



# Determinants of customer's dissatisfaction: A content analysis of negative online customer reviews on budget segment hotels in India

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## Abstract

Understanding customer feedback helps in strategic decision making of an organization which ultimately determines the success or failure of a business or a hotel. Online reviews are increasingly becoming popular among online users and service providers. The hotel industry in many countries extensively utilises the online reviews to evaluate customer satisfaction and dissatisfaction. The goal of the study was to identify various issues that prompted the customers to register a negative online rating/ feedback on various services offered by the budget segment hotels. The study was conducted for time span of three months in which the online negative reviews or complaints of budget hotels pertaining to various operational departments were examined using content analysis. The findings of the study will be a valuable input for budget hotels to focus on most specific complaints of their departments so that the customer experiences could be enhanced at the budget segment hotels in India.

**Keywords:** Budget hotels, India, customer care, reviews, quality service.

## Introduction

In current society, social media is ubiquitous and plays a vital role in people's communication. Penetration of the internet, mobile communication technology and the emergence of social media platforms facilitate the dissemination and sharing of information among the members of the society. The popularity and extensive usage of the social media platforms has produced an enormous amount of user-generated contents (UGC). The thousands of online user reviews on products and services are considered and utilised as a valuable resource that helps in consumer decision making (Browning, et al., 2013). To know about the merits and demerits of products and services, many customers rely on the experience shared by past users. Many industries increasingly use customer reviews to make decisions related to product and services, design and delivery. The hotel industry in many countries extensively utilises the online reviews to evaluate customer satisfaction and dissatisfaction that is critical for firms to develop strategies to improve their service quality, service recovery and loyalty (Berezina, et al., 2015).

Luxury hotels in India either operated by individuals or corporates effectively use customer reviews for strategic decisions. They have built capabilities and infrastructures in the form of a professionally trained workforce, hardware and software to retrieve, analyse, evaluate and reviews the customers feedback. However, many small and budget hotel service providers distributing their services online in India, do not have enough resources, infrastructure and trained human resources to capitalise the benefits of customer reviews. The small and medium-sized



enterprises in India is technologically disadvantaged (Mukherjee, 2018). It is observed that the research to support the success and growth for small and medium businesses in India, especially in online hospitality and tourism services are very minimal and scarce. Considering the research gap, this study aims to identify various issues that prompted the customers to register a negative online rating on various services offered by the budget segment hotels.

## Review of Literature

Hotels adopt multiple techniques to capture the level of satisfaction and behavioural intention of customers by placing a comment card inside the hotel room, employing a post-departure satisfaction survey and follow-up measures for service recovery which is not solved by any in house process (Berezina, et al., 2015). Ekiz and Au (2011) observed that many customers were reluctant to record their grievances and complaints to the service organisations directly. However, customers feel easier in sharing their experiences through social media, websites, blogs and other Internet-based platforms. The reviews posted on the internet is an excellent source of information that helps in the purchase-related decision of customers. Previous researchers (Ekiz & Au, 2011; Li, et al., 2013; Berezina, et al., 2015) claim that compared to customer surveys, structural equation modelling, factor analysis and case studies, online reviews were the accurate indicators that service providers can explore to understand customer satisfaction. Li et al. (2013) suggest that, it is essential that service providers have to investigate, identify and give more attention to online customer reviews, which are the better reflector of customer's feelings than numerical ratings.

Online reviews are increasingly getting popular among online users and suppliers (Schuckert, et al., 2015). The online reviews or electronic word of mouth (e-WOM) is one of the significant factors that influence customer behaviour and their perception of the quality of the products and services. E-WOM is a possible predictor of sales volume of online products. It has the potential to influence consumer choice, and even it can make a psychological change in user behaviour (He & Bond, 2013). The inherent nature and constraints of online products exist where there is no physical touch and feel for potential consumers possible, online customer reviews are considered as a significant cue of the product quality (Wang, et al., 2017). Ogut and Tas (2012) observed that online customer reviews not only influence the customer's willingness to buy but also make the potential customers stay away from products and service due to negative online reviews. The consumers do not only use the online reviews but marketers of products and services too.

Online marketing firms have to develop strategies by evaluating the multidimensional property of customer reviews. The customer reviews can be used to decide on sales volume (Ghose & Ipeirotis, 2011). Service providers utilise a type of data mining technique known as text mining that helps to analyse the hidden patterns in the textual messages in the form of documents, reviews, and comments which may provide an actionable knowledge. A categorisation of text, clustering of text and the sentiment analysis are typical task followed in text mining. The service provider and managers are able to interpret and understand the process which causes the satisfaction and dissatisfaction among their customers through sentiment analysis (Calheiros, et al., 2017).

Traditionally, the hospitality industry lags in adopting information technology (Nicolaidis, 2008), but the situation has been changed to a great extent in recent years due to increased research in this area (Šerić, et al., 2014). Competition is another reason for increased investment to spend on technology that is essential for customer relationship management and customer retention. Today's competitive and changing business environment necessitates managers and service providers to invest on business intelligence system and computerised decision support system to ensure their adoption and survival (Sharda, et al., 2017). Very few studies have explored the problems and issues faced by online listed budget segment hotels. Li et al. (2013) in their



comparative study between luxury and budget category hotels in China found that convenience in access, services related food and beverage and value for money are major factors that contribute customer satisfaction and bed, reception, room size and decoration are the key factors, in which the customers were more dissatisfied. They have also revealed that there is a significant difference in the guest's perception and online rating of services offered by luxury and the budget hotels. Berezina et al. (2015), found that most of the satisfied customers are willing to recommend intangible aspects of service setting in online reviews, while the dissatisfied customers stated tangible elements of services. There is no empirical evidence on what the determinants of customer satisfaction and dissatisfaction are of budget segment hotels in India.

Hotels in India lagged in technology adoption while comparing this with their counterparts around the world, but the trend in technology adoption is changing now, and service providers are more proactive (Sharma, 2016). Hotels in India have slowly adapted technology to ensure a better experience every time. Taj Group of Hotels, a strategic business unit of Tata Sons, a pioneer in the hotel industry in India, has imparted and strengthened their capabilities in big data, social media, cloud computing, mobility and robotics that helps them to interact and generate meaningful data in delivering memorable customer experience (Jayaram, 2018). Budget and entry segment hotels are now listing with online travel agents actively. The emergence of an online based budget hotel chain, Oyo rooms transformed the mid-segment hotels with 8500 plus and small size hotels in India and only ten percent of food and accommodation establishments of Medium and Small Business Enterprises (SME'S) adopted the latest technology (IAMAI, 2019).

The contribution of SMEs to the country's economy and employment generation is widely acknowledged (Stankovskaa, et al., 2016). New and cost-effective technologies and the penetration of the internet significantly changed the reputation and the performance of the small and medium business. But the greatest challenge faced by the small and medium-size business is lack of managerial capabilities to adopt, establish, engage and respond appropriately to the customers' needs and wants (Kietzmann, et al., 2011). Gossling et al. (2018) state that managing online reputation is not an option, and it is inevitable and needs more attention from managers to enhance customer relation and branding (Gössling, et al., 2018). Stankovskaa et al.(2016) urge the managers and the promoters of SMEs to be aware and consider internet and social media as a stepping stone which does not required complex skill to present and compete in the market place like big corporates.

To date, there is a passiveness in the research related to how the budget segment hotels, which are listed and have online manages who respond to negative online reviews and the issues highlighted by the reviewers in their negative online comments. It is essential from the part of academic community to initiate the process as a stakeholder in understanding the issues of MSME's vital for sustaining the benefits it contributes to the society. The researcher of the study consider this study as a first move to understand the current nature and behavior of small and budget segment hotels delivering their services through the internet.

## **Methodology**

The data for the study was obtained from well-known travel sites like Trip Advisor, Booking.com and Golbibo. The total number of budget hotels listed in all three travel sites was 704. Twenty-seven hotels listed in all the three hotel booking sites were selected for the study. The price range of the hotels chosen for the study was between Rs.988 to Rs.1530. The online review of the chosen hotel collected between 1<sup>st</sup> November 2018 to 31<sup>st</sup> January 2019. Total online reviews collected during the study period was 31,637. A total of 7270 reviews were eliminated due to missing data, and 24,367 were considered for data analysis. Out of 24,367 reviews, 21,265 reviews with the rating of good to excellent were not considered for the analysis. A total of 3102 customer reviews rated the study units varying from average to terrible considered as a negative



review and used for further analysis. The frequency of various reviews was presented in the Table1. The frequency in the table presents also reveals that, out of 24,367 total online reviews, 12.8 percent are negative reviews.

Data related to reviewer's identification, date of the review, rating offered by the reviewer, text content written by the reviewers and the service providers' response for to complaints were collected and stored in Microsoft Excel Spreadsheet. Excel used by millions of people around the world, and it is an easy tool for coding and structuring the text data which can be used by a basic computer literate (Amozurrutia & Servós, 2011). The researchers of the study followed the similar method suggested and demonstrated by (Amozurrutia & Servós, 2011), but modified the requirement to analyse the online reviews. The six steps for content analysis used were data collection, preparing an Excel spreadsheet for coding of data, coding, sorting the data, sorting the texts into the group of factors based on the code and the analysis of data.

**Table 1.** The frequency of Customer Reviews on Budget Hotels

Types of Review	Frequency	Percent
Excellent	13170	54.0
Good	8095	33.2
Average	1743	7.2
Bad	621	2.6
Terrible	738	3.0
Total Review	24,367	100.0

## Results

After completing the coding, the data classified and categorised into four factors which represent the major operational department of a budget hotel such as Housekeeping, Front Office, Food and Beverage and others. The frequency of department wise complaints presented in Table 2.

**Table 2.** Department wise Negative Reviews

Departments	Frequency	Percent
House Keeping	841	40.0
Front Office	637	30.3
Food and Beverage	281	13.4
Others	343	16.3
Total Negative Review	2102	100.0

It is inferred from the table that housekeeping related issues are significant determinants of customer negative online rating followed by the complaints related to the front office in budget category hotels. The result shows that operators of the budget hotel have to improve and strengthen their performance in housekeeping and front office operations. The issues are specific to each housekeeping department presented in Table 3.



**Table 3. House Keeping Related Issues**

Issues mentioned by the reviewers	Frequency	Percent
Cleanliness of Room	214	17.24
Frequency of Cleaning	53	4.27
Change of towels	58	4.67
Dirty Pillows	209	16.84
Pest Control (Cockroach, Lizards and Bed Bugs)	231	18.61
Seepage in the room	118	9.51
Dirty bed linens	76	6.12
Leakage in the sanitary fittings	53	4.27
Bad odour in the room	51	4.11
Issues related to guest laundry	178	14.34
Total	1241	100.00

The total complaints recorded in the online review about the service related housekeeping department of budget segment hotel was 1241. The most frequent complaint was about pest control related issues followed by cleanliness of the rooms, bedroom pillows and laundry related issues. The front office related issues that instigate the negative online rating by customers presented in Table 4.

**Table 4. Front office related Issues**

Issues mentioned by the reviewers	Frequency	Percent
<b>Front Office</b>		
Problem in Reservation	84	7.07
Check in check out	94	7.91
Lack of Professionalism	209	17.59
Non-availability of Wi-Fi in rooms	366	30.81
Settling of Bills	144	12.12
Employee Behaviour	229	19.28
Delay in check in	62	5.22
Total	1188	100.00

Non-availability of Wi-Fi in the guest room was the most important cause that prompted the customers to register a negative rating of budget hotels. Other significant issues were front office employee behaviour with customers and the lack of professionalism in handling the customers. These three issues alone represent 60 percent for negative reviews. The service related to food and beverage is a great contributor to revenues of budget hotels. The problems related to food and beverage operation of budget hotels, as perceived by the reviewers presented in Table 5.

**Table 5. Food and Beverage related Issues**

Issues mentioned by the reviewers	Frequency	Percent
Taste	87	3.92
Appearance	312	14.05
Quantity	319	14.37
Quality	224	10.09
Pricing	64	2.88
Serving temperature	298	13.42
Delay	309	13.92
Hygiene-related issue	264	11.89
Food Spoilage	311	14.01
Non-standardization	32	1.44
Total	2220	100.00



Most frequently appearing issues related to food and beverage operations of budget hotels are portion size, the appearance of the food, spoilage of food served, delay in the service of food, the improper temperature of food, hygiene of the food and the quality of the food. The frequency of issues related to taste, pricing and non-standardization is less compared to other issues in food and beverage operations. Other general issues related to hotel operations are presented in Table 6 which follows below.

**Table 6. Other Issues in Budget Hotels**

Issues mentioned by the reviewers	Frequency	Percent
General Maintenance	64	34.22
Air conditioning	23	12.30
Layout of room	28	14.97
Misbehaviour of other guests	72	38.50
Total	187	100.00

Other general issues recorded by the reviewers who have given the negative reviews were misbehaviour of other customers in the same hotel and the general maintenance and upkeep of the premises of the budget hotels. Issues related to air-conditioning and the layout of the room are other issues were also stated by the reviewers. Responding to online customer review is critical for service recovery and customer retention. The service recovery practices by the budget hotels are presented in Table 6.

**Table 6. Online Service Recovery Practices by Budget Hotel Service Providers**

Issues	Frequency	Percent
Apology	1853	36.32
Invitation to revisit	1812	35.44
Explanation	582	12.80
Complimentary	343	7.54
Follow up	121	2.66
Ignored	238	5.23
Total	4548	100.00

The most frequently used practice for service recovery in the budget hotels is extending an apology to the customers and inviting the customers to revisit the property. Only 12.8 percent of provided explanations for the service failures and the issues faced by the customers. 7.3 percent of hoteliers offered some complimentary meals or other services to the customers. 2.66 of the budget hotels practised a follow-up process by providing an invitation to visit the hotel after a month of their response to negative reviews. 5.23 percent of hoteliers ignored or simply did not respond to the negative online reviews on their property.

### Discussion and Managerial Implications

The result of the study shows that housekeeping related issues are significant determinants of customer negative online ratings followed by the complaints related to the front office in budget category hotels in the study area. The finding of the study is in similar with the findings of the previous studies that cleanliness of the room is an important determinant of customer satisfaction or dissatisfaction (Li, et al., 2013; Berezina, et al., 2015). The most frequent complaints related to the guest room were pest control associated issues such as the presence of cockroaches, bed bugs and rodents which were the leading issue that acts as the root cause for customer dissatisfaction in the budget hotels. The major issue related to front office operations of a budget segment hotels is non-availability of Wi-Fi in the guest room, the poor attitude of the front office



employees and lack of professionalism in customer relations. Portion size, the appearance of the food, serving stale food served, delay in the delivery of food, the improper temperature of food, hygiene and the quality of the food are the major food and beverage related issues in the study unit. Misbehaviour of other customers in the same hotel, issues in air-conditioning, and the general upkeep of hotels are the issue most frequently cited issues by the customers who posted the negative online reviews. Many of the findings of the study are in line with previous studies (Li, et al., 2013; Zhang & Li, 2009; Yang, et al., 2011). Pest control related issues such as the presence of cockroach, bedbugs and rodents, a problem related to portion size, serving of stale food and the issues in the function of air conditioners are unique to the study area. The important service recovery practices used by the budget segment hotels are extending the apology to the customers and inviting the customers to revisit the property. It is a surprise to note that 5.23 percent of hoteliers have not responded or simply ignored the negative online customer reviews on their property.

The result for the study emphasise that operators of the budget hotels have to improve and strengthen their performance in all operational areas of the budget segment hotels. The manager and service providers of the budget hotel should allocate more resources to enhance Wi-Fi services and take immediate actions to avoid pest control related issues in the hotels. Setting standards operating procedure, standardisation of portion size, adopting prevention maintenance, recruiting professionals in customer direct contact area, training of staff to handle customers, and setting up the quality standards are the need of the hour in budget hotels seeking to survive in the highly competitive marketplace.

Although this research enables us to understand the various issue of budget hotels in India, the study has its limitations. The analysis of online reviews was restricted to the budget segment hotels in Bengaluru, India. Budget segment hotels of the study were selected by a price range, and not on any specific classification by any official rating agency in India. The reviews were collected only for three months, and there is a possibility of the impact of seasonality on the behaviour of both hotels and reviewers.

The demographic characteristics, length of stay, and the segment to which the customers belong, like the purpose of visit, and mode of booking were not considered in the study due to non-availability, which may provide more insights about the customers. Methodological vigour should be ensured for the generalization of the findings in the future. Other sophisticated methods like deep learning and machine learning should be used to analyse online reviews for effective triangulation of the findings.

## **Conclusion**

The study was undertaken with the aim to identify various issues that influence the customer dissatisfaction in budget segment hotels in India. The significant contribution of this research is that it provides a detailed list of issues identified through the content analysis that hinders the performance and the profitability of the budget segment hotels. The details on department specific issues will help the managers and the service providers to react quickly and develop a process to rectify and improve service delivery. The result of the study reveals that budget segment hotels in India struggle and fail to deliver quality services to their customers. Past studies on hotel customer satisfaction indicate that customer has a high preference towards the hotels which are scored high online customer ratings. It is imperative that budget segment hotels in India have to improve their service standards to stay alive and profitable in a highly competitive business.



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