation concept has transformed the unidirectional value delivery process into an interactive process between value co-creators. Focusing on dyadic value co-creation between service providers and customers, Grönroos and Voima (2013) conceptualise this process into three main value creation spheres: the provider sphere, the joint sphere and the customer sphere (Figure 2.3).



(Adapted from Grönroos and Voima 2013)

Figure 2.3 Value creation spheres

In the provider sphere, service providers have more control over the production process and involve customers in production activities, such as co-design and co-development (Etgar 2008, Lemke *et al.* 2011). Through these production activities, resources are co-integrated by providers and customers to develop value propositions. Value propositions, which represent potential value, is the outcome of the provider sphere (Hilton *et al.* 2012, Grönroos and Voima 2013). Once customers accept the value propositions, both providers and customers enter the joint sphere.

The joint sphere represents an overlapping area of the provider sphere and the customer sphere (Grönroos and Voima 2013). Service providers engage customers in the joint creation of value through direct interactions. Value proposition (i.e., potential value) is transformed into real value, which is manifested through customers' experience of service interactions in the consumption

process (i.e., value-in-experience) (Gummesson 2007, Helkkula *et al.* 2012). Direct interactions that occur in the joint sphere can also form the learning, communication and collaboration process (Ballantyne 2004, Matthing *et al.* 2004, Payne *et al.* 2008). However, it is also noted that value could be co-destructed when providers and customers do not share a similar view on the interactive process and value perception (Echeverri and Skålén 2011). Service providers' management of the interactive process is crucial to the outcome of the value co-creation process.

Customers are the main actors in the customer sphere. Service providers, in contrast, are less able to interfere in the customer sphere (Grönroos and Voima 2013). Customers' independent value creation extends beyond providers' service settings and involves other social actors such as friends and families (Heinonen *et al.* 2010, Edvardsson *et al.* 2011). Customers may take an indirect form of interactions with service providers for their value creation. Value may also emerge in covert and mental actions (Heinonen *et al.* 2010). For example, a customer may imagine himself/herself going on a vacation in a brief period through holiday advertisements or discussion with friends. Value emerges from such an indirect interaction, which releases the customer's stress and evokes positive emotions (e.g., excitement and anticipation). Therefore, customer value creation that occurs in the customer sphere is independent and socially constructed.

Grönroos and Voima's (2013) value creation spheres (Figure 2.3) have demonstrated an interactive process of value co-creation. Each sphere allows different interactions between providers and customers. The spheres have also revealed two fundamental changes in direct interactions between providers and customers. The following paragraphs discuss these interactions in more detail.

**Direct provider-customer interactions.** Lusch *et al.* (2007) defined co-production and co-creation as two distinct and essential mechanisms. They are regarded as interactive mechanisms, which facilitate value co-creation processes and improve outcomes. A common distinction between co-

production and co-creation is that co-production occurs in the production process (i.e., before customers accept a value proposition), whereas co-creation takes place in the consumption process (i.e., after customers accept a value proposition).

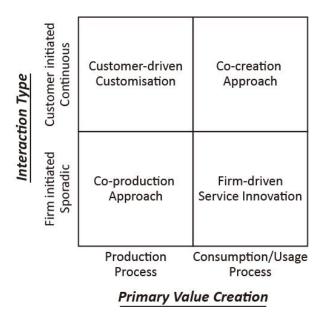
Co-production implies a G-D logic approach in which service providers take advantage of customer resources (e.g., information, feedback) to generate value for merely themselves rather than for both provider themselves and customers (Lusch and Vargo 2006, Auh *et al.* 2007). In other words, co-production mainly focuses on the aspect of resource exchange rather than integration. For example, a manufacturer reduces its production cost by asking customers to assemble furniture without making the assembling tasks easy to customers. In this case, customers' labour is used to exchange with a reduced price instead of being integrated with other resources. Customers have limited access to and control over the production process, and consequently play a relatively passive role (Vargo and Lusch 2004).

In contrast, co-creation emphasises direct interactions between providers and customers during the usage process (Vargo and Lusch 2008, Grönroos and Voima 2013). Service providers with a co-creation approach tend to cede controls to customers in order to allow a higher level of collaboration (Kristensson *et al.* 2008, Jaakkola and Alexander 2014).

Many studies had treated co-production as a G-D logic approach (e.g., Kristensson *et al.* 2008, Michel *et al.* 2008, Vargo *et al.* 2008). However, a recent study from Vargo and Lusch (2016) further clarifies that it is more appropriate to treat co-production as a subordinate mechanism in the value co-creation process. Co-production takes into account firms' benefits that are a part of reciprocal value. Firms may combine the use of both mechanisms, as far as reciprocal value is concerned. Although each mechanism holds different characteristics, the ultimate goal of the value co-creation process is to employ appropriate mechanisms that lead to reciprocal value.

Chathoth et al. (2013) further define four interactive mechanisms: co-production, customisation,

service innovation and co-creation, depending on the interaction types, and whether interactions occur during the production or the consumption process (Figure 2.4). They also propose that these mechanisms can facilitate provider-customers collaboration on service improvement in the hospitality context. However, each type of interactive mechanisms requires different resources, such as service provider's strength and customers' capability. It might not be realistic for a service provider undertaking all four types of interactive mechanisms in order to achieve positive value co-creation with customers.



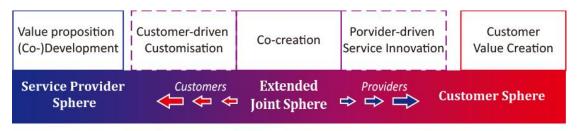
(adapted from Chathoth et al. 2013)

Figure 2.4 Co-production to co-creation matrix

In the current literature, the joint sphere represents a narrow space where providers and customers can have direct interactions. Nevertheless, this study suggest to integrate the interactive mechanisms with the value co-creation process in order to provide more comprehensive insight into 'how' providers can co-create value with customers.

Based on the two models (Figure 2.3 and Figure 2.4), Figure 2.5 shows an integration of these interactive mechanisms into the value co-creation process. As shown in Figure 2.4, co-production is further defined in terms of sporadic communication initiated by providers that generally takes

place in the provider sphere (Chathoth *et al.* 2013). With this, customers have limited involvement that results in creating 'best-available' services for prospective customers. For example, hotels investigate customers' needs via surveys when developing new services. Moreover, the term 'co-production' inevitably suggests a firm-oriented perspective of resource exchange. The concept 'co-development' is more appropriate to describe resource integration in a more equal and collaborative term between providers and customers. Therefore, value proposition co-development, which carries potential value, is the outcome of the provider sphere (Figure 2.5).



**Value Creation Sphere** 

Figure 2.5 An integration of interactive mechanisms in the value co-creation process

At the centre of the joint sphere (Figure 2.5), both service providers and customers are engaged in 'co-creation' through direct interactions. Co-creation has a relatively distinct customer-centric feature; hence, the continuum will depend on the degree of customer involvement and participation (Chathoth *et al.* 2013).

Providers can develop a platform that allows customers to actively participate in providers' production process. In other words, customers have the chances to decide the features of offerings from a collection of choices provided by the provider before their consumption. That is customisation (Figure 2.5), which provides a 'best-fit' service to meet customer needs (Chathoth *et al.* 2013). For example, Moto Maker is an online tool which allows customers to customise mobiles as they require.

Providers may also expand the joint sphere by creating direct interactions during the consumption process that is possible to form service innovation. Service innovation is a provider-driven interaction during the consumption process, which usually requires higher user skills and customer capital (Figure 2.5). For example, software development companies invite users to report errors during their usage. Finally, in the customer sphere, customers are main actors creating value for themselves (Heinonen *et al.* 2010). For example, customers can act as 'an experienced travel consultant' to give other people advice on travel planning based his/her past travel and hotel experiences. In this case, service providers (e.g., hotels, travel agents) are not involved in this.

As discussed above, co-creation is not the only mechanism that allows service providers to co-create value with customers (Grönroos and Voima 2013). Customisation and service innovation are both considered as extended mechanisms of the joint sphere. Through initiating interactions with customers, service providers can enter the customer sphere and engage them in the value co-creation process, and vice versa. The extension of the joint sphere offers alternative value co-creation opportunities to service providers and customers. The outcome of value co-creation depends on the interaction taking place in the value co-creation process. The next section will discuss the outcome of value co-creation.

### 2.2.3 Value co-creation outcomes

Reciprocal value. Reciprocal value has been perceived conceptually as the ultimate goal of the value co-creation process (Vargo and Lusch 2004). It is also understood as what is 'better off' for both actors (Grönroos 2008, Fitzpatrick *et al.* 2015). Arguably, reciprocal value can be an elusive concept when customer value (i.e., value-in-experience) is subjective and influenced by their social environment and previous experience. As such, a positive value for an actor might not necessarily be positive for other actors (Gummerus 2013). For instance, customers exit service interactions with the most memorable experience, while service providers might suffer from

reduced profits. Following this train of thought, the concept of reciprocal value is inevitably constrained to a relatively static nature, while the value co-creation process focuses on creating 'better' value for both actors or 'more' value for customers.

Instead of creating 'better' value, it might be more appropriate to consider reciprocal value as to co-create value for both actors, that is value for customers and value for service providers (Vargo and Lusch 2016). Vargo and Akaka (2009) propose that reciprocal value is derived from co-creation interactions, in which its outputs can be viewed as an input into a continuous process. In other words, the outputs of co-creation interactions will affect the next cycle of co-creation interactions (Helkkula and Kelleher 2010, McColl-Kennedy *et al.* 2015). Therefore, to achieve reciprocal value creation, maintaining a circular value co-creation process would be a primary determinant.

Value co-creation requires inputs (e.g., participation and resource integration) from both customers and service providers (Auh *et al.* 2007). The absence of customers in the value co-creation process cannot generate value. Customers' willingness and proactive involvement manifested through their co-creation behaviours are critical to determining whether the process will continue or not (Saarijärvi 2012, Gummerus 2013). Therefore, customer co-creation behaviours can be conceptualised as value co-creation outcomes that facilitate a value co-creation loop.

The theoretical roots of customer co-creation behaviours can be traced back to two types of customer involvement in the value co-creation process: customer participation and customer engagement.

**Customer participation in relation to reciprocal value.** Within a service context, service production and consumption often coincide. Customer participation is manifested through a transaction bond with service providers (Chan *et al.* 2010). Service providers and customers play

interdependent roles in the value co-creation process (Vargo et al. 2008). Service providers are required to cede controls to customers and empower customers' involvement (Fisher and Smith 2011). Customers, thus, have more autonomy and take up more responsibility during their participation. A sense of equal ownership and responsibility for the value co-creation outcomes is likely to be established through such customer empowerment and autonomy (Prahalad and Ramaswamy 2004a, Ballantyne and Varey 2006). Following this, a mutual understanding and a trusting relationship are likely to be developed (Chathoth *et al.* 2013, Ranjan and Read 2014). In particular, a robust interpersonal trust between customers and employees encourages employee innovative behaviours (Li and Hsu 2018). Customer participation helps providers improve service offerings. Consequently, customers' needs are better fulfilled (Zhang and Chen 2008).

Arguably, customer participation might also hurt the value co-creation process (Ma *et al.* 2017). Customer participation in financial services can augment customer value and build a relationship between customers and service staff, while it also creates increased job stress to employees and reduces their work satisfaction (Chan *et al.* 2010). This participative behaviour creates both positive and negative influence on the value co-creation process that requires the service provider to manage the value co-creation process strategically.

Customer engagement in relation to reciprocal value. It is a psychological state, which is established through interactions and experiences co-created with service providers (Brodie et al. 2011, Groeger et al. 2016). Customer engagement demonstrates a proactive relationship with a specific engagement object (e.g., a service provider and a brand) that extends beyond a transaction-related 'participation' in the value co-creation process (Mollen and Wilson 2010). Jaakkola and Alexander (2014) identified four types of customer engagement behaviours, including augmenting, co-developing, influencing and mobilising behaviour, that influence value co-creation outcomes. Their findings suggest that customer engagement can be manifested through resource devotion and active collaboration with service providers and other actors. This

demonstrates that customer co-creation behaviour is not necessarily restricted to a transaction relationship with service providers.

Several studies have highlighted positive influence of customer engagement on service providers' performance (van Doorn *et al.* 2010, Brodie *et al.* 2011, Vivek *et al.* 2012, Pansari and Kumar 2016, Umashankar *et al.* 2017). Customers' interpretation of service interactions determines their engagement types, such as active engagement or disengagement, with the service provider in the future (Bolton 2011). Through such engagement, service providers are allowed to interact and collaborate further with their customers (Pansari and Kumar 2016, Teixeira *et al.* 2017). For example, positively engaged customers are also likely to contribute to new service development (Nambisan 2002, Hoyer *et al.* 2010). However, a number of recent studies have also underpinned negative effects of customer engagement on the value co-creation process. Particularly, those behaviours are driven by customers' negative emotions emerging during service interactions (Blasco-Arcas *et al.* 2016, Heinonen 2017, Naumann *et al.* 2017, Solem *et al.* 2017)

engagement might lead to either the cycle of value co-creation (i.e., positive outcomes) or co-destruction (i.e., negative outcomes), which depends on the interactive process and relationship between actors (Echeverri and Skålén 2011). Customer co-creation behaviours can be observed through their participation and resource devotion in service interactions based on a trusting relationship with a service provider (van Doorn *et al.* 2010). Therefore, such behaviours can be manifested through both forms of customer participation and engagement with service providers (van Doorn *et al.* 2010, Yi and Gong 2013, Pansari and Kumar 2016, Tommasetti *et al.* 2017). They can also be found on various online and offline channels, such as customer services in retailers, company websites and online forums (Wei *et al.* 2013, Shamim and Ghazali 2014, Braun *et al.* 2016). Therefore, customer co-creation behaviours incorporate customers' constructive participation and engagement with a service provider in both offline and online

channels.

As Jaakkola and Alexander (2014) suggest, customer engagement can benefit different actors, namely, the service provider, other customers and the customer themselves. Similarly, many studies have explored customers' benefit-related motivations of getting involved in the value cocreation process (Fernandes and Remelhe 2015, Braun *et al.* 2016, Hsieh and Chang 2016, Yang *et al.* 2017). Some co-creation behaviours, which only generate value for the customers themselves or others, are not considered as co-creation behaviours with service providers. For example, customers feel proud while acting as a consultant to other customers (Braun *et al.* 2016). More specifically, in this study, customer co-creation behaviours are referred to as those behaviours that contribute to value co-creation with service providers.

Customers' idiosyncratic interpretation of service interactions influences their engagement with service providers (Peñaloza and Venkatesh 2006, Rowley *et al.* 2007, Cova and Dalli 2009). Previous studies have explored the factors that lead to customer co-creation behaviours (Shamim *et al.* 2016, Delpechitre *et al.* 2018, Zhang *et al.* 2018). Satisfying relationship and emotional bonding are the two key factors to progress the provider-customer transactional relationship to the stage of positive engagement (Torres and Kline 2006, Pansari and Kumar 2016). For example, based on a previously satisfied customer experience, an individual might decide to reinforce his/her connections by choosing the same service provider, who assures a similar pleasant experience as last time and vice versa (Torres and Kline 2006, Chandler and Lusch 2015).

Hospitality researchers refer to this emotional satisfaction as customer delight, which represents a higher level of customer engagement (Torres and Kline 2006). A report from the Gallup group indicates that fully engaged customers are more loyal to and more profitable for a particular provider than average customers in the hospitality industry (Sorenson and Adkins 2014). Bowden et al. (2015) further indicate that customers are comparatively emotionally bonded with those

services that require more extensive participation (e.g., lodging, hairdresser) than other functional services (e.g., banking, telecommunications). Similarly, customers are also more willing to forgive failures, which inevitably occur in the participative type of services, such as hospitality services (Bowden *et al.* 2015). Recent studies also demonstrate that customer engagement and participation is particularly crucial to hotel service providers than other service providers (e.g., Kandampully *et al.* 2014, 2018).

Despite such importance, scant hospitality research explores how customer co-creation behaviours can act as inputs to facilitate dyadic value co-creation. For example, Chathoth et al. (2014) identify three critical barriers, including a service provider's overall strategy, organisational structure and culture, that will determine whether hotels are capable to successfully deploy customer engagement behaviours. Their findings recommend conducting studies from the service provider perspective to better incorporate customer co-creation behaviours in the provider's value creation process. Therefore, this study is intended to explore means of incorporating customer co-creation behaviours from the service provider perspective.

### 2.3 Three-Dimensional Value Co-creation Framework

This study develops a value co-creation framework that provides an integration of emotional customer experience in value co-creation in order to facilitate reciprocal outcome in the hotel industry. The conceptual framework is developed based on a systematic synthesis of the literature across three main concepts: value co-creation, emotional customer experience, and customer behaviour, as presented in Figure 2.6. As customers determine value based on their co-created experience during service interactions (i.e., value-in-experience), the key characteristics of customer experience, namely, phenomenon, process, and outcome (Helkkula 2011) are used as the three dimensions of the framework. A particular focus of emotional customer experience co-creation is regarded as a key element for value determination that lies at the centre of the framework.

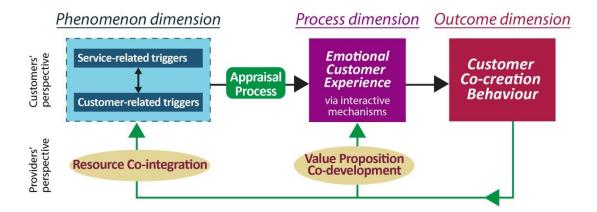


Figure 2.6 A three-dimensional value co-creation framework in the hotel industry

The phenomenon dimension. The acquisition of customer insights and customer involvement (e.g., providing creative ideas and co-designing) are critical resources in phenomenon dimension of the value co-creation framework. Service providers can co-integrate available resources into service settings with their customers. Customers, on the other hand, enter and interact with providers' service settings. These settings contain various service-related triggers that contribute to customers' cognitive evaluation of service interactions (i.e., appraisal process). In addition, customer-related triggers also influence customers' appraisal processes that lead to customers' emotional changes.

The process dimension. Value proposition and interactive mechanisms are two key elements in the value co-creation process. Service providers' value proposition can be co-developed based on customer insights or through direct interactions with customers. The co-developed value proposition then invites customers to participate in service interactions. Various co-creation mechanisms, such as customisation, co-creation and service innovation, can be employed to co-create a more positive emotional experience with customers. The adoption of interactive mechanisms depends on available resources to a service provider and its customers. From the service provider perspective, the resource availability will determine the use of interactive mechanisms for co-creating experience and reciprocal value with customers. Similarly, the

available resources to customers (e.g., time, money, creative ideas) also affect their participation and engagement during service interactions. The interactive mechanisms offer service providers with alternative approaches to co-create value with their customers. The selected approach will also affect provider-customer interactions that lead to different customer emotions.

**The outcome dimension.** Reciprocal value refers to value for customers and service providers, which is the ultimate goal of the value co-creation process. Customer co-creation behaviours are essential to activate a value co-creation loop and achieve such reciprocal value.

Customers' value determination is influenced by their cumulative experience and social environment. Following a service logic perspective, customer involvement might help service providers improve their offerings and co-create positive emotional experience. Thus, value for customers can be generated from their involvement in the value co-creation process.

Value for service providers is generated through two means: (1) customers' active participation related to a transaction relationship, that is financial value; and (2) customers' resource devotion based on a continuously collaborative relationship, that is resourceful value. Through customers' active participation, positive emotional customer experience can be co-created and further strengthen a transaction relationship. A positive experience also influences customers' resource devotion through their co-creation behaviours. For example, delighted customers tend to spread positive WOM and share their creative ideas with service providers.

Following this train of thought, customer co-creation behaviours can lead to a continuous relationship with customers, in both transaction and collaboration terms. Customers' interpretation of service interactions determines their co-creation behaviour (e.g., active engagement or disengagement) with the service provider in the future. This framework is developed to explore and incorporate different customer co-creation behaviours in the providers' process that leads to a value co-creation loop.

## 2.4 Chapter Summary

The literature review synthesises three core concepts integrated within this study, namely, emotional customer experience based on appraisal theory, customer behaviour and value co-creation with a particular focus on the hospitality literature. Service logic, serving as a theoretical foundation, is applied to integrate these concepts.

A review of the literature reveals four essential knowledge gaps. First, most hospitality studies have focused on assessing customers' binary emotions (i.e., pleasant and unpleasant emotions). Customers' discrete emotions and nuanced emotional changes at service interactions have not been adequately examined. An updated and detailed examination will advance insights into customer emotion, particularly in the hospitality literature.

Second, the complexity of hotel services means that emotion triggers could be associated with both providers' service settings (i.e., service-related triggers) and customers' individual situations (i.e., customer-related triggers). The majority of hospitality studies have prioritised examination of service-related triggers (e.g., Jang and Namkung 2009, Ali *et al.* 2016, Ribeiro and Prayag 2019). However, customer-related triggers, which are equally important, have not been comprehensively studied. Further, hospitality literature fails to reach a consensus on prominent emotion triggers that evoke emotional customer experience. This deficiency warrants the need for a more comprehensive examination of key emotion triggers.

Third, prior studies have predominantly focused on examining the effect of customer emotions on traditional customer behaviours (e.g., satisfaction, purchasing and loyalty). The interaction between customer emotions and their co-creation behaviours have not been fully explored. Such understanding will assist service provider in responding to customer involvement in co-creative interactions.

Fourth, a growing trend of research has prioritised the research focus on value co-creation as

well as the emotional aspect of customer experience. Notably, an emerging view of service logic has transformed a traditional value concept and its creation. Due to this increasing challenge of customer involvement in the service process, value co-creation between customers and hotel service providers requires a new evaluation in terms of three key dimensions of customer experience co-creation, namely, the phenomenon, process and outcome dimension.

This study explores practices on customer experience management from the service provider perspective to identify value co-creation opportunities. As part of this, a three-dimensional value co-creation framework is developed through synthesising key literature. The new framework offers a theoretical foundation to guide the empirical exploration of value co-creation from the perspectives of both providers and customers. The next chapter will discuss the research design and methodology in detail.

# **Chapter 3 RESEARCH METHODOLOGY**

This chapter discusses the research paradigm and methodological approach adopted in order to address the objectives of this study. It outlines the research design and methodologies used to collect and analyse data. The strategies used to ensure the research quality are also elaborated at the end of the chapter.

# 3.1 Pragmatism Paradigm

Traditionally, positivism and interpretivism are the two main but fundamentally opposed research paradigms (Saunders *et al.* 2009). In brief, the positivism notion advocates a singular reality, which is examined by objective inquiries and quantitative research methods (Creswell and Clark 2007). On the contrary, interpretivism paradigm opposes the idea of a single objective reality and supports the existence of various truths (Creswell and Clark 2007). Researchers, who follow positivism notion, attempt to examine an objective truth, while interpretivism researchers are keen to discover the relative truth of multiple realities (Feilzer 2009, Saunders *et al.* 2009).

**Pragmatism as an alternative paradigm.** Every research project is unique. Not every study can comfortably fit in one or the other paradigm stated above (Morgan 2007). Another alternative paradigm is pragmatism. Pragmatism accepts that there are singular and multiple realities in the 'real world' that require a practical means for solving a problem (Morgan 2007). A pragmatism researcher commits to uncertainties of the real world and also recognises the knowledge generated through research as relative instead of absolute (Feilzer 2009, Teddlie and Tashakkori 2009).

A pragmatism paradigm provides an alternative, flexible, and reflexive guide to research design (Morgan 2007). It is mostly used in mixed-methods studies, which combine both quantitative

and qualitative research methods. In this case, a pragmatist researcher tend to combine both quantitative and qualitative methods to conduct good-quality social research (Hammersley 2008). However, a research design using a pragmatism paradigm is not constrained to the common frameworks of mixed-methods research (Morgan 2007). As long as the chosen methods have the potential of addressing the research questions, the research design does not necessarily need to be tied to any particular approach (Feilzer 2009, Saunders *et al.* 2009).

This study endeavours to facilitate value co-creation between customers and service providers. An investigation from both perspectives helps capture a more holistic understanding and offer a best possible solution that marries the two parties in the process of value co-creation (Dubois and Gadde 2002, Lipscomb 2012). A pragmatic paradigm not only demonstrates an emphasis on the aim of problem-solving but also allows the flexibility in research design. Therefore, a pragmatic paradigm is adopted to guide the research methodology in the present study.

# 3.2 Methodology Design

#### 3.2.1 Multiple qualitative research methods

Multiple qualitative methods explore research problems by obtaining in-depth information, analysing words, and building complex and holistic pictures of the phenomena in inquiry (Creswell *et al.* 2006). They were chosen as appropriate to achieve two purposes of this exploratory study, which include: (1) exploring the influence of emotional customer experience on co-creation behaviours and the little understood value co-creation concept between service providers and customers; (2) identifying prominent categories of customer emotions and associated service- and customer-related triggers (Marshall and Rossman 2006). Two qualitative methods, including content analysis of online customer reviews and semi-structured interviews with hotel managers, are employed to not only capture emotional customer experience but also explore value co-creation from the perspectives of both service providers and customers. Within

the domain of hospitality and tourism research, content analysis of customer reviews has been widely recognised for its potential to offer an in-depth and meaningful customer insight (Litvin et al. 2008, Tung and Law 2017). Semi-structured interviews with hotel managers provide further opportunities to inquire value co-creation from the service provider perspective. Figure 3.1 illustrates the research design and its connections to the key research questions. The next section discusses in detail the justification of the research methods.

## Research Methodology Design:

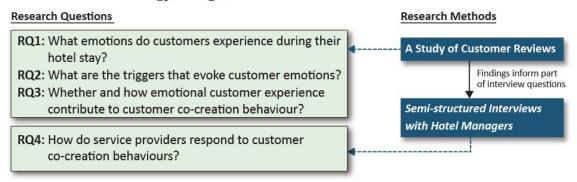


Figure 3.1 Research design

A study of customer reviews. As illustrated in Figure 3.1, this study has employed content analysis of customer reviews to address the research questions related to customers' emotional experience and co-creation behaviour (i.e., research questions one, two and three). When customers 'write' an online review about their stay, they tend to describe their hotel experience in a diary-style narrative. Online customer reviews are chosen, as they provide a rich description of customers' hotel journey (Yu et al. 2017). This allows researchers to assess customers' hotel experience in a retrospective manner (Berezina et al. 2016). Especially, customer reviews provide unobtrusive access to investigate customer emotions, triggers and their co-creation behaviours in a natural setting (Kozinets 2010).

Online customer reviews are perceived as a type of user-generated content, which have been commonly used in hospitality and tourism research (Park and Allen 2013, Zhou *et al.* 2014, Yu *et al.* 2017). Such user-generated reviews are used because they provide rapid and far-reaching

dissemination of opinions (Xie *et al.* 2016) as well as highly authentic information (O'Connor 2010). A focused interpretation of these reviews can deliver powerful customer insights for hotel managers (Zhou *et al.* 2014).

Semi-structured interviewing. Following the customer review study (Figure 3.1), semi-structured interviews with hotel managers are adopted to explore value co-creation opportunities between customers and service providers. Structured interviews required participants to answer a series of pre-established questions with a limited number of response categories. Structured interviewing constrains the exploration of various perspectives on a given topic (Qu and Dumay 2011). In comparison, semi-structured interviewing is widely used in social science studies due to the flexible, accessible and intelligible nature of the method (Qu and Dumay 2011). It is also considered as one of the most effective and convenient means of gathering complex information (Kvale 1983).

Semi-structured interviews in this study were chosen for two reasons: (1) to build on the basis of interactive conversation with a predetermined topic; and (2) most importantly, to allow the disclosure of hidden organisational behaviours due to its flexible nature (Qu and Dumay 2011). In order to answer the research question four (Figure 3.1), an interview guide is designed to cover important research themes, as well as offer researchers opportunities to interpose with probes to elicit elaborative responses in a consistent and systematic manner (Turner 2010). The next section provides an overview of the research context and describes the process of data collection.

## 3.3 Data Collection

## 3.3.1 Context of the study

*Five-star hotels in Dublin.* The majority of five-star hotels are also regarded as luxury hotels. The concept of luxury has evolved through time. Traditionally, the notion of luxury focused on goods

per se. The emerging luxury concept is defined as 'high quality, expensive, non-essential products and services that appear to be rare, exclusive, prestigious and authentic, and offer high levels of symbolic and emotional/hedonic values through customer experience' (Tynan *et al.* 2010).

This study focuses on five-star hotels mainly due to three reasons. First, five-star hotels are required to provide a variety of services, such as restaurant, parking, multi-lingual service and higher quality facilities. The wide range of services leads to a dynamic environment that is particularly challenging to manage and co-create consistent experience during various service interactions with customers (De Keyser *et al.* 2015). Second, in five-star hotels, customers pay a significant premium and subsequently have higher expectations. The consequences of these hotels failing to generate positive experience can be more severe than for mid-price and economy hotels (Barsky and Nash 2002, Ariffin and Maghzi 2012). Third, Customers expect luxury hotels to offer the most exclusive, hedonic and 'hard to imitate' experiences. While most modem hotels offer identical or comparable facilities and services, it is particularly challenging for luxury hotels to co-create unique customer experience (Victorino *et al.* 2005).

Five-star hotels in Dublin, the capital city of the Republic of Ireland, were sampled for a number of reasons. First, Ireland has experienced robust economic growth in international investment. The growth in international investment and the tourism industry has encouraged a new development of hotel capacity, which is estimated to result in 5,550 additional bedrooms in Dublin between 2015 and 2020 (Fitzpatrick Associates 2016). Second, Ireland is still a growing market for the hospitality and tourism industry. International tourists spent over six billion euros on hospitality services in 2016 that represents a growth of 9.5% in 2015 (gradireland 2016). Third, the value of the tourism industry is forecasted to rise from 5.4 billion euros in 2017 to 8.6 billion euros by 2028, which is estimated to be 2.3% of the total GDP in the Irish economy (World Travel and Tourism Council 2018). These figures highlight the need for a better understanding of the

increases in international and domestic customers in the Irish hotel industry.

#### 3.3.2 Purposive sampling

A purposive sample of hotel reviews is used to provide rich and quality information regarding customers' emotional changes and co-creation behaviours (Patton 2002, Miles *et al.* 2014). Purposive sampling was used to select participants or sites that best help the researcher address the research questions or explore a particular phenomenon (Creswell 2014). A total of ten five-star hotels in Dublin were identified according to the Irish hotel classification developed by the Irish National Tourism Development Authority (2017). Both of the qualitative methods, chosen in this study, collected data within these sampled hotels. The data collection procedure is illustrated in Figure 3.2.

#### **Data Collection Procedure**

All five-star hotels in Dublin, Republic of Ireland

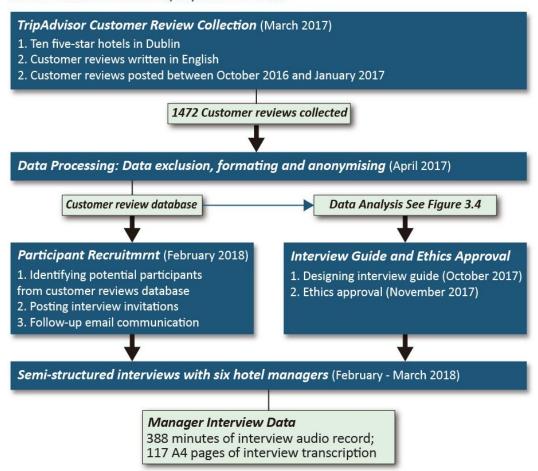


Figure 3.2 Data collection procedure

TripAdvisor customer review data. A series of hotel booking and review websites, including Agoda, TripAdvisor, Booking.com were considered while taking into account of the quality of review content from the sampled hotels. TripAdvisor website was chosen due to the following reasons: (1) it is one of the world's largest (http://ir.tripadvisor.com/) and vibrant online travel communities (O'Connor 2010, Jeacle and Carter 2011); (2) it is an online platform, which provides '600 million reviews and opinions, a massive travel community of 455 million monthly unique users during our seasonal peak, and a diverse offering across a spectrum of travel products' (TripAdvisor Inc. 2017, p. 2); (3) its customer reviews have also been widely used in other hospitality and tourism studies (e.g., Magnini et al. 2011, Yu et al. 2017); (4) Booking.com and Agoda are specialised websites for accommodation reservation while TripAdvisor is an established online community for sharing travel related information and experience. The design of TripAdvisor website encourages users to share rich and descriptive information (see Figure 3.3; top) whereas the other reservation websites, such as Booking.com, prompt uses to list positive and negative points during their hotel stay (see Figure 3.3; below). It is apparent that reviews on TripAdvisor website provide richer narratives regarding hotel experience; and (5) Most importantly, the sampled hotels all respond to their customer reviews on TripAdvisor website that co-creation interactions between hotels and customers can be observed.

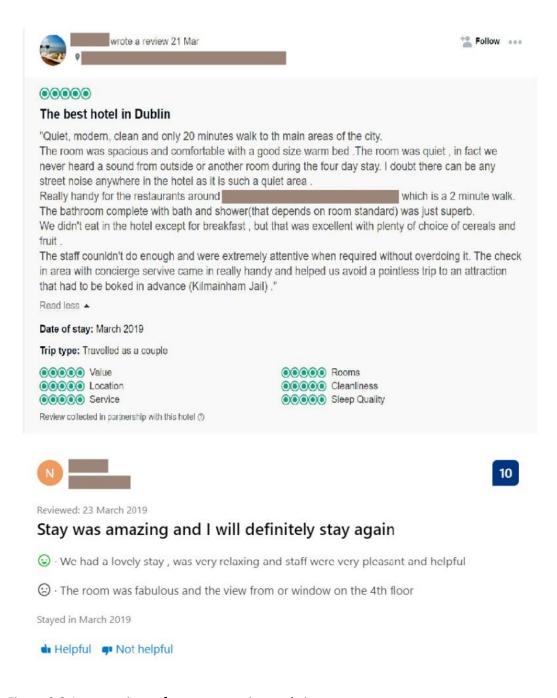


Figure 3.3 A comparison of customer review websites.

Within the sampled hotels, the number of customers staying in a given hotel and reviewing it does not show significant seasonal variations (Fitzpatrick Associates 2016). Especially, emotional customer experience might be significantly different when hotel service settings have been changed or improved. Thus, the sampling of customer reviews was intended to collect customer reviews posted in the consecutive months to avoid inconsistent sampling as some hotels might

dynamically renovate physical environment and improve service offerings quarterly or annually. To ensure that the most up-to-date information was obtained, customer reviews posted from October 2016 to January 2017 were collected from the TripAdvisor website. Reviews written only in English were collected to avoid inaccurate translation (Azer and Alexander 2018). In total, 1472 customer reviews were downloaded and inputted into Excel database in March 2017, as illustrated in Figure 3.2.

As listed in Table 3.1, each customer review contains six elements: posting date, the month of hotel stay, trip type, review title, customer comment and hotel response. Reviewers' (i.e., hotel customers') information in the TripAdvisor community was also collected, including username, location, number of hotel reviews, number of all reviews posted and number of helpful votes received. All data were further verified, reformatted and anonymised. In particular, it is necessary to protect participants' identity by hiding distinct identifiers (Goulding *et al.* 2013, Mkono and Tribe 2017). The data protection practice was in line with the General Data Protection Regulation (GDPR). The process was labour-intensive and time-consuming. It required manually cross-checking the collected data from the website and read through all the content to manually replace all identifiers. Following Wiles' (2013) anonymisation approach, the identifiers such as name, nationality, and gender were replaced with a code to protect the identities of hotels, service staff, and customers. For example, usernames were replaced with case ID, e.g., DA0001. Hotel names appeared in the customers' comments were replaced with 'the reviewed hotel' or 'other hotel' depending on the given contexts.

Table 3.1 TripAdvisor customer review elements collected

| Field                    | Explanation   |  |  |  |
|--------------------------|---|--|--|--|
| Sampled hotel            | Codes of the sampled hotels: A, B, C, D, E, F, G, H, I, J   |  |  |  |
| Customer Review Elements |   |  |  |  |
| Rating date              | It indicates the date of the review was posted on the TripAdvisor.com.  |  |  |  |
| Stayed month             | It indicates the month that reviewer stayed in the hotel.   |  |  |  |
| Trip type                | It indicates different categories of trip type, including business; couples; family; friends; solo.                                 |  |  |  |
| Review title             | It contains a title of the customer comments and in most cases the overall feeling about the hotel.                                 |  |  |  |
| Customer                 | It contains the review body in it   |  |  |  |
| comment                  |   |  |  |  |
| Hotel response           | It contains the response from the hotel manager in it   |  |  |  |
| Reviewer Informa         | tion  |  |  |  |
| User name                | It indicates the username of the reviewer   |  |  |  |
| Location                 | Location refers to the reviewer's residence   |  |  |  |
| Review number            | The number of all kind of reviews posted by a particular user on the TripAdvisor.com.   |  |  |  |
| Hotel review             | The number of hotel review posted by the reviewer on the TripAdvisor.com.   |  |  |  |
| Helpful votes            | The number of helpful votes on all the posted reviews by the reviewer received from other community members on the TripAdvisor.com. |  |  |  |

Three criteria were used to ensure the quality of the samples. First, hotel reviews that were not posted in the month following the visit to the hotel were excluded from the database, because the accuracy of any review decreases with the increasing time between stay and reviewing the hotel (Lee et al. 2011). This criterion is also in line with common industry practice such as that adopted by Booking.com. Second, reviews without any indication of trip types were also excluded from the database. Third, any content of the hotel reviews without detailed description and without mentioning any service-related terms (e.g., hotel facilities, service staff, service quality) was excluded from the database. After these constraints were applied, 72% (1063 cases) of the data collected is used for further analysis.

Interview data. The purpose of the semi-structured interviewing was to explore value cocreation from the service provider perspective. The interview process involved asking broad, open-ended questions. The interview questions were developed from a review of relevant studies as well as informed by the analysis of customer reviews. The interview questions covered three important themes, which were accompanied by a number of relevant questions: (1) current practices of customer experience and relationship management; (2) hotels' responses and further actions according to customer reviews; (3) hotels' collaboration with customers in order to improve hotel services. In order to stimulate interviewing conversation regarding value co-creation with customers, two samples of customer reviews and a few quotes from customer review data were selected to probe how hotels respond to customer feedback internally and externally. One of the samples described a service incidence triggering customers' negative emotions, while the other demonstrated both positive and negative customer emotions. The quotes, which provided feedback for service improvement, were chosen to probe hotel managers' perception and responses to collaborate with customers and how hotels integrate customers' ideas into service improvement.

A semi-structured interview guide was developed to incorporate a collection of key themes and

questions to direct the conversation towards topics that the interviewers intended to learn and discuss (Qu and Dumay 2011). As suggested by Taylor *et al.* (2016), the interview guide was reviewed by academics and practitioners and revised accordingly as well as improved during the data collection stage. For example, the sequence of interview questions was adjusted to create a smooth flow of conversation. The adjustment broke up questions tied to a particular theme, and arranged questions starting with simple ones to more complex ones. Some reminder notes to the interviewer and alternative probing questions were also integrated into the interview guide to ensure a consistent quality of interviews. The final interview guide is attached in Appendix 1. Interviewing managers from the sampled hotels was deemed appropriate, because such sampling can provide a comparison to the topic studied. Based on customer review data, hotel managers were identified from their response on TripAdvisor. Invitation letters (see Appendix 2) were posted to the hotels, and followed by email communications with each responding hotel manager in order to arrange an appointment for interviewing.

Initially, participant recruitment was raised as a concern due to the hotels' high-end and international corporate status in the industry. However, seven responses were received within a week after sending out the invitation letters. A satisfactory response rate shows a growing interest in the research topic from the industry. One of the managers was unable to participate due to work schedule constraint. The other managers showed a particularly keen interest in the topic of customer experience and relationship that can be observed from their email replies and responses during the interviews. One of the managers mentioned in his email:

'I have a personal interest in how studies and research can affect/change a guest's experience for the better so I would be delighted to assist you in your research in the form of an interview.'

The managers were keen to learn more about customer experience as it helps their business as well as their professional development. In total, six hotel managers agreed to voluntarily

participate in the interview and share their work experience and opinion regarding customer experience and relationship management. The interviews were conducted between February and March 2018 at the hotels where the participants worked.

All interviews were audio recorded. Each interview lasted between 46 to 103 minutes and transcribed into electronic text format for data analysis. Furthermore, pseudonyms were used to protect participants' identity, as shown in Table 3.2, along with the interview durations and other participant information. Field notes were also taken during the interviews as well as used as a supplement to the interview transcripts.

Table 3.2 Information on participants and interview duration

| Pseudonyms of hotel managers | Gender | Years of working at the current hotel | Years of working in<br>the hotel industry | interview duration (minute) |
|------------------------------|--------|---------------------------------------|---|-----------------------------|
| John                         | Male   | 21                                    | 35  | 46                          |
| James                        | Male   | 2.5                                   | 15  | 47                          |
| Crispin                      | Male   | Less than 1                           | 10  | 52                          |
| Louis                        | Male   | 5                                     | 12  | 61                          |
| Owen                         | Male   | 2                                     | 11  | 79                          |
| Sophie                       | Female | 1.5                                   | 12  | 103                         |

Note: The positions of the interviewed managers include general manager, guest relations manager, and director of rooms.

#### 3.3.3 Research ethics

This study contains two means of data collection: (1) Collecting anonymous customer reviews of hotels from the TripAdvisor website (https://www.tripadvisor.com/); (2) Conducting interviews with hotel managers. The following section discusses the ethical concerns related to data collection and procedure of how these concerns were addressed.

One of the ethical concerns was related to obtaining consent from TripAdvisor users. The content collected is considered as non-personal and non-sensitive in nature, due to two rationales: (1) all reviews on the website are publicly accessible to internet users including non-member users (Kozinets 2002); and (2) all customer reviews are posted by users with their pseudonym (i.e., user names on TripAdvisor website). Therefore, without a full disclosure of the research purpose

and the researcher's identity, TripAdvisor data was collected at the discretion of the PhD candidate, in terms of protecting identities of users and hotels. The approval from the DCU Research Ethic Committee (REC) is attached in Appendix 3.

Another ethical consideration was related to managers' competence in answering interview questions and receiving their consent. On this occasion, the PhD candidate's identity and research purpose were disclosed to the participants. The interview questions were impersonal and related to participants' work experience and practices on customer experience management. The participants were deemed to have sufficient knowledge on this aspect due to their job positions. Informed consent letters were communicated and obtained from participants before every interview. Managers participating in interviews were entirely voluntary. There was no negative influence on their jobs, as they would refer to their organisational regulations before they participated in the interviews. The research approval was also obtained from the DCU Research Ethics Committee before conducting the interviews (Appendix 4).

Finally, to avoid any potential harm (e.g., losing data, revealing personal identity), data protection and retention were main ethical concerns in this study that were dealt with discretion (Oxford Internet Institute 2014). Although all data collection was completed before GDPR came to place on 25<sup>th</sup> May 2018, the data protection practices in this study were in line with the regulation. Six principles of data protection were and will be applied in this study, including (1) all data collected was stored and retained in the DCU facility (i.e., a password protected computer, google drive space under a DCU account); (2) all data collected was backed up in an encrypted hard disc drive with a password; (3) all collected data was only accessed by the PhD candidate and the supervisor; (4) all user names and hotels were further assigned pseudonym or anonymity codes, and remain anonymous in all related publications; (5) the encrypted files involving the indication of user and hotel names will be destroyed and erased from the PhD candidate's computer and the hard drive in five years upon completion of the PhD; and (6) the

department of Information Systems Services at the University will also assist in erasing the data and ensure the deleted files cannot be recovered permanently.

## 3.4 Data Analysis Procedure

#### 3.4.1 Thematic analysis

To achieve the research objectives, thematic analysis was employed to analyse both TripAdvisor review and manager interview data. In other words, a thematic analysis was conducted to examine emotional customer experience, co-creation behaviour and value co-creation between customers and service providers. The analysis procedure is illustrated in Figure 3.4.

Thematic analysis is a method used to identify themes and patterns in textual information (Aronson 1995, Braun and Clarke 2006). Such information is usually drawn from interview transcripts (i.e., individual and focus group interviews) and other textual documents (Gibson and Brown 2009, Vaismoradi *et al.* 2013). The analysis process involves systematic coding and categorisation to explore and identify important patterns and structure of a large amount of textual information(Braun and Clarke 2006). It is also essential for researchers to immerse themselves to make sense of the complex information through iterative reading (Campbell *et al.* 2013). Thematic analysis aims to make a convincing case that is rigorous, transparent and credible (Guest *et al.* 2012, Miles *et al.* 2014). More importantly, the analysis process is flexible and adaptable to various contexts (Braun and Clarke 2006).

## **Data Collection Procedure**

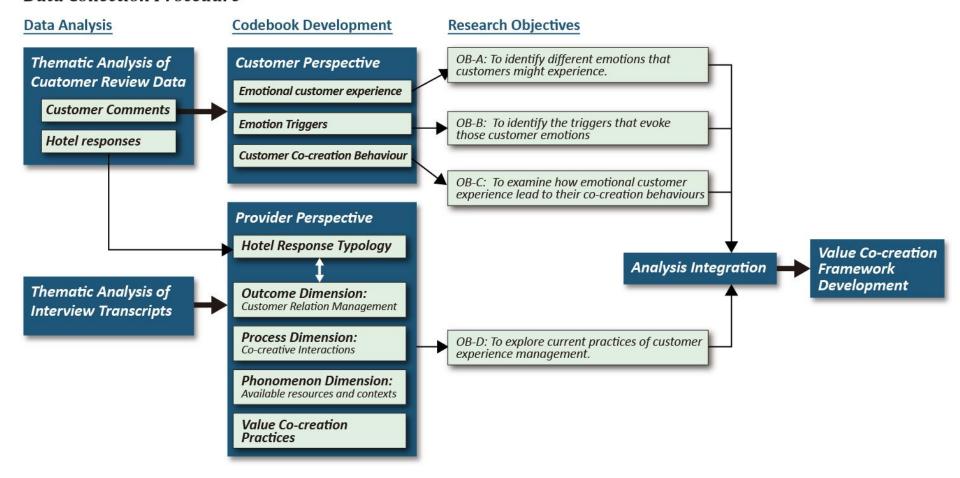


Figure 3.4 Data analysis procedure

During the analysis process, coding is conducted to create categories that can be used to describe various characteristics identified in the customer review data and interview transcripts (Gibson and Brown 2009). A code is used as label that describes various factors that evoke emotional customer experience, for instance (Gibson and Brown 2009, p. 131). A theme represents a coherent integration of diverse factors that lead to the findings (Guest *et al.* 2012). A theme also helps organise the textual information in a hierarchical structure and describe the findings in rich detail (Braun and Clarke 2006). In summary, a code is used to offer an expression of the latent content, while a theme demonstrates an aggregate level of several associated codes.

The principle of thematic analysis is to capture external heterogeneity across themes and subthemes and internal homogeneity within themes and sub-themes (Patton 2002). In this study, the process of thematic analysis followed the procedure developed by Braun and Clarke (2006), which has been employed in many studies (e.g., Bosangit *et al.* 2015, Wang *et al.* 2016, Szmigin *et al.* 2017). The procedure is listed in Table 3.3. The two sub-sections below start with profiling the data collected, followed by an elaboration of data analysis in terms of coding and developing themes and categories.

Table 3.3 Thematic analysis procedure

| Phase                                     | Description of the process   |
|---|--|
| 1. Familiarizing yourself with your data: | Transcribing data, reading and re-reading the data, noting down initial ideas.   |
| 2. Generating initial codes:              | Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.  |
| 3. Searching for themes:                  | Collating codes into potential themes, gathering all data relevant to each potential theme.  |
| 4. Reviewing themes:                      | Checking if the themes work in relation to the coded extracts and the entire data set, generating a thematic 'map' of the analysis.  |
| 5. Defining and naming themes             | Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.   |
| 6. Producing the report:                  | The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis. |

(adapted from Braun and Clarke 2006)

#### 3.4.2 The analysis of TripAdvisor customer review data

Profile of customer reviews. In total, 1,043 different reviewers contributed to the 1,063 reviews sampled. Among these reviewers, 855 reviewers (i.e., TripAdvisor members whose reviews were included in the database) are not first-time reviewers. They had written more than one review (including reviews of attractions, tours, restaurants and hotels) by March 2017. The highest number of reviews undertaken by a single reviewer was 1,206, while the average number of reviews posted was 12. This observation indicates that the majority of reviewers are likely to be genuine (O'Connor 2010). Within the full set of customer comments studied, the total word count was 118,032 words. The average comment was approximately 111 words in length, with the shortest around 30 words and the longest 1,210 words in length. In terms of hotel response, the average hotel response rate is 96%. Five hotels replied to every customer comment which leads to 100% response rate. Hotel J has the lowest response rate of 81%.

An overall profile of the customer reviews by rating months, travelling types, and hotels is summarised in Figure 3.5. Hotel G received the highest number of reviews across the sampled four months on TripAdvisor (i.e., October 2016 – January 2017). In contrast, Hotel B has the lowest number of reviews. The pattern of customers' travelling types (i.e., couple, business, family and solo travellers) is relatively consistent in the first three months. The couple, business and family travellers are the three dominant groups of customers that posted reviews on TripAdvisor. The number of couple travellers is the highest across all the four months, while the number of solo travellers is the lowest and remains relatively the same across all four months. While the number of business travellers consistently declines over time, the number of other types of travellers has increased dramatically in January 2017, especially couple travellers. However, it is worth noting that the profiling presented here is based on the customer reviews included in this study and does not necessarily represent the full number of guests and profiles of the hotels studied.

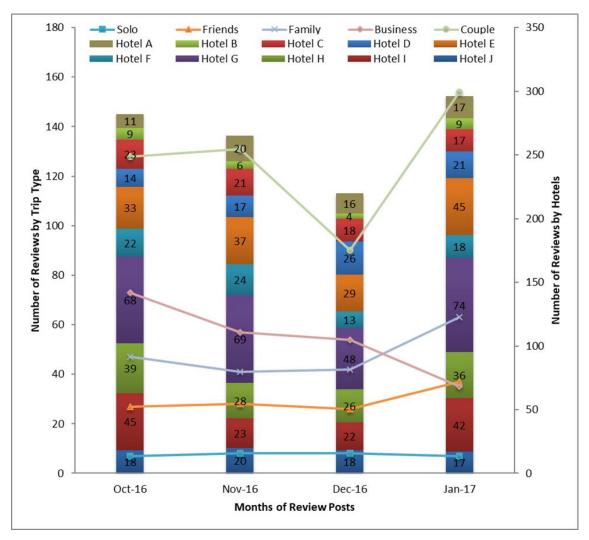


Figure 3.5 Profile of customer reviews

Coding customer reviews. The coding of customer reviews contained two main parts: customer comments and hotel responses. The thematic analysis procedure suggested by Braun and Clarke (2006)(Table 3.3) was employed to analyse both customer comments and hotel responses. In particular, appraisal theory (Table 2.2) was applied to differentiate discrete emotions (e.g., happiness or discontentment) and to capture qualitative, detailed, and nuanced account of customer co-creation behaviours in customer comments.

As shown in Figure 3.4, thematic analysis of customer review aimed to capture three key aspects, namely emotional experience typology, emotion trigger (i.e., service- and customer related triggers) and co-creation behaviours from customer comments as well as develop a review

response typology from the associated hotel responses. The study applied a combined deductive and inductive approach, which is also called abductive reasoning (Feilzer 2009). The logic of abductive reasoning combines both deductive and inductive approaches (Patton 2002). Various themes and codes were emerged from the review data and synthesised based on an analysis of the current literature. The analysis was conducted using a qualitative data analysis software, Nvivo 11, in order to fully utilise the large amount of contextual data.

Following the analysis procedure suggested by Braun and Clarke (2006), in phase one, all customer comments and 30% of a stratified random sample of the associated hotel responses were iteratively read and coded into overarching themes identified from the literature. For example, customer comments related to emotion triggers were coded into physical environment, human interaction, and service management and process. Customer recommendation and other influencing behaviours were coded into themes of customer co-creation behaviours. The analytical approach in phase one was more of deductive oriented.

In phase two, an inductive approach was undertaken. Detailed observation of the review data was used to identify initial codes. One hundred codes were identified. In phase three, the analytical tasks mainly focused on searching potential themes for organising the codes identified. Six overarching themes were created, namely emotional customer experience typology, emotion trigger, customer co-creation behaviour, pre-arrival and post-departure experience and hotel response typology.

In phase four, the themes and codes identified were further organised and integrated into four main themes, namely emotional customer experience typology, emotion trigger, customer cocreation behaviour and hotel response typology. The research questions were used to examine the relevance of the codes. As recommended by Braun and Clarke (2006, p. 91), 'some potential themes are not really themes (e.g., if there are not enough data to support them, or the data are too diverse), while others might collapse into each other (e.g., two apparently separate

themes might form one theme)'. Following examination of code relevance, irrelevant themes and codes were discarded. For example, the code of 'weather' was discarded during the analysis process, as there was insufficient evidence to show that weather influenced service interactions between hotels and customers. Previous studies also provided a theoretical foundation to justify whether to discard or merge codes. For instance, 'pre-arrival experience' and 'post-departure experience' were integrated into cumulative experience under the theme of 'customer-related trigger'. 'Exterior and interior aesthetics' was integrated into the sub-theme of 'ambience', and further merged with other visual factors (e.g., decoration, floral display) that is eventually named as 'visual and aesthetic effect'.

In phase five, all the themes and codes identified were further re-refined and conceptualised in the form of an analysis codebook (Appendix 5). The wide range of themes and sub-themes are presented along with their description and exemplary quotes in the codebook. The structure of thematic coding derived from customer comments and hotel responses are illustrated in Figure 3.6 and Figure 3.7, respectively. The findings from analysis of customer comments are presented in Chapter 4.

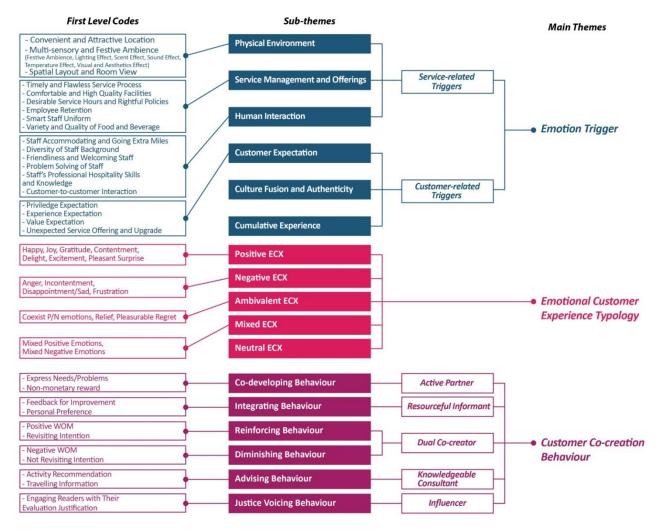


Figure 3.6 Structure of the themes and sub-themes derived from customer comments

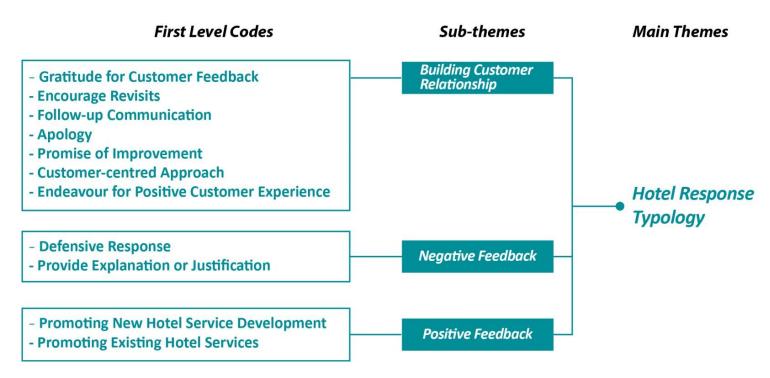


Figure 3.7 Structure of the themes and sub-themes derived from hotel responses

### 3.4.3 The analysis of interview data

Profile of interview transcripts. A total of 388 minutes of manager interview audio was transcribed into interview transcripts. The total word count of the transcripts 64,754 words. Online transcription platform 'Happy Scribe' (www.happyscribe.co) was used to assist in generating drafts of the interview transcripts. The draft transcripts were again transcribed word-by-word by the author and further reviewed and edited by a professional editor. Such transcribing and editing process was carried out to ensure the quality of subsequent interpretation (Bazeley and Jackson 2013). The finalised version of the interview transcripts was used in the thematic analysis.

Coding interview transcripts. The analysis process of interview transcripts also followed Braun and Clarke's (2006) procedure (Table 3.3). An abductive approach was also used to code the transcripts. Firstly, interview transcripts were iteratively read by the PhD candidate. Manual coding and note taking were done on papers and pen before working on Nvivo 11. This manual process allowed the researcher to compare some initial codes across different transcripts and swiftly identify important sections within the transcripts.

In phase two, interview transcripts were imported into Nvivo 11. Forty-seven initial codes were identified from the transcripts. In phase three, the initial codes were organised into the three overarching conceptual themes, namely 'phenomenon dimension', 'process dimension' and 'outcome dimension'. In addition, 'value co-creation practices' was also used as an overarching theme to explore the obstacles and opportunities of value co-creation with customers from the service provider perspective. In phase four, eleven codes from hotel response typology (Figure 3.7) were used to code against interview transcripts. Four codes were adopted from hotel response typology and used as sub-themes of 'outcome dimension', which include: (1) promoting new hotel service development; (2) promoting existing hotel services; (3) encourage revisits; and (4) customer-centred approach. 'Gratitude for customer feedback' was also adopted

from response typology but further rephrased as 'acknowledging customer feedback' to better reflect the latent content of the theme. The code of 'managing public exposure' was also derived from the transcripts. A total of 16 sub-themes were created to manifest first level codes. Phase five focused on conceptualising the identified sub-themes and codes with the use of participants' 'voice'. To maintain 'authenticity' of the findings, each theme and code was named after participants' 'words'. The final structure of thematic coding identified from interview transcripts is exhibited in Figure 3.8. The findings from analysis of manager interviews are discussed in Chapter 5.

This study is intended to facilitate value co-creation between service providers and customers. Following a pragmatist paradigm, comparing the findings and building the connections are essential to generate the best recommendation to the research problem (Dubois and Gadde 2002, Lipscomb 2012). Two sides of value co-creation 'stories' were captured. As illustrated in Figure 3.4, the three dimensions of value co-creation (i.e., phenomenon, process and outcome) were used as a foundation for synthesising the findings in order to refine the value co-creation framework (Figure 2.6). The detailed discussion and implications are presented in Chapter 6.

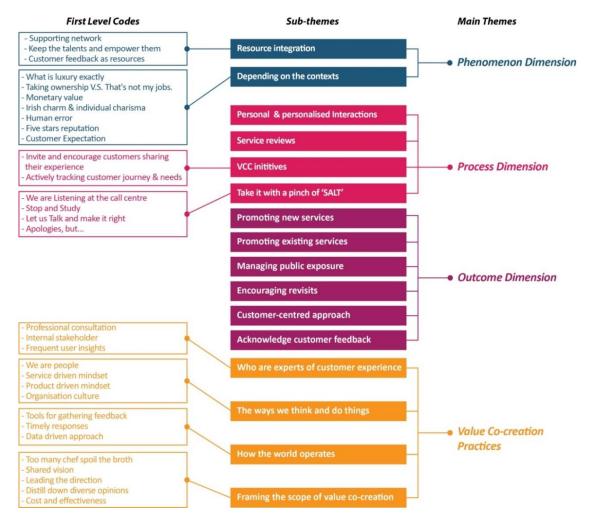


Figure 3.8 Structure of the themes and sub-themes derived from interview transcripts

# 3.5 Quality in Qualitative Research

To conduct a rigorous scientific study, validity and reliability are two important terms used across multiple disciplines. In particular, validity and reliability are commonly used in quantitative research for effectively representing the empirical reality (i.e., truth) and the degree of consistency in scientific studies. In qualitative research, some researchers replace these two terms with other terms in order to emphasise the nature and value of qualitative studies (Golafshani 2003, Guest *et al.* 2012). For example, in qualitative research, validity is replaced with trustworthiness, worthiness, relevance, representativeness and credibility (Winter 2000). Reliability is also called stability, consistency, predictability and dependability (Guest *et al.* 2012). However, scholars argue that employing alternative terms for qualitative research increases the likelihood of marginalising the field from mainstream science and the legitimacy with which it is associated (Morse *et al.* 2002, Guest *et al.* 2012). Following the suggestion from Morse *et al.* (2002), the terms of validity and reliability are used in this study.

Scholars emphasise that validity is particularly important in research (Winter 2000, Golafshani 2003, Guest *et al.* 2012). From the perspective of conducting quantitative research, if data collected through a truly valid instrument, the reliability of the study will logically follow while being applied to the same population and context (Guest *et al.* 2012). Face validity is the closest demonstration of overall validity of this study (Guest *et al.* 2012). Face validity is referred to as 'the degree to which an indicator for a concept (e.g., questions, scales) intuitively makes sense is determined by consensus among researchers' (Guest *et al.* 2012 pp. 81). In other words, researchers make their judgement based on the information available and then decide whether the presenting findings are valid.

To ensure face validity, two main actions were undertaken: (1) making the research process transparent; and (2) developing instruments following established practices (Miles *et al.* 2014).

For example, the development of the interview guide followed the Krueger and Casey (2014) procedure; the thematic analysis adopted the analytical procedure suggested by Braun and Clarke (2006). As suggested by Miles and his colleagues (2014), taking these two actions can: (1) avoid the possibility of making critical mistakes or unfounded leaps of logic; and (2) facilitate other readers to judge the merit of the research.

Reliability is also emphasised to ensure the quality of this study (LeCompte and Goetz 1982, Golafshani 2003). Following Guest and his colleagues' (2012) suggestion, research reliability was enhanced through three stages: inter-coder agreement, intra-coder reliability, and inter-coder reliability. Firstly, inter-coder agreement was checked by the PhD candidate and the supervisor at each stage of the codebook development. Secondly, a stratified random sample was employed and deemed sufficiently rigorous to capture diverse samples of reviews across the months and hotels. Over 31% (339 cases) of the review data was double-coded by the PhD candidate after two months of completion of the first thematic coding. The intra-coder reliability achieved more than 97% agreement check and moderate Cohen Kappa coefficient which is 0.49 (Viera and Garrett 2005). Thirdly, another stratified random sample (30% or 320 cases) of the review data was double-coded by a research assistant after the codebook had been refined, followed by both an inter-coder agreement check and an intra-coder reliability check. The assessment of intercoder reliability obtained a 96% agreement among the coders and moderate Cohen Kappa coefficient which is 0.49 (Viera and Garrett 2005). The discrepancies of coding were discussed among the coders, and agreed revisions were inserted in the codebooks. Take the quote below as an example,

'I was nervous at start dining in this particular hotel as my usual dining experience would be limited to a more old style hotel like the [other five-star hotel names]. My first impression of the hotel was WOW the lobby is so modern yet so comfy, the concierge and front desk staff were jumping out of the desk to try and assist me on both occasions and which really added to the VIP (very important person) experience.'

The quote was initially coded as 'relief' by the first coder and as 'joy' by the second coder. After the discussion on the coding discrepancy, the second coder came to an agreement with the first coder on coding the quote as 'relief'. The reviewer expressed comparison between his/her previous hotel experience and this about-to-visit hotel in the first sentence. The statement also depicted the reviewers' feeling of uncertainty and nervousness about the first-time visit to the hotel. In the end, the reviewed hotel did not disappoint the reviewer. Thus, the feeling of relief was evoked by the circumstance.

Finally, it is inevitable that researchers consciously or unconsciously introduce subjective assumption (i.e., biases) during the process of both data collection and analysis (Creswell and Clark 2007). Keeping the research process transparent to the readership is again critical. The endeavour for keeping the research process clear can be reviewed in this chapter. The next chapter reports the findings derived from analysis of customer review data.

# Chapter 4 FINDINGS: EMOTIONAL CUSTOMER EXPERIENCE, TRIGGERS AND CO-CREATION BEHAVIOURS

This chapter reports the results derived from the analysis of 1,063 customer review comments.

Based on the new conceptual framework (Figure 2.6), the findings are discussed following the three key dimensions of value co-creation from the customer perspective that are listed below:

- Emotional customer experience typology in the process dimension
- Emotion triggers in the phenomenon dimension
- Customer co-creation behaviours in the outcome dimension

# 4.1 Process Dimension: Emotional Customer Experience Typology

In the process dimension of the value co-creation framework (Figure 2.6), customer emotions were triggered from various service interactions with service providers. In total, 8,459 service interactions were identified from 1,063 customer comments. Drawing on the combined application of appraisal theory and thematic analysis, an emotional customer experience typology was developed to capture customers' discrete emotions and multiple changes of emotions.

Seven positive and four negative discrete emotions were identified. In addition, the situations that customers had more than one emotion or little emotional changes during a single service interaction were also observed. These emotional changes were then characterised into five types of emotional experience, namely positive, negative, ambivalent, mixed and neutral emotional experience. These types describe how customer emotional experience is affected during a service interaction. Table 4.1 presents the percentage of occurrence of each emotion classification the 8,459 service interactions examined. These are then discussed in detail in the following sub-sections.

Table 4.1 Hotel Discrete Emotion Set (HDEMOS) with examples and percentage of total emotion count

| Emotion<br>Classifications                | Examples   | (%) |
|---|--|-----|
|   | customer experience  |     |
| Happiness                                 | 'Stayed here a couple of years ago and although there were small niggles It didn't put me off returning again and I'm glad I did.'   |     |
| Joy                                       | 'This was a treat for my wife as we were celebrating our first wedding anniversary. What a choice!!'   |     |
| Gratitude                                 | 'special thanks to [staff name] on the front desk for sorting me out with a taxi when my Hailo app wasn't giving me any joy.'  |     |
| Contentment                               | 'I did find the staff to be helpful and gracious, even housekeepingno complaints there'  |     |
| Delight                                   | 'My parents and I were feeling peckish and decided to stop for a quick bite to eat. My parents had the Tiger prawn tagliatelli which they said was amazing, so tasty and I had the rocket, blackcurrant, blue cheese, orange and walnut salad, yum, yum, yum!!!!'            |     |
| Excitement                                | 'Swimming pool is lovely and very clean perfect for a [sic] early morning swim!!!'   | 0.5 |
| Pleasant Surprise                         | 'They upgraded me, and the room was fantastic!!!'  | 5.1 |
| Negative emotiona                         | ll customer experience   |     |
| Anger                                     | 'Breakfast ordered toast and the waiter looked at me as if i [sic] (had) two heads.'   | 1.1 |
| Discontentment                            | 'Parking is an issue which would be the only down side.'   | 6.4 |
| Disappointed                              | 'I was attracted to it through a blogger that posted beautiful photos in<br>a room that must have been an exclusive luxury suite, nothing like what<br>we stayed in.'  | 5.5 |
| Frustration                               | 'Discovered a leak at base of the toilet - bit of a shock when you step into water in the middle of the night as one pays a visit - certainly awakes you from your slumber.'   | 1.2 |
| Ambivalent emotio                         | onal customer experience   |     |
| Positive and negative coexisting emotions | and 'Then we headed into the large busy bar at the front of the hotel, we were enjoying the service and the atmosphere and then this awful dance music came on - I felt like I was in some tacky bar in the  |     |
| Relief                                    | 'Unfortunately (construction) work is on going [sic] but in a discrete way.'   | 1.7 |
| Pleasurable<br>regret                     | 'Loved our stay but was too short!'  | 0.3 |
| Mixed emotional co                        | ustomer experience   |     |
| Mixed positive emotions                   | 'As we were checking out we met the Guest Relations Manager Danny, whom we met two years ago in the [reviewed hotel name] in Dubai who was extremely helpful then and also on this occasion. It was lovely meeting up with him again. '                                      | 0.6 |
| Mixed negative emotions                   | 'Our room was chilly when we arrived and the heater (a flush-mounted ceiling fan) was noisy, slow and inefficient. We couldn't sleep with it on, even at the low setting, and the room was cold without it. That is simply not good enough for a hotel in this price range.' | 1.2 |
| Neutral customer experience               | 'Breakfast was fine, nothing special.'   | 2.2 |

### 4.1.1 Positive emotional customer experience

Positive emotional experience captures that a positive discrete emotion emerges through a congruent goal during a service interaction. It is comprised of seven discrete emotions (Table 4.1). Of these, contentment (43%) was the most frequently observed positive emotion followed by delight (20%). Excitement and happiness were much less frequent, which only account for less than 1%, respectively.

Table 2.2 illustrate that self-agency desirable interactions (e.g., decision-making on the hotel choices) generate positive emotions such as happiness and joy with intensity levels ranging from low, moderate to high. As discussed in section 2.1.2, the intensity level of emotions depends on the importance and relevance of the goal congruence to an individual. In Table 4.1, the example of joy demonstrates a higher intensity level of positive emotion because the customers were celebrating a special occasion (i.e., the first wedding anniversary) which was considered to be highly important. Moreover, customers also tend to use capital typing, exclamation mark and describe their experience in superlative terms when the intensity level of emotions is high (Aman and Szpakowicz 2007, Neviarouskaya *et al.* 2011).

Contentment and delight also represent a lower and higher level of emotion intensity, respectively. While happiness and joy are self-agency emotions, contentment and delight are usually elicited by a desirable service encounter or pleasant environment (Ruth *et al.* 2002). Looking at the examples of contentment and delight in Table 4.1, the customers described that their needs were fulfilled without complaints. Notably, the customer was also contented with the staff's courtesy. Slightly different from what appraisal theory suggests (Table 2.2), contentment and delight evoked by service staff were also observed during hotel service interactions. Nevertheless, such findings are in line with other studies (e.g., Torres *et al.* 2014, Delpechitre *et al.* 2018, Zhang *et al.* 2018). One consistent message from these studies is that service staff play an essential role in making customers feeling delighted.

Pleasant surprise depicts customers encountering an interaction that exceeds their anticipation (e.g., an unexpected service offering or upgrade) (Crotts and Magnini 2011). Excitement describes customers encountering favourable circumstances or objectives, which enhance feelings of stimulation (Wakefield and Blodgett 1999). As illustrated in Table 4.1, pleasant surprise and excitement were often elicited by the agency of others (e.g., receptionists) and objects (e.g., swimming pool). In comparison, gratitude was often evoked by the interactions with service staff that is also in line with other studies (Ruth et al. 2002, Palmatier et al. 2009). However, customers themselves as an emotion agency were less observed to cause pleasant surprise and excitement. These findings are possibly related to the fact that, while writing a hotel review, customers tend to focus on commenting hotel service interactions rather than their private matters (Zhou et al. 2014). The excitement and pleasant surprise caused by customers themselves can be related to somehow private events. For example, one may feel excited about his/her first time stay in a luxury hotel, but one might not be willing to express that in public (i.e., TripAdvisor website). The analysis shows that customers tend to describe their experience at critical encounters, such as check-in, check-out, and the first moment entering the bedroom). Similarly, it is not surprising that customers' emotions caused by customers themselves, such as happiness and joy, were also less observed in the data. Customers, who wrote a hotel review might have an intention of evaluating hotel services and their stay experience (Zhou et al. 2014). Within the context of hotel services, happiness and joy are often related to customers' decisions on hotel reservation and stay. This is considered as an overall evaluation of hotel experiences. It is also likely that customers do not explicitly express their hotel decision or overall evaluation of services while they are trying to describe their experience in more details. These customer tendencies while writing a hotel review can explain that positive emotions such as love, optimism were rarely found in the customer review data due to its relevance.

### 4.1.2 Negative emotional customer experience

Negative emotional experience outlines that a customer's emotion is triggered by an incongruent goal during a service interaction. It incorporates negative emotions, such as anger, discontentment, disappointment, frustration. As shown in Table 4.1, discontentment and disappointment (both around 6%) are the most frequently observed negative emotion. Frustration and anger only account for around 1%, respectively.

Anger depicts that other people are an agent leading to customers' incongruent goals (see example in Table 4.1). In other words, anger emerges when someone else is responsible or to blame for the negative outcomes. It is common that customers feel irritated and annoyed when hotel service staff is responsible for their incongruent goals. These findings share the same view with previous studies (e.g., Bolton *et al.* 2014, Maguire and Geiger 2015).

Discontentment and disappointment are both elicited by customers' incongruent goals, which are related to objects and circumstances. Customers' discontentment was usually related to their unfulfilled needs and unmatched liking towards service interactions, while disappointment was often caused by service interactions failing to meet customers' expectation or specific agreed criteria. The examples in Table 4.1 can demonstrate these accounts.

Frustration describes that customers are involved in or encountering a circumstance that they have limited control over (Roseman 1996). The example in Table 4.1 shows that the customer had significant changes of emotion when he/she stepped into 'water in the middle of the night'. The customer felt frustrated because it was difficult to fall asleep after the event.

Most negative emotions identified are related to the negative outcomes caused by others (i.e., anger), objects and circumstances (i.e., discontent, disappointment, frustration). Interestingly, other negative emotions such as guilt, humiliation, worry and fear, which were related to self-agency, were rarely observed in the data. These findings might imply that customers are less

likely to perceive themselves as responsible parties for negative outcomes.

In comparison, positive emotional experience accounts for more than 70% of service interactions, while negative emotional experience only constitutes to 14% of the total emotions identified. In line with previous studies, the analysis also shows that customers are more likely to share their positive experience when 'reporting' their service experience (Jang and Namkung 2009, Bilro *et al.* 2019).

#### 4.1.3 Ambivalent emotional customer experience

Ambivalent emotional customer experience refers to customers' emotional changes involving both positive and negative emotions. Such ambivalent emotions capture the situations including multiple emotions coexisting with, conflicting with (i.e., pleasurable regret) or resolving (i.e., relief) each other during a single service interaction. Coexisting emotions (7%) were the most frequently observed type of ambivalent experience (Table 4.1). Relief is counted around 2% and pleasurable regret account for just 0.3%.

As illustrated in Table 4.1, the customer was contented with a wide variety of craft beer, but very soon realised that the food quality was not up to satisfactory. In this case, one emotion did not compensate the other. Contentment and disappointment coexisted during such a service interaction. Similarly, customers might also have conflicting emotions towards some circumstances. In most cases, pleasurable regret was observed when customers felt regret to leave after having extremely pleasurable experience during the hotel stay (see Table 4.1). Both positive and negative emotions were elicited simultaneously that resulted in customers having conflicting feelings (i.e., pleasurable regret).

On the contrary, a resolving emotion (i.e., relief) exists in circumstances that a customer initially tries to avoid a negative outcome of a service interaction (i.e., aversive motivation), but the interaction turns out to be a positive encounter (i.e., goal incongruence). The elicitation of relief

can also be explained in relation to customers' uncertainty about new encounters based on past experiences. Such uncertainty is eventually resolved in service interactions. For example, customers might encounter an inconsistent experience from that suggested by hotel advertisements.

Ambivalent emotions (e.g., coexisting emotions) reveal the complexity of emotional customer experience that are less studied in the context of hotel services. Pleasurable regret is likely to be a hotel-specific emotion. Different from other service contexts, customers might not ever return the hotel in a foreign destination. Such conflicting emotions may come from customers' fear of not receiving the same experience in the future. Relief is not necessarily tied up with negative implications, but it shows the potentially negative implication to customers' emotion wellbeing. Timely responses from hotels and service staff might create important and timely impacts on 'reversing' customers' emotional state. The type of ambivalent emotional experience mainly captures customers' emotional changes in terms of valence that is positive and negative valence of emotions.

#### 4.1.4 Mixed emotional customer experience

Mixed emotional customer experience describes that more than one positive or negative discrete emotion is evoked by a single service interaction. In other words, customers have multiple changes of emotion in either a positive or a negative way that is characterised as mixed positive or mixed negative emotions. Table 4.1 shows that mixed negative emotions and mixed positive emotions comprise around 1% of service interactions, respectively.

Most cases of the mixed positive emotions outline that customers felt grateful to service staff as well as other positive emotions (e.g., contentment, delight). For example, a customer wrote in the review: 'I had the most amazing massage from [service staff], a huge thank you to [service staff].' In this case, two emotion agencies were involved in the elicitation of mixed positive

emotions, including the fantastic massage (i.e., an agency of circumstances) and the skilled service staff (i.e., an agency of others).

Changes of emotional intensity were also observed in both mixed positive and negative emotions. The intensity of negative emotions was raised when customers realised that their needs were being neglected at a given point during the service process that resulted in customer's mixed negative emotions. This accords with a study from Surachartkumtonkun *et al.* (2015). An example is listed below.

End result was the next morning before leaving to explore the City we stopped at the front desk. We inquired to learn what they were doing about changing rooms while we were out. The person at the desk looked up our 2 rooms and there were NO notes in the file from ANY of our concerns or inquiries. [Staff] had no knowledge that anything was wrong. So instead of starting our day on a positive, we were even more frustrated... We explained the situation and [staff] did explain more fully the situation and tried to see what [staff] could do. We left for our days adventure.

Similarly, other examples of mixed positive emotions demonstrate changes of emotion intensity, as evidenced below.

The highlight was meeting a staff member in the hotel on the way to breakfast the first morning who was so incredibly helpful in helping us adjust our spontaneous itinerary for other stays in Ireland. Her help went WAY beyond a suggestion, she procured a reservation at an amazing rate for a location on our last night in the country. She did this on her day off and it was a perfect example of the warmness and helpfulness not only of [reviewed hotel name], but of the people of Ireland as well.

Initially, the customer was contented with the suggestion on the travel itinerary. As the service interaction evolved, the intensity of the customer's positive emotion increased (i.e., delight). In this service interaction, the emotion agency of 'others' (i.e., service staff) was also involved in this service interaction. Interestingly, the customer did not demonstrate those positive emotions

(e.g., gratitude, love, excitement) caused by others. In the service context, customers sometimes do not appraise the circumstances and service staff separately. This indicates a different finding from those emotions appraisals in the life context proposed by appraisal theory (e.g., Smith and Ellsworth 1985, Agrawal *et al.* 2013). This shows a potential limitation of appraisal theory in detecting customer emotions in the service context (Achar *et al.* 2016). Different from ambivalent emotional experience, mixed emotional customer experience mainly depicts customers' emotional variation in terms of changes of emotional intensity and agency. This variation can be caused by multiple agencies involved in or evolution of a single service interaction.

### 4.1.5 Neutral emotional customer experience

Neutral emotional customer experience only accounts for 2% of service interactions (Table 4.1). It describes little relevance of goal congruence for customers, who wrote the review. It was often observed when customers shared travelling information or service interactions that have no significant impacts on themselves. The customers had an assumption that the information was potentially helpful or relevant to prospective customers, when they wrote a review (O'Connor 2010), as illustrated in the two quotes below.

Go for breakfast before 8h30 unless you love queuing [sic] and a disorganised service.

Car parking is available underneath the hotel.

The examples indicate various service interactions, which are perceived as important to prospective customers by customers. These service interactions represent important service elements that require service providers' attention.

The findings above reveal the complexity of emotional customer experience. Emotions are evoked when people try to adapt to changes of circumstances, which can be characterised as

four types of emotional customer experience: positive, negative, ambivalent and mixed emotional experience. Within a consumption context, customers may have a clear evaluation criterion of how services are supposed to be that result in either positive or negative emotions. On the other hand, some customers may intend to look at the bright side to minimise negative emotions. For example, 'The room was ok--worn--and not what I'm used to from the [reviewed hotel name] brand. However, the bed was sumptuous.' As suggested by Ruth et al. (2002), a customer's coping mechanism to changes can explain how the customer balance his/her emotional wellbeing. Therefore, one may experience positive emotions even in the presence of negative ones, and vice versa. On the contrary, neutral emotional customer experience illuminates that those service interactions are less relevant to the customer yet potentially perceived as important matters to prospective customers.

#### **4.1.6 Summary**

In this study, the newly developed emotional customer experience typology provides a nuanced illustration of customers' emotional changes in the context of hotel services. Based on appraisal theory, five types of emotional customer experience with representative discrete emotions were identified from the analysis of customer comments (Table 4.1). The negative discrete emotions were dominantly related to agencies, such as others, objects, and circumstances, while negative emotions evoked by self-agency were rarely observed. In comparison, positive discrete emotions cover a broader range of agencies, including self, others, objects, and circumstances.

Broadly in line with Barsky and Nash (2002), some emotions such as romantic love, optimism, humiliation, disgust, fear, and shame were rarely observed in the customer comments. However, this does not imply that such emotions were not experienced during customers' hotel stays. This can be explained by the fact that while writing reviews, customers tend to demonstrate emotions that are evoked through evaluating service interactions and neglect those self-agency driven emotions. These findings highlight more frequently evoked discrete emotions during various

service interactions in the hotel context.

Similar to Maguire and Geiger's (2015) findings, customers had multiple emotional changes at a single service interaction in terms of emotional valence (i.e., ambivalent emotional customer experience) as well as emotional intensity and agency (i.e., mixed emotional customer experience). Ambivalent emotional customer experience delineates that customers' had coexisting emotions, conflicting emotions (i.e., pleasurable regret) or a resolving emotion (i.e., relief). Mixed emotional experience outlines that customers have multiple positive or negative emotions during a single service interaction. Such a service interaction might involve multiple agencies or changes of emotion intensity. In contrast, neutral emotional customer experience describes little relevance of goal congruence to customers. More importantly, neutral emotional customer experience highlights various service interactions, which are perceived as important to prospective customers by the reviewers.

## 4.2 Phenomenon Dimension: Service- and Customer-related Triggers

The phenomenon dimension contains two aspects of emotion triggers: (1) service-related triggers, which are derived from service settings; and (2) customer-related triggers that originate from customers' individual situations.

## 4.2.1 Service-related triggers

The analysis identified fifteen service-related triggers. Based on their characteristics, these triggers are grouped into three main categories: service management and offerings, physical environment, and human interaction.

**Service management and offerings.** It contains six service-related triggers: (1) comfortable and high-quality facilities; (2) timely and flawless service process; (3) the variety and quality of food and beverages; (4) desirable service hours and rightful policies: (5) employee retention; and (6) smart staff uniform.

The examples below illustrate that hotel facilities encompass a wide range of elements such as gym, swimming pool, room furniture, bathroom facilities, toiletries, Wi-Fi, mini-fridge, hairdryer, tea and coffee maker, and safe box.

The rooms were impressive. There was a sound system in our room as well as the largest bathtub we encountered in the five hotels we stayed in during our recent trip to London and Ireland. The room had air conditioning, wifi, room service, and a mini fridge.'

'There was no easy chair for reading if there had been enough light to read. The bench seats made it tough to get to the window and could not have been more uncomfortable. Comfortable furnishing and good lighting should be easy.

As suggested by Walls *et al.* (2011a), hotel facilities play an essential role in fulfilling customers' functional' needs (e.g., have a good sleep, take a hot shower, finish works, read a book) that leads to customers' emotional changes. Usefulness appraisal was frequently used to assess hotel facilities in terms of to what extent a service interaction supports or obstructs customers in reaching their goals (Desmet 2010).

In terms of the service process, check-in and check-out are primary encounters, which were frequently mentioned by reviewers. Depending on individuals and their travelling context, they might evaluate the same service process from different perspectives. For business travellers, accurate and fast service is weighted more heavily than for leisure travellers. For example,

<u>Business traveller:</u> When checking out, 3 staff were busy chatting and I couldn't get their attention to take the express check-out envelope and I have still not received a copy of my invoice - 3 days later.

<u>Leisure traveller:</u> I don't think I have ever received better service at a hotel in my life. From the minute the taxi stopped in front of hotel and the doormen rushed over to grab our bags, to the front desk, whom not only checked us in, but actually walked us to our room and showed us around, to the concierge who helped us when my husband's bag was delayed by the airport, the service was impeccable.

In comparison with business travellers, leisure travellers appreciate 'detailed' and 'personal' service process. For example, having a welcome drink at check-in and a private tour of hotel facilities are usually desirable for leisure travellers.

Usefulness appraisal was used to evaluate if a hotel provided useful information such as checkout time, or responded to customers' requests or problems. Pleasantness appraisal was used to
detect if a hotel tried to make the service process more desirable for customers, such as
providing welcome drinks at check-in. In general, customers applied rightfulness appraisal to
evaluate whether the service process was in line with their expectations and standards or
according to the social norm. For example, queuing in line for more than three minutes is too
long in McDonald according to its brand standard. Similarly, in five-star hotels, waiting for drinks
for more than ten minutes might evoke customers' negative emotions (Baker and Cameron 1996).

'Food and beverages' is one of the essential service offerings in five-star hotels. Customers' assessment of 'food and beverages' could be relatively subjective and decisive. Pleasantness appraisal was more commonly applied to evaluate service interactions related to food and beverages. Opposite opinions can be made about the food at the same hotel. For example, 'The food was exceptional and the breakfast was superb.' 'Great hotel, breakfast could be better since the selection of products was a little bit poor.' These two examples demonstrate that customers' subjective taste and personal preference regarding the same offering of food and beverage. This accords with previous findings that the same service interaction can lead to different emotional customer experience (Desmet 2010, Wen et al. 2018).

In comparison with other service-related triggers, service hours and policies, employee retention and uniform were less frequently observed. To some extent, these three triggers indicate customers' perception of hotels being consistent and rightful as expected. Thus, rightfulness appraisal was more commonly used to evaluate these triggers. The example of service hours and

policies for swimming pool below shows that customers' benchmark of being rightful is based on their past experience and a comparison with other similar hotels. In this case, local social norm and regulation can be a good standard to be followed while designing service hours and policies in hotels.

However the swimming pool is not open for kids at all times. There are some dead hours in the afternoon from Noon to 3pm or something like that where kids can go in the pool. I've never seen a luxury hotel that restricts kids. The highlight for kids when they are away from home (being dragged by their parents) is the swimming pool. My daughter was so disappointed that we could not go and after we paid 250/night.

Employee retention and staff uniform, to some extent, are related to hotels' management practices. It is less common that customers are staying in the same hotel multiple times in a year and being aware of employee retention in the hotel. A customer mentioned,

Most of the staff that we remember from our previous visits has left the hotel.' In another case, the customer commented that 'The staff dress code is very good.

An important message is associated with how hotels maintain the same service standard and brand image. After all, service cannot be co-created without involving staff and customers. High employee retention has a potentially positive implication on keeping a similar service quality. In such contexts, staff are acting as brand ambassadors. Their uniform is also a reflection of how a brand image is perceived.

The category of service management and offerings captures those factors that require collaborative efforts from employees (e.g., efficient service process requires close collaboration between the front desk and back office) as well as setting up a brand standard that matches customer expectations and social norm.

Physical environment. Three service-related triggers were identified and grouped into the

category of the physical environment. These three triggers include: (1) multi-sensory and festive ambience; (2) convenient and attractive location; and (3) spatial layout and room view.

Multi-sensory and festive ambience describes customers' multi-sensorial perception of the physical environment in terms of visual and aesthetic, sound, lighting, temperature and scent effects as well as festival-related elements. The ambience was often appraised based on whether events provided customers more pleasure or pain. In general, customers tend to appreciate beautiful things or be surrounded by an aesthetic environment that evokes positive emotions (Desmet 2010).

The analysis showed that reviewers predominantly mentioned the ambience that triggered their positive emotions rather than negative emotions. However, in some cases, reviewers' negative and ambivalent emotions were also evoked mainly by multi-sensorial ambience instead of festive ambience. Examples of disappointment and relief evoked by multi-sensorial ambience are illustrated below.

Disappointment: ROOM: While there certainly is an ATTEMPT at "Georgian elegance" in these rooms, they miss the mark by 100%! They are NOT "elegantly comfy/cosy", but cold and "ersatz". (being in them felt almost like a plastic pastiche of what a REAL Georgian Drawing Room would feel like to be in!

Relief: I was worried at first that the hotel was not going to be up to standard being located next to [street name], which is party capital along with [an area with bars] on the weekends. However, it felt more like an oasis when we entered. It was quiet and well decorated.

These findings broadly support Ryu and Jang's (2007) and Jang and Namkung's (2009) studies, in which ambience has a significant influence on customers' positive emotions (e.g., pleasure), but it is not a key determinant of negative emotions.

In particular, the visual and aesthetic aspects of ambience were highlighted by many reviewers.

When customers arrive at a hotel, they immediately encounter the exterior and interior design of a hotel. Such encounters demonstrate the significance of the visual and aesthetic aspects of ambience. In addition, hotels incorporate interior and exterior decoration and event programs according to local traditions that generate festive ambience. Such festive ambience is usually well perceived and desired by hotel guests. Customers used the expression of 'buzz' to describe the festive ambience they experienced, as demonstrated in the following examples.

Plenty of buzz around the hotel as you might expect and lots of Christmas decorations; so top marks for that aspect.

The hotel is beautifully decorated for Christmas and there was a lovely buzz around the place.

On the contrary, the functional aspect of the physical environment, including sign and symbols (e.g., the direction to a restaurant), as emphasised in Bitner's study (1992), was rarely mentioned by customers. The analysis demonstrates that such visual design elements were usually perceived by reviewers as part of the visual effects of the hotel environment. These findings indicate a different perspective from previous studies (e.g., Liu and Jang 2009, Lin and Liang 2011, Walls 2013). This also suggests that the design aspect of the physical environment can be integrated into visual and aesthetic effect because customers rarely assess what they 'see' separately (Mari and Poggesi 2013, Lin 2016). For example,

The room was beautiful and oozed class, with high quality furnishings and carpet with a very neutral design.

The room was decorated with firm hold of elegant design of the past with a salute to contemporary style [...] warm, comfortable relaxing.

Similarly, in some cases, ambience can be an overall impression for customers (Morin *et al.* 2007).

As mentioned in one of the reviews, *'They have a chain hotel feel. That is to say, they are clean* 

enough with comfortable beds but have somewhat of a generic atmosphere'. In this case, ambience can be difficult to be evaluated separately from the customer perspective.

Other service-related triggers within the physical environment such as hotel location, spatial layout and room view were also touched upon in customer comments. Customers tend to judge the location of hotels in terms of easy access to public transportation, amenities (e.g., restaurants, bars, shopping centre), and attractions. In particular, the location appears to be a crucial factor for customers staying in Dublin hotels, as emphasised by a reviewer: 'This hotel wins a lot of customer [sic] over for its location being so good'. This factor applies to all types of customers, including business, leisure, solo, and family group travellers. For example, a business traveller stated: 'I am not super familiar with Dublin but was able to get around easily and found the location very convenient for business area and for walking in the evening.'

The historical areas of the Dublin city are considered to be 'attractive' locations for hotels. Hotel guests again enjoyed easy access to various historical attractions in Dublin as well as being surrounded by the historical environment of the city. Two quotes below depict how customers evaluated hotel location based on both usefulness and pleasantness appraisals.

The hotel is near many of the cities historical buildings and areas such as St. Patrick's Cathedral, Canal street, the Gennis Brewer, and the Teeling Distillery and shopping areas well within walking distance. There is a sizable and nice park directly across the street from the hotel. The park is closed at night but during the day it is a nice place to sit and take short walks.

A giant plus was [reviewed hotel name]'s proximity to two fine gastro-pubs less than 5 minutes walk around the corner, as well as a lovely architecturally interesting and very safe walk-neighbourhood.

In terms of layout and room view, customers tend to judge hotel layout, including the lobby and room areas as well as room view by applying different appraisals, namely usefulness,

pleasantness and rightfulness appraisal. The following quotes illustrate this phenomenon.

<u>Usefulness and pleasantness appraisal:</u> Moving around may look a little complicated. It is, after all, a very old building and the hotel layout is not as rational as a modern days' building would be. And yet, that too has its advantages: an obvious show of what patrician dwellings looked like 200-300 years ago.

<u>Usefulness appraisal:</u> Just back from a 2 night stay at the [reviewed hotel name] Dublin. I booked a 'family room' for my mum and child, however when we got there the room was very small and so we had to get her a room of her own. We purchased the 'zoo package' which in total cost 1,506 euros for the 2 rooms for 2 nights. Although I had planned on us all staying in the one room [...] but it was just too claustrophobic.

<u>Rightfulness appraisal:</u> However we were all pretty shocked not to mention disappointed to find that instead of the "magnificent views" touted in the marketing, both my rooms looked out on a back alley dominated by an awful 1970's concrete building a few feet from my window and towering above us. Even worse all of the hotel wheelie bins for garbage were directly below us and completed the "magnificent views".

Among all the triggers identified, hotel location and layout and room view are considered as hotel-specific emotion triggers, which are less studied in hospitality research in comparison to hotel ambience. In line with previous studies, ambience was frequently mentioned by reviewers (Ryu and Jang 2007, Liu and Jang 2009, Lin and Liang 2011, Jani and Han 2015). However, the analysis suggests that customers rarely evaluate the various aspects of ambience separately (e.g., sound, design and visual effects). Therefore, this study proposes that the design aspect should be integrated with visual and aesthetic effect. Especially, hotel ambience needs to incorporate multi-sensorial ambience to signalling a consistent message.

**Human interaction.** The human interaction category is divided into two types: (1) interactions with service staff; and (2) interactions with other customers. Sharing similar findings with Torres and Kline's (2013) study, five key aspects of interactions with staff are identified: (1) professional

hospitality skills and knowledge; (2) friendliness and welcoming; (3) accommodating and going extra miles; (4) problem solving; and (5) diversity of a service team

Professional hospitality skills and knowledge depicts whether staff are knowledgeable and have the capability to execute the tasks assigned to them. This professionalism applies to technical expertise and mastery in the execution of essential work duties (Torres and Kline 2013). In particular, the findings show that being polite, helpful, courteous, and attentive are typical characteristics that customers expect hospitality personnel to have. As illustrated in the example below, usefulness appraisal was used to judge the staff's professionalism.

<u>Usefulness Appraisal:</u> The thing that stood out for me the most at the hotel was the exceptional customer service and quality of staff - every staff member I encountered was extremely helpful, courteous, sharp and made everything very easy.

Different from other service industry, the hospitality sector involves extensive human interactions in a mixture of public and private domains. For hospitality staff, there is a thin line between being hospitable and intrusive. However, having an appropriate personal conversation with customers is usually encouraged, as a good conversation could ease customers' anxiety evoked by staying in an unfamiliar environment (Delpechitre *et al.* 2018). For example,

<u>Pleasantness Appraisal:</u> I had dinner at the bar three nights, as it's just feels more comfortable while dining solo. The barmen were engaging, and provided good dinner conversation, especially, [staff name].

In addition to the typical hospitality characteristics, staff also need to be attentive to customers' concurrent circumstances and conditions. At times when customers do not appreciate personal interactions, every personal encounter might become excessive and even intrusive. The quote below illustrated that the interaction failed to meet the customer's standards and expectations. Rightfulness appraisal was employed to evaluate the staff's professional hospitality skills and

knowledge.

<u>Rightfulness Appraisal:</u> The other staff radiated that their interpersonal style was 'trained in' - none of it felt genuine and so it became intrusive. The predominantly young, fresh-faced staff are keen as mustard and lovely, but they're simply not good enough to work in a hotel of this standard and price. (By contrast, I used this hotel a few weeks ago when I was speaking at a business event and found the banqueting staff to be superb and detail-oriented.).

Greeting customers is also an essential element of hotel services. Customers expect service staff to be friendly and welcoming, particularly in the hospitality sector. Significant evidence is found that illustrate this particular phenomenon, but to list a few here:

Then there is the staff - the most amazing thing about the hotel! You feel like a welcomed guest from the beginning. [...] You are treated as though you are family, which is a welcomed feeling for a weary business traveller [sic].

[Staff name] checked us out and although we were so sad to leave, her smile brightened up our day and she seemed genuinely interested in how our stay was and arranged for concierge to hold our bags until we left for the airport at 3pm.

The staff are very well-trained but their youth and inexperience made their greetings and interruptions feel gushing/unctuous, rather than warm and welcoming. Perhaps that's what tourists like or expect, but the only staff who felt 'genuine' in their chit-chat were the doormen and concierges. None of the other smiles quite reached the eyes and the whole experience felt rather perfunctory. They were, as I say, very helpful and nothing was too much trouble for any of them.

As illustrated above, pleasantness and rightfulness appraisals were used more often to assess the friendliness of service staff. Although staff's friendliness did not support customers achieving any particular goal, customers felt more pleasurable and genuine when they received friendly greetings at hotels.

In some cases, customers particularly stressed their gratitude to the staff, who went beyond the call of duty to accommodate customer needs. Service staff's capability to read customers' nonverbal needs is essential to identify and respond to customer needs accordingly. This supports the findings from previous studies (e.g., Puccinelli *et al.* 2009). Staff's efforts that go beyond the call of duty usually encourage customers' positive emotions (e.g., gratitude). The example below illustrates this.

Special mention to the restaurant manager and the front desk manager (I believe her name was [service staff name]) for saving us on our first night there by getting us some much-needed food right before the kitchen closed after my wife and I overslept during a nap after an [sic] significantly-delayed overnight flight from the States.

Problem-solving is also another important capability for hospitality staff. Commonly, customers might face unforeseen problems when they travel. Customers would appreciate if staff are able to find a solution to their problems. Usefulness appraisal was frequently found in such circumstances. For example,

My husband had left an item in our Amsterdam hotel and the desk staff helped him get the item shipped to our home in the US.

The minibar wasn't working properly but a very friendly gentleman called [service staff name] came to our assistance and got it working in no time, very friendly!

Lastly, only a few comments touched upon the diversity of a service team. Opposite views on this were observed. Some customers expect to experience more Irish-style interactions, while some customers appreciate a service team being international and diverse. For example,

As commented elsewhere, the staff are great. Very friendly welcome from a very international team of staff. Even the door and lobby team maintain a friendly style.

Very few Irish staff, but that's typical of a lot of City hotels to be fair...

Customer-to-customer interaction is the other form of human interactions taking place during hotel stays. The analysis indicates that customer interactions with other customers were not frequently mentioned. Most incidents mentioned did not involve direct contacts between other customers and reviewers. Instead, the reviewers mentioned that their stays were affected by other customers' misbehaviours, including their bad manner and creating loud noise at late night or early morning. Such misbehaviours of other customers are also referred to as dysfunctional customer behaviours or jaycustomer behaviours in other studies (e.g., Lloyd and Kate 2004, Walls et al. 2011a). The analysis shows that customers assess such interactions with rightfulness appraisal, as in the example below.

[W]e had a newer room at the back that did not disappoint: large with a large and very comfortable bed; well-appointed and very quiet, with the exception of thoughtless doorslamming vulgarian room-neighbours.

In summary, three main categories of service-related triggers are identified, namely service management and offerings, physical environment, and human interaction. Service providers have more control over these triggers, which are derived from service settings. This conceptualisation provides a more comprehensive list of emotion triggers within the control of service providers. The findings also demonstrate that customers might evaluate the same service-related trigger differently, depending on their individual contexts. The next section explores the factors originating from customers' individual contexts.

## 4.2.2 Customer-related triggers

Emotion triggers were also found to originating from customers' individual situations. Six customer-related triggers were identified and grouped into three categories based on their characteristics: customer expectation, cumulative experience, and culture fusion and authenticity.

Customer expectation. It comprises four customer-related triggers: value expectation, privilege expectation, experience expectation, and unexpected upgrades and service offerings. The findings show that customers' value expectation is mainly formed by price, hotel brand image and reputation. Sharing a similar view with previous studies, customers rarely enter service interactions without expectations (Seth et al. 2005). Rightfulness appraisal was frequently used to evaluate whether the perceived value matched the price, brand standards, and image. In particular, customers pay a premium price for five-star hotels. Commonly, customers expect to receive value-equivalent services during their hotel stays (Barsky and Nash 2002, Ariffin and Maghzi 2012). Such an expectation was applied to evaluate various aspects of service interactions across the categories of the physical environment, service management and offerings, and interactions with staff in hotels. Examples are listed below.

This from a supposed 5 star [reviewed hotel name]? I expect better if for no other reason than the hotel is a part of the [reviewed hotel name] chain. Bottom line was; Sorry no other rooms available tonight, no promises but we will see what we can do tomorrow. Can I offer you free drinks? (No thank you on the drinks. I just want a smooth calm experience that you expect from a [reviewed hotel name] 5 star hotel.)

This [reviewed hotel name] was recently renovated, luxuriously appointed and priced accordingly.

Only downside we thought was the cost of breakfast at €25ish euros per person.....I feel this is a little steep and opted to go to [other bar restaurant] around the corner where a full Irish breakfast with a tea/coffee is €9 and is a very good breakfast.

Privilege expectation is particularly constructed in upscale and chain hotels. In those hotels, customers are encouraged to join loyalty or membership programs. It was observed that customers expect to receive special offers or particular privileges such as discount, complimentary breakfast and room upgrades as a member or loyal customer. Some customers

expressed their understanding of the hotels' situation when they did not receive any privilege equivalent to their status. However, such understanding did not eliminate their expectations constructed based on their membership or loyalty status. For example,

Understand that upgrades are not always available but have never been told as a [membership status] member that they are available for a fee. Also never had free breakfast arrangements like this in European [hotel chain]. No lounge but not allowed to simply avail of main breakfast arrangements. Have stayed in all other [hotel chain] in Dublin except airport. All give soooooo [sic] much more recognition to diamonds and golds.

In other cases, customers also appreciated their exceptional status to be recognised. For example,

The brunette receptionist who checked us in with the English accent (I didn't catch her name!) was a delight and really made us feel so welcome and acknowledged our [membership] status. Even though we arrived at around 9am, she was able to get us a room which was great, having been up since before 4am.

Such privilege expectation does not come out of blue. Hotels do 'behave' differently according to who the customer is, as a vivid illustration from a reviewer presented below. As such, it is not unusual that customers' privilege expectation influences their appraisal of service interactions.

The initial reaction as my friend and myself entered was well unfortunately to be expected. The looking up and down at two very casually dressed people who obviously were not the normal clientele shall we say.

However once they realised we were both [the membership] status the body language and attitude changed.

Customer expectations were also built on their previous hotel-related experiences. Experience expectation depicts that customers show a tendency to compare the concurrent service interactions with previous experience in the same or other hotels. When customers' positive emotions were evoked by the comparison with their previous travelling experience, they often

mentioned that their current experience was one of the best. For example,

The staff, and I mean ALL STAFF [sic] at this hotel exceed any I have ever encountered in all my travels.

The furnishings are top notch (best hotel sleep I have had in ages).

In other words, customers' past experience can form an evaluation benchmark. Examples of hotels being above and below the 'experience benchmark' are presented as follow.

In fact, I don't think I have ever received better service at a hotel in my life.

[...] slowest internet connection I have ever seen in any hotel, where I have stayed during the last 7-8 years

Customers also showed a tendency of holding particular experience expectation with the same hotel or across a hotel chain. They expect to have a similar experience at their returns at different times or locations.

We travel a lot but until now had never been to Ireland. This was our first trip to Ireland, so we booked a short stay at Ashford Castle and finished the trip at the [reviewed hotel name] in Dublin. (2 rooms for 3 nights) We are Diamond members with [hotel chain] and have always had excellent experiences staying with [reviewed hotel name] hotels so we felt we could trust we would have a great experience. There is a first for everything and this is the first time I have been truly disappointed with a [reviewed hotel name] Hotel.

On the contrary, some customers have low expectations on how hotel services should be.

Unexpected upgrades and service offerings usually 'surprise' the customers. In most cases, unexpected upgrades and offers lead to a pleasant outcome, although the upgrades and offerings could be part of service standards or 'personalised' services in a hotel.

We stayed there for four nights and during our time there we had complimentary mineral

water (both still and sparkling,) chocolates every night, Christmas cupcakes, gingerbread cookies, and a [reviewed hotel name] candle!

They (service staff) also found out we were celebrating my wife's birthday and was gracious to gift her an extra dessert.

Emotional customer experience affected by customer expectations related to value has been examined in some hospitality studies (Johnson *et al.* 2009, Ariffin and Maghzi 2012). Despite commonly known value expectation, the analysis also identifies other three types of customer expectations, including privilege expectation, experience expectation, and unexpected upgrades and offerings. These kinds of expectations are less explored in hospitality studies. This study, thus, demonstrates a nuanced perspective of customer expectations.

**Cumulative experience.** It delineates that customers' emotions are affected by experience generated before and after the core hotel experiences (i.e., pre-arrival and post-departure experience). Such experience can also be created through customers having direct or indirect contacts with the hotel or being exposed to information concerning the hotel.

As part of hotel experience, online booking and reading reviews about a hotel have become increasingly common (O'Connor 2010). It was found that customers might develop either positive anticipation or raise concerns regarding the upcoming hotel stays based on online information or (e)WOM. The analysis shows that some cases of pre-arrival experience also illustrates the critical impact of online information or (e)WOM on the reviewers' decision-making. However, not every review can authentically express a wide range of service interactions in hotels. After all, individuals might appraise the same service interaction differently. The two cases below illustrate how hotel reviews influenced customers' emotions.

I was attracted to [reviewed hotel name] by positive reviews on TripAdvisor. For the most part, I'd say those reviews are well earned.

I'm a bit confused by other reviews who found it to be dated and worn. Our room was contemporary, warm, and inviting [...]

In other cases, the pre-arrival experience might also have important implications on customers' emotional state. As one of the illustrations above, accurate information and effective communication could 'prepare' customers being ready for the upcoming experience. Thus, the preparation ensured that the core experience was just 'right' for the customers. Rightfulness appraisal was used to assess those service interactions. In addition, customised services, requested by customers or initiated by hotels, are another means to set things 'right' before arriving at the hotel. A few examples can be found below.

As I had informed the hotel in advance of our arrival about the special occasion we were celebrating, they very kindly provided us with a beautiful bottle of complimentary wine and some lovely treats that were delivered to our room.

We arrived in Dublin at 9am and check in was not until 3pm. I had emailed the hotel a week prior to our visit to ask would it be possible to pay for early check in but the reply from the hotel advised that the only way to achieve this with guarantee was to pay for the Friday night at full room rate, this was a little disheartening but the hotel offered to keep our luggage for us and invited us to use the spa facilities until our room was ready.

Post-departure experience outlines the extended service interactions after customers' departure from a hotel as well as customers' anticipation about future stay in the hotels. Post-departure experience can be considered as an extension of the core hotel experience. Interestingly, most post-departure interactions with hotels mentioned in the customer comments, such as email and phone communication, survey, were not pleasant interactions. Examples are presented below.

On arrival home, my wife discovered she left some belongings in her bedside draw including

her favourite Tiffany spectacle holder. She called and spoke with someone in security who said nothing had been handed in, but they would check it out. I also followed up with an email [service staff] from reception which was not responded to.

A follow on survey detailing my dismay at my initial introduction was met with a concerned response from the duty manager. So one may take [reviewed hotel name] virtues/flaws with a cultural grain of salt!

The analysis indicates that most customers have no tendency to interact with the hotel after their departures if the experience of the hotel stay is pleasant. A few customers expressed their eager for returning the hotel in the future on TripAdvisor. For example,

We are already planning a second trip but certainly lived up to expectation!!

I am really looking forward to our next weekend of rest and relaxation!

In such cases, customers did not have direct contacts with hotels but had anticipation on the future visit. These findings support Grönroos and Voima's (2013) proposition that customer value might be created through positive imagination (i.e., indirect interactions). Such anticipation would again create an important implication on the experience in the next hotel stay. Drawing upon the findings, cumulative experience captures that customers' appraisals of service interactions are constructed from a circular loop of the customer journey that rotates from their pre-arrival, hotel stay, and post-departure. This customer-related trigger highlights an encompassing aspect of customer experience that has impacts on customers' appraisal of service interactions in the future.

**Culture fusion and authenticity.** It depicts that customers' emotions are influenced by their tendency to maintain daily habit back home and desires to experience the local culture. The analysis shows that some travellers attempt to maintain certain routines even when they travel to a foreign state. Having a routine helps people maintaining their wellbeing. For travellers, such

requirement of maintaining a regular habit could be as simple as taking a cup of coffee to start the day or having a hairdryer or iron available in the guest room, as illustrated in the examples below.

The coffee was delicious, a must for all [nationality]. We do love our coffee.

At the risk of stereotyping, I will say it is everything a/an [nationality] lady could want in a hotel: hair dryer, king size bed, iron and ironing board, standard tea / coffee set, Nespresso machine, lighted mirror, easily adjustable heat / cooling...so many conveniences not always found together. :)

In line with previous studies, tourism and hospitality experience varies from daily consumption experience (Carù and Cova 2003, Walls *et al.* 2011b, Lo and Wu 2014). The analysis indicates that travellers desire to experience local culture and something different from their daily consumption experience. The desired authentic experience was constructed from various forms, such as food, landmarks, architecture, festive events, and interactions with locals. For example, it was found that travellers were enchanted by authentic Irish experience.

Don't miss the James Joyce sundial statue in the garden! Even some native Dubliners don't know about this gem. As the sun moves, Joyce's shadow falls on lines from Ulysses that are carved on the statue's base. So, you can see what the novel's protagonist was doing at particular times of the day. It's really clever and quite striking.

Oh, and the Irish smiles on check in are supreme.

As it might also be expected, a lack of Irish cultural 'elements' was a bit off-putting when an authentic experience was considered as part of the trip in a foreign state. Such observation is evidenced in the quotes below.

Would I come back? Maybe - I just didn't think it was an authentic experience. Very few Irish staff, but that's typical of a lot of City hotels to be fair... but, not much Irishness in food choices in the menus either. Most inbound guests will be looking for an authentic experience,

but as I said to my husband when we were sitting in the bar, "we could be in Milan, Paris, Berlin..." Unfortunately, Europe seems to be becoming homogenized, particularly in city hotels.

Very plug-and-play corporate "luxury" - could have been in pretty much any city in a "luxury" hotel as there was no feeling of actually being in Dublin.

To sum up, customer-related triggers that influence customer emotions often originate from customers' individual situations. Three main categories of customer-related triggers include customer expectation, cumulative experience, and culture fusion and authenticity. The results indicate that emotional customer experience is not only affected by triggers within service providers' span of management but also influenced by customer-related triggers such as their expectations and cumulative experience. Further discussion on the interactions between emotion triggers and emotional customer experience typology is presented as follows.

## 4.2.3 Emotional customer experience and its triggers

Following the thematic analysis of customer comments, the pattern of textual data was quantified into a frequency matrix in Table 4.2. A total of 7437 service interactions are associated with service-related triggers, and 1022 service interactions are linked with customer-related triggers. Looking at the frequency count across the five types of emotional customer experience, positive emotions constitute 73% of the total count. This is followed by negative (14%) and ambivalent emotional customer experience (9%). Neutral and mixed emotional customer experience accounts for around 2%, respectively.

Table 4.2 Frequencies of all emotion triggers across emotional customer experience typology and discrete emotions

| Emotion<br>Typology/Discrete<br>Emotions |   | Positive      |     |           |             |         |            |                      |  |
|--|---|---------------|-----|-----------|-------------|---------|------------|----------------------|--|
|  |   | Happi<br>ness | Joy | Gratitude | Contentment | Delight | Excitement | Pleasant<br>Surprise |  |
| рı                                       | Quality Facilities*                           | 2             | 23  | 3         | 618         | 238     | 8          | 50                   |  |
| ıtar                                     | Service Process *                             | 5             | 26  | 9         | 389         | 189     | 2          | 54                   |  |
| Service Management and<br>Offerings      | Food and<br>Beverages*                        | 2             | 16  | 3         | 373         | 226     | 4          | 48                   |  |
| Managem<br>Offerings                     | Service Hours and Policies                    | 0             | 0   | 0         | 10          | 3       | 0          | 1                    |  |
| ce Z                                     | Staff Uniform                                 | 0             | 0   | 0         | 3           | 1       | 0          | 1                    |  |
| Servic                                   | Employee<br>Retention                         | 0             | 0   | 1         | 1           | 0       | 0          | 0                    |  |
| nt                                       | Ambience*                                     | 4             | 26  | 1         | 452         | 247     | 8          | 46                   |  |
| ical                                     | Location                                      | 2             | 8   | 0         | 396         | 80      | 3          | 7                    |  |
| Physical<br>Environment                  | Layout and Room<br>View                       | 1             | 7   | 2         | 242         | 89      | 2          | 18                   |  |
| ion                                      | Professionalism*                              | 1             | 20  | 37        | 489         | 279     | 1          | 56                   |  |
|  | Accommodating                                 | 0             | 3   | 18        | 89          | 57      | 0          | 30                   |  |
| ract                                     | Friendliness                                  | 0             | 12  | 13        | 292         | 163     | 0          | 26                   |  |
| Inte                                     | Problem Solving                               | 0             | 0   | 4         | 9           | 8       | 0          | 2                    |  |
| Human Interaction                        | Customers-to-<br>customer<br>interaction      | 0             | 0   | 0         | 6           | 2       | 0          | 2                    |  |
|  | Staff Diversity                               | 0             | 0   | 1         | 6           | 3       | 0          | 1                    |  |
| ition                                    | Value<br>Expectation                          | 2             | 10  | 1         | 147         | 44      | 5          | 16                   |  |
| Customer Expectation                     | Experience<br>Expectation                     | 5             | 13  | 2         | 66          | 61      | 1          | 13                   |  |
|  | Unexpected<br>Service Offering<br>and upgrade | 0             | 3   | 2         | 22          | 19      | 0          | 49                   |  |
|  | Privilege<br>Expectation                      | 1             | 1   | 1         | 12          | 1       | 0          | 3                    |  |
| Cumulative Experience                    |   | 2             | 5   | 1         | 14          | 13      | 3          | 7                    |  |
| Culture Fusion and<br>Authenticity       |   | 0             | 0   | 0         | 14          | 5       | 2          | 4                    |  |
| SUM                                      |   | 27            | 173 | 99        | 3650        | 1728    | 39         | 434                  |  |

Table 4.2 Frequencies of all emotion triggers across emotional customer experience typology and discrete emotions (continued)

| Emotion<br>Typology/Discrete<br>Emotions |  | Negative |                |             |                |         | Ambivalent         |        |  |
|--|--|----------|----------------|-------------|----------------|---------|--------------------|--------|--|
|  |  | Anger    | Discontentment | Frustration | Disappointment | Coexist | Pleasurable regret | Relief |  |
| Service Management and<br>Offerings      | Quality Facilities*                            | 10       | 114            | 20          | 63             | 108     | 5                  | 18     |  |
|  | Service Process*                               | 28       | 81             | 21          | 65             | 79      | 3                  | 36     |  |
|  | Food and<br>Beverages*                         | 0        | 55             | 10          | 52             | 82      | 1                  | 4      |  |
|  | Service Hours and Policies                     | 1        | 8              | 4           | 16             | 10      | 0                  | 1      |  |
| vice                                     | Staff Uniform                                  | 0        | 1              | 0           | 0              | 0       | 0                  | 0      |  |
| Ser                                      | Employee Retention                             | 0        | 2              | 0           | 0              | 0       | 0                  | 1      |  |
| l<br>ent                                 | Ambience*                                      | 5        | 82             | 10          | 40             | 84      | 5                  | 15     |  |
| sica                                     | Location                                       | 1        | 13             | 0           | 4              | 29      | 0                  | 6      |  |
| Physical<br>Environment                  | Layout and Room<br>View                        | 3        | 33             | 5           | 24             | 57      | 1                  | 4      |  |
| Human Interaction                        | Professionalism *                              | 16       | 36             | 1           | 36             | 28      | 1                  | 20     |  |
|  | Accommodating                                  | 3        | 0              | 1           | 4              | 0       | 0                  | 5      |  |
|  | Friendliness                                   | 6        | 11             | 0           | 10             | 16      | 1                  | 6      |  |
|  | Problem Solving                                | 2        | 1              | 0           | 8              | 0       | 0                  | 15     |  |
|  | Customer-to-<br>customer<br>Interaction        | 2        | 10             | 7           | 5              | 2       | 0                  | 2      |  |
|  | Staff Diversity                                | 0        | 3              | 0           | 0              | 1       | 0                  | 0      |  |
| Customer Expectation                     | Value Expectation                              | 6        | 68             | 12          | 101            | 90      | 0                  | 8      |  |
|  | Experience<br>Expectation                      | 3        | 12             | 4           | 17             | 7       | 0                  | 1      |  |
|  | Unexpected Service<br>Offerings and<br>upgrade | 1        | 0              | 0           | 2              | 2       | 0                  | 0      |  |
|  | Privilege<br>Expectation                       | 2        | 1              | 0           | 9              | 4       | 0                  | 0      |  |
| Cumulative Experience                    |  | 6        | 6              | 3           | 9              | 5       | 5                  | 6      |  |
| Culture Fusion and<br>Authenticity       |  | 0        | 3              | 0           | 1              | 3       | 0                  | 0      |  |
| SUM                                      |  | 95       | 540            | 98          | 466            | 607     | 22                 | 148    |  |

Table 4.2 Frequencies of all emotion triggers across emotional customer experience typology and discrete emotions (continued)

| Emotion<br>Typology/Discrete<br>Emotions |   | Mixed                   | Neutral                    |     |      |
|--|---|-------------------------|----------------------------|-----|------|
|  |   | Mixed Negative Emotions | Mixed Positive<br>Emotions |     | Sum  |
| pu                                       | Quality Facilities*                       | 5                       | 2                          | 25  | 1312 |
| Service Management and<br>Offerings      | Service Process*                          | 33                      | 8                          | 18  | 1046 |
|  | Food and<br>Beverages*                    | 7                       | 5                          | 20  | 908  |
|  | Service Hours and Policies                | 5                       | 1                          | 3   | 63   |
| <u>:</u>                                 | Staff Uniform                             | 0                       | 0                          | 0   | 6    |
|  | Employee<br>Retention                     | 0                       | 0                          | 1   | 6    |
| ent                                      | Ambience*                                 | 8                       | 1                          | 20  | 1054 |
| sica                                     | Location                                  | <u>1</u><br>5           | 1                          | 51  | 602  |
| Physical<br>Environment                  | Layout and Room<br>View                   | 5                       | 0                          | 13  | 506  |
|  | Professionalism*                          | 11                      | 10                         | 5   | 1047 |
| ion                                      | Accommodating                             | 1                       | 5                          | 1   | 217  |
| ract                                     | Friendliness                              | 1                       | 4                          | 1   | 562  |
| Inte                                     | Problem Solving                           | 3                       | 0                          | 1   | 53   |
| Human Interaction                        | Customer-to-<br>customer<br>Interaction   | 1                       | 1                          | 0   | 40   |
| -  | Staff Diversity                           | 0                       | 0                          | 0   | 15   |
| tion                                     | Value<br>Expectation**                    | 10                      | 3                          | 18  | 541  |
| rpecta                                   | Experience Expectation**                  | 2                       | 1                          | 2   | 210  |
| Customer Expectation                     | Unexpected Service Offering and upgrade** | 0                       | 4                          | 0   | 104  |
| Cust                                     | Privilege<br>Expectation                  | 1                       | 0                          | 3   | 39   |
|  | ulative Experience                        | 6                       | 0                          | 1   | 92   |
|  | ture Fusion and<br>Authenticity           | 0                       | 1                          | 3   | 36   |
|  | SUM                                       | 100                     | 47                         | 186 | 8459 |

Note: \*are the top five ranked relative importance of service-related triggers derived from frequency count. \*\* are the top three ranked relative importance of customer-related triggers.

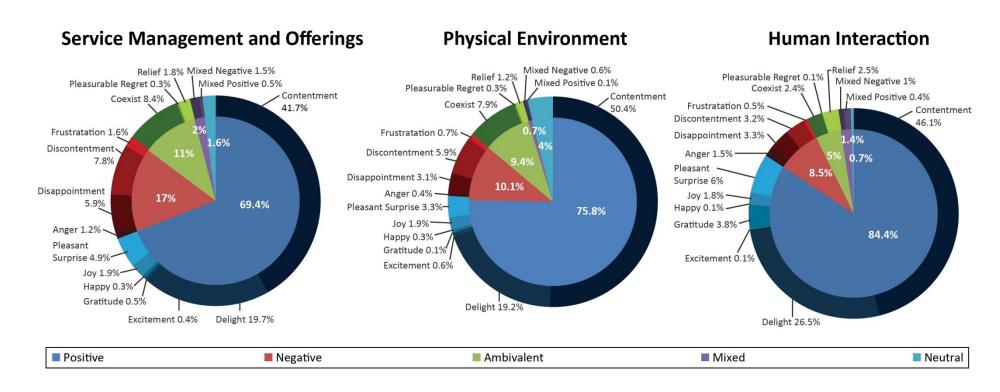


Figure 4.1 The proportion of emotional customer experience evoked by service-related trigger categories.

Emotional customer experience evoked by service-related triggers. To identify the key service-related triggers, the frequency matrix (Table 4.2) was further converted into pie charts (Figure 4.1) by three categories of service-related triggers, namely service management and offerings, physical environment, and human interaction. Out of the 7437 service-related trigger counts (Table 4.2), most service interactions are related to the service management and offerings category (45%, 3341 times), followed by physical environment (29%, 2162 times), and human interaction (26%, 1934 times).

The analysis shows that positive, ambivalent, and negative emotions are evoked more frequently by service-related triggers than neutral and mixed emotions (Figure 4.1). In line with previous studies (Ryu and Jang 2007, Torres and Kline 2013, Zhang *et al.* 2018), positive emotion is the most frequently observed across the three service-related trigger categories. It is also the most frequently observed when customers interact with professional and friendly staff (84%). For example,

We always feel very well taken care of while at [reviewed hotel name] and the staff is [sic] attentive, professional and seems to have a way of making things happen almost before you realize you need something.

[S]taff are super friendly too which adds to its aroma.

Staff professionalism is a primary service-related trigger for evoking positive emotions. It captures the manner of staff in being courteous as well as their capability and knowledgeability in dealing with customers' travel- or stay-related requests. Such professional interactions delight customers, as does noticing their needs in advance. Customers also frequently mentioned receiving friendly and warm greetings that created an additional 'aroma' for the hotel.

About 76% of positive emotions were observed in the physical environment category (Figure 4.1). Comparing across the three service-related trigger categories, customer contentment (50%) is the most frequently found in the physical environment category. In line with Wu and Yang's (2018)

findings, customers have relatively lower intensity of positive emotions (e.g., contentment) than high-intensity emotions (e.g., delight) when they evaluate the hotels' physical environment.

In contrast, service management and other offerings evoke the most negative and ambivalent emotions (Figure 4.1). Quality facilities and service processes are the two most important service-related triggers (Table 4.2). Similar to previous studies, customers tend to feel discontented and disappointed when the quality of a facility does not meet their standards and liking of a five-star hotel (Desmet 2010, Lin and Liang 2011). They also felt frustrated, angry and irritated when the service process did not address their problems, and mainly when the service provider was the responsible party. Such a tendency of blaming service providers supports the findings from other studies (Bolton *et al.* 2014, Maguire and Geiger 2015).

In the service management and offerings category, coexisting emotions were also often evoked by the quality of facilities and service process (Table 4.2). In some cases, coexisting emotions were observed when customers tried to be considerate and reasonable while assessing the quality of the service process; they seemed to struggle with their assessment criteria. Maguire and Geiger (2015) describe such emotional variation as 'emotional rollercoaster'. For example,

<u>Coexisting emotions evoked by service process:</u> Service at reception was top notch, attentive, warm welcome etc. Service at the bar was somewhat less so, albeit they were quite busy.

Customers' self-conflict, derived from their sense-making, in comparison with previous experience and other social factors (e.g., fellow customers, cultural background) were most commonly found in ambivalent emotions triggered by the quality of service process. For example,

We were greeted and checked by [staff] in the reception and I must say [staff] did a good job in explaining everything, [staff] just did a good job in explaining everything, [staff] just did what [staff] is trained to do.

The service management and offerings category captures some of the constraints of hotel

operations and services. The quality of facilities generates both positive and (to a lesser extent) negative emotions. Comfortable and high-quality hotel facilities elevate a hotel's classification whilst also raising customers' expectations. Other triggers, such as service process and quality of food and beverages, require a collaborative effort to achieve the same goal. When multiple personnel are involved in the service process and offerings, it becomes more complex and less flexible to adapt to customer needs. Such a collaborative effort requires a well-orchestrated organisation and process to ensure that it adapts to customer needs (Pine and Gilmore 1999). Drawing upon the analysis, this category illustrates key challenges that hotel practitioners are still struggling to co-create consistent experience with customers. The possible reasons might be related to how hotels manage customer expectations and seamless service operation.

In contrast, the majority of staff in five-star hotels appears to be well trained and more adaptable to individual service interactions. The ability to engage customers during personal interactions could also influence customers' emotional experience in a positive sense (Torres and Kline 2013, Zhang *et al.* 2018). As demonstrated in previous examples, friendly personal interactions create an additional 'aroma' that could set the hotel apart from its competitors and make up for weaknesses in other services.

Neutral emotion was more frequently observed in the physical environment category (4%), mainly related to location. This result can be explained by the fact that customers are usually aware of hotel location before their arrival. For example, 'This hotel is situated within a 5 minute walk from the city centre'. Finally, the top five important service-related triggers identified (Table 4.2) indicate the areas where new service development can focus on.

Emotional experience evoked by customer-related triggers. Out of the 715 customer-related trigger counts (Table 4.2), customer expectation is the most frequently (87%) observed trigger category, followed by cumulative experience (9%), and culture fusion and authenticity (4%). Most service interactions were related to customer expectations.

The frequency matrix (Table 4.2) was also converted into pie charts (Figure 4.2) for three customer-related trigger categories: customer expectation, cumulative experience, and culture fusion and authenticity. Positive emotion was the most frequently observed experience across the three categories, representing culture fusion and authenticity (69%), customer expectation (56%), and cumulative experience (49%) (Figure 4.2). In particular, the culture fusion and authenticity category evokes the most positive and the least negative (11%) emotions.

Customers tend to appreciate local culture, leading to positive emotions, while a minority of customers do not have significant changes of emotion due to cultural fusion and authenticity (with just 8% neutral emotion). Reviews also illustrated customers' appreciation for hotels' attention to the needs of international travellers and attempt to create authentic experience with a cultural hint. For international travellers, going somewhere far from home is deemed to be both an exciting and nerve-wracking experience (Bosangit *et al.* 2015). A five-star hotel is often perceived to be a home away from home, providing an environment that integrates various needs and elements of local culture for travellers to explore (Wang *et al.* 2016). Hence, positive emotion was observed very frequently when hotels incorporated the needs of international travellers and local culture at service interactions.

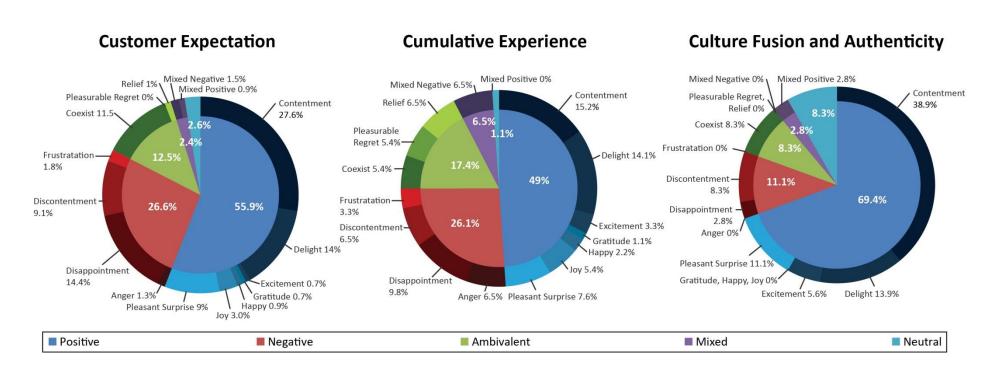


Figure 4.2 The proportion of emotional customer experience evoked by customer-related trigger categories.

In contrast, customer expectation evokes the most negative emotions (27%) across the three customer-related categories (Figure 4.2). Customers' value expectation was the most frequently mentioned trigger (541 times; Table 4.2). Most interestingly, positive (mentioned 225 times) and negative (mentioned 187 times) emotions were evoked almost equally by such customer expectations. Expectations could be more subjective and depend on customers' perceived value, leading to positive, negative, or even coexisting emotions when customers are themselves conflicted in terms of what the evaluation criteria should be (Johnson and Stewart 2005, Lo 2012).

The frequency matrix (Table 4.2) also highlights the relative importance of the top five service-related triggers, ranked as (1) comfortable and high-quality facilities; (2) multi-sensory and festive ambience; (3) professional hospitality skills and knowledge of staff; (4) timely and flawless service process; and (5) variety and quality of food and beverage. In addition, the top three customer-related triggers derived from a frequency count are: (1) value expectation; (2) experience expectation; and (3) unexpected service offerings and upgrade. Although the total frequency count of customer-related triggers was much less than the service-related triggers, the findings do not necessarily imply that customer-related triggers are less relevant to customers' emotional experience. This is partly related to the fact that customers might not adequately describe their appraisal process of service interactions (Demir et al. 2009). As a result, capturing customer-related triggers fully could be a challenge (Rageh et al. 2013, Kozinets 2015).

## **4.2.4 Summary**

These findings suggest that emotional customer experience is sometimes evoked by multiple triggers. Although customer-related triggers are beyond the control of service providers, they can be equally important as service-related triggers. Customer-related triggers capture customers' subjective and personal assessments of service interactions. While hotels pay significant attention to orchestrating service elements and processes in service settings, an understanding of customer-related triggers provides a more comprehensive insight into

customers' appraisal process and the reasons why one or more specific emotions are experienced by a customer during service interactions.

The findings also demonstrate how emotional experience is associated with various trigger categories. For example, comparing across the service-related categories, human interaction (mostly interactions with staff) evoked the most of positive emotions and the least of other emotions. Service providers can take advantage of this understanding to engage customers in personal interactions that lead to positive emotions. On the contrary, service providers also need to 'manage' customer expectations carefully in order to avoid triggering customers' negative emotions.

Prior research has focused on studying negative emotions or service failure per se in order to improve service provision (Smith and Bolton 2002, Tronvoll 2011, Sparks and Bradley 2017). This study undertook a more holistic approach to investigate the wider spectrum of emotional customer experience in the hotel industry. The findings not only detect service interactions, which trigger negative emotions, but also explore the reasons why service interactions fail or fulfil customers' needs or expectations. Despite insights obtained from scenarios of negative emotional customer experience, other types of emotional customer experience (e.g., positive, ambivalent) also provide fruitful learning output to improve current services and facilitate new service development.

### 4.3 Outcome Dimension: Customer Co-creation Behaviours

Based on the three-dimensional value co-creation framework (Figure 2.6), customer co-creation behaviour is conceptualised as outcomes of value co-creation. Not all customer comments explicitly demonstrate customer co-creation behaviours. Eleven co-creation behaviours were identified from 807 customer reviews. Out of the 807 reviews, 391 were observed with only one customer co-creation behaviour (e.g., expressing needs to service providers) while 416 were

observed with more than one. The eleven co-creation behaviours identified were then grouped into five types of direct and indirect co-creation behaviours, based on the literature review. The types of customer co-creation behaviours and their associated roles are summarised in Table 4.3 and discussed in the following sections.

Table 4.3 Summary of customers' roles, co-creation behaviours and the number of cases identified.

| Customers' role                | Co-creation<br>Behaviour   | Examples  | Number of cases |  |  |  |  |
|--------------------------------|----------------------------|---|-----------------|--|--|--|--|
| Direct Co-creation Behaviour   |                            |   |                 |  |  |  |  |
| Active Partner                 | Co-developing<br>Behaviour | Engage service providers in solving problems and fulfil needs | 50              |  |  |  |  |
|                                |                            | Pay service providers a compliment                            | 86              |  |  |  |  |
| Resourceful                    | Integrating                | Provide feedback for service                                  | 102             |  |  |  |  |
| Informant                      | Behaviour                  | improvement   |                 |  |  |  |  |
|                                |                            | Provide personal preference for                               | 51              |  |  |  |  |
|                                |                            | personalisation   |                 |  |  |  |  |
| Indirect Co-creation Behaviour |                            |   |                 |  |  |  |  |
| Dual co-creator                | Reinforcing                | Spread positive recommendation                                | 298             |  |  |  |  |
|                                | Behaviour                  | Indicate revisiting intention                                 | 346             |  |  |  |  |
|                                | Diminishing                | Spread negative recommendation                                | 34              |  |  |  |  |
|                                | Behaviour                  | Indicate not-revisiting intention                             | 37              |  |  |  |  |
| Knowledgeable                  | Advising                   | Provide activity recommendation                               | 40              |  |  |  |  |
| Consultant                     | Behaviour                  | Provide travelling information                                | 215             |  |  |  |  |
| Influencer                     | Justice Voicing            | Engage readers with their evaluation                          | 223             |  |  |  |  |
|                                | Behaviour                  | justification   |                 |  |  |  |  |

### 4.3.1 Direct co-creation behaviours

Direct co-creation behaviour refers to customers interacting with service providers' value creation process in the way of contributing resources such as time, labour, and knowledge. Two types of direct co-creation behaviours with associated roles are identified in this study: (1) co-developing behaviour by acting as active partners, and (2) integrating behaviour by acting as resourceful informants.

**Co-developing behaviour by active partners.** Active partners tend to take up more controls and ownership of their experience generated at service interactions, as suggested by Jaakkola and

Alexander (2014). Through proactively engaging service providers in solving problems and fulfilling needs or praising the performance of service providers (i.e., hotels, service staff), customers acting as active partners can create positive impacts on the providers' value creation process.

Customers' active engagement with service providers allows the latter to co-create better experience with customers. Through such proactive actions, hotels have opportunities to rectify their services promptly, provide explanations to customers, and further influence customer evaluation. Thus, the reciprocal value can be co-created. As in the example below, the hotel was able to serve a customer better when the customer proactively expressed their specific requirements. As a result, both the customer and hotel benefited from such a co-creative interaction.

Since we like to buy our own water/juices and refrigerate them, we asked the desk to turn off the automatic charge device so that we could take out some of their cans of soda to make room for our liquids, and they graciously obliged. One of many examples of the level of service provided.

Not surprisingly, hotels sometimes fail to fulfil customers' needs and rectify service problems. This can be caused by a lack of staff training, poor problem recognition, and an inflexible service process. Some customers also have a relatively passive attitude towards service interactions, or the circumstances (e.g., time, communication channel) do not allow them to express their needs. Under such circumstances, customers and hotels share the outcome of failing to co-create better experience, as described in the example below:

The bed was actually 2 singles pushed together which I would have been ok with except instead of a king sized duvet we had 2 single duvets - didn't notice this until we came back from our evening out and were too tired to bother saying anything.

In this case, the customer ended up 'talking' about their experience to others or online (i.e., TripAdvisor website). The hotel not only lost the opportunity to 'co-create' positive emotional customer experience but was also potentially affected by the exposure of service weakness to prospective customers. Therefore, customers as active partners express their specific needs/problems and reform the service interaction that is considered as an example of co-developing behaviour.

The other type of co-developing behaviour evident in the data was that customers praise service performance. Customers explicitly express their positive evaluation and compliment to hotels that can enhance an understanding of value perception between them. Such praising behaviour gives hotels a clear indication of their performance and how customers evaluate service interactions, which will help hotels develop their value proposition. Furthermore, customers' compliment not only demonstrates customers' willingness to participating in service interactions but also encourages service staff maintaining the service quality and their enthusiasm at work. The example below indicates a customer's appreciation of the service interaction. Thus, the customer's compliment served as non-monetary rewards for the hotel. It replenished the 'fuel' for continuing the hotel's value creation process.

I applaud you for your friendliness, kindness and efficiency and for the attentive welcome given to my grandchildren.

Engaging service providers via different channels demonstrates customers' roles as active partners who actively participate in service interactions as well as take ownership of the shared outcomes. Co-developing behaviour helps hotels improve their services and value propositions through contributing resources such as time, labour and creative ideas to the process of value co-creation. Such resource contribution changes the traditional process of value creation (i.e., value delivery). Customers here not only redefine the value propositions offered by service

providers but also reform service interactions (McColl-Kennedy et al. 2012).

Integrating behaviour by resourceful informants. Following an service logic perspective, knowledge and integrated information are regarded as operant resources (Vargo and Lusch 2004, Jaakkola and Hakanen 2013). Resourceful informants provide information such as creative ideas, feedback or personal preferences, which contribute to the hotel's resource integration (e.g., new service development, service customisation and personalisation).

Customers' feedback can be useful and valuable for diagnosing service problems or weaknesses.

Based on the feedback, service providers can re-integrate resources in service settings. As illustrated below, the hotel might consider incorporating customer feedback to prevent negative outcomes of interactions with prospective customers.

I mentioned the building noise & they said that there had been letters placed through the doors of each of the rooms! It would have been more helpful had the added this to their website before I booked & I would have made alternative arrangement!

Customers sharing or talking about their habits, liking, and specific service requests before or after their hotel stays is also categorised as integrating behaviour. The information obtained through such behaviour can be used for service personalisation and customisation. The distinction between personalisation and customisation depends on the extent of services being tailored to meet customer needs. Customisation refers to customer-initiative requests are fulfilled by a pre-defined collection of service offerings (Miceli *et al.* 2007). In comparison, personalisation requires a higher level of tailoring service offerings for each customer (Miceli *et al.* 2007). For example, some hotels prepare bathrobes with customer's initials for VIP customers. When customers share their personal information (e.g., trip purpose, dietary, religious practices) before their arrival via a reservation system, hotels can customise their service offerings to fulfil customers' needs. Service customisation requires hotels to integrate resources (i.e., service

elements) based on the information provided by customers. For example, customers describe their experiences of service customisation as below,

All the personal bespoke touches that make staying in a place like this extra nice and worth the bill.

They scattered rose petals, made the towels into swans, had a huge bouquet of roses and champagne at the ready on time and we even got complimentary drinks! (probably to keep him calm).

In other cases, customers also express their personal preferences after the hotel stay, for instance, through a survey sent to their personal mailbox, reviews or follow-up communications. As suggested in previous studies, such information could be helpful for hotels to build individual customer profile in order to create more personalised services in the future (Sigala 2005, Leung et al. 2013). For example, a customer mentioned 'I liked the antiquity of the Georgian drawing rooms'. Based on such information, hotels can arrange a room with Georgian features for the customer during his/her next visit.

Customers acting as resourceful informants mainly contribute information-related resources to hotels, in terms of arranging service settings. Such contributions mainly influence hotels' resource integration in the phenomenon dimension of value co-creation. Through integrating behaviours, customers thus provide their 'integrated information' (e.g., important personal preferences and requests) with service providers (McColl-Kennedy *et al.* 2012, Wu *et al.* 2017). The distinction between these two kinds of behaviours is the type of resource contribution.

explanations to customers, to rectify the services promptly and influence customers' evaluation.

That is, customers actively participate in the value co-creation process. On the other hand, customers' feedback helps service providers revaluate and co-integrate their resources.

When customers explicitly express needs, service providers have opportunities to provide

#### 4.3.2 Indirect co-creation behaviours

Indirect co-creation behaviours influence prospective customers' attitude, preferences and decision-making. This can have impacts on service interactions between prospective customers and hotels. The study identified three main categories of indirect co-creation behaviours and associated roles: (1) reinforcing and diminishing behaviour by dual co-creators; (2) advising behaviour by knowledgeable consultants; and (3) justice voicing behaviour by influencers.

**Reinforcing and diminishing behaviour by dual co-creators.** The role of dual co-creator is manifested through both positive- and negative-valence of recommendation and revisiting intention.

On the one hand, customers spreading positive recommendations and indicating revisiting intentions is categorised as a reinforcing behaviour. This has a positive influence on hotels' reputation, rather than creating direct impacts on the value co-creation process. Such positive recommendations and revisiting intentions demonstrate customers' overall evaluation of their hotel experience. This would also stimulate prospective customers' positive attitude or behaviours towards the hotel. As Wei *et al.* (2013) suggest, positive recommendation and revisiting intention demonstrate the customer's positive service experience that facilitates prospective customers' decision-making. Some examples of customer reinforcing behaviour are presented below.

I'd stay there again in a heartbeat and would recommend to friends and family with enthusiasm.

I would highly recommend [reviewed hotel name] to anyone visiting Dublin as it provides fabulous service and accommodations, as well as being in a great location. Based on my experience you will not be dissatisfied with your stay.

On the other hand, diminishing behaviour refers to customers spreading negative

recommendation and indicating the intention of not revisiting the hotel in the future. Such customer behaviour could damage the hotel's reputation and is likely to create an undesirable influence on the hotel's interactions with prospective customers (Wei *et al.* 2013). For example,

Overall my experience in [reviewed hotel name] was fine. I did not come away gushing about the hotel as I have from others. I probably wouldn't make a return trip based on the fact that other hotels for the same money are offering that little bit extra.

In fairness, the clerk at checkout asked if we were happy and the duty manager then refunded the cost of the valet parking. A nice gesture but overall not somewhere we'd return to.

Both reinforcing and diminishing behaviour not only have an indirect influence on the broader context of the service provider's value co-creation (e.g., reputation and brand image) but also have a direct influence on prospective customers' attitude and behaviours towards the service providers. This finding is consistent with that of Jaakkola and Alexander (2014). Therefore, the role of customers demonstrating reinforcing or diminishing behaviour is categorised as dual co-creators.

Advising behaviour by knowledgeable consultants. For some reviewers, the purpose of writing a review could be more than merely commenting on the hotel services. They also try to share other travel- or accommodation-related information or offer activity recommendation with other community members (i.e., prospective customers). Such behaviour, motivated by helping others in their purchases and consumption, is referred to as advising behaviour (Feick and Price 1987, Sparks and Browning 2010). The analysis indicates that these reviewers are usually frequent travellers, who have more experience and knowledge related to travel and accommodation. Thus, this type of customers is perceived as knowledgeable consultants. In some studies, such type of customers is also called market maven (e.g., Kumar et al. 2010, Sparks and Browning 2010). Examples below illustrate customers' role as a knowledgeable consultant

and their advising behaviour.

This was a work trip but I have to say the [reviewed hotel name] is perfectly situated for a leisure trip as well, minutes away from shopping, eating, bars and the canal it really is in the heart of the city.

This is a great location for a wonderfully walkable city. Easy access to [G]rafton street from which you can branch off left and right into the side streets and discover wonderful little shops and eateries. Also to walk to St Patricks or the Guinness Storehouse learn the back way to walk it, it is only 15 minutes but not very scenic. You can wander back throughout the Temple Bar area and up Grafton which takes much longer but has an infinite number of jumping off points.

Prospective customers could benefit from such advising behaviour by making more appropriate decision or travel arrangement for themselves. Knowledgeable consultants co-create value with prospective customers through providing information-related resources, yet do not generate direct impacts on the providers' value creation process. Therefore, customers' advising behaviour is also considered as indirect co-creation behaviour (Jaakkola and Alexander 2014, Pansari and Kumar 2016).

Justice voicing behaviour by influencers. Customers might demonstrate certain co-creation behaviour with an intention of helping themselves or benefiting (Braun et al. 2016). The analysis shows that some reviewers tend to provide more detailed contextual information to engage readers in their hotel 'stories'. Such information is used to build the context of their hotel experience in order to justify their evaluation of hotel services. Regardless of the outcome of their service interactions (e.g., pleasant or unpleasant), the reviewers focus on convincing prospective customers to agree with their evaluation, instead of merely complaining about their unpleasant experience or boasting about their enjoyable experience. For example,

We travel a lot but until now had never been to Ireland. This was our first trip to Ireland, so

we booked a short stay at [other hotel] and finished the trip at the [reviewed hotel name] in Dublin. (2 rooms for 3 nights) We are Diamond members with [hotel chain] and have always had excellent experiences staying with [reviewed hotel name] hotels so we felt we could trust we would have a great experience. There is a first for everything and this is the first time I have been truly disappointed with a [reviewed hotel name] Hotel. We checked into the room and was given a room that was in my opinion looked like what you would find at a 2.5 - 3 star hotel. The furniture had seen better days.

The analysis indicates that this justice voicing behaviour potentially influences prospective customers' attitude and behaviour towards the hotels. Thus, such customers are regarded as influencers. Through offering information-related resources (e.g., experience and knowledge), indirect co-creation behaviours mainly affect prospective customers' attitude and behaviours towards the provider. Consequently, such behaviours might generate impacts on service interactions between prospective customers and the provider. Despite these potential impacts derived from indirect co-creation behaviours, the interplay between emotional customer experience and direct co-creation behaviours is further analysed to address the research questions, which is discussed in the next section.

### 4.3.3 Emotional customer experience and direct customer co-creation behaviours

Concerning value co-creation between hotels and customers, cases demonstrating the direct co-creation behaviour were allocated into separate categories for further analysis. A total of 289 cases were identified for the analysis (Table 4.3). The frequency counts of each type of emotional customer experience were added and standardised for comparison across the different types of co-creation behaviours (Figure 4.3).

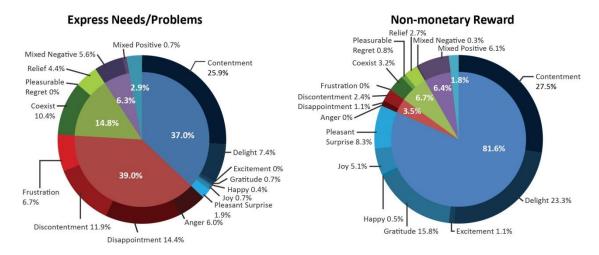
**Co-developing behaviours.** In cases of non-monetary rewards, positive emotions are the most frequently observed (82%), followed by ambivalent emotion (7%) (Figure 4.3). Positive emotions encourage customers to express their gratitude and compliments, and it is consequently perceived as a non-monetary reward to hotels. This is considered an essential component of

pleasant service interactions (Xie et al. 2008, Palmatier et al. 2009). For example, 'The bar and reception staff deserve medals for dealing with the hectic and busy times and did so in a smooth and efficient manner.'

On the contrary, in cases of engaging service providers in solving problems and fulfil needs, negative (39%) and positive (37%) emotions are observed almost equally across all cases. If a hotel manages to acknowledge the problem and rectify the services promptly, negative emotion can be reverted through customer co-developing behaviour. For example,

The room we were given smelled very strongly of cigarette smoke so my husband went down to speak to reception. They were very apologetic, immediately changed the room and sent someone up to help us with our bags.

## Co-developing Behaviours



# **Integrating Behaviours**

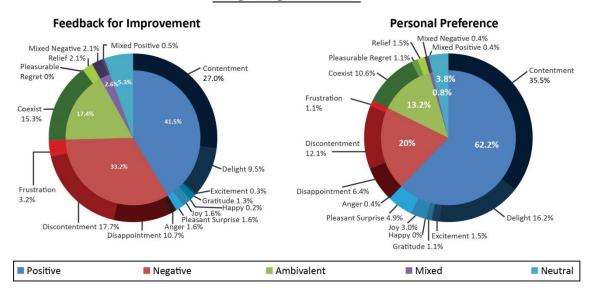


Figure 4.3 Direct customer co-creation behaviours in relation to emotional customer experience typology.

Both co-developing behaviours create direct intervention on the value co-creation process. Consistent with previous studies, emotions with a higher intensity such as delight and frustration are likely to encourage customers to demonstrate active behaviours (van Doorn 2011). This is because emotional intensity refers to the extent to which the situation meets expectations or a desirable outcome (Clore and Ortony 2000). Customers as active partners participated in the redefinition of value proposition and co-creation of service interactions (McColl-Kennedy *et al.* 

2012, Tommasetti *et al.* 2017). It is also crucial for hotels to show their intention to co-create positive emotions and initiate interactions (Casaló and Romero 2019). Hotels can take advantage of customers' active participation in service interactions to establish a trusting relationship with them. This will help ensure positive emotional customer experience and co-develop value proposition (DeWitt *et al.* 2008).

Integrating behaviours. As shown in Figure 4.3, customers tended to share feedback and ideas for service improvement when they experienced a mix of positive, negative and ambivalent emotions. In comparison to co-developing behaviours, customers who demonstrated integrating behaviour experienced more low and moderate intensity of emotions during their hotel stays. The analysis also shows that emotion agencies play a more important role than intensity when customers demonstrate integrating behaviours. The majority of integrating behaviours are related to the hotel's physical environment and service offerings rather than interactions with service staff. Hotels can take advantage of the information provided in integrating resources in order to engage customers in more attractive physical environment and offerings. Such integrating behaviour provides an effective means for the hotel to obtain a better understanding of emotional customer experience and generate some guidelines for new service development. For example,

The hotel got the hard things right & the easy things wrong. [...] The entire staff was terrific. [...] The lighting in the room was terrible. There was no easy chair for reading if there had been enough light to read. The bench seats made it tough to get to the window and could not have been more uncomfortable. Comfortable furnishing and good lighting should be easy.

In contrast, positive emotion is observed more frequently (62%) in those cases where customers share their personal preferences (Figure 4.3). It is followed by negative (20%) and ambivalent (13%) emotions. In other words, customers tend to share their personal preferences when they

have more positive than negative or ambivalent emotions during their hotel stay. Depending on whether their preferences were met, customers partially experienced either positive or coexist emotions. The analysis also shows that customers understand that it is impossible for the hotel to meet their every desire. Customers indicate that the property attribute might not be their preferred choice, but they still enjoy their stay thanks to other factors. For example, 'The mattress was a little hard for my taste but then again that could be a very personal taste. Keep up [reviewed hotel]'.

The findings demonstrate that customers tend to get involved in either co-developing or integrating behaviour when they experience dominantly positive emotions and partially negative or ambivalent emotions. This accords with the current understanding in the literature (Kelley and Hoffman 1997, Cavanaugh et al. 2015, Zhang et al. 2018). Positive emotions are more likely to encourage customers' co-creation behaviour that facilitate value co-creation with service providers. It is crucial for service providers to co-create positive emotions with customers in order to establish a positive relationship. However, emotional customer experience might not be the only reason that encourages or affects customers demonstrating certain co-creation behaviours. According to appraisal theory, customers' negative emotions lead to their avoidance behaviours (Roos et al. 2009, Surachartkumtonkun et al. 2015, de Hooge 2017). Considering the cigarette smell related example quote (pp. 132), the customer proactively expressed the issue and as a result they had their bedroom changed. This reflects avoidance behaviour. From the hotel perspective, the customer raising the issue can be considered as co-developing behaviour. In this case, the hotel benefited from such behaviour due to its recognition of the customer's negative emotions and timely problem-solving skills. As such, the customer's negative emotions actually 'facilitated' value co-creation with the provider.

These findings are interesting as the existing literature predominantly promotes thinking around the creation of a delightful experience for customers in order to establish an engaging

relationship. The new findings suggest that positive emotions might not be the most important factor in engaging customers in a collaborative relationship. On the other hand, these findings echo suggestions by other scholars that both emotional customer experience and customers' resource-related factors (e.g., time, access to the communication channels and customers' travelling experience) can contribute to their co-creation behaviours (So *et al.* 2015, Surachartkumtonkun *et al.* 2015, Su *et al.* 2018). To explore customer emotional experience in relation to direct co-creation behaviour, incorporating other models would potentially provide more fruitful explanation of such relation.

#### **4.3.4 Summary**

The thematic analysis reveals a wide range of customer roles and their nuanced co-creation behaviours that contribute to value co-creation with service providers and prospective customers. The study demonstrated that customer behaviours can stimulate a series of effects within the value co-creation network and influence service provider's value creation process (e.g., resource co-integration, value proposition co-development, and service interaction) both directly and indirectly. This is consistent with other studies on customer engagement behaviour (e.g., Wei et al. 2013, Jaakkola and Alexander 2014, Braun et al. 2016). Those behaviours that directly affect the service providers' value creation process are conceptualised as direct co-creation behaviours. Other behaviours, where customers' resources (e.g., experience and knowledge) affect prospective customers' attitude and behaviours towards service providers and indirectly generate impacts on their service interactions, are conceptualised as indirect co-creation behaviour.

To a certain extent, positive emotions encourages customers' direct co-creation behaviours (e.g., co-developing and integrating behaviour), as also evidenced by previous studies (Xie *et al.* 2008, McColl-Kennedy *et al.* 2015, Wen *et al.* 2018). However, customers' resource-related factors might also play a role in their direct co-creation behaviours (Surachartkumtonkun *et al.* 2015, Su

et al. 2018).

# **4.4 Chapter Summary**

This chapter presented the results of the thematic analysis of 1063 customer comments. The customer emotional experience typology captured five types of emotions in the context of hotel services, which includes positive, negative, ambivalent, mixed and neutral emotions. The cases of ambivalent and mixed emotions demonstrate opportunities for hotels to timely revert service interactions in order to win over their customers. Further, primary emotion triggers are identified. It is evident that both service- and customer-related triggers could affect customer emotional experience. Although customer-related triggers are beyond the control of service providers, they provide a better understanding of customers' appraisal process.

Eleven customer co-creation behaviours were also identified and characterised into two types of direct co-creation behaviours and three types of indirect co-creation behaviours. Direct co-creation behaviour (co-developing and integrating behaviours) refers to customers' behaviours that create impacts on hotels' value creation in both dimensions of process and phenomenon. Within that, co-developing behaviour demonstrates more frequent interactions with hotels that help re-define value proposition and advance service experience. Similarly, customers' integrating behaviour provides valuable information-related resources that assist hotels' resource integration. Although indirect co-creation behaviours (reinforcing and diminishing, advising, and justice voicing behaviours) do not have direct resource contributions to hotels' value creation process, such behaviours influence other customers' attitude and perception towards the hotels. From a value co-creation perspective, it would be beneficial if service providers such as hotels are aware of and able to embrace various customer co-creation behaviours in their value co-creation practices. Finally, the study also highlighted that positive emotions may stimulate customers' positive attitude towards a collaborative relationship with the service providers.

# Chapter 5 FINDINGS: VALUE CO-CREATION FROM MANAGERS' PERSPECTIVE

This chapter presents the findings from the thematic analysis of the manager interviews and hotel responses on TripAdvisor. In the context of a focus on the service provider perspective, the exploration of value co-creation is reported and discussed followed by the three key dimensions of value co-creation.

## 5.1 Process Dimension: Co-development and Co-creation

The process dimension emphasises actions taken by service providers and customers at different stages of the value co-creation process. Focusing on the service provider perspective, this section presents how hotels interact with their customers, including the holding of friendly and personal conversations and handling customer needs, requests and feedback.

#### 5.1.1 Value proposition co-development

The analysis of the interview transcripts captured the current practices of handling customer feedback in the sampled hotels. Both the external and internal processes of value co-creation were discussed with the managers. Externally, hotels were found to demonstrate a mind-set of 'taking it with a pinch of salt' when they receive customer feedback. Internally, cross-department communications are deemed essential for (co-)developing value propositions in order to engage customers in co-creative interactions.

'Take it with a pinch of salt.' Because hotel managers are aware of the value of customer feedback, it is recognised that the application of customer feedback is essential to (co-)develop value propositions. James used the expression of 'tak(ing) it with a pinch a salt' when the hotel handles customer feedback. He further elaborated that he had no doubt that customer feedback is an essential asset to hotels, but that this did not mean all views should be 'brought in' entirely.

'Taking it with a pinch of salt' emphasises the importance of analysing information provided by customers (e.g., requests, complaints and compliments). The application of customer information can be regarded as customer insights for service improvement. Similarly, Sophie mentioned that she tried not to take customers' words literally, explaining that there is '[a] difference(s) between listening and hearing, so the message could be one thing, but you need to hear the point in that message'. Hotels' interpretation of customer information may influence how the information is used improve service interactions (Park and Allen 2013).

At times, unjustified customer feedback might also be harmful to the internal value creation process. In this case, hotels might stand to lose more than to gain from customer feedback. For example, it can be a significant loss for a hotel if employees quit their jobs due to unjustified customer feedback. James elaborated:

We are all professionals, so we would give [employees] the feedback [of] good, bad, indifferent. So I would go to the receptionist and show this [customer review], "Listen, do you remember this guest? There was an issue." But we don't just go straight for the jugular and say it is your fault ...

On some occasions, hotels fail to meet the brand's standards or customer needs. In these circumstances, apologising to customers is necessary to show that hotels acknowledge the mistakes and issues; as James highlighted, '...we will put our hands up and we will invite them back if we have to'. It is also common for upscale hotels to give free upgrades or vouchers as compensation to customers, depending on the circumstances. From the management perspective, it is more critical to demonstrate hotels' recognition of service failure when giving customers compensation. As John stressed,

Well, it's not as much about compensation. It's about recognising that there is a problem and that we're at fault and "Here are the guarantees we would put in place to make sure that never happens to [the customer] again".

It may be a commonplace that hotels can rarely make every customer happy with the same services (Kim et al. 2009). It is inevitable that customers will have different needs and preferences, or that things may occur that are out of hotels' control, such as loud street noise or customers' afternoon naps being affected by annual refurbishment. James said: 'it's funny because [customers] want the freshest and the best-looking hotel, but they don't want to see any builders or to have any noise when they are here but unfortunately [hotels] have to [renovate the building]'. When managers come across this kind of circumstance, they may first apologise to the customer(s) and explain the reason for the incident. As James again stressed: 'I would always explain why things are done'. Reaching out to and following up with the customer(s) is essential to keeping communication channels open. As indicated by Xu et al. (2014), service recovery initiated by service providers is more effective than that initiated by customers.

While taking necessary measures to deal with service failure, listening to customers is also deemed critical at all times. James used the metaphor of 'a call centre' in referring to hotels' role in such circumstances and explained that:

There's nothing worse than not being listened to and I think it's the ultimate experience when [hotels are] dealing with a call centre, [a customer is] calling because [his/her] computer doesn't work or whatever and the person just repeats whatever.

At 'a call centre', apart from repeating and confirming the issue to customers, listening to customers also means that every subtle need and tiny request is picked up and dealt with care. John emphasised that '[t]hey are tiny things, right, but if [the hotel] gets that, then [the customers] say, "Wow, these people actually care".' Finally, to maintain a positive relationship with customers, the managers try to assure customers by means of promoting an improved experience or providing a solution to service failures, while emphasising their intention of 'mak(ing) sure that never happens to [the customer] again' as a reassurance to customers.

Internal cross-department meeting and team communication. The analysis indicates that internal cross-department meetings and team communication are often mentioned by the managers as part of the 'preparation' for service interactions. Such preparation can be considered as a means of communicating the hotel's value proposition internally. 'Knowing your business' was the expression used by Louis in this context.

Cross-department meetings provide updated information to each department leader (e.g., new policy, the upcoming group of guests or the number of VIPs) and help prepare them to welcome guests. An internal cross-department meeting provides updates about a service failure and a more holistic view of new service offers. As Owen mentioned, '[i]t's important to share that information with other head(s) of departments'. Hotels can accommodate their guests better if they know who the guests are and their expectations. Louis elaborated:

Let's say, we met this morning about, let's say, groups or events coming in next week and if we know the company, maybe they have been with us before, so what can we expect from these people? Now some people, they will only want to come in, go to sleep, wake up and leave the hotel.

This example indicates that hotels are able to offer a personalised value proposition if and when they 'understand' customers better. In particular, additional research about the upcoming guests is also necessary. To take an example provided by Sophie, if she knew a VIP was visiting the hotel, she said: 'I will then go to Google, Google him, get a picture, say, "This is Mr. [...] He likes Guinness. Please put a pint of Guinness in his room, and everybody, pass this around".' She described such 'research' as 'detective work'. All the information gathered is passed on to relevant personnel, such as the receptionist, doorman and barman. Subsequently, a personalised value proposition can be offered to engage customers in the co-creation of a better experience. In addition, internal communication (e.g., emails and duty manager logs) also acts as 'a handover system' to keep relevant personnel in the loop and make sure every service incident has been resolved.

Traditionally, co-production is often applied to maximise service providers' profits (Vargo and Lusch 2004). The distinction between 'co-production' and 'co-development' turns on the extent to which service providers manipulate customer information and insights as operant resources acting upon operand resource integration. Co-production focuses on the exchange of information to reducing production costs, while co-development emphasises the understanding of information from the customer's perspective to work out a better solution or advance the value proposition together. The findings show that hotels are inclined to apply customer feedback and relevant information to improve their value proposition. Hotels also try to ensure such information is applied to bring benefits to both themselves and customers, rather than causing harm. The findings broadly support Echeverri and Skålén's (2011) proposal that customer information needs to be used to create reciprocal value rather than co-destructive value.

#### 5.1.2 Service experience co-creation

As distinct from a co-development mechanism, a co-creation mechanism requires more intensive and continuous interactions with customers during the consumption process. From the hotels' perspective, two main activities were identified from the interviews, including taking ownership of the value co-creation and initiating personal interactions for service personalisation.

**Taking ownership of value co-creation.** To co-create a better service experience with customers, one interviewee explained that this requires team members working on their own parts. Each team member adopts a proactive attitude to his/her own area of responsibility and mission. Thus, hotels are ready and able to collaborate with their customers through service interactions. For example,

Louis: So we have three guest relations managers and we [also] have the whole team, [which] is really well-trained then. They all know why we are here.

Crispin: That's why there is managers and junior managers in every certain area. It's important that they take ownership for their individual outlets, whether it would be a restaurant manager or a bar manager. They are the ones that will be correcting this, so they need to be the ones that identify the solution. Otherwise, from a senior management point of view, your entire day would be taken up with solving other people's problems and giving them the solution, you know.

Initiating personal interactions for service personalisation. However, previous studies suggest that value co-creation does not always result in reciprocal value, as not every customer is willing to spend their time and provide information in return for customised offerings (Saarijärvi 2012, Ramaswamy and Ozcan 2013). Even though customers' willingness might be a concern, half of the interviewees mentioned that they constantly tried to actively engage customers in personal interactions. James explained: 'It's important to know that the demands of the guests are changing, so we could be spending a lot of energy doing something that is of no relevance to our guests.' Hotels' offerings (i.e., their value proposition and services) should constantly adapt to customers' changing demands. Personal interactions can offer a mutual understanding of how things should be done, as well as achieving a consensus on the value definition (Plé and Chumpitaz Cáceres 2010, Grönroos and Voima 2013). Sophie described how interactions with customers can sometimes be like a negotiation designed to come up with a consensus term. She said:

You know, it's just learning how to have that conversation with people without being cheeky, so without coming across as rude, being like, "Oh, I have done this for you, you do this for me" so it's using a bit of your charm and playfulness to be like, "Please" so yes, it works most times.

Although the hotel where Louis worked used various tools and means to communicate with their customers before arrival (e.g., early check-in through the reservation system) as well as after departure (e.g., an electronic satisfaction survey), he disclosed that he was still trying to develop

a more effective means to engage customers in timely communication during their hotel stay in order to create a better experience. As proposed by Kandampully et al. (2018), different customers prefer different methods of communication. Louis noted that initiating communication with customers during their stay sometimes could be ticklish, explaining that face-to-face interactions were their primary technique. However, such interactions require well-trained staff to be observant in order to sense customers' needs and initiate interactions without being intrusive. For example, a well-trained member of staff might arrange a taxi and provide speedy check-out for a customer who is rushing to leave. Other means of facilitating such cocreative interactions initiated by customers are also needed. Louis noted that:

At the moment, we are looking at a few options where we can say, where we can get people to maybe contact us directly, but some people are very happy to go up to someone and say, that there is something [wrong], but other people, and especially now, they don't have the time or they just don't feel comfortable to come.

On the other hand, Sophie attempted to proactively engage (especially regular) customers in personal interactions in order to 'create a relationship', commonly known as 'making a connection', in her hotel. She emphasised:

I have no problem asking somebody just to clarify and I will say that, just double-checking or just to clarify, "Is this OK? Do you like this?" and they might say, "Mm, I'm not bothered" and then I'm like, "They are bothered. They just don't want to be fussy", so I will make sure that it's that way.

Both the above examples indicate that hotel managers attempt to initiate personal interactions with customers through different means. Sophie initiated personal interactions mainly with regular customers, while Louis aimed to co-create timely and unobtrusive interactions with the majority of customers. Giving the impression to customers that the hotel cares about their guests and their experience was found to be mentioned in both the interview transcripts and the hotel responses on TripAdvisor in the hotels studied. This is in line with previous studies (Sparks *et al.* 

2016, Sparks and Bradley 2017). Such an intention demonstrates an initiative to engage customers in creating a better service experience.

Louis also noted that personal interactions give a 'more welcoming feeling'. Holding the same view, James elaborated how personal interactions can create a positive impact on the co-creation of value with customers. He said:

However, the team members, if everyone here says, "Hello Szu-Hsin, how are you, Szu-Hsin? Are you enjoying everything? Have you had a nice breakfast?" [...] Maybe in [other hotels] they never do it. I'm sure they do it. But if you [customers] feel a lot more welcomed here and, "Look, every staff member knows me. Am I important?"

In line with previous hospitality studies, Kandampully et al. (2018) suggest that personal interactions allow service staff to personalise services later on. Such 'chit-chat' not only allows the hotels to get to know customers' individual needs, but also opens up a communication channel with customers going forwards. James said: 'we understand where [customers and their needs] are coming from and then we can better serve them'. Building on such established personal interactions, hotels are able to better tailor their services for customers. The main goal of doing this is to encourage customers' 'brand loyalty' to the hotels. Louis elaborated: 'the goal is that you would create loyalty, that they would come back in a few months' time again and stay with you again instead of going to [other five-star hotels]'.

The analysis shows that, through a co-creation mechanism, service providers internally take ownership of value co-creation, whereas externally they initiate personal interactions with customers. A continuous communication and learning process means establishing a collaborative relationship with customers. The findings also accord with prior research that focuses on customer-provider value co-creation (Prahalad and Ramaswamy 2004a, Ballantyne and Varey 2006, Kristensson *et al.* 2008, Grönroos and Voima 2013).

#### 5.1.3 S.A.L.T.: Key steps of co-development and co-creation mechanisms

The value co-creation process in the hotel industry is manifested through interpreting customer feedback and engaging customers in continuous co-creative and personal interactions. To synthesise the findings in the process dimension of value co-creation, four key steps of co-development and co-creation mechanisms are proposed. A S.A.L.T approach is a representative acronym for the four steps of adopting a co-development mechanism, namely, service failure (S), apology (A), listen to customers (L) and talk to customers (T). Similarly, service interactions (S), actively engage with customers (A), learn from customers (L) and trust us and we care (T) are the four steps of employing a co-creation mechanism. Figure 5.1 illustrates these key steps of both the co-development and co-creation mechanisms with exemplary scenarios.



Figure 5.1 Illustration and scenarios of key steps of adopting co-development and co-creation mechanisms

As illustrated in Figure 5.1, service failures can be an opportunity for service providers to undertake a co-development mechanism. Customers are sometimes in an active position to report a 'service failure' (Step S). In most cases, hotels would 'apologise' (Step A) to the

customer(s) and provide an explanation for the failure as appropriate. Subsequently, 'listening to customers' (Step L) is an important step in figuring out the reasons for the service failure (i.e., what went wrong). After this, 'talking to customers' (step T) not only helps identify the reasons for the service failure, but also ensures the same failure does not occur again in the future.

The co-development mechanism is helpful for redefining providers' value propositions and inviting customers further participation in the value co-creation process. By means of this mechanism, service interactions can be rectified on the spot in a way that can lead to reciprocal value. However, this reciprocal value is not necessarily engaged on every occasion, as the interaction between providers and customers is sporadic and provider-oriented. For example, if a hotel gives the customer a next-visit voucher as compensation, reciprocal value will only be created if and when the customer revisits the hotel.

Apart from a co-development approach, service providers can also undertake a proactive role in 'service interactions' (Step S) with customers in a way that generates a co-creation mechanism. This mechanism demands that hotels have a good comprehension of the available resources between themselves and customers in order to choose the right communication tool, meaning to 'actively engage with customers' (Step A). In reference to the examples illustrated in previous sections, personal interactions could be helpful to extend the relationship with customers, while an alternative communication tool (e.g., mobile app) could target the majority of customers without being intrusive. In this way, providers can gain access to customers and 'learn from them' (Step L). The previous steps help service providers build a 'trusting' relationship with customers (Step T) and further strengthen the bond between them. As suggested by other studies, service innovation is more likely to be achieved when it is based on a trusting and collaborative relationship (Ballantyne 2004, Li and Hsu 2018). For example, in undertaking a co-creation approach (as illustrated in Figure 5.1), Owen developed a 30-minute historical walking tour to show guests different aspects of Dublin that they would not find in a tourist book. Based on the

conceptual framework in the study by Chathoth *et al.* (2013), the findings provide practical suggestions on how to better engage customers in co-creative interactions.

# 5.2 Phenomenon Dimension: Resource Integration and Value Cocreation Contexts

The resource integration and value co-creation contexts are two main aspects of the phenomenon dimension of value co-creation. This section explores these two aspects from the service provider's perspective.

#### 5.2.1 Resources

Although resources can be divided into categories of operand and operant resources, the participants primarily talked about the latter during the interviews. Operant resources were discussed from three main aspects: (1) internal supportive network; (2) talent empowerment; and (3) customer feedback.

Internal supportive network. This primarily describes how employees contribute to teamwork and collaborations across departments that support value co-creation with customers. First, team members' capabilities and work experiences were mentioned as part of the resources that support managers' day-to-day tasks (e.g., dealing with diverse customer requests). Louis elaborated:

I think we have a really, really good team here. If you look at the amount of experience from a lot of managers, it's years and years of experience so we have loads of meetings or systems in place.

Second, the tie between team members is deemed valuable when hotels are dealing with customers' changing or unforeseen demands on the spot. Sophie described an unforeseen situation of a customer's changing demands on the day of an event taking place in the hotel.

It's stressful but it kind of almost brings the team closer together a little bit because [I was] like, "Oh, we can do this, guys, you know, we can do this together. Let's make these people happy" [...] So when [I] think about it that way, [I was] kind of like, "OK, no, it's fine. It's OK. I can do this." But it's getting that mind frame into [my] own head and how [my] behaviour can affect somebody's stay.

According to her account, a sense of partnership brought the team members together to achieve the same goal. This account illustrates the close working relationships between the team and how a shared vision within a team could act as a supportive resource, particularly when the team faces obstacles.

**Keeping talent and empowering it.** In the hotel industry, employees are a critical asset for hotels in running their businesses. Sophie stressed: *'Employees are so important. They are such an asset to a place and it's like, if you don't have staff, you don't have a service, so it's getting that balance [of staffing] right as well.'* 

The 'balance' Sophie mentioned here is referred to as the decision-making process involved in laying off dissatisfied employees and retaining talented employees. Besides technical skills (e.g., how to hold a tray, make a cup of coffee), which can be acquired through training, a few desirable hospitality characteristics were mentioned during the interviews, such as being observant, friendly, and personable. Owen offered an example of this charm:

In this hotel, we have lots of people who carry the Irish charm and it's a beautiful thing to see, but also knowing the place, the ability to speak with people, always put that person first. I see the art of conversation sometimes gets lost in a hotel because everyone is on their phone the whole time, that people are losing the art of conversation to work in a hotel.

Sophie explained that while many technical skills can be trained, employees' personal qualities can only be shaped to a limited degree. She further elaborated how an employee's personality can 'shine through a bad service', using the example that 'the service could be really crap but

[the] waitress could be lovely so [......] [customers] are kind of almost in a conflict with [themselves]'. Employees who have these desired personal characteristics are referred to as 'talents' and are considered as valuable resources (Bharwani and Jauhari 2013). Therefore, talent retention could also be a factor that affects service interactions. Owen elaborated:

If we have well-travelled guests, our team need to be well-travelled to ensure that we meet their needs [...] but also that is a problem again with the team because if you are going to hire somebody who is well-travelled, perhaps they are not happy to work as a waiter, they want to have more of a senior position, so it's about keeping the talent in the hotel and ensuring that they stay.

Although employee training programmes are offered in upscale hotels, not every training guidance can be applied to this dynamic reality. Sophie said: 'It's crazy, and we would do so many trainings and you are trying to bring the training into something but then sometimes it contradicts itself as well'. Practical judgments made by service staff are critical to the outcomes of service interactions, while staff judgements are practical in the sense of being appropriate to the context in which they are embedded (Echeverri et al. 2012). James stressed that it is also crucial to empower employees, that is, encourage employees to make their practical judgments in service interactions on the spot. In doing so, employees are allowed to utilise the available resources to deal with dynamic service interactions with customers. Sophie described her working experience here as follows:

I rely very heavily on people's intelligence and just generally being street-smart, so using your head to deal with a situation and that's another resource that we have, I guess, is we get this training called "Yes, I Can".

The examples and discussion above indicate that talent retention and empowerment also act as important resources for value co-creation in the hotel industry.

Customer feedback as an earned resource. The findings indicate that the value of customer

feedback can be found through its application in three aspects: (1) value proposition codevelopment; (2) service improvement; and (3) the employee reward system.

Positive online reviews serve as free public relation and marketing resources for service providers. Such reviews reinforce the potential benefits of the value proposition proposed by a hotel to prospective customers, and therefore function as an earned resource. Owen elaborated:

...So that goes into the area of almost public relations like PR (public relations). So a honeymoon couple comes to the hotel from New York City. Their extended branch of contacts and friends could go into the hundreds, and hundreds and hundreds from their work colleagues to their friends.

Value proposition can be re-defined during the process of customer spreading (e)WOM. Because individuals determine value based on their experience of service interactions, such phenomenologically determined value would differ in terms of how the experience is interpreted. When customers spread their experiences of hotel services, the value proposition is likely to be redefined based on the customers' interpretation of value. For example, a five-star hotel might be renowned for its modern facilities as its very own value proposition. A newly-wed couple then shares their wonderful honeymoon experience in this hotel to their friends, colleagues and online, as a result of which the value proposition of the hotel is further redefined as an ideal hotel option for a honeymoon, instead of in terms of its modern facilities. By contrast, a Georgian hotel restaurant might be perceived as a tomb-like cave by some customers. As illustrated in the examples above, the interpretation of the value proposition is significantly different. Thus, customer feedback helps providers make a diagnosis of whether providers' value propositions are well-developed (Liu et al. 2015).

Customer feedback also contains important information for hotels building up customer profiles that can be used to tailor hotel services for the customer(s) (service personalisation/customisation). Building customer profiles is a common practice in upscale

hotels. Every piece of customer information is valuable to hotels, such as whether the customer prefers tea or coffee, or sleep on the left- or right-hand side of the bed. Such information is useful in tailoring services (i.e., re-integrating resources) in order to co-create a better customer experience. For example, if a customer usually drinks tea at breakfast, a cup of tea could be sent to the table before the customer requests it. The turndown service could also be set up according to the customer's sleeping habits. Louis pinpointed how

[hotels] need to look at the background. [Hotels] need all the details from [customers'] profile, where did they come from, why did they travel, what was the goal of their stay, how much did they pay, XYZ that really then makes your [decision].

Positive customer feedback is usually lovely to hear and encouraging for hotel staff. After all, the nature of hospitality services demands employees be in their best condition at all times, even when they are having a bad day. Positive customer feedback can sometimes also 'light up' a bad day for service employees. Sophie said: 'I would be knowing that a guest is happy, that's sufficient for me.' This can 'refill the fuel' for employees and encourage them to maintain the quality of their performance. James further elaborated how customer feedback can be a reward system:

We share the positive ones. You know, our Clarabridge (customer engagement management software) is over 90-odd there. Our TripAdvisor would go between 4 and 6 so [...] most of it is positive, so the positive ones on TripAdvisor, we would share it. There is a board on the canteen for all of our team members. Our Clarabridge, they get an internal reward which is flag points. It's just our reward system and they are shared as well [as] individually with the group.

On the other hand, Owen stressed his thoughts regarding the value of customer feedback by saying that '[p]ositive feedback is amazing to receive. Is it as valuable as negative? Yes and no. I don't think so, but other people will say otherwise.' Although Owen and colleagues tried to learn

from both positive and negative feedback, positive feedback might not necessarily provide sufficient information as to why customers enjoy the hotel services. Negative feedback can sometimes be quite powerful in terms of damaging a hotel's reputation, yet by definition fails to provide constructive information to help hotels re-evaluate their value propositions and improve their services. This is consistent with prior research (Park and Allen 2013, Bradley *et al.* 2015).

Four managers shared a similar view regarding customer feedback, namely that the latter might not always be helpful or valuable, irrespective of whether it is positive or negative. As flagged by examples provided by the managers, customers sometimes rant about hotel services or facilities as a vent for their own negative emotions, without explicitly explaining the reasons why their personal preferences and needs have not been met. Such customer feedback does not offer any insightful information and instead creates stress for managers and service staff. Sophie said: 'Sometimes I just, I get so angry reading some feedback'.

The aforementioned operant resources are used in hotels' value co-creation process. An internal supportive network and talent empowerment can facilitate positive value co-creation with customers. Further, customer feedback primarily serves as an earned resource to service providers, yet on some occasions it can also be damaging to service providers. Service providers need to 'filter out' less relevant information and 'convert' it into valuable resources by means of resource integration.

#### 5.2.2 Value (co-)creation context

This section discusses the context of value co-creation from a service provider perspective. Service providers' insights into customers' value interpretation are also explored. In accordance with the literature, the analysis indicates that hotels try to deliver and co-create two types of value with their customers: value for money and value for the customer experience (Gupta and Lehmann 2005).

Value for money. The value concept is often connected to monetary value. As with most other businesses, the managers stressed that hotels are in the business of making money, stressing that, on many occasions, value exists in a transaction process. For example, Sophie stated that 'I don't give away free things for nothing'. While five-star hotels try to 'provide' high-quality services and facilities to match customers' expectations, they also endeavour to make the business profitable. Therefore, monetary value is inevitably a nested and embedded concept in the value co-creation context, as proposed by Vargo and Lusch (2016).

According to a worldwide classification system, hotels are classified as 'five-star' mainly on the basis of their service quality, room capacity and the range of service offerings. Consequently, customers have higher expectations of services in five-star hotels than in other sectors of the industry (Barsky and Nash 2002, Ariffin and Maghzi 2012). As Sophie said, 'people expect so much and if they even get one thing that's not value for money, that's [service failure]'. Therefore, depending on the contexts (i.e., the hotel's status), monetary value could be assessed differently. For example, customers choosing to stay in budget capsule hotels in Japan would tend to pay more attention to the practical aspect of the hotel's facilities rather than how service staff address them. The context here is comprised of both the hotel's classification and customer expectations (Barsky and Nash 2002, Ariffin and Maghzi 2012).

**Value for the customer experience.** Hotel managers also pay attention to co-creating non-monetary value with their customers, i.e. value for the experience. Owen said:

I have no interest in the monetary value of the hotel or what we're gaining because that's [the General Manager's] job. [...] So my job is to ensure that the experience they are gaining or having in the hotel matches the value that they are spending.

Hotel services involve extensive human interactions (Brotheridge and Grandey 2002, Tronvoll 2011). Unlike machines, however, human beings sometimes makes mistakes. As James stressed,

'the hospitality industry is working with humans and human error is a big factor of[sic][in] mistakes' This human factor also significantly influences customers' value determination; as Louis said, '[i]t's not just machines working. It's people working, and people make the difference'. The examples above pinpoint the influence of human factors on customers' value determination, both positively and negatively.

Four managers also provided a discussion regarding the luxury concept in five-star hotels. For these hotels, the luxury concept is deemed part of their service settings. While two of the managers emphasised 'five-star' reputation and customer reviews based on high-quality standards in all aspects of hotel services (e.g., short waiting time, highest quality furniture), the other two managers paid additional attention to the evolving definition of luxury. For example,

Louis: [...] our vision and our mission [...] is to be regarded as one of the most luxurious hotel brands in Europe. What does it mean to you and me if you go to the best hotel brands in Europe? You want to feel pampered and you want to feel looked after and if something is wrong, you expect people to fix it straight away.

Owen: If I receive a complaint on TripAdvisor that my coffee was delayed five minutes at breakfast and that I never received my eggs [...] because in a five-star hotel and in this level of luxury, if a guest is waiting five minutes for their coffee, that's not acceptable to me, so that would have to be service recovery. If this bottle of water wasn't the most beautiful bottle of water you have ever tasted which is, I'm sure, what Acqua Panna, this is a premium water, this is what they sell. If it was anything less, I would be unhappy because it's buying and selling [...] that goes back to the topic of luxury. The hotels are selling luxury, but what is luxury exactly? [...] what is customers' definition [of luxury], they want to have xyz? I don't know. Individual service? or they just want [something else]. They (customers) don't know what it is but they want to know what it is. They want the feeling.'

Hotels' service settings also have to adapt to customers' perceptions of the luxury concept according to the social norm. Owen further elaborated his thoughts on this concept:

I worked in the Middle East for some time, and in the Middle East, they have a completely different version of luxury. In the Middle East, it's almost, there is no personality. But in Ireland, luxury is 100% personality with Irish guests and that's the culture that we have. We would speak with more open terms, we would use hands, we might even touch. That's luxurious. But in other parts of the world, it's the opposite. It's how you speak to a guest. So I think of luxury from somebody who has travelled and what my opinion is, but [for] an Irish person who hasn't left Ireland, it's completely different.

Hotels are aware of the importance of both luxury experience and gaining a 'five-star' reputation. The analysis indicates that the value determination is not only bonded to the social norm, but also to individual life experience (Tynan *et al.* 2014). According to the analysis, the definition of luxury is co-defined by both business standards and customer perception under the influence of these two factors. These findings are in line with Peng and Chen's (2019) study that found that, in addition to offering value-for-money, luxury hotels also need to pay attention to customers' perceived functional, hedonic and symbolic values, i.e. their value-in-experience.

Following a service logic perspective, providers integrate resources to orchestrate service settings. The findings show that an internal supportive network, talent and customer feedback are crucial operant resources in co-creating value with customers. Customer feedback is particularly valuable, yet can be harmful to value co-creation (Bradley *et al.* 2015). Service providers' resource integration not only prepares them for co-creative interactions with customers, but also augments opportunities for value co-creation.

Customers' value determination depends not only on providers' service settings, but is also influenced by the business sector. This is different from other service sectors (e.g., information technology services, transportation services) that can rely on automation to a larger extent. By contrast, five-star hotel services still heavily rely on human resources, and human error is inevitable in hospitality operations. Interestingly, human resources can also be a valuable operant resource to revert a negative service interaction into a positive outcome. This finding

thus highlights the importance of staff training and empowerment to initiate personal and continuous interaction with customers.

## 5.3 Outcome Dimension: Building an Ongoing and Trusting Relationship

Hotels' relationships with customers represent a critical indicator of value co-creation outcome through experiences derived from various service interactions. The TripAdvisor website provides hotels with opportunities to reach out to their customers in addition to their own communication channels (e.g., email, room reservation system, official website). The findings were primarily captured from the hotel responses on TripAdvisor. In addition, interviews with the managers allowed an in-depth exploration of value co-creation outcomes from a service provider perspective.

Six managers all mentioned that they tried to reply to every customer comment without using a template, even though some sentences and phrases might be used repeatedly, for example, 'we look forward to welcoming you in the near future'. The analysis demonstrates that all the sampled hotels applied a mixture of official and personal language in their responses on TripAdvisor. For example,

Thank you so much for taking the time to place such a wonderful review following your recent stay with us [Official Tone]. Your review was lovely to read and I am delighted that we have still impressed you during your second stay. The saying goes 'third time lucky' [Personal Tone]. Please contact our guest relations manager, [email address], who would be delighted to assist you in the booking of your next stay and ensure it is as good as the previous two times [Official Tone].

In line with previous studies, hotels sometimes reply more specifically to positive comments and provide detailed responses in regard to negative comments (Liu *et al.* 2015, Sparks *et al.* 2016). Hotels also try to keep the responses to negative comments simple and short and shed more light on positive opinions. For example,

Although we are sorry we did not exceed your expectations, we appreciate your willingness to share your thoughts and feelings. Your feedback is important to us and we will use it to review our products and services. I do appreciate your compliments about our friendly team members and our convenient location.

Despite this, there is no distinct pattern of hotels' response style. One of the reasons might be the responses on TripAdvisor are made by multiple personnel (e.g., three guest relationship managers in one hotel, while another employee took over the manager's position during the sampled period). Another reason could be that hotels try to personalise responses rather than using a template for replying customer comments on TripAdvisor, as mentioned above.

A few managers also mentioned that they preferred to deal with negative comments privately rather than communicating in detail in the public domain (i.e., the TripAdvisor website), on the basis that private communication with customers allows managers to first obtain more information (e.g., the date, the customer's room) and secondly engage the customer in an interactive conversation.

Crispin: Things become a lot easier and they are speaking to a person instead of an open forum and so it makes it a lot easier, if the guest needs to be compensated, I can do that directly with the guest or invite them back to stay again and I would be their contact in the hotel so they would know someone, you know.

Louis: With the serious complaints, we would always call them because in an email conversation, you don't hear the tone of voice, you are missing part of the non-verbal communication, so over a call, you can ask them more questions: "So what are the details?" "So what happened?" "Where were you sitting?".

In accordance with the findings from previous studies (Wei *et al.* 2013, Perez-Aranda *et al.* 2019), the hotels work on customer relationship management, including online reputation and service recovery, through careful replies to online reviews. When replying to positive comments, hotels

have the opportunity to reinforce an ongoing relationship with customers and expand their connections with prospective customers. On the other hand, hotel managers attempt to (re-)build trusting relationships with both existing and prospective customers in responding to negative comments (Sparks *et al.* 2016, Baker and Kim 2019). As John said, 'the reply on TripAdvisor is to everybody'. A detailed discussion is presented in the following sections.

#### 5.3.1 Maintaining an ongoing relationship with customers

As TripAdvisor is an open platform, the sampled hotels took advantage of responding to positive customer comments to promote both their existing and new service developments. For example,

Louis: Well, if this is a public response, [...] I would keep it positive and highlight the positives and say, "Thank you very much for your feedback. We are delighted to see that you enjoyed the location of the hotel and the amenity served..."

As with Louis's explanation, hotels would always emphasise their gratitude for customers' feedback. Following positive feedback, hotels attempt to highlight their current service offerings, such as location and service quality, as well as their award records. Two examples of hotel responses on TripAdvisor are presented below.

With our Afternoon tea having recently been reviewed as the best Afternoon Tea Dublin City has to offer.

We are very happy to read that we were able to facilitate your super early check in and overall your experience with us was pleasant, and that you enjoyed not only the perfect location of our hotel, but also the service provided by our proud service ambassadors.

In a similar fashion, hotels also tried to promote new service developments, such as refurbishment programmes and new service offerings.

At present our Studio and Experience Suites have Nespresso coffee machines, however we have plans to expand these out to all hotel bedrooms in the coming months, and while we

provide complimentary water at turndown for each guest, we are also taking on board some recent feedback on providing some on arrival.

As you will be aware we are in the midst of an exciting project here at [reviewed hotel name] which next year will leave us with an expanded Spa & Gym facility and a new restaurant overlooking the gardens.

Despite using TripAdvisor website for the purpose of acknowledging customer feedback, the other objective is to communicate hotels' value propositions. Both the promotion of existing services and new service development on TripAdvisor are considered as a means for the hotels to propose their value proposition and engage customers in service interactions. The two examples below illustrate this view.

It is our aim for every guest to enjoy every element of the stay and I am delighted that this was the case for you.

All of us here are very grateful that both you and your wife chose to stay with us at this special time of the year. We are also honoured to have become a part of your own Christmas tradition.

Through replying to customer comments, hotels' value propositions were also re-defined in a more personal sense. In other words, the value propositions are re-defined specifically to current and prospective customers who share a similar view of value. Therefore, the reciprocal value can be co-created based on this consensus.

Following a service logic perspective, the outcomes of value co-creation are characterised as a continuous and collaborative relationship between service providers and customers, rather than one that remains static. Hotels tend to influence customers' value creation via TripAdvisor and further engage them to enter a circular loop of value co-creation through initiating communication and interactions, as is reflected in the current literature (Ballantyne *et al.* 2011,

Grönroos and Voima 2013).

#### 5.3.2 (Re-) building a trusting relationship with customers

In most hotel responses on TripAdvisor, managers tend to invite their customers to revisit the hotel, whether or not the comments are positive or negative. With positive comments, it is common for hotels to express their gratitude and encourage the customers to stay with them again (Wei et al. 2013). Sophie also used TripAdvisor as a means of tactical marketing by proactively inviting satisfied customers to leave a review. Although customers leaving TripAdvisor reviews does not directly affect value co-creation between hotels and customers, positive reviews help to establish an enhanced reputation for hotels and influence potential customers' decision-making (Wei et al. 2013).

When dealing with negative comments, a few managers gave promises on service assurance or improvement if appropriate and invited the customer(s) to visit the hotel again. For example,

I wish to reassure you that your experience was not typical of a stay at [reviewed hotel name] and should you wish to return I would be happy to look after you.

When dealing with customer complaints in person, the managers also attempted to compensate dissatisfied customers with vouchers that the customers could use at their next visit. As Louis elaborated,

If [the hotel] gives [the customer(s)] money back on their last stay, there is no incentive for them to come back to you[...] but if I tell the customer(s) I'll give [them] 100 euros off [their] next stay, you might [...]give [the hotel] one more try and then because we have your profile, we know that this individual had a complaint with the bathroom last time, so before we go and check you in, we make sure we go up to that room and everything is spotless. So [the customer(s)] come(s) back and [the customer(s)] is (are) like, "I must have been unfortunate last time. It's actually really nice here. It's great and everything is looked after and in detail"

Apart from compensation, hotels also attempted to gain a second chance to remedy the customers' previous experience through offering vouchers. Thus, hotels can not only maintain an ongoing relationship with the customers but also, with the returning customer's visit, they gain an opportunity to rebuild a trusting relationship with them (Sparks *et al.* 2016).

Similarly, hotels also made an effort to rebuild relationships with customers by acknowledging customer feedback, emphasising their customer-centred approach and managing a positive public exposure to prospective customers. As illustrated below, specific responses to negative comments can help hotels gain trust and achieve more effective communication (Wei *et al.* 2013).

I am very disappointed to learn of your recent experience. This is definitely not in line with our quality or service standards, or the typical feedback we receive. I can assure you your feedback is very valuable to me and immediate action will be taken to rectify the area of concern you have raised in your review.

As TripAdvisor is publicly accessible, it is crucial that hotels take extra caution when using it to recover services and communicate the value proposition to customers. Even though all hotels explicitly expressed their gratitude for negative comments, they also tend to protect their reputation and staff in the public domain. Notably, a few hotels did not always appreciate every customer comment. As the example below shows, the hotels (sometimes) replied to negative comments with a hint of defensiveness. Such defensive responses might have a negative effect on the customer relationship, such as diminishing a trusting relationship (Lee and Song 2010, Sparks and Bradley 2017).

I am very disappointed to hear of your recent experience. This is definitely not in line with our service standards. I am very surprised to hear this feedback and what you experienced is certainly not consistent with our service or what our guests in general experience when they stay with us.

Our Spa treatments are normally highly praised.

Similarly, some hotels tried to provide defences of the hotel's usual operating standards and account for the reasons their services went wrong when they faced customer complaints. If necessary, hotels would also make explicit apologies. For example,

Also just to advise all of our rooms come with a full set of glassware, 2 tumblers, 2 wine glasses and 2 Champagne flutes, these are located in the cupboard beside the minibar, so I apologise if you did not locate these. We also currently provide complimentary water for each guest at Turndown service each evening, but we are taking your comments on board and discussing options for providing a complimentary bottle of water in the room on arrival.

My apologies that you found our children's swimming times to be restrictive, that is of course not our intention. We have specific children swimming times which are: Monday—Sunday: 10am - 12pm & 3pm – 5pm. These times have been chosen to suit all our guests (children and adults), however I will certainly pass your feedback on to our Spa & Wellness manager to take into consideration.

Providing such responses to customers' negative comments allows hotels to further communicate service issues to customers. A mutual understanding between the hotels and their customers may be achieved through this process. These findings indicate that managing hotels' public exposure is crucial for building a relationship with their customers (Sparks *et al.* 2016).

Most importantly, hotel responses on TripAdvisor are also a form of marketing. As suggested by Sparks *et al.* (2016), hotels taking ownership of service performance influences customers' perception of them. Hotels also try to avoid making false promises concerning service improvement or development, as this might backfire and damage customers' trust in terms of shared value perception (Grönroos 2009). The two statements below illustrate this view.

Louis: If this is a public response, [...] I would keep it positive and highlight the positives [...] We have noted [customer] feedback and where required, we will take the necessary actions to – maybe not "where required" because you don't want to give (promises) to the guest

either – "But we have noted your feedback. We very much appreciate your feedback." But [the hotel] is not going to say that [we] are not going to do anything on it.

Owen: We want to make the guests feel like you [the hotel] have understood their feedback but also tell other people who might read this review or response to say, "This [the negative comment] is a complete fake." So it's taking ownership of the review. you're [hotels are] not really accepting it [just] because it publishes on TripAdvisor. The [hotels'] responses that are published, they are also a form of marketing as well.

To sum up, negative comments online can be quite damaging to hotels. The process of hotels dealing with the comments demonstrates opportunities to (re-)build a trusting relationship with existing and prospective customers. Various examples describe hotels' strategies to reply to customer comments online, including acknowledging customer feedback and managing public exposure. Positive customer relationships do not always rely on positive customer experiences. The way hotels deal with negative experience can be a real challenge, but also change the dynamics in the customer relationship. John shared his insights into handling various customer feedback during the interview, saying '[w]e can make [customers] into an ambassador. We can turn [the negative comment], so [other customers] are saying, "That's a really good hotel because they knew they were wrong and they fixed it like that." This accords with findings from previous studies (e.g., Pantelidis 2010, Liu et al. 2015). Customer relationship management through managing responses to customer comments is considered a key element in co-creating value.

# **5.4 Chapter Summary**

This chapter presents the findings derived from an analysis of both the hotel responses on TripAdvisor and manager interviews. From the service provider perspective, co-development and co-creation are two of the main approaches found in the value co-creation process. A co-development approach emphasises the understanding of information from the customer

perspective to work out a better solution or advance the value proposition together, while a cocreation approach builds on such an approach to establish a collaborative relationship with customers through continuous communication. Further, the learning process is a key determinant in establishing a value co-creation loop. Nevertheless, collaborations with customers are never easy or straightforward. A S.A.L.T approach was developed to offer guidance in adopting co-creative interactions with customers.

In the phenomenon dimension of value co-creation, resource and context are two important elements that influence customers' value determination. Resource integration is manifested through service providers' capability to 'convert' customer information into valuable resources. Value for both providers and customers can be closely affected by context. From the service provider perspective, the customer relationship is a key determinant in maintaining a value co-creation loop. Various strategies can be used to preserve an ongoing and trusting relationship with customers. The next chapter will consider both sides of the relationship and provide recommendations to facilitate value co-creation between customers and service providers.

# **Chapter 6 DISCUSSIONS**

This chapter summarises the findings from the perspectives of both customers and service providers. The key findings of the present study are also summarised in Table 6.1. The empirical exploration of perspectives of both customers and providers is further integrated and discussed in order to refine the value co-creation framework.

# 6.1 Summary of Key Findings

Customer perspective. The study of customer reviews developed an emotional customer experience typology and identified hotel-specific discrete emotions. There are five types of emotional customer experience, namely positive, negative, ambivalent, mixed and neutral, that describe changes of customer emotion in a service interaction. Seven positive and four negative discrete emotions serve as representatives of positive and negative emotional experience respectively. Ambivalent and mixed emotional experiences indicate that multiple emotions can be evoked during a service interaction. Such emotional variation is related to changes in emotional valence, agency and intensity. Neutral customer experience illuminates those service interactions that are less relevant to customers yet perceived as important for prospective customers.

The analysis also identified important categories of both service- and customer-related triggers and their representative elements. Service management and offerings, human interaction and the physical environment are the three main categories of service-related triggers. Customer-related triggers also contain three primary categories, namely customer expectation, cumulative experience, and culture fusion and authenticity. The findings indicate that both service- and customer-related triggers influence customer emotions in a service interaction.

Table 6.1 A summary of key findings

| Value co-<br>creation   |    | The phenomenon dimension   |    | The process dimension   |    | The outcome dimension   |
|-------------------------|----|--|----|---|----|---|
| Customer<br>perspective | 2. | not only evoked by triggers within service settings, but customers' individual situations also play a role in their emotional changes (i.e., customer-related triggers).  An understanding of customer-related triggers provides insights into customers' appraisal process and the reasons why one or more specific emotions are experienced by a customer during service interactions. | 1. | An emotional customer experience typology is developed, including positive, negative, ambivalent, mixed and neutral.  Seven positive and four negative discrete emotions are identified to represent positive and negative emotional experience respectively. Ambivalent and mixed emotional experiences, which refer to multiple emotional changes in a service interaction, are explored.  Emotions related to self-agency are less observed in customer reviews. | 2. | Customer co-creation behaviours include two forms: (1) Direct: customers' resources contributions create a direct effect on the providers' value creation process; (2) Indirect: customers' information-related resources influence other customers' attitudes, preferences and decision-making, and indirectly affect the interactions between providers and prospective customers.  Customers might play multiple collaborative roles in value co-creation with service providers.  Positive emotions may stimulate customers' positive attitudes towards a collaborative relationship with service providers. Other resource-related factors (e.g., time, communication channel and travelling experience) would also influence their co-creation behaviour. |

Table 6.1 A summary of key findings (continued)

| Value co-<br>creation              | The phenomenon dimension   | The process dimension   | The outcome dimension   |
|------------------------------------|--|---|---|
| Service<br>provider<br>perspective | talent empowerment can also contribute to service providers' resource integration.  2. Service context not only incorporates | <ol> <li>Value proposition co-development challenges service providers' capability to employ various valuable items of information from customers.</li> <li>Having personal interactions with customers allows service providers to tailor their services to individual customers and enhance their emotional customer experience.</li> <li>A S.A.L.T approach is developed to guide the adoption of codevelopment and co-creation mechanisms.</li> </ol> | <ol> <li>Hotels try to maintain and expand an ongoing relationship when they respond to positive customer comments. Hotels not only highlight their congruent value proposition, but also encourage both existing and prospective customers to accept their value proposition.</li> <li>A lack of trusting relationship between service providers and customers is manifested through defensive expressions used in responses to customers' negative comments.</li> <li>To shift the focus from the maximisation of monetary value to the co-creation of value-in-experience, taking ownership of service interaction outcomes and initiating a continuous learning and communication process are particularly important to service providers.</li> </ol> |

Customer co-creation behaviours can stimulate a series of effects within the value co-creation network and influence a provider's value creation framework both directly and indirectly (Jaakkola and Alexander 2014, Pansari and Kumar 2016). Two types of direct co-creation behaviours, co-developing and co-integrating, can directly affect providers' value creation process (e.g., resource co-integration, value proposition co-development and service interaction). Through indirect co-creation behaviours, such as reinforcing, influencing and justice voicing behaviours, customers offer mainly information-related resources. Such behaviours affect prospective customers' attitudes and behaviours towards providers and indirectly generate impacts on their service interactions. Positive emotions triggered by congruent goals may stimulate customers' positive attitudes and behaviours towards a collaborative relationship with the service providers. However, customers' resource-related factors (e.g., time, access to communication channels and customers' travelling experience) can also contribute to their co-creation behaviours.

Service provider perspective. Service providers are aware of the value of customer involvement in the value co-creation process; clearly, value co-creation cannot take place in the absence of customers. A four-step S.A.L.T. approach was proposed to help service providers better engage customers in value co-creation. Service providers' internal processes, such as establishing a shared vision, taking ownership of value co-creation and cross-department meetings facilitate an external value co-creation process with customers.

Customer involvement through their co-creation behaviours contributes to different stages of the value co-creation process. For example, integrating behaviour facilitates resource co-integration with service providers. While service providers try to embrace customer co-creation behaviours in value co-creation, it is also necessary to maintain positive customer relationships through carefully managing their responses to online customer reviews (Perez-Aranda *et al.* 2019). The present study identifies a number of strategies that can be used to respond to online

customer reviews, in order to maintain and expand positive relationships with both existing and prospective customers. For example, hotels may try to promote existing and new services when responding to positive comments. A defensive response to negative comments might further damage the relationship with existing customers and lose the trust of prospective customers. That is, the ways service providers deal with negative customer experiences and comments play a critical role in maintaining a collaborative relationship with customers.

Similarly, not every piece of customer feedback may be valuable. Service providers therefore need to filter out unconstructive feedback and convert valuable information into resource integration. Resource integration and the value co-creation context influence customers' value determination based on their experience. Service providers orchestrate service settings through three approaches to resource integration, including internal supportive networks, talent empowerment and the application of customer feedback. The value co-creation context incorporates providers' service settings and a broader aspect of the business sector, as well as customers' social backgrounds. In other words, value for both service providers and customers needs to be closely co-defined by the context.

In line with a study by Chathoth *et al.* (2016), the findings indicate that collaborative practices are not commonly established in five-star hotels. In other words, customers stay in a five-star hotel to obtaining hedonic rather than collaborative experiences. As Dong et al. (2015) has suggested, customers at IKEA may appreciate a collaborative experience of 'working' with the provider more than customers at Tiffany. The context of the brand and industry sector also influence how customers adapt to different roles and interactions. Furthermore, hotel managers also tend to pay more attention to indirect communication, such as TripAdvisor reviews, due to the publicity and potential implications for their reputation and brand image. This finding is similar to that identified in a study by Tynan et al. (2010), which found that not every five-star hotel can immediately adapt to direct collaboration with customers (e.g., involving customers in

validating new service scenarios). Thus, it is crucial for hotels to create direct co-creation platforms in order to facilitate value co-creation with customers (Wei *et al.* 2013, Akaka and Schau 2019).

# 6.2 New Insights into Emotional Customer Experience

Customer experience in the context of hospitality and tourism is deemed different from daily consumer experiences (e.g., grocery shopping; Walls *et al.* 2011b). The emotional aspect of customer experience also follows a similar trend. For example, health services are more likely to evoke negative emotions such as worry and distress, whereas hospitality services are expected to stimulate pleasurable emotions such as delight and joy (Barsky and Nash 2002). A review of the literature demonstrates a lack of consensus on emotion classifications in the context of hospitality services.

Building upon the synthesis of emotion classification in Table 2.2, this study has identified dominant discrete hotel emotions and offered a more comprehensive set of hotel-specific emotion classifications. The discrete emotions identified share only partial similarities with previous studies (e.g., Jang and Namkung 2009, Liu and Jang 2009). Although these positive emotions are similar to those used in Jani and Han's study (2015), there is little alignment in terms of negative discrete emotions; for example, customers who felt ashamed and worried were rarely observed in the review data. This comparison suggests that previous studies that adopted emotion classification from other contexts (e.g., advertising) might have their limitation in measuring actual customer emotions in self-administered surveys. For example, two studies (Jang and Namkung 2009, Liu and Jang 2009) employ the Differential Emotion Scale established in the context of lived experience by Izard (1992). The findings highlight that customer emotions are specific to different contexts, in accordance with Barsky and Nash's (2002) suggestion. This indicates that a hotel-specific emotion set will help future investigations of emotional customer experience.

Binary and multiple emotions. Many prior hospitality studies have focused primarily on exploring customers' binary emotions (i.e., pleasant and unpleasant) (Ryu and Jang 2007, Liu and Jang 2009, Jani and Han 2015, Balaji et al. 2017, Ribeiro and Prayag 2019). As distinct from a binary emotion model, the newly developed typology illustrates nuanced changes in customer emotion during their hotel stays. Ambivalent and mixed emotional experiences depict customers' emotional variation in a service interaction. This supports the findings of existing studies conducted in other contexts (Moors et al. 2013, Maguire and Geiger 2015, McColl-Kennedy et al. 2017).

Based on appraisal theory, emotional variation that captures changes in terms of valence, agency and intensity has been less understood in the context of hospitality services. For example, relief occurs when customers' initial concerns regarding their hotel stay are resolved at a service interaction. Moreover, hotels' timely problem recognition and corresponding responses might have significant impacts on reversing a given emotional state. This insight underlines their opportunity to win customers' hearts in conjunction with a risk of service failure (Maxham and Netemeyer 2003, Penz and Hogg 2011).

Customers' emotional variation could also be complicated by a service interaction involving multiple emotion agencies (e.g., service staff, hotel facilities). These multiple emotion agencies are required to work to the same end of making customers feel better off (i.e., mixed positive emotions). Failing this, the service interaction could potentially evoke coexisting or mixed negative emotions. Further, the changes in emotional intensity capture either a deteriorated or an improved service interaction in a way that may lead to mixed negative and mixed positive emotions respectively. As suggested, when resources that are valued by customers such as time and money are threatened or lost, customers are more likely to experience negative emotions (Surachartkumtonkun *et al.* 2015). Higher intensity emotions are likely to create a mental mark in the customer's memory and have a more significant impact on customer satisfaction (Van

Dolen *et al.* 2001). The new insights into customers' emotional variation offer guidance on handling customers' emotional experience.

*Emotion triggers.* Previous studies have explored emotion triggers in various service contexts, including hospitality services (Ladhari 2009, Jani and Han 2015). However, these investigations have been focused on factors relating to hotels' physical environment and employees' capability (e.g., Ryu and Jang 2007, Liu and Jang 2009). Customer-related triggers have not been fully explored (Lemon and Verhoef 2016).

A focused examination of hotel service interactions offers a more comprehensive list of various service-related triggers. In terms of the physical environment, previous hospitality studies have focused primarily on service interactions related to ambience, design and aesthetics (e.g., Ryu and Jang 2007, Brunner-Sperdin and Peters 2009, Liu and Jang 2009). Notably, these studies have shared little agreement on the representative elements of these environment-related triggers. In the present study, the visual and aesthetic aspects of ambience now incorporate all elements related to exterior and interior design and aesthetics. A festive ambience is also identified as that part of a hotel's ambience that influences customer emotion.

Facilities have usually been treated as an element of ambience and aesthetics in existing hospitality studies (e.g., Ryu and Jang 2007, Jang and Namkung 2009, Ribeiro and Prayag 2019). The analysis shows that customers usually use pleasantness appraisal to evaluate ambience and aesthetics in hotels. In contrast, hotel facilities are assessed by different appraisals including usefulness, pleasantness and rightfulness appraisals. In the case of five-star hotels, this can be explained by the fact that hotel facilities do not merely fulfil customers' functional needs, but also aim to match their different expectations. Therefore, it is more appropriate to treat hotel facilities as a separate category in the service management and offerings dimension.

In terms of human interaction, both customer-to-staff and customer-to-customer interactions

are taken into account in this study. The primary categories of customer-to-staff interactions are broadly in line with previous studies (Torres and Kline 2013, Ribeiro and Prayag 2019). For example, professional and friendly staff usually encourage customers' positive emotions. However, the diversity of the service team has rarely been mentioned and studied in the hospitality literature. This particular trigger can be perceived as a relatively new phenomenon whereby customers start paying attention to the cultural and ethnic attributes of the service team.

The exploration of customer-to-customer interactions indicates that customers' (i.e., reviewers') emotion is mostly affected by other customers' misbehaviours. Walls *et al.* (2011a) indicate that other customers' demeanour, appearance and socialising capability form part of customer experience in luxury hotels. However, in this study the analysis shows that those characteristics of other customers rarely affect the focal customer's emotion. A possible explanation for this might be that other customers' characteristics do not affect the reviewer in achieving their goals (e.g., a good sleep); thus, emotional variation is rarely observed.

The literature on hospitality services suggests that the physical environment and human interaction are two key aspects that influence emotional customer experience (Solnet *et al.* 2010, Zomerdijk and Voss 2010, Walls 2013). However, the findings indicate that other service-related triggers, such as service process, facility quality, and food and beverages, also play a role in customer emotional experience. In addition, the findings show that customer emotions are also evoked by customer-related triggers. Three main identified categories of customer-related triggers are less studied in the existing literature. In line with Lin's study (2004), customer emotional experience is affected by customers' expectations. However, many hospitality studies have mainly focused on the assessment of customers' value expectation (e.g., Santos and Boote 2003, Ariffi and Graduate 2012). The analysis shows that other types of customer expectations, such as privilege expectation, experience expectation, and unexpected upgrades and offerings,

also contribute to customers' emotional changes. In accordance with a study by Mak et al. (2012), the findings demonstrate that customers' cumulative experience also evokes their emotions.

These findings shed new light on our current understanding of emotion triggers.

It is interesting to note that customer emotion is influenced by customers' perception of cultural elements in hotels. For instance, some customers appreciate an international service team while others rate highly a service team with Irish charm. In previous studies, culturally related factors have been mainly examined by surveying respondents' nationalities or ethnic groups (Torres *et al.* 2014), yet customers' different perception of cultural elements has rarely been explored. Finally, the identification of primary customer-related triggers demonstrates how customers evaluate service interactions based on their personal situations.

Customer emotions and their co-creation behaviours. Previous studies have predominantly focused on examining the influence of emotional customer experience on traditional customer behaviour, such as purchasing and loyalty (e.g., Klaus and Maklan 2012, Xiang et al. 2015). While few studies have found that positive emotions encourage co-creation behaviours such as (e)WOM referrals (Wen et al. 2018), little is known about other co-creation behaviours that can be caused by various emotions.

In this study, emotional customer experience is found to create an influence on customers' cocreation behaviour to an extent that is broadly in line with previous studies (Mehrabian and Russell 1974, Bitner 1992). Positive emotions encourage customers' direct co-creation behaviours in response to service providers (Delpechitre *et al.* 2018). This finding broadly supports the work of other studies that indicate positive emotions increase prosocial behaviours towards others (e.g., helping and altruistic behaviours, and the reduction of harmful actions) (Kelley and Hoffman 1997, de Hooge 2014, Cavanaugh *et al.* 2015). Further, customers are also encouraged to express their appreciation and share their personal preferences when their hotel experiences are dominated by positive emotions. Such direct co-creation behaviours are

considered as an essential component of co-creating pleasant interactions with service providers (Xie *et al.* 2008, Zhang *et al.* 2018).

The findings also indicate that customers do not always demonstrate the same co-creation behaviour due to a positive emotion-dominated hotel stay. Other factors, such as time, access to communication channels and customers' travelling experience, also influence their co-creation behaviours. These factors are conceptualised as customer resources in a study by Surachartkumtonkun et al. (2015). Such factors suggest that customers losing valued resources will lead to negative emotions. In other words, customers demonstrating particular co-creation behaviours might also be associated with the available resources surrounding them (i.e., resource affordability) or the anticipated value on the return of resource investment. For example, a customer might be reluctant to report an unclean bathroom when he/she arrives at the guestroom late at night, because a good sleep is more important than expressing a problem. This finding confirms that customers' resource-related factors are also associated with their co-creation behaviours (So *et al.* 2015, Su *et al.* 2018). Therefore, the present study suggests that customers' resource-related factors should be incorporated in the value co-creation framework when exploring how their co-creation behaviour is affected by their emotions. By doing so, the understanding of customer co-creation behaviours will be further expanded.

# 6.3 Customer Co-Creation Behaviours and Value Co-Creation with Service Providers

Customer co-creation behaviours vary depending on contexts (Gentile *et al.* 2007). This study identifies five primary direct and indirect co-creation behaviours that are specific to the context of hospitality services. Other co-creation behaviours such as co-designing and augmenting that occur in different context were less observed. The following sections discuss in detail direct and indirect co-creation behaviours in relation to value co-creation.

**Direct co-creation behaviour in value co-creation.** Two types of direct co-creation behaviour, namely co-developing and co-integrating behaviours, create different influences on service providers' value creation frameworks.

In accordance with similar views expressed by prior studies, customers have more control over the value co-creation process by means of co-developing behaviours and actively take a shared responsibility in service outcomes (Chan *et al.* 2010, McColl-Kennedy *et al.* 2012, Jaakkola and Alexander 2014). As most managers mentioned, such behaviours in general can ensure a positive outcome (i.e., value co-creation) because, through such active behaviours, providers have opportunities to constantly learn about customers' evaluation of service interactions, to promptly rectify service deficits and continuously engage customers in further co-creative interactions (Delpechitre *et al.* 2018). As a result, service interactions can be reformed to better fulfil customer needs. Similarly, service providers can also re-define their value propositions through embracing customers' co-developing behaviours. This finding shares a similar perspective with other authors (Ballantyne *et al.* 2011, Kowalkowski *et al.* 2012, Chathoth *et al.* 2013).

This study also supports evidence from previous studies (Chan *et al.* 2010, Ma *et al.* 2017). However, customers' co-developing behaviours might also generate additional stress for managers and staff. The analysis shows that service providers need to establish close working relationships and a shared vision among team members in order to ensure positive value co-creation, because this prepares a service team to embrace customers' co-creation behaviour. Thus, customers are invited to involve themselves in an ongoing value co-creation process through co-developing behaviours. Here, co-developing behaviours mainly influence the interactive process of value co-creation.

By integrating behaviours, customers primarily offer information-related resources to service providers, such as feedback, personal preferences and creative ideas. As suggested by some

authors, customers are experts about their service experience (Polaine *et al.* 2013, Tax *et al.* 2013). Such information can be a valuable resource in service improvement and innovation (Chesbrough 2011, Witell *et al.* 2015). To give one example of listening to and learning from customers (pp. 144), one manager created a new historical walking tour based on a customer's feedback. Therefore, customers' integrating behaviours mainly contribute to resource cointegration.

However, customer information might not always be a valuable resource for service providers. In the interests of better co-integration of resources, this demands service providers use their capability to transform customer information into insights. Such insights can then be applied to re-orchestrate service elements and processes. Nevertheless, not every hotel adopts a continuous learning process or has the capabilities to work with their customers in order to enhance emotional customer experience. In this case, 'service' is perceived as an intangible product (i.e., the service provider's output). Customer information is used to add a new attribute to services and a service failure can be fixed by giving compensation to customers. However, customer information is not transformed or processed into knowledge (i.e., operant resource). As such, the customer here remains a market target rather than a value co-creator. Hence, it is important to note that the service provider's mind-set determines if interactions with customers remain a transactional exchange or become a collaborative process.

Indirect co-creation behaviour in value co-creation. Previous studies have explored customer co-creation behaviours towards service providers (Chan et al. 2010, McColl-Kennedy et al. 2012, Yi and Gong 2013, Zhang et al. 2018) as well as various stakeholders (Jaakkola and Alexander 2014, Braun et al. 2016). Apart from direct co-creation behaviours, the identification of indirect co-creation behaviours provides a new perspective on interactions across all customers (including existing and prospective customers) and hospitality service providers.

Customers' indirect co-creation behaviours mainly influence prospective customers' perception

of service providers and indirectly affect interactions between prospective customers and service providers. For example, customers' positive recommendations and revisiting intentions demonstrate assurances of positive experience. Prospective customers are more willing to interact with the given hotel in a way that leads to more opportunities for value co-creation and vice versa. This is consistent with findings from previous studies (Wei *et al.* 2013, Wen *et al.* 2018).

Advising behaviour has also been identified by prior studies as influencing behaviour (e.g., Jaakkola and Alexander 2014, Azer and Alexander 2018). Through advising behaviour, customers try to provide others (e.g., TripAdvisor community members) with constructive opinions based on their experiences and insights related to travel and accommodation. Online travel forums facilitate further discussions amongst users. Prospective customers can also assess the credibility and helpfulness of the information based on user profiles, instead of simply 'accepting' the shared information online (Ayeh *et al.* 2013, Lee *et al.* 2017). Therefore, instead of naming influencing behaviour, such behaviour is deemed more appropriate to be named advising behaviour.

Justice voicing behaviour again accentuates that the development of the online travel community offers the reviewers a strong sense of belonging to a community, in which users attempt to seek an agreement from and share their thoughts with other community members. Customers' justice voicing behaviour seeks attention from others, which fulfils their needs of being 'heard' by others. This finding broadly supports the suggestion from Braun *et al.* (2016) that customers engaging with an online community sometime aim at gaining social acceptance and self-fulfilment.

The foregoing indirect co-creation behaviours present various co-creative interactions among customers via an online platform (i.e., TripAdvisor). Through such co-creative interactions amongst users, prospective customers' perceptions and attitudes towards service providers

might be re-shaped. In other words, these customer-to-customer interactions form a social context that will create an influence on value co-creation with service providers. Prospective customers enter a service setting with certain idiosyncratic perspectives, such as expectations and new anticipations regarding service experience based on their social context. The insights extracted from indirect co-creation behaviour can be continuously employed to update hotels' understanding of customers' appraisal of service interactions. The following section synthesises the qualitative exploration of value co-creation from the perspectives of both service providers and customers in order to refine the conceptual value co-creation framework (Figure 2.6).

## 6.4 Refining the Three-Dimensional Value Co-Creation Framework

Following a service logic perspective, a three-dimensional value co-creation framework was developed based on a review of the relevant and critical literature (Figure 2.6). Drawing upon the qualitative exploration, the refined framework is illustrated in Figure 6.1. The review of the literature suggests that value is always co-created with and determined by customers. Value-in-experience is manifested through customers' individual and subjective interpretation of a service setting, which is a set of service elements and processes orchestrated by a provider (Hume *et al.* 2006). Such value not only relies on functional and economic benefits, but also other non-functional and non-economic dimensions of value, such as social, ethical, and environmental dimensions (Grönroos 2008, Heinonen *et al.* 2010, Helkkula *et al.* 2012).

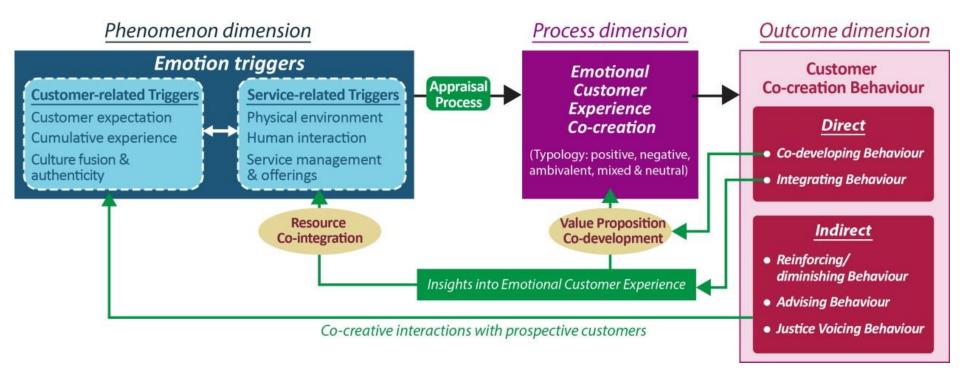


Figure 6.1 The refined three-dimensional value co-creation framework

is a valuable operant resource for orchestrating service elements and processes in service settings. The identification of important service-triggers represents critical service factors that evoke customer emotional experience. Customer-related triggers, which originate from customers' individual situations, also play a role in customers' appraisal process (Surachartkumtonkun et al. 2015), in which customers' unique perspectives are used to interpret the outcomes of service interactions. The findings show that customer expectations, cumulative experience, and culture fusion and authenticity also influence customers' value determination. However, customers' multiple social roles and the influence of other actors in their social networks have been less explored (Helkkula et al. 2012). The findings also indicate that customers have different emotional reactions to the same service interaction. Thus, valuein-experience emerges from the interactions with these integrated resources (i.e., servicerelated triggers) and is shaped by customers' individual situations (i.e., customer-related triggers). In the process dimension of value co-creation, emotional customer experience can be co-created through various service interactions. Emotional customer experience typology captures customers' primary discrete emotions and emotional variation in service interactions. Service providers have valuable opportunities to actively engage customers during their hotel stay. However, continuous communication and sophisticated interactions with customers were rarely mentioned during the interviews. As mentioned in previous sections (Sections 5.4.1), the results indicate that both customers and hotels have not established a collaborative relationship, due to the brand image and industry sector of five-star hotels. However, creative ideas arising from continuous communication with and learning from customers are not yet in place. To address this, service providers could employ the S.A.L.T approach (Figure 5.1) developed in this study to initiate co-creative interactions with customers, according to their capability and service situations (see detailed discussion in Section 5.1).

In the phenomenon dimension of value co-creation, an understanding of customer experience

Customer co-creation behaviour is conceptualised in terms of value co-creation outcomes. This behaviour transforms customer-provider interactions into a circular loop of value co-creation. Direct co-creation behaviours, namely co-developing and integrating behaviours, create an effect on service providers' value creation in terms of interactive process and resource integration. Customers' co-developing behaviours help providers redefine the value proposition (i.e., value proposition co-development) and facilitate the co-creation of positive emotions (i.e., remedy emotional customer experience). Integrating behaviours offer service providers valuable information for tailoring services (i.e., personalisation/customisation) and improving existing services. Furthermore, customers may also demonstrate more than one direct co-creation behaviour in a way that is more likely lead to service innovation. On the other hand, indirect cocreation behaviour might influence prospective customers' attitudes, perceptions and decisionmaking relating to service providers. Indirect customer co-creation behaviours could also potentially constitute part of the value co-creation context. Indirect co-creation behaviours, such as making recommendations and sharing experience, might influence prospective customers' value determination, for example, through raising their expectations of a particular hotel brand. Finally, the framework (Figure 6.1) is intended to pinpoint that a circular loop of value co-creation can be established through direct and indirect co-creation behaviours. Positive emotions might encourage continuous and pleasant interactions between service providers and customers, while customers' available resources might also influence their co-creation behaviour.

# **6.5 Chapter Summary**

This chapter synthesises empirical observations from the perspectives of both service providers and customers. All the findings are further discussed and synthesised in Section 6.1, 6.2, and 6.3. In conjunction with these discussions, the refined framework (Figure 6.1) offers a holistic understanding of value co-creation, with a particular focus on the emotional aspect of customer experience. The refined value co-creation framework also demonstrates how hotels can better

embrace customer co-creation behaviours in a way that facilitates value co-creation. Chapter 7 will discuss in detail the key contributions and some limitations of this study, as well as potential future research.

# **Chapter 7 CONCLUSIONS**

This chapter presents the main conclusions of this study. It begins by recapitulating how the research objectives were achieved and then outlines the theoretical and practical contributions of the study. The chapter also summarises the potential implications of the findings for researchers, managers and service designers. Finally, it reflects upon the limitations of the study, followed by suggestions for future research.

### 7.1 Achievement of the Research Objectives

The purpose of this study is to provide a holistic understanding of emotional customer experience in order to facilitate value co-creation in the hotel industry. To achieve this, four key approaches were undertaken. First, based on a review of the literature, the study conceptualises value co-creation in three critical dimensions within a new framework: phenomenon, process and outcome. The concepts of emotional customer experience and customer co-creation behaviour are also integrated into the theoretical framework (see Chapter 2). Second, a study of customer reviews and semi-structured interviews with hotel managers was conducted to explore the influence of emotional customer experience on value co-creation (see Chapter 3). Third, new and deeper insights into emotional customer experience, key triggers and customer co-creation behaviours from the customer's perspective are demonstrated, based on customer review analysis (see Chapter 4). The analysis of interview transcripts also offers an advanced understanding of value co-creation from the service provider's perspective (see Chapter 5). Finally, the key findings are further discussed and integrated to refine the theoretical framework and offer recommendations that facilitate value co-creation (see Chapter 6). The following paragraphs summarise the key discoveries in achieving the objectives.

Objective A: To identify different emotions that customers might experience. Customers' emotional changes were captured through a combined application of thematic analysis and appraisal theory. Based on the findings, the present study develops a new emotional customer experience typology that provides an updated and more comprehensive understanding of emotional customer experience. The typology illustrates a nuanced account of discrete hotel-specific and multiple emotions. Apart from positive and negative emotions, this study develops three new categories of emotional customer experience in the hotel industry: ambivalent, mixed, and neutral. The conceptualisation of ambivalent and mixed emotional experience provides new empirical evidence of multiple emotions existing in a service interaction, which accords with existing studies conducted in other contexts (Moors et al. 2013, Maguire and Geiger 2015, McColl-Kennedy et al. 2017)

Objective B: To identify the triggers that evoke customer emotions. The analysis of customer reviews provides not only an updated understanding of service-related triggers, but also highlights the implications of customer-related triggers. Fifteen service-related and six customer-related triggers were identified and characterised by means of six main categories based on the current literature and characteristics of those triggers. The findings reported shed new light on the important implications of both service- and customer-related triggers for customer emotion. These findings highlight that equal attention should be given to both types of triggers during service interactions. Customer-related triggers capture customers' subjective and personal interpretation of service interactions. The exploration of customer-related triggers also provides a comprehensive insight into customers' appraisal process. In addition, the identification of key emotion triggers highlights critical areas for service improvement and new service development.

Objective C: To examine how emotional customer experience leads to co-creation behaviours.

The analysis highlights how and if customers' emotions affect their direct co-creation behaviour.

While the findings indicate that customers' positive emotions might foster a positive relationship

with service providers, they may not always lead to a collaborative customer-provider relationship. This is consistent with the findings from previous studies in that both emotional customer experience and the available resources to customers (e.g., time, access to communication channels and travelling experience) can contribute to customers' co-creation behaviour (So *et al.* 2015, Surachartkumtonkun *et al.* 2015, Su *et al.* 2018).

Objective D: To explore current practices of customer experience management and future value co-creation opportunities. The analysis of interview transcripts and hotel responses to customer comments offers a new understanding of value co-creation from the hotels' perspective. A four-step (S.A.L.T.) approach was proposed to help service providers better engage customers in value co-creation. Internal supportive networks, talent empowerment and customer feedback were identified as three essential operant resources for service providers. As suggested by previous studies (Madhavaram and Hunt 2008, Bilro et al. 2019), such operant resource integration informs service settings that facilitate co-creative interactions between customers and service providers, as well as advance the outcomes of value co-creation. This study further demonstrates that the value co-creation context incorporates physical service settings, extensive human interactions and a broader aspect of the business sector (i.e., five-star hotel classification). As such, reciprocal value for providers and customers is affected by and co-defined in the surrounding context.

In this study, customer co-creation behaviour is conceptualised in terms of value co-creation outcomes that foster a continuous and collaborative provider-customer relationship. Hotels' strategies for managing customer feedback were found to be critically important because they

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<sup>&</sup>lt;sup>4</sup> Four-step S.A.L.T. for a co-development mechanism: service failure (S), apology (A), listen to customers (L) and talk to customers (T); Four-step S.A.L.T. for a co-creation mechanism: service interactions (S), actively engage with customers (A), learn from customers (L) and trust us and we care (T).

can affect an ongoing and trusting relationship with customers. Insights from both analyses of customer reviews and interview transcripts suggest the importance for service providers of embracing various customer behaviours in co-creative interactions. Such focused investigation of value co-creation from the perspectives of both customers and service providers offers an integrated examination and highlights important opportunities for value co-creation.

#### 7.2 Theoretical Contributions

This study contributes to marketing research in three main aspects: (1) a holistic understanding of customer emotions and triggers; (2) advanced thinking about customer co-creation behaviours; and (3) development of the value co-creation framework. These will be discussed in detail below.

A holistic understanding of customer emotions and triggers. This study advances current knowledge of customer emotions by identifying discrete hotel emotions and capturing emotional variation. Most hospitality studies have focused mainly on the examination of positive and negative emotional experience (e.g., Ryu and Jang 2007, Ladhari 2009, Liu and Jang 2009, Jani and Han 2015, Lo et al. 2015, Ali et al. 2016). Customers' discrete emotions evoked in the context of hospitality services have not been fully explored. Studies have suggested that emotional changes are based on a continuous and recursive appraisal process of how customers evaluate service interactions (Moors et al. 2013, Maguire and Geiger 2015). However, these studies did not specify what emotions are experienced exactly. This study updates the existing literature by offering a more comprehensive list of hotel-specific and multiple customer emotions through the newly developed typology. In this context, the Hotel Discrete Emotion Set (HDEMOS) integrates inconsistent emotion classifications from previous hospitality studies. Such a new conceptualisation of customer emotional experience has expanded the current thinking that service interactions only result in one positive or negative emotion.

This study also demonstrates that customer emotional experience is influenced by various factors derived from both service settings and customers' individual situations. These findings provide a deep insight into various triggers that evoke customer emotional experience. Previous hospitality research has explored emotion triggers primarily within service settings (e.g., Jang and Namkung 2009, Ali et al. 2016, Ribeiro and Prayag 2019). In particular, these investigations have been centred on factors relating to hotels' physical environment and employees' capability (e.g., Ryu and Jang 2007, Liu and Jang 2009) while customers' personal situations have been largely neglected, as suggested by Lemon and Verhoef (2016). The comprehensive categorisation of service-related triggers presented here helps resolve the disagreement concerning the representative elements of environment-related triggers such as hotel facilities, ambience, design and aesthetics in previous studies (e.g., Ryu and Jang 2007, Brunner-Sperdin and Peters 2009, Liu and Jang 2009). The growing trend of research findings on customer emotion suggests the need to incorporate the exploration of situational influence, such as customers' social roles and available resources (e.g., Tombs and McColl-Kennedy 2003, So et al. 2015, Surachartkumtonkun et al. 2015). Only a limited number of hospitality studies have empirically analysed the influence of personality and cultural values (e.g., Jani and Han 2015, Wen et al. 2018). In the present study, the investigation of customer-related triggers uncovers important factors that lead to customers' emotional changes, such as varying customer expectations, culture fusion and authenticity. Such new insights into both service- and customer-related triggers highlight the importance of understanding customers' emotions from their perspective.

Advanced thinking of customer co-creation behaviours. Previous hospitality studies have often been limited to those traditional customer behaviours, such as loyalty and satisfaction, which are affected by customers' positive or negative emotional experience (e.g., Ryu and Jang 2007, Ladhari 2009, Liu and Jang 2009, Jani and Han 2015, Balaji *et al.* 2017, Ribeiro and Prayag 2019). This study contributes to the existing knowledge of customer co-creation behaviours by

identifying both direct and indirect co-creation behaviours and examining the role of customer emotions. Direct co-creation behaviours, in particular, could ensure service interactions generate positive customer emotions. The identification of indirect co-creation behaviours uncovers a collaborative perspective on customers-to-customer interactions (including existing and prospective customers). These interactions form a social context that influences value co-creation between customers and service providers (Helkkula *et al.* 2012, Heinonen and Strandvik 2015).

In this study, customer emotional experience is found to create an influence on customer cocreation behaviours to a certain extent. Broadly in line with the findings of Delpechitre et al. (2018), it is argued that positive emotions encourage customers responding to service providers with direct co-creation behaviours. On the other hand, other factors such as time, access to communication channels and customers' travelling experience also influence their co-creation behaviours. Consistent with Surachartkumtonkun et al. (2015), customer co-creation behaviours may be influenced by both their emotions and available resources. These results also support recent debates concerning the role of customer resources in customers' co-creation behaviour and shed new light on the need for further investigation (So *et al.* 2015, Su *et al.* 2018). Further, the findings also corroborate the ideas of Dong et al. (2015) that suggest that customers tend to prioritise hedonic experience over a collaborative experience of *working with* the provider of luxury hospitality services. Engaging customers in the co-creation process remains challenging in the luxury sector. By focusing on the luxury hotels, this study offers unique insights into customer behavioural tendencies which vary from other sectors.

**Development of value co-creation framework.** A growing number of studies have stressed the benefits of value co-creation, yet empirical evidence is still lacking to demonstrate how to co-create value with customers (Reypens *et al.* 2016). The present study addresses this gap by synthesising the relevant literature and developing a new framework that integrates three

critical dimensions: phenomenon, process and outcome. A qualitative exploration of value cocreation from the perspectives of both customers and service providers offers empirical evidence to improve the current theoretical framework. A S.A.L.T. approach has been developed based upon the integration of the theoretical models of Grönroos and Voima (2013) and Chathoth *et al.* (2013) to facilitate the value co-creation process. This new integration advances the current thinking of value co-creation with customers. Further, prior research has primarily investigated the processual aspect of value co-creation, with limited consideration of the outcomes (Gummerus 2013, Osborne *et al.* 2018). The present study conceptualises customer co-creation behaviour as value co-creation outcomes. These behaviours are further linked to the process and phenomenon dimensions in the refined framework (Figure 6.1). The findings show that direct co-creation behaviours facilitate resource co-integration, value proposition co-development and service interaction. This may ensure a positive loop of value co-creation. As such, this study has made an advanced integration of customer co-creation behaviours into a value co-creation framework.

## 7.3 Practical Implications

The study has important practical implications, which, it is envisaged, will be of particular interest to relevant professionals, such as marketing and customer relationship managers in the hospitality industry, as well as service designers. These are discussed below.

First, the study offers a holistic understanding of emotional customer experience based on customer reviews. Online reviews are critical and direct sources of understanding customer experience for hospitality service providers (Zhou *et al.* 2014, Perez-Aranda *et al.* 2019). Although customer reviews describe lively customer experience stories, studying and making sense of them can be a very time-consuming exercise for managers. The findings illustrate customers' emotional variations and important triggers that offer guidance to managers in the analysis and interpretation of customer feedback.

Second, the identification of prominent emotion triggers highlights important areas for service improvement and innovation. Hotel managers and service designers are then able to prioritise resources (i.e., human resources, budgets and marketing activities) accordingly. Ambience, particularly a festive ambience, was found to greatly stimulate customers' positive emotions. While hotels regularly invest significant amounts of money in refurbishment, creating a multisensorial and festive ambience can be more cost-effective (Spangenberg *et al.* 2005). To create pleasant experiences, service designers need to take a holistic approach to arranging service settings that engage customers in a multi-sensorial experience (Pine and Gilmore 1999, Teixeira *et al.* 2012, Ouyang *et al.* 2018). For example, stand-alone Christmas decorations in a hotel lobby might not be a distinctively festive scenario, while combining Christmas music and associated scents (e.g., apples, cinnamon or mulberry) may create a combined light-hearted ambience that is more likely to evoke customers' positive emotions (Lee *et al.* 2019).

Third, the attention to detail, professional capability and personal charm of hotel staff can also effectively enhance the ambience and facilitate the service process in hotels (Lo *et al.* 2015, Delpechitre *et al.* 2018, Liu *et al.* 2019). Thus, it is crucial to reinforce staff training and empower staff to initiate personal interactions with customers. The Ritz-Carlton Hotel brand is a good example where talent management has been reinforced in order to co-create a unique Ritz-Carlton experience with customers (Kandampully *et al.* 2018). Well-trained and empowered staff can sense customers' needs in advance and take initiatives that grasp the opportunities for co-creating pleasant experiences with customers (Torres *et al.* 2014). Even though employees' personalities cannot easily be trained, personal charm may be a vital factor in reverting a service failure (Harkison 2018). Most importantly, managers need to appreciate employees' different strengths and allow them to take advantage of these strengths in dynamic interactions with customers.

Fourth, the identification of ambivalent and mixed emotions reminds service providers to be

cautious about customers' emotional changes. Timely problem recognition and corresponding responses can prevent service interactions that may result in customers' unpleasant emotions. As suggested by Penz and Hogg (2011), monitoring customers' emotional changes can help to preserve a better and continuous relationship with customers. Furthermore, some hotels such as the Alibaba Hotel in China and Henn-na Hotel in Japan have recently adopted Artificial Intelligence (AI) technology in their service systems. Although the impact of AI technology on emotional customer experience is still little known, its adoption can potentially reduce workloads for human service staff. As such, five-star hotels may consider combining AI technology and human resources in their service systems (Tung and Au 2018). In this case, human service staff will be enabled to make more dedicated efforts to having personal and personalised interactions with customers and paying attention to customers' emotional changes. Finally, customer emotion in hotels is also frequently influenced by customer expectations. The present study suggests that hotels' value proposition should be communicated and codeveloped with customers (Chandler and Lusch 2015). As a result, hotels and customers could potentially come to share a similar perception of value. Further, a deep insight into customer cocreation behaviours can help hotels co-create positive experiences and establish a trusting and reciprocal relationship with customers. For example, customers actively demonstrating their gratitude (i.e., non-monetary rewards) may encourage service staff to maintain their professional performance and passion at work. Such insights help hotels to embrace various cocreation behaviours, including co-developing their value proposition, co-creating services and co-integrating resources. The lessons learned from this study can help hotels improve existing

#### 7.4 Limitations and Future Research

Although this study offers many practical insights and contributions to theories and methodologies, it contains four main limitations. A discussion of these limitations in relation to

services and guide service innovation in a way that also ensures positive value co-creation.

the research findings also points toward interesting areas for future study.

First, the findings have shown that both customers' emotion and resources influence their cocreation behaviour. This suggests that customer co-creation behaviours can also be affected by customers' available resources in a way that needs to be taken into consideration in the exploration of value co-creation. Existing literature has articulated the importance of customers' resource contribution to value co-creation (Jaakkola and Alexander 2014, Ng et al. 2016, Malone et al. 2017). However, the role of customer emotion in a value co-creation framework has not yet been fully explored. The interpretation of the findings was constrained by this deficiency of value co-creation. This limitation can be alleviated by integrating a resource-based view. For example, Surachartkumtonkun et al. (2015) apply resource conservation theory to assess customers' loss of valued resources in relation to their negative emotions and behavioural responses. The perspective of resource conservation theory could potentially introduce a new understanding of customers' emotion and co-creation behaviours.

Second, the customer review study has inherent limitations in a way that lends it to rich contextual insights rather than generalisations. This exploration mainly focuses on a specific online context, namely TripAdvisor. Although TripAdvisor has become one of the most influential online travel and accommodation communities, the sampling of TripAdvisor customer reviews is inclusive of online users by default. Potentially, the data mainly reflects a particular group of hotel customers who posted reviews online. The experience and behaviour of other customers who did not use TripAdvisor, by contrast, were not well captured. Further, a customer review study usually cannot identify individuals and personal details, unless there are further contacts via online platforms. This also led to the result that customers' personality and social roles could not be fully explored. This limitation relates to the research method and sampling, and could be addressed by conducting interviews with customers.

Third, thematic analysis helped identify important codes, clustering them into different themes.

This analytic approach has great potential to reflect the voice of customers (Griffin and Hauser 1993). Lead user analysis, which focuses on lead user needs, could also be an effective way to identify important service problems from a service design perspective (van Hippel 1977). Lead user refers to 'expert' and 'frequent' users who can be identified by their knowledge and service experience. For example, reviewers' acquired helpfulness votes could be an indication of their expertise in reviewing hotel services. Future studies could combine a customer review study with other sources of data, such as travel blogs and vlogs. Experienced bloggers can be regarded as lead users. Conducting lead user analysis from multiple data sources may generate an additional perspective on the understanding of customers' emotion and co-creation behaviour.

Leaving aside these limitations, the research findings also reveal three important areas for further investigation. This study tests the application of appraisal theory in the context of service interactions. Interestingly, the findings show that customers' appraisal of service interactions varies from general life-encounters (e.g., an appraisal of interactions with work colleagues). Customers do not always distinguish emotion agencies of circumstances and other people (i.e., service staff) when they evaluate a service interaction. Sharing a similar view with So et al. (2015), such findings call for further development of appraisal dimensions in order to better distinguish customer emotions in the context of service interactions. Further, it might also be interesting to compare if and how customers have different emotional experience while interacting with human staff and service robots. This comparison might offer a new aspect in the development and application of appraisal theory. The present study focuses on capturing customer emotional experience and identifying emotion triggers. It offers a nuanced understanding of emotional variation, such as ambivalent and mixed emotions. These emerging themes could be integrated into an emotion-related investigation in the future. This new perspective on emotional experience could also be of interest in the examination of the impacts of these themes on different types of customer behaviours. Studies focusing on service recovery may consider

customers' emotional variation in their service interactions to identify critical moments for reverting potential service failures. Further, detailed insights into emotional experience and triggers can be used in research on product and service design to examine the emotional aspect of design performance.

The application of value co-creation in the hospitality literature has mainly focused on customer-to-staff and customer-to-customer interactions. The findings in the present study have presented the limitation of co-creating value through interactions with service staff, particularly in the hotel and luxury industries. Future research can build on these findings and explore the integration of technology platforms and tools such as service robots and smart devices to stimulate value co-creation in the luxury hotel sector.

Finally, the combined application of thematic analysis and appraisal theory to the review data offers detailed observations of customer emotions and behaviours in their individual contexts. In comparison to the Natural Language Processing<sup>5</sup> technique, this analytical approach is able to specifically detect hidden messages from customers' ironic descriptions of hotel experience. Such an approach could be potentially used to generate a Machine Learning Algorithm<sup>6</sup> in a way that might potentially overcome the constraints of Natural Language Processing and be applied to analyse big data in future studies.

#### 7.5 Conclusion

The study advances current knowledge of emotional customer experience to facilitate value cocreation in the hotel industry. This is based on the development of a three-dimensional value co-

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<sup>&</sup>lt;sup>5</sup> 'Natural Language Processing' is a computer programming technique that automatically processes and analyses expressions from large amounts of natural language data. It is also used to capture the semantic properties of words.

<sup>&</sup>lt;sup>6</sup> 'Machine Learning Algorithm' refers to programmed predictive models that receive and analyse input data to predict output values within an acceptable range.

creation framework through a customer review study and semi-structured interviews with hotel managers.

As part of this, more than a thousand TripAdvisor customer reviews of five-star Irish hotels were used to assess emotional customer experience, emotion triggers and co-creation behaviours through a combined application of appraisal theory and thematic analysis. The study identifies customers' prominent discrete emotions. Emotional customer experience can be a complex phenomenon, in which customers have multiple emotional changes during a service interaction. Such emotions are affected by both service- and customer-related triggers. Customer co-creation behaviours towards service providers may be encouraged by their positive emotions and available resources. These findings not only update our current knowledge of emotional customer experience and triggers, but also bring a new perspective to the currently limited understanding of customer co-creation behaviours in the hospitality industry.

Service providers' current practices in customer experience management were observed from both interviews transcripts and hotel responses on TripAdvisor. Such practices were also explored in relation to the three dimensions in the value co-creation framework: process, phenomenon, and outcome. This provides an empirical observation of the literature on value co-creation, as well as highlighting the significant managerial implications for relevant practitioners. All findings were further synthesised in the refined value co-creation framework (Figure 6.1) to offer an integrated assessment of value co-creation from the perspectives of both customers and service providers. Suggestions for value co-creation opportunities are also provided. By doing so, this study presents a unique and innovative piece of value co-creation research that makes a number of contributions to knowledge and practice within service marketing and management.

Undoubtedly, this study has its limitations. Four potential limitations are presented as a part of the reflective learning process of the PhD study. The reflection on the research limitations and

findings further sheds light on a number of opportunities for future research. In sum, the present research demonstrates an early attempt to assess emotional customer experience in value cocreation from the perspective of service logic. However, continuous cultivation of this knowledge is still required to advance this hitherto sparsely populated research field.

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### **APPENDICES**

Appendix 1 Semi-structured Interview Guide

- ➤ How do you get to know customer feedback and their experience of hotel services?
  - What are the common practices/procedure of dealing with online/offline feedback?
     some examples?
  - What is the most important means to understand customer experience? Why?
  - How about TripAdvisor? Does it help you to better understand customer experience?
     Examples?
- How do you response/deal with customer feedback?
  - Can you give me some examples of some interesting feedback you ever got? How did you deal with that?
  - # review Samples# how you would respond to these reviews?
  - How do you feel when you read these positive/negative/mixed of reviews? # how do you reply to customer reviews?#
  - Do you use a template or try to personalise your responses? How often do you read/response to customer reviews?
- > Do you take any further actions (#to improve CX#) according to customer feedback? Why?
  - For instance, responding to positive feedback/praise on your hotel services, do you take any further action? Some examples?
  - Are there any challenges to make customer happy? Why?
- ➤ Has your hotel tried to proactively customise or personalise some services for individual customers? If yes, did it work out well?
  - Do you have enough resources to help you improve customer experience? What are they?
  - In the next 6 months to 1 year, do you have any plan of new service development to enhance customer experience? If yes, will you involve customer in the project? And how?
- Do you anticipate any difficulties of involving customers in new service development?
   #Can you share the most helpful/useless feedback you have got?#
   #Do you have any comment regarding this research topic?#
   #Are there anything that I missed, but you'd like to talk about?#





Dublin City Dublin

1 February 2018

Dear Mr

I am Szu-Hsin Wu, a PhD scholar under the supervision of Prof. Yuhui Gao at DCU Business School, Dublin City University (DCU). We are currently conducting a research project on customer experience and value co-creation in the hotel industry. Because of your role as a General Manager in hotel and your relevant industry experience, we would like to invite you for an informal interview related to customer experience and relation management.

The study aims to explore how customer emotions potentially affect value co-creation between hotels and their customers. I have analysed emotional customer experience and associated influential factors with the evidence of more than a thousand TripAdvisor customer reviews of five-star hotels including Dylan Hotel in Dublin. The findings indicate some important service elements for service improvement. We would be delighted to share our findings with you, if you are interested in becoming involved in this important research area.

Your voluntary participation in the interview is very much appreciated. In accordance with the approval of DCU Research Ethics Committee (Ref. DCUREC2017\_170), all your response during 30-60 minutes interview is strictly confidential. The interview will be audio-recorded. Only aggregate results will be reported thereby protecting the identity of all participants. You are free to withdraw from the interview at any time. If you would like to know more about the study before deciding whether to participate, please contact me at <a href="mailto:szuhsin.wu5@mail.dcu.ie">szuhsin.wu5@mail.dcu.ie</a> or 0834883972. Thank you very much in advance for your assistance with this research.

Kind regards,

Szu-Hsin Wu | PhD research scholar

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Ollscoil Chathair Bhaile Átha Cliath Dublin City University

# Appendix 3 Research Ethics Committee Approval for Netnography Study of TripAdvisor Customer Reviews

Ollscoil Chathair Bhaile Átha Cliath Dublin City University



Ms Szu-Hsin Wu DCU Business School

28 March 2017

REC Reference: DCUREC/2017/052

Proposal Title: Designing emotional customer experience for value co-

creation: From a service-dominant logic perspective

Applicant(s): Ms Szu-Hsin Wu, Dr Yuhui Gao

Dear Szu-Hsin,

This research proposal qualifies under our Notification Procedure, as a low risk social research project. Therefore, the DCU Research Ethics Committee approves this project.

Materials used to recruit participants should state that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee.

Should substantial modifications to the research protocol be required at a later stage, a further amendment submission should be made to the REC.

Yours sincerely,

Dr Dónal O'Gorman

Chairperson

DCU Research Ethics Committee

Donal O Gorman

Research & Innovation

Taighde & Nuálaíocht Tacaíocht Ollscoil Chathair Bhaile Átha Cliath, Baile Átha Cliath, Éire

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#### Appendix 4 Research Ethics Committee Approval for Semi-structured Interviews

DCU

Ollscoil Chathair Bhaile Átha Cliath Dublin City University

Ms Szu-Hsin Wu

DCU Business School

20 November 2017

REC Reference: DCUREC/2017/170

Proposal Title: Designing emotional customer experience for value co-

creation: From a service-dominant logic perspective

Applicant(s): Ms Szu-Hsin Wu, Dr Yuhui Gao

Dear Szu-Hsin,

Further to expedited review, the DCU Research Ethics Committee approves this research proposal.

Materials used to recruit participants should note that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee.

Should substantial modifications to the research protocol be required at a later stage, a further amendment submission should be made to the REC.

Yours sincerely,

Dr Dónal O'Gorman

Chairperson

DCU Research Ethics Committee

Sonal O'Gorman

Deu Research & Innovation

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# EMOTIONAL CUSTOMER EXPERIENCE TYPOLOGY

| Themes/Codes             | Description/Emotion phrases  | Example  |
|--------------------------|--|--|
| Positive Emotions        | At a service interaction, customers' positive emotions are triggered through a congruent goal. |  |
| Happiness                | happy, cheerful, proud   | Stayed here a couple of years ago and although there were small niggles It didn't put me off returning again and I'm glad I did. (DI0129)  |
| Joy                      | joyful   | This was a treat for my wife as we were celebrating our first wedding anniversary. What a choice!!(DD0071)   |
| Gratitude                | grateful, appreciated  | special thanks to [staff name] on the front desk for sorting me out with a taxi when my Hailo app wasn't giving me any joy (DF0076).   |
| Contentment              | contented, fulfilled, satisfied, pleased   | The staff were courteous throughout our stay and obviously very well trained. (DA0067)   |
| Delight                  | delighted  | My parents and I were feeling peckish and decided to stop for a quick bite to eat. My parents had the Tiger prawn tagliatelli which they said was amazing, so tasty and I had the rocket, blackcurrant, blue cheese, orange and walnut salad, yum, yum, yum !!!!(DF0012) |
| Excitement               | excited, thrilled, enthusiastic, eager   | Swimming pool is lovely and very clean perfect for a early morning swim!!!(DH0135)   |
| Pleasant Surprise        | pleasantly surprised, amazed, astonished   | They upgraded me, and the room was fantastic!!!(DD0056)  |
| <b>Negative Emotions</b> | At a service interaction, customers' no  | egative emotions are triggered through an incongruent goal.  |
| Anger                    | angry, irritated, annoyed, contempt;   | Breakfast ordered toast and the waiter looked at me as if i two heads.(DG0170)   |
| Discontentment           | unfulfilled, discontented,<br>dissatisfied; displeased,  | Parking is an issue which would be the only down side.(DB0025)   |
| Disappointed/Sad         | disappointed, sad, upset,  | I was attracted to it through a blogger that posted beautiful photos in a room that must have been an exclusive luxury suite, nothing like what we stayed in.(DI0012)  |
| Frustration              | frustrated, miserable,   | Discovered a leak at base of the toilet - bit of a shock when you step into water in the middle of the night as one pays a visit-certainly awakes you from your  |

|  |  | slumber (DE0017).  |
|--|--|--|
| <b>Ambivalent Emotions</b>                   | Customers' emotion changes involve b   | oth positive and negative emotions at a service interaction.   |
| Positive and Negative<br>Coexisting Emotions | Both positive and negative emotions are evoked at one single service interaction.  | Then we headed into the large busy bar at the front of the hotel, we were enjoying the service and the atmosphere and then this awful dance music came on - I felt like I was in some tacky bar in the mediterranean or Copper Face Jacks. Why would a busy beautiful bar in one of the most beautiful locations in Dublin need such head wrecking music.(DH0095)  |
| Relief                                       | Customers have an emotional feeling of reassurance and relaxation following release from an aversive goal being incongruent. | Unfortunately work is on going but in a discrete way.(DE0063)  |
| Pleasurable Regret                           | Customers feel regret towards an extremely pleasurable experience.   | Loved our stay but was too short!(DE0001)  |
| Mixed Emotions                               | Customers have more than one either  | positive or negative discrete emotions triggered at single service interaction.  |
| Mixed Negative Emotions                      | More than one negative emotion were triggered by single service interaction.   | day at breakfast. We waited for what seemed like ages with no food. So much so that we left as we had a busy day of sightseeing. This level of service needs to be improved especially given that they are charging 29 Euros for a modest breakfast (word of advice - you can get something a quarter of the price at nearby Kilkenny's with much more generous portions). The table next to us had their breakfasts delivered but were waiting a long time for toast. When we explained to the hostess at the door, we were leaving, she asked us what table we were sitting at, despite her seating us. When we returned to our room, we got a call saying that the breakfast could be delivered. I explained that it was delivered too late - 'fifteen minutes only' was the explanation. Rather than offer an abrupt defensive explanation, a better response would have been to simply apologise for the lateness. (DE0135) |
| Mixed Positive Emotions                      | More than one positive emotions were triggered by single service interaction.  | thanks to a kind gift (a [reviewed hotel name] bear) from our one of your maids when we were checking out it made the trip even more special. (DI0144)   |
| Neutral Emotions                             | Customers' emotion status remains  | Breakfast was fine, nothing special.(DF0086)   |

the same or stable.

# SERVICE-RELATED TRIGGERS

| Themes/Codes                                     | Description   | Example  |
|--|---|--|
| <b>Human Interaction</b>                         | Customer emotions are triggered by human in   | nteractions with service staff and other customers.  |
| Customer-to-customer interaction                 | Customer emotion is triggered by human Interaction with other/fellow customers  | Because of this we could hear everything from the room the next door and especially when the neighbours started their little music party it was really loud and annoying. (DA0102)   |
| Accommodating and Going Extra Miles              | Staff attentively recognise and accommodate individual customer needs, e.g., 'couldn't do enough to help us out'  | Special mention to the restaurant manager and the front desk manager (I believe her name was [service staff name]) for saving us on our first night there by getting us some much-needed food right before the kitchen closed after my wife and I overslept during a nap after an significantly-delayed overnight flight from the States. (DG0016) |
| Friendliness and Welcoming                       | Staff demonstrate friendly and welcoming attitude when interact with customers  | The staff here are super friendly and amenable. (DC0017)   |
| Problem Solving                                  | Staff's capability to find a solution to customers' issues and/or requests.   | We had a medical emergency when staying here and the staff got us in to the local doctor in 15 minutes. They also checked on my husband after we went to the doctor, just to make sure he was feeling better. What a great experience especially when your so far from home (DC0082).  |
| Professional Hospitality<br>Skills and Knowledge | Staff having the necessary ability, knowledge, or skill to accommodate or deal with customer requests. e.g., being polite, professional, courteous, attentive | The concierge/doorman are knowledgeable on everything from local pub fair to nice breakfast spots and always have a smile. (DE0159)  |
| Diversity of Service team                        | Customers appreciate the diversity of staff background, but not missing Irish staff.  | While they have an international staff, the service is top notch and anticipatory. The people genuinely seemed happy and friendly to us on all accounts. (DE0092)  |
| Physical Environment                             | Factors, which affect customer emotions, are  | originated from hotel physical environment.  |
| Multi-sensory and Festive                        | The mixed characters and atmosphere of a  | They have a chain hotel feel. That is to say, they are clean enough with   |

| Ambience                           | place, such as lighting, scent (odour), sound and temperature  | comfortable beds but have somewhat of a generic atmosphere. (DI0056)   |
|------------------------------------|--|--|
| Festive Ambience                   | The mixed characters and atmosphere of a place is created according to particular festivals, traditions or events.                           | The table was decorated nicely with a small gold box containing party items such as party poppers to celebrate the New Year for everybody at the table (DI0158).   |
| Visual and Aesthetics<br>Effect    | Factors are related to architectural design, decoration, colour and interior design (including signage, style of decor).                     | [reviewed hotel name] is blessed with fine, modern architecture within which it is superbly fitted out. It's themed ground floor public spaces - bar, restaurant (complete with champagne table) and lobby areas, are tastefully appointed, and the bedrooms are finished to the same high standards of comfort, amenities and style (DA0127). |
| Lighting Effect                    | Factors are related to the arrangement or effect of lights.  | The only other criticism was the bright light cast by the radio/alarm device placed beside our bed which necessitated covering for proper sleep. (DH0133)  |
| Scent (odour) Effect               | Factors are related to a distinctive smell in the surrounding environment.   | Bathroom had a funny smell, nothing gross, and not bad enough to make me change rooms. (DA0064).   |
| Sound Effect                       | Factors are related to music or noise level of the environment.  | One thing I really loved was the gentleman playing the piano in the lobby at night time. He was excellent and very relaxing to listen to. (DD0077)   |
| Temperature                        | Factors are related to the degree or intensity of heat present in the environment  | we went to the lobby bar for a drink after our meal but ended up leaving and going to our room early as every time the main lobby doors opened, a breeze that would cut you in two ripped through the lobby, making it very uncomfortable. (DG0268)  |
| Convenient and Attractive Location | Factors are related to the location of a hotel.  | Great location for shopping and restaurants - would stay here again. (DA0088)  |
| Spatial Layout & Room<br>View      | Factors are related to hotel layout, room size and the outside view from the room.   | our room which overlooked the gardensThe room was spacious and very comfortable with a lovely small balcony overlooking the gardens(DE0047)  |
| Service Management and Offerings   | Factors are related to the hotel service manage  | gement and offers.   |
| Employee Retention                 | Factors are related to the ability of a hotel retaining its employees; whether if employees continue staying in the same hotel for long time | Most of the staff that we remember from our previous visits has left the hotel. (DD0075)   |

| Desirable Service Hours<br>and Rightful Policies | Factors are related to a hotel's service hours and policies.  | However the swimming pool is not open for kids at all times. There are some dead hours in the afternoon from Noon to 3pm or something like that where kids can go in the pool. I've never seen a luxury hotel that restricts kids. The highlight for kids when they are away from home (being dragged by their parents) is the swimming pool. My daughter was so disappointed that we could not go and after we paid 250/night (DG0305).   |
|--|---|--|
| Timely and Flawless<br>Service Process           | Customer experience of how hotel services are provided following by certain procedure or steps.   | From the moment you walk to the door of the [reviewed hotel name], the staff is there to assist you. The concierge stored our bags as we were several hours ahead of check in. The front desk checked us in and took our number and called us when our room was available. By the time we returned, the staff had placed our bags in our room. The person who checked us in walked us all the way to our room so she could familiarize us with the room and the sound system. (DC0002)   |
| Smart Staff Uniform                              | Customers perceive staff uniform as appropriate for hotel services.   | The staff dress code is very good (DI0124).  |
| The Variety and Quality of Food and Beverage     | Customer emotions were evoked by the food and beverage related factors which include taste, temperature, quantity, freshness, hygiene and presentation, choices and varieties.  | The breakfast room is a rather stark affair - looks more like a work canteen to me. We both felt the quality & presentation of the cooked breakfast was terribly poor and certainly not '5 star'. There seems to be an absence of any quality control and the bacon in particular should not have been served - it comprised bent over pieces of fatty bacon which looked as if they had been steamed rather than fried or grilled (DC0049).   |
| Comfortable and High<br>Quality Facilities       | Well-appointed, high quality and cleanness of the hotel facilities are main attribute when customers have emotion changes. Key service elements include bed, bathroom, pool, spa and bar.  Other facilities also include business centre, conference room, room furniture (e.g., coffee/tea maker, lamp), toiletries (e.g., soap shampoo, shower gel, towel) and wi-fi. | The furniture had seen better days. Surprisingly even the toilet had the wrong size seat on it. When I asked to change rooms they said, "Sorry. No other rooms available, try in the morning." Ok I can understand this, so we did not unpack our luggage Back at the room we could not get the heater to work but we thought we must be doing something wrong since both rooms had the same issue so we went to bed thinking we just did not know how to work the Controls. It was a chilly night but we persevered. (DA0077) |

# **CUSTOMER-RELATED TRIGGERS**

| Themes/Codes                              | Description  | Example   |
|---|--|---|
| Culture Fusion and Authenticity           | Factors related to customers' culture background and expectation on local culture.   | I just didn't think it was an authentic experience. Very few Irish staff, but that's typical of a lot of City hotels to be fair but, not much Irishness in food choices in the menus either. Most inbound guests will be looking for an authentic experience, but as I said to my husband when we were sitting in the bar, " we could be in Milan, Paris, Berlin" Unfortunately, Europe seems to be becoming homogenized, particularly in city hotels. (DE0066) |
| <b>Customer Expectation</b>               | Customer emotions are affected by various  | s expectation customers have regarding the hotel stay.  |
| Privilege Expectation                     | Customers expect to receive certain privilege based on their membership status.  | As a Diamond member I was upgraded to a very good room and English/continental breakfast. (DA0076).   |
| Experience<br>Expectation                 | Customer expectation established from previous service or traveling experience.  | My wife and I slept in the main bed. I travel a lot work wise and I can honestly say that it was the worst nights sleep that I had in any hotel in over 12mths. The main bed was made up of two single beds which made the centre very uncomfortable. (DD0072)  |
| Value Expectation                         | Customer expectation on hotel brand image and received value from price and service offerings (i.e., the amount of money expected or required for hotel services). | The room itself was good although I would say more 4 than 5 star as it was quite small and missing a few little luxuries you would expect with a 5 star, maybe a small coffee machine and complimentary waters? The food in the restaurant was excellent but a little pricey. (DB0033)  |
| Unexpected Service<br>Offering or upgrade | Customer emotions were evoked by receiving complimentary offerings, personalised services and unexpected upgrades  | we were upgraded and had a chocolate cake sent to our room with happy birthday on the plate wrote in chocolate wich was a nice touch. (DG0219)  |
| Cumulative Experience                     | Customer emotions are affected by their ac and post-departure service experience.  | cumulated service experience, including previous service experience, pre-arrival  |
| Pre-arrival Factors                       | Customer emotions are affected by direct of  | or indirect contacts with hotel before their hotel stay.  |
| Customisation                             | Hotel services are modified upon customers' requests before the  | ,   |

|  | customers' arrival at the hotel.  |  |
|--|---|--|
| Booking<br>Communication and<br>Concern              | How customers make the booking decisions; Booking related communication or concerns.                              | I was initially hesitant to book a hotel a little away from the downtown area and had been considering [other 2 five-star hotel in Dublin], but I'm very glad that I ended up choosing [reviewed hotel name] and will continue to choose [reviewed hotel name] for future visits. (DG0145) 'I was worried at first that the hotel was not going to be up to standard being located next to Fleet Street, which is party capital along with Temple Bar on the weekends. (DJ0012)                      |
| Anticipation Based<br>on Hotel Reviews<br>and Rating | Customers read hotel reviews before booking or arrival.   | I have read some reviews condemning the ongoing construction. While certainly visible from our room (directly across the courtyard), we had no issues with the sound. My wife and I slept comfortably and were not awoken one time. (DE0028)   |
| Post-departure<br>Factors                            | Customer emotions are affected by direct of   | or indirect contacts with hotel after departure of staying hotel   |
| Await eagerly  | Customers are looking forward to visiting the hotel again   | Wish we could have stayed more than 1 night. (DF0021)  |
| Post-departure<br>Follow-up<br>communication         | Customer emotions are affected by the follow-up communication between hotels and customers after hotel departure. | subsequently they telephoned to say that they were unable to pay us the 200 pounds because we booked with Expedia and instead they would gift me 10,000 [hotel] rewards. putting aside the fact that these have a lot less flexibility than the cash, and cost the hotel a lot less than their face value, 10,000 rewards gets you one QUARTER of a room night in [reviewed hotel name]. So they more than halved the compensation that they had offered and I had accepted. Nice trick eh? (DH0042) |

# **CUSTOMER CO-CREATION BEHAVIOURS**

| Themes/Codes                           | Description  | Example   |
|--|--|---|
| Advising Behaviour                     | Customers actively share other travel or community members (i.e., other potenti  | accommodation related information or make activity recommendation with other al customers).   |
| Activity<br>Recommendation             | Recommending other customers to undertake certain activities.  | My bf and I enjoyed high tea. It's pricey, but worth the experience. If you're going to stay at [reviewed hotel name], than do it right and have some tea! (DH0138)   |
| Providing Useful<br>Information        | Providing additional travel or accommodation related information or personal viewpoint and experience.                                   | Don't miss the James Joyce sundial statue in the garden! Even some native Dubliners don't know about this gem. As the sun moves, Joyce's shadow falls on lines from Ulysses that are carved on the statue's base. So, you can see what the novel's protagonist was doing at particular times of the day. It's really clever and quite striking. (DE0143).   |
| Justice Voicing<br>Behaviour           | Providing more contextual information to engage readers in their hotel 'stories' in order to justify their evaluation of hotel services. | Got to stay in [reviewed hotel name] on Thursday 12/1/17 (2nd time in just over a month, returning the surprise my wife had given to me in December for my birthday). This time the atmosphere was a bit more relaxed than the Christmas madness in December. None the less the level of service remained 5 star. I arrived early (my wife was gone getting her hair done and was under impression I had booked into a different hotel). (DI0174) |
| Co-developing behaviour                | Customers actively participate at service interactions that facilitates the co-creation of value.  |   |
| Express Needs or<br>Problems           | Customers actively express their needs or encountered problems at the hotel  | Since we like to buy our own water/juices and refrigerate them, we asked the desk to turn off the automatic charge device so that we could take out some of their cans of soda to make room for our liquids, and they graciously obliged. One of many examples of the level of service provided. (DH0039)   |
| Compliment as Non-<br>monetary Rewards | Customers actively praise hotel or hotel staff for their services.   | I applaud you for your friendliness, kindness and efficiency and for the attentive welcome given to my grandchildren. (DC0070)  |
| Integrating behaviour                  | • •  | such as creative ideas, feedback or personal preferences, which contribute to the rvice design, service customisation and personalisation).   |
| Ideas and Feedbacks<br>for Improvement | Customer explicitly provide suggestions for hotel service improvement depending on their   | I just wish hotels including this one would install walk in showers. This would ensure a safe and relaxed shower without the hassle of climbing in and our of a high bath. (DI0006)   |

|                            | knowledge and experiences  |  |
|----------------------------|--|--|
| Personal Preferences       | Customers indicate their personal preferences toward certain hotel services  | Breakfast was a mini buffet and order what hot food you wanted off a menu. I very much prefer this as particularly with eggs I'm not keen to eat eggs that are 'kept warm. (DI0145)  |
| Reinforcing Behaviour      | Customers' behaviour has positive influe VCC.  | nce on focal firm's reputation instead of creating direct impacts on the focal firm's  |
| Positive<br>Recommendation | mention top class or best quality to<br>other customer to try it out in the<br>future; a way of using certain<br>facilities/services | I would recommend this beautiful hotel to all of my friends if they were looking for a place to stay in Dublin. I would also recommend a room with a terrace if at all possible. My wife love this part of our stay the most! Especially going out and having drinks/snacks during the day and night. (DC0073) |
| Revisiting                 | Customer are willing to re-visit the hotel in the future   | I have really enjoyed my stay and will be back next time. (DC0084)   |
| Diminishing Behaviour      | Customer behaviour creates damage the firm's interaction with other customers.   | e focal firm's reputation and likely to create an undesirable influence to the focal   |
| Negative<br>Recommendation | Customers suggest other customers not to do certain things; A hotel service is not considered as an ideal offer                      | Location of the hotel is excellent and staff were polite and pleasant, they are the only positives from my stay, very disappointed and I won't be returning, if your looking for 5 star luxury in Dublin, stay at [the reviewed hotel] there is no comparison. (DI0118)  |
| Not revisiting             | Customer are not willing to re-visit the hotel in the future   | Wouldn't return without a significant reduction in cost to match the value. (DI0010)   |

# **HOTEL RESPONSE TYPOLOGY**

| Themes/Codes                               | Description  | Example  |
|--|--|--|
| Building Customer<br>Relationship          | Hotel responses show an attempt to es  | stablish an ongoing relationship with customers.   |
| Gratitude For<br>Customer Feedback         | Thanks for customers' comments   | Thank you very much for choosing [reviewed hotel name] for your recent visit to Dublin, and for taking the time to share your wonderful comments on TripAdvisor. (DC0057)  |
| Encourage revisit                          | Hotels encourage customers to revisit or provide the hotel another opportunities to make things right                        | I do hope we have the pleasure of welcoming you back in the future. (DA0009)   |
| Follow-up<br>Communication                 | Hotels initiate further communication to deal with a particular service failure or continue a positive relationship.         | I understand that [service staff] was in contact with you directly during your visit. I hope that he was able to assist you with satisfaction. Should you wish to discuss further please do not hesitate to contact me. (DA0059)   |
| Apology                                    | Apology for service failures without indication of further action  | It is clear to me from reading your review we have not delivered the superlative levels of service we are renowned for and I want to apologise for these lapses on behalf of the entire team. (DD0078)   |
| Promise of improvement                     | Hotel show an intention to improve its services or facilities  | We take all guest feedback on board and are continuously reviewing our performance to ensure we make any necessary improvements. (DD0062)  |
| Customer-centred<br>Approach               | Customers' contribution and value to the firm and team   | Although we are sorry we did not exceed your expectations, we appreciate your willingness to share your thoughts and feelings. Your feedback is important to us and we will use it to review our products and services. I do appreciate your compliments about our friendly team members and our convenient location. (DC0048) |
| Endeavour for positive customer experience | Based on the customer feedbacks, hotels take the chances to emphasis their hard work to create positive customer experience. | It is extremely regrettable that a combination of small issues resulted in you questioning your decision to stay at [reviewed hotel name], the entire team here work hard to ensure that each guest feels comfortable and at home when staying with us and I am very sorry we fell short of that on this occasion. (DB0031)    |

| Negative Feedback                             | Hotel responses to negative feedback.  |   |
|---|--|---|
| Defensive Response                            | No apology to service failure; blame the flaw to others  | I am also disappointed to learn of our shortcomings in the bar, this is certainly not consistent with our standards. (DA0048)   |
| Provide Explanation or Justification          | Try to explain how the service went wrong or justify their operation approach                        | [The reviewed hotel Restaurant] is open 6 days per week for dinner - Tuesday to Sunday and closed on Monday evening, there is an extensive menu in place served up to 11pm in the Bar area as an alternative, on the night you mentioned below there was a small retirement party in the Bar area and they had one section reserved for them, this was 4-5 tables at most and the remainder of the Bar was free to our residents and other patrons. I know on the night our Food & Beverage team were able to accommodate you with one of the free tables straight away, I am sorry if you felt that most of the Bar was reserved as this was certainly not the case or our intention. (DB0031) |
| Positive Feedback                             | Hotel responses to positive feedback.  |   |
| Promoting New<br>Hotel Service<br>Development | Based on the customer feedbacks, hotels take the chance to promote their new service development     | Currently, we have completed refurbishment of 90 guest rooms and by the end of 2017 we will have completed all 197 rooms. On your next visit, we would be delighted to offer you one of our newly refurbished rooms so that you may experience the new décor and added comfort that these rooms offer (DD0004).'  |
| Promoting Existing<br>Hotel Services          | Based on the customer feedbacks, hotels take the chance to promote their existing service offerings. | I was particularly delighted to read about your experience at The Lord Mayors Lounge. With our Afternoon tea having recently been reviewed as the best Afternoon Tea Dublin City has to offer (DH0104).   |