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# CLASSIFYING ONLINE CUSTOMER COMPLAINTS: A MULTI-AGENT PERSPECTIVE

# ÇEVRİMİÇİ MÜŞTERİ ŞİKAYETLERİNİN SINIFLANDIRILMASI: ÇOK PAYDAŞLI PERSPEKTİF

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#### Abstract

This study conducted a content analysis of an online Turkish complaint website to classify online customer complaints about service failures in multi-agent situations of a tourism service supply chain. From a total of 277 incidents, 422 service failures were collected. The complaints fell into four failure groups: Actual Service, Supplier's Service, Service Provider's Employees, and Supplier's Employees. The findings support the previous literature in a different context by demonstrating that, within a multi-agent context, customers consider the whole service delivery experience. They may therefore integrate or transfer their positive or negative emotions or behavioral attitudes from the principals (e.g., travel agencies) to agents (e.g., hotels) or vice-versa.

Keywords: Service failure, Tourism supply chain, Multi-Agent approach, Agency theory JEL Classification: M31

#### Öz

Bu çalışma, turizm tedarik zincirinin çok paydaşlı durumlarda hizmet hatalarına ilişkin çevrimiçi müşteri şikayetlerini sınıflandırmak için bir Türk şikâyet web-sitesinden toplanan verilerin içerik analizini yapmıştır. Söz konusu web-sitesinden toplanan 277 şikâyet içinde 422 adet hizmet hatası tespit edilmiştir. Yapılan analiz sonucu şikayetler dört ana hata grubuna ayrılmıştır: Hizmet sağlayıcının sunduğu hizmet, tedarikçinin sunduğu hizmet, hizmet sağlayıcının çalışanları ve tedarikçinin çalışanları. Bulgular, çok paydaşlı bir bağlamda müşterilerin tüm hizmet deneyimini göz önünde bulundurduğunu göstererek önceki literatürü farklı bir bağlamda desteklemektedir. Bu nedenle, müşteriler pozitif ya da negatif duygularını ya da davranışsal tutumlarını seyahat acentelerinden otellere (ya da otellerden seyahat acentelerine) entegre edebilir ya da aktarabilirler.

Anahtar Kelimeler: Hizmet hatası, Turizm tedarik zinciri, Çok paydaşlı yaklaşım, Vekalet teorisi JEL Sınıflaması: M31

"There is no requirement of Ethics Committee Approval for this study."

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# 1. Introduction

Like every business in the age of e-commerce, the hospitality and tourism industry is also involved in online sales, with the revenue share of online sales in the global travel and tourism market reaching 65% in 2020 (Statista, 2021). Individual customers and hotels are increasingly using online travel agencies and booking platforms, with sales from these channels accounting for the biggest share of their revenue (Buhalis & Law, 2008).

Besides increasing sales, online platforms enable customers to share their experiences by voluntarily posting comments regarding their experiences. Potential customers can then get information from these platforms regarding products and services before making a purchase. Customers prefer such user-generated content (UGC) on online platforms as it is fast, up-to-date, and easily accessible (Kaplan & Haenlein, 2010). Furthermore, because such information is presented in consumer-centric sites or on social media, it is free from corporate content (Forman, et al., 2008). It is therefore considered as authentic, trustworthy, and helpful (Li & Hitt, 2008). Indeed, recent data <sup>1</sup> indicates that these online platforms have become important information sources for consumers' decision making process, especially for tourism products (Sparks & Browning, 2011).

Positive reviews and comments on these platforms can generate powerful and positive word-ofmouth (WOM) (Chen & Xie, 2008) and a good reputation. This in turn may lead to a price premium (Ye, et al., 2011). However, online reviewers are more prone to writing extreme reviews and giving negative ratings (Hand & Anderson, 2020). These reviews or comments may be in the form of complaints if a failure is experienced (Zhong, et al., 2013), such as when the service is unfulfilled, delayed, or below the expected standard (Bitner, et al., 1990). However, since it is not possible to provide 100% error-free service in service industries (Fisk, et al., 1993), failures, complaints, and the resulting negative online customer reviews are common and unavoidable in the hospitality and tourism industry (Piehler, et al., 2019).

For consumers, bad online reviews due to failures are considered more valuable as they help them to avoid potential losses (Chevalier & Mayzlin, 2006). Since they reflect real problems, these reviews provide valuable information regarding service delivery, quality, and consumers' demands (Schuckert, et al., 2015). Therefore, although poor reviews may damage reputation, they may also offer opportunities for performance improvements (Schuckert, et al., 2015).

From the industry's perspective, the number of agents that consumers use, for instance while planning a holiday, has also increased. For example, they use online or offline travel agencies to book hotel rooms, rent cars, or buy concert tickets. This further emphasizes the importance of the tourism supply chain (TSC), which 'comprises the suppliers of all the goods and services that go into the delivery of tourism products to consumers' (Tapper & Font, 2004, p.3). Thus, through its different members, such as organizations providing accommodation (e.g., hotels) or logistics companies (e.g., for transporting tourists), and by linking these members (e.g., travel agencies), the TSC aims to present offerings that

<sup>1 51%</sup> of travelers prefer online sources for vacation inspiration (Statista, 2020).

meet tourist demands (Chengcheng, 2011). Travel agencies are considered a central element and service provider of TSCs (Hartikeinen, 2014; Ji & Guo, 2009) as they integrate suppliers' services to develop tourism offerings (Wu & Yang, 2009). Although some scholars (e.g., Lee & Cranage, 2017; Maister & Lovelock, 1982) use the term 'intermediary', travel agencies are a core element (see Figure 1) because they are responsible for creating tourism offerings by generating cooperation and sharing responsibility with upstream suppliers like hotels to create value for customers (tourists) (Zhang, et al., 2010).

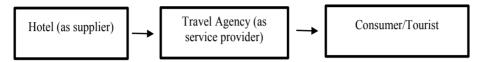


Figure 1: Tourism Supply Chain<sup>2</sup>

Source: Adapted from Yildirim, et al. (2018)

In such setting, the failure and the resulting negative online reviews may have been caused by multiple parties (e.g., the hotel, travel agency, consumers) with diverse objectives, however; previous studies have focused on one-to-one interaction, a single failure by one agent, such as a hotel or restaurant (Lee & Cranage, 2017). Moreover, a failure caused by one party may lead to an overall service failure for the entire chain (Suri, et al., 2019). Although failures generate relational or operational costs (Modi, et al., 2015), only a few studies have discussed multi-agent situations (i.e., Allen, et al., 2015; Suri et al., 2019; Yildirim, et al., 2018).

Given the above discussion, organizations should not only look at their own online reviews because they are also part of a TSC in which the actions of different organizations may influence each other. Therefore, to make performance improvements, negative online reviews should be classified for multiagent failures within a TSC setting. Accordingly, the aim of this study is to classify service failures presented in negative online reviews with multi-agent situations in a TSC context, including suppliers (e.g., hotels), service providers (e.g., travel agencies), and consumers.

# 2. Literature Review

In this part of the paper service failures in online reviews will be discussed, and then the theoretical foundation of the paper will be presented.

# 2.1. Service Failures in Online Reviews

A service failure is any real and/or perceived service-related problem during a consumer's experience with a company (Maxham III, 2001). Failures lead to dissatisfied customers (Kelley, et al., 1994) who

<sup>2</sup> This terminology is developed from the service supply chain literature (i.e., Baltacıoğlu et al., 2007). Baltacıoğlu et al. (2007) defined the service provider as the focal company performing the service. In a TSC, this central role is performed by travel agencies that integrate suppliers' services. A supplier is 'the company which supplies additional services to the service provider and/or directly to the service provider's customer where these additional services contribute directly to the production of the core service in the chain' (Baltacıoğlu et al., 2007, p. 113). In a TSC, these suppliers can be hotels, airlines, restaurants, etc.

in turn demonstrate three main behaviors (Hirschman, 1970): exit (leaving the company without any warning and never purchasing again), loyalty (staying with the company out of a belief that the service will soon improve), voice (complaining either directly to the company or indirectly to third parties through online platforms like social media) (McColl-Kennedy & Sparks, 2003; Nikbin, et al., 2012; Sparks & McColl-Kennedy, 2001). This in turn produces negative WOM (Mattila, 2001), which may cause organizations to lose existing and potential customers (Miller, et al., 2000; Nikbin, et al., 2012).

For potential customers, searching for information (e.g., WOM) on online platforms is particularly important for services because they are intangible (Sweeney, et al., 2014). Given that the tourism and hospitality industry provide experience goods, a potential customer would ideally need to visit the site, such as a hotel, to evaluate the quality (Huang, et al., 2009). As is often impossible, potential customers are strongly influenced by others' experiences through online reviews (Han & Anderson, 2020), which help them make more informed purchase decisions by acting an essential type of eWOM (Niu & Fan, 2018; Piehler, et al., 2019). Moreover, consumers tend to look for negative reviews as they believe that negative information is more diagnostic and informative (Berezina, et al., 2015), and tend to give more weight to negative information while forming their judgements (Fiske, 1980; Kellermann, 1984). Thus, when faced with a negative event or review, consumers may react more strongly, thereby deterring potential customers from purchasing a particular product or brand. This in turn damages organizations' reputations and finances (Sundaram, et al., 1998). Due to technological developments, negative eWOM can travel huge distances easily, so the impact of one unhappy customer may reach unpredictable levels (Pinto & Mansfield, 2012), thereby damaging brand image and equity, and reducing sales (Berezina, et al., 2015) and profit margins (e.g. Reichheld, 1996). Hotels are increasingly focusing on alternative (i.e., electronic) distribution channels (O'Connor & Frew, 2002) and new yield management strategies (O'Connor & Murphy, 2008). Consequently, it is essential for managers to monitor eWOM, largely in the form of consumer-generated online reviews (Levy, et al., 2013).

Although these negative outcomes mean that businesses do not want failures and complaints, complaining customers are sources of free information that enable managers to improve service quality (Schuckert, et al., 2015). Accordingly, complaints like negative online reviews should be considered as a means for tourism businesses to identify weaknesses and improve their services (Dincer & Alrawadieh, 2017). It is therefore critical to encourage future research, especially regarding negative online reviews (Sparks & Browning, 2011) by tracking and reviewing information available online to monitor the success of marketing efforts (Baker & Magnini, 2016), make unhappy customers happy, and create competitive advantages for businesses (Dickinger, 2011). This can be done by identifying the sources of problems through classifying these reviews or complaints before implementing new corrective polices to take corrective actions (Dimitriou, 2017; Loureiro & Kastenholz, 2011).

Previous studies (e.g. Bitner, et al., 1994; McColl-Kennedy & Sparks, 2003; Lewis & McCann, 2004) have researched various failure classifications in different settings. For instance, some researchers classify service failures as process and outcome failures (Smith & Bolton, 2002; Smith, et al., 1999) whereas Bitner, et al. (1994) prefer a more detailed classification, including problems related with service product (e.g., unavailable, or slow service), service providers (e.g., inappropriate employee

behaviour), problems that are outside service provider's control (e.g., flight delay due to weather conditions), and customer related problems.

Failure classifications based on online secondary sources mostly draw on online reviews from websites like TripAdvisor. The findings show that guestroom problems dominate complaints, particularly regarding room features (Sparks & Browning, 2010) and room size (O'Connor, 2010). According to O'Conor (2010), the most common topics mentioned in reviews include hotel location, staff, cleanliness, breakfast, in-room facilities, comfort, temperature, dirt, and maintenance. Lewis & McCann (2004) found that the most common and important issues for hotel customers were service and process failures. Ekiz, et al. (2012) identified two main categories regarding hotels: room for improvement (e.g., physical attributes and quality of hotel room) and hotel staff attitudes (e.g., lack of knowledge, misbehaviors). Using data from www.people.com.cn, Huang (2017, as cited in Fu, et al., 2021) found that the top six tourist complaints concerned travel agencies, scenic spots, fraud, hotels, Ctrip (top Chinese online travel agent), and tour guides. Considering dual service failures with Uber, Joung, et al. (2021) identified five categories: unwanted cancellation of ride requests, long waits, poor customer service contact, unclear pricing policies, and unskilled drivers. While providing a valuable perspective, none of these studies shed light on multi-agent failures experienced in, for instance, TSC settings. Therefore, this study provides a much needed look at online complaints regarding service failure experiences within TSCs.

## 2.2. Theoretical Foundation: Agency Theory

Agency Theory was first developed for modelling a relationship between two parties whereby one (the principal) delegates specific work to another (the agent) (Eisenhardt, 1988). The theory was later extended to include agency problems when cooperating parties have diverging goals (Ross, 1973; Eisenhardt, 1989). It has become an underlying doctrine in many fields, such as organizational behavior (i.e. Eisenhardt, 1988; Eisenhardt, 1989), marketing (i.e. Basu, et al., 1985; Bergen, et al., 1992), and supply chain management (i.e. Zsidisin & Ellram, 2003; Fayezi, et al., 2012). Accordingly, the theory can provide a theoretical foundation for TSC studies because, within each TSSC, there are principal-agent relationships whereby the customer delegates work to a travel agency, which in turn delegates work to a hotel.

Agency Theory provides an agreed-upon set of predictions based on logical assumptions about how rational individuals may behave within principal-agent relationships (Wright, et al., 2001). However, despite this contribution, Agency Theory has been criticized for various reasons, particularly for being too narrow (Heracleous & Lan, 2012), considering the principal as the dominant party in the principal-agent relationship (Bergen, et al., 1992), and assuming an imperfect agent but a perfect principal (Fayezi, et al., 2012). Moreover, the theory mostly takes a dyadic view of one agent and one principal, which is impractical while studying supply chains with multiple partners since these partners may act both as both principal(s) and agent(s), creating further complexities that make it harder to monitor the parties' behaviors of (Shapiro, 2005). Finally, because of their potential costs, service failures are considered one of the most prominent risks in such consecutive relationships (Modi, et al., 2015). Thus, we aim to shed further light on these criticisms by considering the partners in a TSC as both principals and agents while investigating their relationships.

# 3. Methodology

This study adopted a qualitative approach using content analysis. This is considered appropriate since collecting information about incidents as they happen would be expensive, time-consuming (Joung, et al., 2021), hard, and ethically controversial (Smith & Bolton, 1998).

Data were gathered from an online Turkish complaint web-site (sikayetvar.com), where consumers can post complaints about a specific company that they had a problem with and receive responses. Because consumers participate voluntarily and actively while giving reviews, they are more motivated to participate than with surveys (Belkahla & Triki, 2011). The consumers' active role in this website produces valuable and complete data (Joung, et al., 2021) based on real incidents, which allows observation of actual human behavior and thus, provides construct validity.

To focus on multi-agent situations, complaints under the travel agency sub-category were selected from the website. This indicates that the complaining customers had selected their hotel through a travel agency. While Flanagan (1954) suggests 50-100 incidents are sufficient, 400 incidents were collected for the present study. Of these, 188 mentioned that the hotel was selected through a travel agency. However, two were repeated and two concerned airline services. Thus, 184 incidents could be directly related to both a travel agency and a hotel. A search for incidents was also conducted using the keywords "travel agent" and "travel agency"<sup>3</sup>. This identified a further 184 additional incidents. From a total of 368 incidents, 21 were provided with recovery while 70 were either repeated incidents or related to other agencies (e.g., airlines). Thus, 91 complaints were excluded, leaving a finally total of 277 incidents for analysis.

Data analysis followed the procedure suggested by Strauss & Corbin (1990). First, axial coding was conducted by writing a code for each paragraph and/or sentence. Second, selective coding was conducted by grouping and comparing data to identify similarities and differences. Third, an expert opinion was taken to increase objectivity, avoid biases, and increase the robustness of the results since, by exchanging ideas, many possible explanations of the findings were revealed (Maylor & Blackmon, 2005). Finally, to ensure rigorous analysis and accurate presentation of the findings, there was continuous triangulation across incidents, our own interpretations, and the existing literature.

# 4. Findings and Discussion

During the analysis, we discovered that consumers sometimes identified more than one failure within each incident. Consequently, 422 failures were identified within the 277 incidents, which could be classified under four headings (see Table 1):

(1) Failures Related with the Actual Service: These included failures experienced with the travel agency, including problems with the holiday package or during the holiday experience.

(2) Failures Related with the Supplier's Service: These included failures related with the hotel, such as accommodation and catering.

<sup>3</sup> These phrases were searched for in Turkish as "seyahat acentesi", which is direct translation of travel agency. However, because "seyahat acentesi" is sometimes mispelt as "seyahat acentasi", both keywords were used.

(3) Failures Related with the Service Provider's Employees: These included problems caused by the travel agency's representatives in hotels or on tours (e.g., tour guides and drivers), or call center representatives

(4) Failures Related with the Supplier's Employees: These included problems caused by hotel personnel

|  | Number of failures | Percentage of failures |
|--|--------------------|------------------------|
| Failures related with the actual service               | 240                | 56.87                  |
| Failures related with the suppliers' service           | 83                 | 19.67                  |
| Failures related with the service provider's employees | 93                 | 22.04                  |
| Failures related with the supplier's employees         | 6                  | 1.42                   |
| Total  | 422                | 100                    |

Table 1: Multi-Agent Failure Classification

The data analysis demonstrated that most complaints (78.91%) concerned either the actual service or the service provider's employees. That is, they were mostly related with the principal (i.e., the travel agency). Complaints related with the agent (i.e., the hotel) accounted for 21.09% of the total. These complaints were then classified further.

## 4.1. Failures Related with the Actual Service

Failures related with the actual service could be divided into two groups (see Table 2): unmet promises (62.91%) and unclear policies (37.09%).

The most frequently-mentioned failures were "*unmet promises*" in which the travel agency broke its promise to provide a booking, a 5-star hotel, or a room with a view, or they provided misguided information through their web-site or representatives. This finding is similar to the "*failures related with service product*" category of McColl-Kennedy & Sparks (2003) or the "*unavailable service*" category of Bitner, et al. (1994).

As Zeynep's statement shows (see Table 2), customers are especially disappointed if they have paid extra for a hotel room with a view. Customers also complained that agencies change hotels at the very last minute, and mostly to a hotel far from the city center (see Sinem's statement in Table 2). Thus, despite relying on agencies to make bookings and pay for hotels, customers cannot always get their money's worth (see Mert's statement in Table 2) as travel agencies sometimes forget to reserve a room or transmit payments. In line with previous studies (e.g., Levesque & McDougall, 2000), these failures to meet promises are especially important if the situation is critical. In several cases (32 of 277 incidents), customers highlighted the criticality of the issue by mentioning that they had experienced the failure during a honeymoon, anniversary, pilgrimage, or with children. For instance, Sezgin complained that "*In Mecca, we changed hotels five times. They told us that the rooms had been sold to someone else, but actually they had not made the reservation since the fees were too high. It was a disaster.*"

| Representative Quotes   | Second-order<br>categories  | Number/<br>Percentage<br>of<br>Complaints | Aggregate<br>Theoretical<br>Dimensions  |
|---|---|---|---|
| Ali (Male): "The hotel representatives informed me that the agency hasn't paid. I tried to reach the agency, but the call centre never answered. Finally, I reached the agency's representative and he informed me that they talked with the hotel, but reimbursement cannot be done."<br>Hakan (Male): "If the travel agency does not provide a bill for the service, I look for malicious intentions. If I am waiting this long for the first rule of an exchange/trade, this means they are evading taxes."<br>Mustafa (Male): "I bought the tour for 699 euro. Then agency called me and said there is an increase in the tour fee, and now it is 749 Euro."<br>Selin (Female): "I talked with other customers. While I was paying 136 TL for a night, they were paying 100 TL."  | changes in tour<br>fees, destinations,<br>dates, unclear<br>reimbursement<br>policies, scams,   | 89/37.09%                                 | Failures related<br>with the actual<br>service<br>Customers<br>require<br>distributive<br>and procedural<br>justice |
| Kemal (Male): "We went to a hotel in Mecca. Although I signed<br>the contract for a harem-view room, this was not the case. My<br>holiday started with a disappointment."<br>Sinem (Female): "I signed for a hotel in city centre, but the hotel<br>was 16 km. away from the city centre Although I paid extra<br>money to stay a hotel in the city centre, I stayed in this one and I<br>had to take a cab every day and paid 60 Euros."<br>Zeynep (female): "I paid more than the normal price for a<br>room with a sea view to ABC hotel for August, but it was a<br>disappointment because when I arrived, I saw that the room was<br>facing a roof. The clerk of the travel agency said it was the hotel's<br>problem. For the sake of customer satisfaction, they gave me a 5%<br>discount for my next holiday. I will never work with this travel<br>agency again."<br>Mert (Male): "I made a reservation through an agency. They gave<br>me a reservation tracking document and I made the payment via<br>credit card. A day before the holiday, I called the hotel to request<br>a sea-view room, but then I learned I have no reservation. I called<br>the agency and they said they had a problem; that's why they<br>couldn't make the reservation."<br>Erdal (Male): "the agency shared my personal information with third<br>persons. I had planned a private holiday with my wife, but my cousin<br>called the travel agency, and he was able to learn the dates of the holiday,<br>the hotel that we are going to stay in, and even whether the room had<br>an extra bed or not. Now I have to take my cousin with me!"<br>Murat (Male): "When I arrived at the hotel, they informed me that<br>the agency had not paid, so they cannot let me in. Since I cannot | (e.g., not the<br>specified hotel,<br>not a 5-star hotel,<br>without the required<br>view, not close to<br>the city centre,<br>no reservation,<br>cancelled<br>reservation, lack of<br>data security, over- | 151 / 62.91%                              |   |

#### Table 2: Failures related with the actual service

Note: These percentages are calculated for each category.

Within this sub-category, consumers also complained about security, particularly regarding information or their safety or well-being. There tends to be uncertainty and risk in choosing a destination as customers rely on secondary information instead of their own experience (Um & Crompton, 1992; Tasci & Boylu, 2009). From a theoretical perspective, this situation creates an information asymmetry between TSC partners. Since consumers (i.e., the principal) cannot easily monitor the behavior of travel agencies and hotels (i.e., the agents) (Shapiro, 2005), they feel less secure or safe.

Customer complaints about "*unclear policies*" mostly concerned increased tour fees after having paid, or changes to the dates or destinations of programs. Regarding tour fees, travel agencies claimed that the increases were due to changes in exchange rates. Customers also complained when they discovered that their travel agency had charged other customers less for the same service.

As tour fees are determined through negotiations with the hotel, they can be considered as a multiagent problem. This supports Schulz's (1994) view that agencies and hotels have an unhealthy relationship, which leads to failures with the actual service.

Another aspect of this sub-category concerned unclear reimbursement policies. Although these are mostly due to a previous payment problem between a hotel and a travel agency, the victim is always the customer. In some cases, for instance, the customer has to pay twice – either the whole fee or part of it. Furthermore, when customers demand reimbursement, the agency generally claims that this is not possible or makes the customer wait between 14 days to 6 months for reimbursement. In some incidents, this failure also led to further failures such as lack of data security or fraud. For instance, in line with previous research (e.g., Huang, 2017), customers accuse these travel agencies of scamming or fraud. Since they cannot get their money back, customers assume that the agencies use their money to increase their profits (see Hakan's statement in Table 2).

#### 4.1.1. Emotions and Recovery Demands for Failures Related with Actual Service

Although it is beyond the study's objectives, the data supports another finding in the literature (e.g., Smith & Bolton, 2002; Schoefer & Ennew, 2005) that failures may also trigger emotions like anger and disappointment. Customers' reactions are more emotional if the service was critical, such as the reaction of Melek (female): "*You ruined my most important and special days for me*" (Melek, female). Besides these emotional phrases, some threaten legal action against the agency or hotel, which also supports previous literature (e.g. Mattila, 2001) that failures lead to negative WOM.

Moreover, since more than half of the failures within this category concern unmet promises, it also indicates that customers weigh the inputs (e.g., money, effort, or time) against outputs (e.g., product or service) in deciding if the exchange was fair or not (Adams, 1963). After a failure, perceived justice applies to interpreting consumers' responses to service recovery (Blodgett, et al., 1997). The failures exemplified above concern room facilities, payments, etc. Therefore, the behavioral outcomes (e.g., satisfaction or repurchase intentions) can be improved if the consumer is offered distributive justice, meaning the perceived fairness of the compensation that the consumer gets (Folger & Konovsky, 1989).

The consumers also complained that, even if they managed to get compensation, they had to wait between 14 days and 6 months for the reimbursement. Consumers require quicker solutions to their problems. That is, they also demand procedural justice, meaning perceived justice regarding the procedures and processes for recovering from a service failure (Mattila, 2001). From a theoretical perspective, this shows that travel agencies are unresponsive and inflexible during recovery as they need at least a fortnight to make a refund. Moreover, as stated above, only 21 out of 368 incidents ended with solutions, which demonstrates that agencies are not good at recovery and need to improve their procedures and processes.

# 4.2. Failures Related with Suppliers' Services

This category includes "*bad service quality*", which directly depends on the services that each hotel provides (see Table 3). Customers complain, for example, about accommodation quality, such as a dirty hotel room, a room with inadequate equipment, or poor-quality food.

When the failure concerns the supplier, consumers are more likely to mention their behavioral intentions. By writing a complaint to the website, they already show their dissatisfaction with the parties. However, despite experiencing a failure related to the suppliers' service, several consumers said that they would not use the travel agency again: *"worst was the beds were dirty, and the sheets and pillows smelled, never with XYZ tour again* (Sema, female)."

| Representative Quotes   | Second-order<br>categories                       | Number /<br>Percentage<br>of<br>Complaints | Aggregate<br>Theoretical<br>Dimension  |
|---|--|--|--|
| Sema (Female): "The beds, sheets, and duvets of the hotels in Prague and<br>Budapest were dirty, smelly, and had a yellow color. I could not sleep due to<br>smell coming from the pillows. They never changed the bed sheets. There<br>was no shampoo in the rooms."   | (dirty, small,<br>inadequate<br>equipment, etc.) | 47 / 56.63%                                |  |
| Mesut (Male): "It couldn't be worse; this hotel does not suit the travel<br>agency. They have two employees who tried to serve the whole hotel.<br>Please remove this hotel from your list."  | 1  | 6 / 7.23%                                  | Failures related with suppliers'   |
| Meltem (Female): "How can you make arrangements with a hotel that serves<br>awful food? I will also apply to Consumer Rights with a written statement."<br>Gülbahar (Female): "The food sucks, I have starved for a whole week."<br>Yeliz (Female): "It was our honeymoon, but the food and drink<br>were really bad. We couldn't eat anything. We are planning another<br>honeymoon vacation; I am demanding this trip as compensation for<br>the previous one." | inadequate<br>monotonous,<br>unhygienic,         | 19 / 22.89%                                | services due<br>to bad service<br>quality<br>Customers<br>require<br>distributive<br>justice |
| Yasemin (Female): "There was a warning in the room stating that the hotel<br>is not responsible for the security of your belongings. There is no safety."<br>Gülbahar (Female): "I felt so unsafe that I put a closet behind the door."   | Security   | 11 / 13.25%                                |  |

# Table 3: Failures related with suppliers' services

Besides demonstrating 'exit' behavior (Hirschman, 1970), consumers warned that they would not recommend the travel agencies to third parties. Thus, although this classification sounds similar to "failures that are outside service provider's control" category (Bitner, et al., 1994; McColl-Kennedy & Sparks, 2003), in a TSC with multi-agents, customers perceive two agents and complain about both parties following a failure by the supplier since they think that travel agency should guarantee the quality of the service throughout the TSC. They then alter their behavioral intentions accordingly. Thus, from the consumer's perspective, failures related with suppliers' services are not beyond the service providers' control. Consequently, the supplier's actions can affect consumers' perceptions of the service provider. This supports previous studies (e.g., Allen, et al., 2015, Yildirim, et al., 2018) reporting that, in multi-agent cases, the customer may integrate or transfer attitudes from the agent (i.e., supplier: hotel) to the principal (i.e., service provider: travel agency) or vice versa.

#### 4.2.1. Emotions and Recovery Demands for Failures Related with the Suppliers' Services

Since consumers' perceptions of the service provider are also affected by suppliers' actions, consumers may also demonstrate emotions towards both parties in a multi-agent situation and claim that they are not going to use either's services again. They also express their disappointment with both parties, using phrases such as "*This place does not suit ABC tour*" (Mesut, male) and "*I thought I could trust ABC tour*" (Senay, female).

Similar to failures related with actual service, consumers weigh inputs against outputs while deciding if they are getting their money's worth. By demanding a refund or a gift, they give suppliers an opportunity to recover from their failure through providing distributive justice. Besides, all the second-order categories indicated that these failures concern the suppliers' processes. Therefore, suppliers need to constantly evaluate their own systems, processes, and procedures to avoid service failures.

#### 4.3. Failures Related with the Service Provider's Employees

This category of failures includes "incompetent employees" and "reckless or rude employees".

| Representative Quotes   | Second-order<br>categories              | Number /<br>Percentage<br>of<br>Complaints | Aggregate Theoretical<br>Dimension   |
|---|---|--|--|
| Ümit (Male): "We called the tour guide to find him.<br>There were no signs at the airport that may guide us<br>to him. The very first morning, he couldn't decide on<br>the gathering places and time. He has no information<br>regarding the history of the city we visited. He had no<br>guiding or organizing skills."<br>Meltem (Female): "I expressed my dissatisfaction to<br>the agency representative, but she couldn't provide<br>any solution. I also called the agency's call center.<br>Again there was no solution to my problem. You<br>ruined the best days of my life." (she experienced the<br>failure during her honeymoon)<br>Aykan (Male): "I called the travel agency, but they<br>hung up on me." | Incompetent employees                   | 31 / 33.33%                                | Failures related with<br>the service provider's<br>employees<br>Customers require<br>interactional justice |
| Müge (Female): "I told the representative that the<br>room is too gloomy and asked for a room on the<br>other side of the building. I was polite and there was<br>nothing, but he started to yell and said every room is<br>the same. I told him to lower his voice, but this time<br>he said he could not deal with me and left. I can't<br>understand how this agency works with someone like<br>this."   | Reckless/Rude/<br>Unreachable Employees | 62 / 66.67<br>%                            |  |

#### Table 4: Failures related with service provider's employees

These are not directly related with the travel agency's services. Rather, they are directly related with the customer's treatment by employees (see Table 4). These employees may include representatives of travel agencies in hotels, tour guides, drivers, travel agency branch workers, and call center representatives. Consumers also complained about not being able to reach these employees or representatives.

#### 4.3.1. Emotions and Recovery Demands for Failures Related with the Service Provider's Employees

The failures in this category concern the behaviors of the service providers' employees. Thus, from service recovery perspective, consumers wish to receive an apology or an explanation. That is, they demand international justice, meaning the perceived justice of human interactions with employees throughout the recovery process (Sparks & McColl-Kennedy, 2001).

In their complaints, consumers used phrases like "*I deeply regret choosing this travel agency*" and "*I had the worst experience due to choosing the wrong hotel and tour guide. I want the agency to deal with this failure.*" This shows feelings of dissatisfaction and an expectation of a recovery. The complainants also emphasized that even if the problem were solved, their disappointment and negative behavioral intentions might not be reversed. For instance, Kerem (male) warned that (even after receiving a recovery) he would complain about the travel agency on every platform, and that neither he nor his acquaintances would ever select that agency again. In line with previous studies, these consumers also felt dissatisfied and betrayed if the travel agency did not provide a recovery (Mattila, 2004; Rio-Lanza, et al., 2009). If the other party provides the recovery, consumers are more likely to express emotional responses, such as anger:

**Serdar (male):** "I reminded the agency representative about my room preference, and said I want a change. He said this is impossible. I then declared that I had informed them days before and the agency had told me that they would do it. Then the representative became aggressive. In the end, I explained the problem to the hotel reception, and the personnel changed my room. You see this is ABC Agency's quality!!!"

As Serdar's case shows, although his problem was resolved by another, his anger towards the agency increased. This supports the idea that one's loss may become another party's gain (Allen, et al., 2015). Thus, especially in a multi-agent case, the parties need to take extra care with failures, re-evaluate their recovery strategies, and consider which agent should provide the recovery. From a theoretical point of view, contracts between travel agencies and hotels may improve recovery strategies. These contracts should include special clauses specifying recovery actions for each party following a failure (Yildirim, et al., 2018).

#### 4.4. Failures Related with the Suppliers' Employees

The customers also complained about the suppliers' employees, i.e., the hotel employees. Previous studies (e.g., Ekiz, et al., 2012) find that complaints are about arrogant and/or clueless staff. Within a multi-agent context, however, consumers rarely complain about the indifferent behaviors of hotel personnel. Like the failures related with the service provider's employees, complaints about suppliers' employees formed two groups: incompetent employees and rude and/or reckless employees (see Table 5).

Although the percentage of failures in this category was low, we believe that it is still relevant for multi-agent cases. In all complaints about rude, reckless, or indifferent hotel employees, consumers had already been complaining about another failure. Thus, they perceive these failures as secondary to those they experience with the principal (i.e., the travel agency).

| Representative Quotes   | Second-order<br>categories            | Number /<br>Percentage of<br>Complaints | Aggregate Theoretical<br>Dimension  |
|---|---------------------------------------|---|---|
| Menekşe (female): "There were so many guests and a receptionist who was confused and had no idea or made no attempt about solving the problem." | Incompetent<br>employees              | 3 / 50%                                 |   |
| Mustafa (male): "When I complained about the failure, the<br>hotel manager insulted me and attempted to evict me from<br>the hotel".            | Rude and/<br>or Reckless<br>Employees | 3 / 50%                                 | Failures related with the<br>suppliers' employees<br>Customers require<br>interactional justice |

#### Table 5: Failures related with suppliers' employees

## 4.4.1. Emotions and Recovery Demands for Failures Related with the Suppliers' Employees

Since consumers in the abovementioned failures also complain about the behaviors of the supplier's employees, they may achieve better behavioral outcomes (e.g., satisfaction or repurchase intentions) if the consumer is offered interactional justice, meaning the customers' perception of justice in human interactions with the service companies' employees (Sparks & McColl-Kennedy, 2001).

Sebahat (female): "The hotel was awful. The sheets and bathroom were dirty, the bed was broken, the room was cold, the food was bad, and the employees were rude. The travel agency did nothing about this. I trusted this firm, but after they get their money, they disappear. At least they should apologize and inform us that they will warn the hotel etc. I know that nothing will change, and this is the worst feeling."

Furthermore, in multi-agent cases, if the secondary agent (e.g., a hotel) simultaneously fails in relation to both its service and its employees, the former seems more important for consumers. From a theoretical perspective, as the consumer's first contact is with the travel agency, they may ignore the hotel as their secondary agent (Yildirim, et al., 2018). Consequently, they still demand interactional justice from the travel agency (see statement above). Therefore, offering a combination of distributive and interactional justice, for example, may help both partners in TSC.

# 5. Conclusion

Neither tourism nor hospitality services are considered luxuries anymore. Instead, they have become integral parts of consumers' lifestyles, which has created new challenges for managers of these businesses (Kandampully & Duddy, 2001). One challenge is managing online complaints about service failures and/or demands for service recovery. Given the potential influence of these complaints, managers must invest time to respond on these online complaints (O'Connor, 2010).

This study contributes to the literature by providing a classification of multi-agent service failures from a TSC perspective. Most travel agencies have arrangements with hotels. However, these relationships

may be unsatisfactory for several reasons, particularly service failures. Therefore, to improve this relationship, it is important to first classify service failures from a multi-agent perspective. The data analysis revealed that customers express negative emotions after a failure, as previous studies have suggested (e.g., Harrison-Walker, 2019; Smith & Bolton, 2002), and also demand for service recovery. The present study thus also contributes to the literature by suggesting recovery strategies for multi-agents in TSCs for diverse service failures to sustain good and profitable relationships with consumers.

The results identified four categories of service failures in a multi-agent context. The first concerned failures are the principal's own service (i.e., the travel agency). These were the most frequent (56.87%). These included unmet promises (e.g., not providing the previously specified hotel, aa 5-star hotel, or specific room) and unclear policies (e.g., changes in tour fees, destinations, dates, unclear reimbursement policies, scams, and fraud). These findings are in line the with literature as they resemble the category *"failures related with service product"* (McColl-Kennedy & Sparks, 2003). These failures may also trigger emotional responses like anger and disappointment (e.g. Smith & Bolton, 2002). These negative emotions can only be altered through monetary compensation, such as discounts and refunds (Valentini, et al., 2020). Valentini, et al. (2020) also suggest that a clear communication channel for the waiting time and procedures may also increase positive emotions. Similarly, our results show that complainants in this category also demand distributive and procedural justice as they consider they are not getting their money's worth.

The second category concerns failures related with the suppliers' (i.e., the hotel's) services, such as the hotel room, hotel employees, food, and security. One of the most important findings is in this category is that although these failures concerned the hotel itself, customers also complained to their travel agency. Previous studies sometimes included this under "*failures that are outside the service provider's control*" (e.g., Bitner, et al., 1994; McColl-Kennedy & Sparks, 2003). However, in a multiagent context, customers complain about both agents as they consider that the first agent (i.e., the travel agency) should guarantee the service quality of the second agent (i.e., the hotel). From another perspective, this supports previous studies (i.e., Allen, et al., 2015; Yildirim, et al., 2018) reporting that customers consider the whole service delivery experience when multi-agents are present. Consequently, they may integrate or transfer their emotions or behavioral attitudes from agents to principals, or vice versa. Our findings demonstrate that customers may lose trust in travel agencies or express disappointment and may demand distributive justice from either party. Therefore, as suggested by Chang, et al. (2019), although travel agencies and hotels may be competing for future visits, they should also cooperate to satisfy consumers in order to increase positive behavioral outcomes.

Failures related with the service provider's employees (i.e., the travel agency's) included incompetent, reckless, rude, and unreachable employees whereas, failures related with the supplier's employees included incompetent, rude, and/or reckless hotel employees. These last two categories support the findings of Chang, et al. (2011), who found that consumers experiencing unfriendly service are more likely to take action or complain. Furthermore, such behaviors also induce the expression of

negative emotions, such as dissatisfaction, anger, disappointment, betrayal. Due to these behaviors and emotions, customers' recovery expectations are related with interactional justice.

Although the last category (*failures related with the suppliers' employees*) was the least frequent (1.42%), it is worth mentioning from a multi-agent perspective. As the context includes multi-agents, failures in this category are mentioned as additional problems to the first three categories. Despite seeming secondary, customers still demonstrate negative emotions and behavioral outcomes for both agents in their complaints.

From a theoretical perspective, hotels and travel agencies may have an unsatisfactory relationship due to diverse goals and risk preferences (Zhang, et al., 2009). The requirements of the principal (i.e., the travel agency) may be costly to fulfil for the agent, who may therefore behave opportunistically (Bergen, et al., 1992), such as engaging in adverse selection (Eisenhardt, 1989). Adverse selection occurs if a principal cannot verify an agent's skills or activities (Mills, 1990), which in turn increases customer dissatisfaction with both parties. Moreover, the experience of failure and poor service recovery increases customers' negative WOM and switching behaviors (Swanson & Hsu, 2009). Due to negativity bias, customers are prone to pay more attention to negative information (Ahluwalia, 2000), which supports Fu & Mount (2007), who report that customers weigh current service encounter satisfaction rather than prior cumulative satisfaction. This means that even if their relationship with agents is good, customers weigh negative experiences more heavily. Therefore, customers' reactions can damage any partner in a TSC if a successful recovery is not provided (Swanson & Hsu, 2009).

Our data demonstrates that recovery is rarely provided within this online platform as only 21 recoveries were issued for 368 complaints (5.70%). Yet, recovery actions to negative online reviews can positively affect behavioral intentions (Olson & Ro, 2020), and may help to reverse negative emotions after consumers experience service failure (Valentini, et al., 2020). Furthermore, recovery actions are used as signals by potential consumers in setting their expectations (Han & Anderson, 2020) and generate inferences regarding the trustworthiness of the company, which in turn affects purchase intentions (Olson & Ro, 2020). Therefore, cooperation between travel agencies and hotels may also make recovery policies more successful.

From a managerial perspective, to decrease adverse selection, travel agencies need to constantly monitor and evaluate the hotels they work with regarding their requirements. For better monitoring, industry 4.0 tools such as Big Data, Automation, Virtual and/or Augmented Reality, and robotics may be useful (Bilotta, et al., 2021). For instance, to reduce adverse selection, TAs (i.e., principal) may demand 360-degree videos, which are '*a strong analogue to a real-world experience*' (Wagler & Hanus, 2018, p.456), from hotels (i.e., agent). Especially with virtual reality, principals in TSC could experience a hotel and/or destination (Kim & Hall, 2019), which can discourage agents to behave opportunistically. Since the objective of all partners in the TSC is to create value and a seamless experience for consumers, they should remember that the actions of each partner affect the others (Allen, et al., 2015; Yildirim, et al., 2018). Accordingly, this study also supports the findings of Weber & Sparks (2010) concerning airlines. They concluded that it is important for alliance airlines to

consider both their own and their partner airlines' service standards and policies in case of service failure and recovery occasions.

This study has several limitations. The first concerns the methodology. Although content analysis is considered appropriate for collecting incidents, it may also produce weaker responses. Therefore, future studies should employ other data collection methodologies (e.g., quantitative approaches). For instance, future research could use the SERICRAT scale (George, et al., 2007) to measure service recovery satisfaction. Moreover, it is impossible in our setting to determine whether consumers used bricks-and-mortar or online travel agencies. Future studies could focus on this distinction and try to identify and classify failures and diverse recovery strategies for different forms of travel agencies.

## **Author Contribution**

All phases of this study is conducted by Cansu YILDIRIM.

## **Conflict of Interest**

No conflict of interest is reported by the author.

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#### Resume

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