

Measuring the Impacts of Organizational Responses: Case of Northern Cyprus Hotels

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Today, businesses are operating in a global economy, markets are characterized by hypercompetition and businesses must adapt themselves to the empowered consumer. Companies need to focus on customer needs and wants, quality and customer retention through correcting mistakes. This study aims to measure the effects of apology, redress, explanation, attentiveness and promptness on complainant satisfaction, repurchase intentions and word of mouth communication through the use of a sample of Turkish customers, accommodated in three, four, and five star hotels in Northern Cyprus. Implications for managers, limitations, and implications for future research are presented in the following sections of the study.

Key Words: customer complaints, organizational responses, satisfaction, repurchase intention, word of mouth communication, Northern Cyprus hotel industry

JEL Classification: L83, M31

Introduction

In era of intense competition, service organizations attempt to differentiate themselves from their competitors. By providing exceptional services that will benefit its target market, service organizations are likely to achieve differentiation (Kotler, Bowen, and Makens 1999). However, mistakes and failures are frequent occurrences in service businesses (Babakus et al. 2003). Therefore, service firms seek effective solutions in order to minimize the number of mistakes and failures in the service encounter. When the failures occur customers are likely to complain. Possible remedies to service failures and customer complaints are based on effective service recoveries (Boshoff 1999).

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Service recovery is a specific activity in which a company engages to address a customer complaint regarding a perceived service failure (Spreng, Harrell, and Mackoy 1995). A review of the services marketing literature indicates that the attributes or dimensions of service recovery have been associated with justice principles, customer satisfaction, and post-purchase customer behaviors (Smith, Bolton, and Wagner 1999; Yavas et al. 2003; Mattila 2001; Tax, Brown, and Chandrashekar 1998). By providing equitable and quick responses to customer complaints, service organizations aim to achieve a pool of satisfied customers and increase the level of repeat patronage.

Although there may be other indicators of service recovery such as facilitation and work efforts (Davidow 2000; Tax, Brown, and Chandrashekar 1998), a synthesis of the literature reveals that organizational responses to complaints or dimensions of effective service recovery are based on apology, redress, explanation, attentiveness, and promptness (Smith, Bolton, and Wagner 1999; Boshoff 1999; Yavas et al. 2003). Research demonstrates that the aforementioned dimensions are related to: complainant satisfaction, repurchase intentions and word of mouth (WOM) communication (e.g. Karatepe and Ekiz 2004; Davidow 2000; Yavas et al. 2003; Boshoff 1999; Mattila 2001).

In light of the existing discussion, this study aims to measure organizational responses to complaints in Northern Cyprus hotels serving Turkish customers. Specifically, the current study investigates the effects of apology, explanation, redress, attentiveness, and promptness on complainant satisfaction, repurchase intentions, WOM communication and the effect of satisfaction on repurchase intentions in three, four, and five star hotels in Northern Cyprus.

This study, investigating these issues, is useful for at least two reasons. First, a growing body of research shows that the issue of service recovery is at the development stage in tourism and hospitality literature (Becker 2000), little is known about the effects of organizational responses to customer complaints on satisfaction and repurchase intentions (Davidow 2000; Yavas et al. 2003; Ekiz 2003), and there is a paucity of empirical research in this area. Second, as well as contributing to the existing body of knowledge, this study has important implications at both micro and macro levels. The tourism and hospitality industry is the lifeblood of Northern Cyprus economy, having a significant portion in the overall Gross National Product (State Planning Organization 2003). However, there are specific customer complaints such as late check-in and check-

out transactions, physical environment, and attitudes of hotel staff in the hotel industry (Karatepe and Avci 2002; Ekiz 2003; Yavas et al. 2003). These issues are of great interest to both public officials and hotel managers in tourism and hospitality industry.

The present study provides a review of the literature concerning service failure, customer complaints, and service recovery. By examining a number of research findings, a brief explanation is provided of service failure, customer complaint and service recovery as well as organizational responses to these service failures. Then, the conceptual model and study hypotheses are proposed based on a number of research findings. This is followed by the presentation of the methodology, discussion of the results, and implications of the study.

Literature Review

A number of problems take place in service encounters due to the inherent variability feature of services. Although service organizations attempt to take precautions in order to minimize specific problems in service encounters, they are unlikely to prevent incidents such as the occasional late flight, burned steak, or missed delivery (Hart, Heskett, and Sasser 1990). In the related literature, these problems are named as 'service failures'. Service failure is defined as a service performance that falls below a customer's expectations (Hoffman and Bateson 1997).

When service failures take place, customers are likely to complain about these incidents. Complaining can be defined as a formal expression of dissatisfaction with many aspect of a service experience (Lovelock and Wright 1999). Garrett, Meyers, and Camey (1991, 66) have provided a very extensive definition of consumer complaints as 'an action taken by an individual which involves communicating something negative regarding a product or service, either to the firm manufacturing or marketing that product or service, or to some third-party organizational entity'.

Service recovery is a well-accepted term for what service companies attempt to offset the customers' negative reaction to the service failures. It includes all the actions that should be taken by companies in order to move a customer from a state of disappointment to a state of satisfaction (Bell and Ridge 1992). Service recovery, or putting right what has gone wrong, is crucially important (Bailey 1994). One reason for this is that it costs several times as much to create a new customer as it does to keep and satisfy an existing one (Lovelock 2000; Kotler 2003). The other reason is that customer satisfaction and loyalty is much greater after a

problem has occurred and been put right than it was before the problem occurred (Bailey 1994). What can be understood from these points is that customers are aware of the fact that up to a certain level mistakes can happen, but they demand timely, fair, courteous, clear, efficient, and interactive solutions.

The organizational responses analyzed in this study can briefly be explained as follows. *Apology* is a psychological exchange, what is offered in exchange for the inconvenience or problem which the customers face. Boshoff and Leong (1998) report that apologizing for the inconvenience, as a first step towards re-establishing the equilibrium, plays an important role in customer satisfaction with a firm's service recovery effort. *Explanation* basically refers to information given by the service provider about why the problem occurred. Appropriate provision of explanation reduces the recipient's perceptions of injustice and, in turn, affects recipient satisfaction and loyalty (Dunning and Pecotich 2000). *Redress* refers to the 'fair settlement or fix' of the problems that arise between the company and the customer (Diener and Greyser 1978). Blodgett, Wakefield, and Barnes (1995) stated that customers who receive a fair settlement, are satisfied and more likely to show re-patronage. *Attentiveness* is the interaction and communication between the company staff and the complainant. Davidow (2000) argues that this interaction is the key construct and can enhance or detract from complainant satisfaction, repurchase intention and negative WOM. *Promptness* represents the fairness of the organization in responding to the customer complaints in a timely manner. Kincade, Redwine, and Hancock (1992) reported that the speed of the response is very important in affecting consumers' satisfaction and repurchase behaviors.

In his critical review, Yi (1990) proposes that there are three types of definitions of satisfaction as an outcome or as a process. These definitions include: 'the buyer's cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone'; 'an emotional response to the experiences associated with particular products or services purchased, provided by retail outlets, or even molar patterns of behavior such as shopping and buyer behavior, as well as the overall marketplace'; and 'the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumptions change' (Yi 1990, 69).

Post-purchase behavior is defined as 'a series of steps in which consumers compare their expectations to perceived reality, experience con-

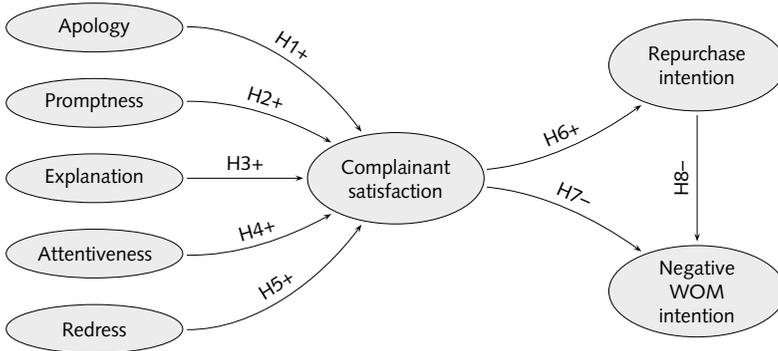


FIGURE 1 Conceptual model

sequent satisfaction/dissatisfaction, and then act in a way influenced by that satisfaction and dissatisfaction' (Gilly and Gelb 1982, 323). When customers praise the firm and express preference for the company over others, it means that they are likely to increase the volume of their purchases and disseminate a positive word of mouth communication, or the opposite (Zeithaml, Berry, and Parasuraman 1985; Konečnik and Ruzzier 2006). Based on the preceding discussion, the following model and hypothesis are proposed:

- H1 *A sincere apology will have a significant positive effect on customer satisfaction.*
- H2 *Promptness will have a significant positive effect on complainant satisfaction.*
- H3 *Explanation will have a significant positive influence on complainant satisfaction.*
- H4 *Attentiveness will have a significant positive influence on complainant satisfaction.*
- H5 *Redress will have a significant positive effect on complainant satisfaction.*
- H6 *Complainant satisfaction will exert a significant positive influence on repurchase intention.*
- H7 *Complainant satisfaction will exert a significant negative influence on negative WOM intention.*
- H8 *Repurchase intentions will exert a significant negative influence on negative WOM intention.*

Methodology

The current section consists of the methods used in collecting data and related statistical analyses. The results of reliability coefficients and Pearson product-moment correlations as well as the results of descriptive statistics are presented for study. Psychometric properties of the scale are assessed through corrected item-total correlations and Pearson product-moment correlations. In addition to these analyses, confirmatory factor analysis is used to evaluate the psychometric properties of the scales for main study. Path analysis using LISREL 8.54 (Joreskog and Sorbom 1996) is used so as to test the hypothesized relationships.

MEASURES

The current study employs the scales developed by Davidow (2000) and used by Yavas et al. (2003) Ekiz (2003) and Karatepe and Ekiz (2004) in order to operationalize the model depicted in figure 1. Furthermore, this study uses five items from Davidow (2000) to measure the repurchase intentions and negative WOM intentions. The questionnaire items were originally prepared in English and then translated into Turkish by using back-translation method (McGorry 2000). Results of the pilot study suggest that there is no compelling reason to modify or delete any items in the questionnaire.

SAMPLE

The sample for this study included customers who were accommodated in three, four, and five star hotels in January and March, 2005. A judgmental sampling approach was undertaken for data collection. Research team collected data from customers who had complaints and reported them to the organization during their stay in three, four, and five star hotels. In addition, questionnaires were personally distributed to hotel customers, and they were given assurance for confidentiality. Hotel customers were requested to fill out the questionnaires in a self-administered manner. Of the 500 questionnaires distributed, 394 usable questionnaires were retrieved with a response rate of 78.8%.

The majority of the respondents (62.7%) were male. More than sixty-seven percent of the respondents were between the ages of 38 and 57. More than seventy-three percent of the respondents had college education and fifteen percent of the respondents had secondary and high school education. Additionally, more than fifty-four percent of the respondents reported the purpose of visit as vacation. Twenty-eight per-

cent of the respondents reported that their motive for visiting Northern Cyprus is gambling.

PSYCHOMETRIC PROPERTIES

In assessing the psychometric properties of the instrument, issues of reliability, dimensionality, convergent and discriminant validity are considered. In order to provide support for the issue of convergent validity, corrected item-total correlations were computed. The inter-item correlations being equal to or exceeding 0.32 provided support for the convergent validity of the scale (Tabachnick and Fidell 1996). Reliability coefficients were also computed for each study variable. Overall Alpha coefficient score was found to be 0.92 at the aggregate level, see table 1. These findings show that each coefficient exceeds the cut-off value of 0.70 as recommended by Nunnally (1978), as were the cases with those of Davidow (2000), Yavas et al. (2003) and Karatepe and Ekiz (2004).

A series of stringent tests were undertaken for the issues of convergent and discriminant validity, and dimensionality. Specifically, confirmatory factor analysis was employed to provide support for the issues of dimensionality, convergent and discriminant validity of the instrument. Table 1 indicates a reasonable fit of the eight-factor model to the data on the basis of a number of fit statistics. As also demonstrated in table 1, the majority of the factor loadings are above 0.75, and all *t*-values are significant. Overall, these results provide support for the dimensionality, convergent and discriminant validity of the scale (Anderson and Gerbing 1988). The results of fit statistics of this study are almost the same, when compared with those of Davidow (2000), Ekiz (2003) and Karatepe and Ekiz (2004). Additional assessment was undertaken using composite scores. Specifically, composite scores for each study variable were calculated by averaging scores across items representing that dimension. All correlations among the study variables were significant at the 0.01 level. The correlations among the study variables range from 0.42 (attentiveness and negative WOM) to 0.71 (complainant satisfaction and repurchase intention). Means and standard deviations of dimensions composite scores are also calculated. Overall, these results provide additional support for the discriminant validity of the scale.

TESTS OF RESEARCH HYPOTHESES

The hypothesized relationships were tested using path analysis (Joreskog and Sorbom 1996). The first group hypotheses refer the effects of organi-

TABLE 1 Scale items, reliabilities and confirmatory factor analysis results

Scale items	(1)	(2)	α
<i>Apology</i> (APO)			0.84
I received a sincere 'I am sorry' from the hotel	0.76	34.61	
The hotel gave me a genuine apology	0.84	32.26	
I did not receive any form of apology from the hotel (R)	0.72	27.11	
<i>Promptness</i> (PROMPT)			0.79
It took longer than necessary to react to my complaint (R)	0.81	23.16	
They were very slow in responding to the problem (R)	0.74	17.55	
The complaint was not taken care of as quickly as it could have been (R)	0.86	28.40	
<i>Explanation</i> (EXP)			0.81
The hotel did not give me any explanation at all (R)	0.71	24.37	
I did not believe the hotel explanation of why the problem occurred (R)	0.83	21.89	
The hotel explanation of the problem was not very convincing (R)	0.84	16.58	
<i>Attentiveness</i> (ATT)			0.76
The representative of the hotel treated me with respect	0.76	14.18	
The representative of the hotel paid attention to my concerns	0.78	20.73	
The representative of the hotel was quite pleasant to deal with	0.88	22.46	
<i>Redress</i> (RED)			0.78
After receiving the hotel response, I am in the same shape or better than I was before the complaint	0.82	33.41	
The hotel response left me in a similar or improved position to where I was before the problem	0.74	30.92	
The outcome that I received from the hotel returned me to a situation equal to or greater than before the complaint	0.81	26.10	

Continued on the next page

zational responses (apology, promptness, explanation, attentiveness and redress) on complainant satisfaction. The second group hypothesis relates the effect of complainant satisfaction to repurchase intention. The last group hypotheses show the effect of complainant satisfaction and repurchase intention on negative WOM intention.

The empirical results demonstrate that all hypothesized relationships were supported. Consistent with the prior studies (Davidow 2000; Ekiz 2003; Yavas et al. 2003; Karatepe and Ekiz 2004) apology, promptness, explanation, attentiveness and redress have been found to be positively related to the complainants' satisfaction. Thus, the hypotheses 1, 2, 3, 4,

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Scale items	(1)	(2)	α
<i>Complainant satisfaction (CSAT)</i>			
My satisfaction with the hotel has increased	0.89	19.87	
My impression of this hotel has improved	0.91	27.01	
I now have a more positive attitude toward this hotel	0.87	31.62	
<i>Repurchase intentions (RI)</i>			
Consider this hotel your first choice to reaccommodate	0.92	34.98	0.89
Accommodate more in this hotel in the future	0.90	29.24	
<i>Negative WOM intention (NWOM)</i>			
I do not say positive things about this hotel	0.93	16.81	0.92
I do not recommend this hotel to those who are interested in my advice	0.87	18.74	
I do not encourage my friends/relatives to stay in this hotel	0.89	24.19	
<i>Fit indices</i>			
Chi-square/df	3.12	NNFI (non-normed fit index)	0.90
GFI (goodness of fit index)	0.91	CFI (comparative fit index)	0.94
AGFI (adjusted goodness of fit index)	0.89	RMR (root mean square residual)	0.042

NOTES Column headings are as follows: (1) standardized loadings; (2) *t*-values. Each item is measured on a five-point Likert scale. All loadings are significant at 0.001 level or better. (R) indicates a reverse coded item.

and 5 are accepted. A careful examination of table 2 reveals that complainant satisfaction has a significant positive effect on repurchase intention. Thus, hypothesis 6 is accepted. Table 2 also shows that negative WOM is negatively affected by the complainant satisfaction and repurchase intention. Hence, hypotheses 7 and 8 are accepted.

Reexamination of table 2 shows that service recovery attributes jointly explain 61% of the variance in complainant satisfaction. Complainant satisfaction alone explains 40% of the variance in repurchase intention. Finally, complainant satisfaction and repurchase intention explain 47% of the variance in negative WOM.

Discussion

The current study has aimed to investigate the affecting relationships among the organizational responses, complainant satisfaction, repurchase and negative WOM intentions. Specifically, the study aimed to investigate the effects of apology, promptness, explanation, attentive-

TABLE 2 Path analysis results

Type of impact	(1)	(2)	(3)
<i>Impact on complainant satisfaction</i>			
H1: APO → CSAT	0.14	8.41	0.0001
H2: PROMPT → CSAT	0.12	6.72	0.0001
H3: EXP → CSAT	0.11	7.61	0.0001
H4: ATT → CSAT	0.28	10.54	0.0001
H5: RED → CSAT	0.42	14.73	0.0001
Explained variance (R^2) = 0.61			
<i>Impact on repurchase intention</i>			
H6: CSAT → RI	0.42	9.19	0.0001
Explained variance (R^2) = 0.40			
<i>Impact on negative WOM intention</i>			
H7: CSAT → NWOM	0.36	10.88	0.0001
H8: RI → NWOM	0.21	9.06	0.0001
Explained variance (R^2) = 0.47			

NOTES Column headings are as follows: (1) standard parameter estimates (ML); (2) t -values; (3) significance.

ness, and redress on complainant satisfaction. Moreover, effects of complainant satisfaction on both repurchase and negative WOM intentions are measured by using Turkish customers in the Northern Cyprus hotel industry.

Empirical findings reveal that the established scales provided sound psychometric properties. Broadly speaking, the instrument has been found to have convergent and discriminant validity as well as acceptable reliability coefficients.

As for the hypothesized relationships, all hypotheses are confirmed by the empirical data. More specifically, path analysis results demonstrate that apology depicts a significant positive relationship with complainant satisfaction. Although apology is not significantly related to satisfaction in other empirical studies (e.g. Davidow 2000; Ekiz 2003; Yavas et al. 2003; Goodwin and Ross 1989), the results report a significant positive relationship between these two constructs.

Path analysis results also reveal that promptness exerts a significant positive effect on satisfaction. This means that speedy response is a key to a successful complaint management and the prompt service recovery

leads to an increase in complainant satisfaction (Boshoff 1999). While this finding is not supported by Yavas et al. (2003), it is consistent with that of Davidow (2000) and Ekiz (2003).

Empirical evidence indicates that explanation portrays significant positive relationships with complainant satisfaction. When hotel representatives provide complainants with reasonable information about why the problem has occurred and what will be done to resolve that problem, complainants will at least understand that the hotel is aware of the problem and doing its best to solve it. This finding is consistent with those of Davidow (2000), Ekiz (2003) and Karatepe and Ekiz (2004).

In addition, path analysis results provide support for the significant positive relationship between attentiveness and complainant satisfaction. This finding implies that complainants expect hotel representatives to provide sincere care and treat guests with respect. This finding is also consistent with those of Goodwin and Ross (1989), Ekiz (2003), Yavas et al. (2003), and Karatepe and Ekiz (2004).

Path analysis results demonstrate that redress has a significant positive influence on complainant satisfaction. This outcome is consistent with those of Boshoff (1999) and Mattila (2001). When a comparison of the effects of organizational responses to complaints on satisfaction is made, redress is found to have the highest significant positive effect on satisfaction ($\beta = 0.42, t = 14.73$). Attentiveness is reported to be the most influential response on satisfaction in other empirical inquiries like Davidow (2000) and Yavas et al. (2003). In another study Karatepe and Ekiz (2004) found the most influential response on satisfaction as effort. This study found redress as the most influential response on complainant satisfaction.

When the other hypothesized relationships are examined, evidence reveals that complainant satisfaction exerts a significant positive effect on repurchase intentions and negative effect on negative WOM, as predicted. Consistent with other studies (Cronin and Taylor 1992; Davidow 2000; Ekiz 2003), the higher the level of complainant or customer satisfaction, the higher will be the intention to revisit the same hotel and the lower will be the intention to spread negative WOM.

Finally, path analysis results revealed that there is a negative relationship between repurchase and negative word of mouth intentions. Consistent with other studies (Ekiz et al. 2005; Cronin and Taylor 1992), the higher the level of intention to revisit the same hotel – repurchase intention –, the lower is the intention to spread negative WOM.

It should here be noted that the effect of apology on satisfaction is not as high as the effects of redress, attentiveness, and explanation. Although apology is said to be the first step for acknowledging the complaint, it should be accompanied by other actions such as redress, attentiveness, or explanation. Providing an apology for complaint resolution is not always a remedy, in most cases it should be accompanied by compensation (Mattila 2001).

In addition, the individual effects of explanation and attentiveness on satisfaction are higher than the individual effects of apology and promptness on satisfaction. Providing apology and being prompt in responding to the complaint or problem is of course important, but dealing with the problem in a courteous way and providing reasonable explanations about why the problem has occurred is more important (Yavas et al. 2003). By doing so, it might be possible for hotels to increase the satisfaction levels and repurchase intentions of complainants. As an important note, findings provide support for the generalizations of the previous study results (Davidow 2000; Ekiz 2003; Mattila 2001; Karatepe and Ekiz 2004).

MANAGERIAL IMPLICATIONS

The findings have important implications for managers and public officials in the Northern Cyprus hotel industry. It should be noted that Northern Cyprus hotels suffer from a number of complaints (Karatepe and Avci 2002; Ekiz 2003; Karatepe and Ekiz 2004). At the micro level, hotel managers should firstly be committed to delivery of superior service quality and effective complaint management. The lack of top management commitment to effective complaint management leads front-line employees to unsuccessful service recovery efforts. Hotel managers should also satisfy their employees, since job satisfaction leads to customer satisfaction and loyalty (Rust et al. 1996).

In addition, hotel managers need to establish proper complaint procedures so that their customers know how and where to complain. Since most of the Turkish customers are reluctant to report complaints (Ekiz 2003; Yavas, Bilgin, and Shemwell 1997), hotel managers should encourage their customers to voice their complaints or problems.

Establishing appropriate complaint mechanisms is not adequate to manage the service recovery process. As cogently discussed by Yavas et al. (2003) and Ekiz (2003), hotel managers should hire suitable frontline employees who have interpersonal skills. Filling out vacant posts with in-

appropriate individuals can contribute to hotels' short-term profitability levels.

Babakus et al. (2003) suggest that the simultaneous application of training, empowerment, and rewards leads to an increase in frontline employee commitment and service recovery performance. Therefore, hotels need to organize training sessions based on the critical importance of complaint management and the crucial role of frontline employees in the service encounter. This is also supported by Arasli (2002), stating that hotels aiming to bring total quality management philosophy to their organizations should provide scientifically based training programs. When frontline employees are empowered, they will be capable of providing their apologies with a tangible token of atonement. Successful service organizations such as the Ritz-Carlton Hotel Company empower its employees to respond to complaints and/or service failures immediately and to keep the existing customers for a long time (George and Weimerskirch 1994).

As mentioned above, study results provide a number of implications for public policy makers in the Northern Cyprus hotel industry. As suggested by Omerzel (2006), public policy makers should provide long-run solutions for the co-operation between involved stakeholders, in this case hoteliers. Specifically, at the macro level, public officials can encourage hotel organizations to deliver exceptional quality to their customers. For this purpose, state-funded training and education programs can be triggered in the industry. Since the tourism and hospitality industry plays a critical role in the overall economic situation of the country, public officials should introduce strict standards for the delivery of superior quality to customers. Creating an industry-wide service quality culture and creating a pool of loyal customers depends heavily on the continuous cooperation between state organizations and hotel organizations in the industry.

Moreover, state organizations may encourage western management talent in the Northern Cyprus hotel industry. Western management talent may equip the industry with modern management and marketing approaches for the delivery of superior service quality and achievement of high profitability levels.

LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

It should be underscored that there are several limitations to the current study. First, this study employed a judgmental sampling approach.

Future studies should use a probability sampling approach in order to support the current study findings. Second, the selection of a single industry may lead to questions regarding generalizations of the study findings. However, research indicates that the selection of a single industry eliminates problems that may emerge from industry differences (Hartline and Ferrell 1996). Third, this study used apology, promptness, explanation, attentiveness, and redress as the organizational responses to customer complaints. The inclusion of other constructs in the model such as empowerment (Boshoff 1999), facilitation (Davidow 2000), and process control (Tax, Brown, and Chandrashekar 1998) would provide further insights to understand their effects on complainant satisfaction and repurchase intentions. Fourth, this study has not examined the magnitude and type of failure. Future studies should also investigate the effects of organizational responses to complaints on satisfaction in low failure and high failure situations and/or in outcome and process failure situations (Smith, Bolton, and Wagner 1999). Until further studies are conducted, the present study findings and the strategies based on them should remain tentative. As a closing note, replication studies with larger sample size elsewhere would be fruitful for further generalizations of the study findings.

Conclusion

It is widely accepted that service organizations should consider the critical roles of complaint management and effective service recovery efforts in strict competitive environments. Since their effective efforts result in increases in complainant satisfaction, loyalty, and profitability levels, service organizations consider these efforts as crucial determinants for their survival.

With this realization, the current study set out to investigate the effects of apology, promptness, explanation, attentiveness, and redress on complainant satisfaction and repurchase intentions, and the effect of satisfaction on repurchase intentions. Findings reveal that all hypothesized relationships were supported by the empirical data. Broadly speaking, apology, promptness, explanation, attentiveness, and redress have significant positive effects on complainant satisfaction. Additionally, redress appears to be the most influential organizational response on satisfaction. However, explanation is the only organizational response that has been found to be a significant predictor of repurchase intentions. Study results also indicate that complainant satisfaction exerts a significant positive effect

on repurchase intentions. Finally, this study has provided useful implications for both hotel managers and public officials in the Northern Cyprus hotel industry.

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