Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Service Marketing

Bachelor Thesis

Service Quality and Consumer Satisfaction

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List of abbreviations

CS- customer sstisfaction

SCSI- Sweden Customer Satisfaction Index

ACSI – American Customer Satisfaction Index

ISP- Internet service provider

WOM- word-of-mouth

(e)WOM- electronic word-of-mouth

IHIP- intangibility, heterogeneity, inseparability, perishability

SDS- service delivery system

CRM – customer relationship management

TM- text mining

SQ-SERQUAL

CSV- comma-separated values

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Kseniia Bobykina

Economics and Management
Economics and Management

Thesis title

Service Quality and Consumer Satisfaction

Objectives of thesis

The objective of the thesis is to formulate, based on the research findings, a conceptual proposal of improvement in service quality of a given company increasing consumer satisfaction.

Methodology

The thesis will consist of two parts. First part should deal with an elementary theoretical overview. It should deal with the theory of service quality and consumer satisfaction including principles, models and its evaluation. The theoretical part of the thesis will be based on the critical review of information gained from the study and comparison of relevant resources. The fundamental, empiric part will be focused on the specific services in a given company. Data for the empiric part will be gained using appropriate data collection techniques – observation, interviews and questionnaires. Based on the research, the relevant conclusions of the thesis must be drawn.

Recommended structure of the diploma thesis:

1. Introduction – explanation of the topic importance.

2. Thesis objectives and methodology – the main objective of the thesis will be divided into partial objectives based on the knowledge gained from the study of the service quality and consumer satisfaction theory. Appropriate methods of data collection and analysis will be explained in the methodology of the thesis.

3. Literature review – a critical review of current knowledge in the field of service quality and consumer satisfaction, its models and tools.

4. Specification cf the selected organisation – profile of the given company.

5. Practical part – analysis of data gained from own research according to the methodology.

6. Evaluation of results and recommendation – formulation of own proposal of improvements.

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7. Conclusion – review of main results and evaluation of the contribution of the theses.

8. References

9. Appendices

The proposed extent of the thesis

30-40 pages

Keywords

service quality, consumer satisfaction

Recommended information sources

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Dean

Prague on 22. 03. 2020

Declaration

I declare that I have worked on my bachelor thesis titled "Service Quality and Consumer Satisfaction" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 21.03.20 _____

Acknowledgement

I would like to thank Ing. Lenka Platilová Vorlíčková and International Relations Department of Faculty of Economics and Management for their advice during my work on this thesis.

Service Quality and Consumer Satisfaction

Abstract

The main objective of this Bachelor thesis is to evaluate the significance of eWOM for service providing companies and their customers. In particular Airbnb (service providing company) and Abrupt (Airbnb host company). The thesis is divided into two sections, the first being theoretical and the second practical. The theoretical component is focused on a literature review of different authors in the field of service marketing. This will help to understand how customers perceive service quality and determine their expectations. The practical part is based on the observation of an accommodation company which has listings on Airbnb - Abrupt. Potential recommendations will be made based on evidence from a questionnaire analysis, a text mining analysis of reviews, and theoretical principles explained in the literature review. This study may help to better understand the impact of word-of-mouth and reviews on the rating of accommodation companies as well as how important the engagement is between service providing companies and their customers when conducting business.

Keywords: service marketing, 7ps, customer satisfaction, (e)word of mouth, text mining, SERQUAL method

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1 Introduction

A lack of communication with customers would detrimentally hinder the day to day operations of any given business, thus preventing it from conducting effective and profitable behaviors. This thesis examines the effect of customer reviews of accomodation services on service providing companies and on the customers themselves. It will achieve this through analysis of the company Airbnb and on a specific Airbnb host company—Abrupt, based in Prague. Research in this area is especially pertinent, nowadays, as it can assist in both product and service experience, where this type of communication is one of the most important tools. ReviewTrackers is an online review management platform that gathers and centralizes online reviews for multiple-location businesses such as Google and Facebook. An article from this website provides reliable statistics that show how important eWOM is for customers and how valuable this factor is to service providing companies.

- 94 percent of consumers say an online review has convinced them to avoid a business.

- People don't trust businesses with lower than 4-star ratings. 80 percent of consumers say the star ratings they trust the most are 4.0, 4.5, and 5 stars. (reviewtrackes)

With growing customers needs, product lines have become more diverse. This diversity of products has paved the way for competition between companies and an increased neccessity to satisfy customer needs by providing services. What was once out of reach to a significant protion of the market is now well within their grasp. With this, the marketing of these services must be tailored to be customer oriented, which means marketers must understand customer satisfaction and where it is goes. Success of marketing can be seen in two values: first, the number of customers reached in marketing and, second, the overall customer satisfaction. One without the other is ineffective. It does not matter how many customers can be reached if a solid customer satisfaction base is not achieved. Vice versa, it does not matter how satisfied a customer could be if they were not reached in the first place. Therefore, balancing the two is not enough. An organization must excel at both to optimize their marketing costs to generate higher revenue. On the other hand, customers are aware of their importance and the significance of their opinions about the company in social networks and in real life, thereby breaking the gap between customer expectations and reality. An increasing dependence is formed on high customer expectations of services and aspects set forth in the research questions. This work will evaluate the importance of understanding needs and the desire to be valuable, not only for customers but also for the company.

2 Objectives and Methodology

2.1 Objectives

The main objective of this Bachelor thesis is to evaluate the problem that high customer expectations poses to hosts on Airbnb on example of Abrupt company
. The partial objectives are:

- Conduct a comprehensive literature review of service marketing and gain insight into how customers perceive service quality in general.

- Identify the factors that affect reviews for Airbnb on example of Abrupt company.

- Assess the value of eWOM for customer satisfaction.

- Perform a customer satisfaction analysis of the accommodation company Abrupt according to the methodology SERQUAL.

- Based on the analysis of Abrupt company, formulate recommendations for Airbnb regarding satisfying both hosts and customers.

2.2 Research questions

Using the research questions, an examination of the reasons of high customer expectations is provided. Consideration of factors will help to answer the question: how these factors influence on customer satisfaction?

Q_1: (The role of demands) Are growing needs of the customers and reality does not meet their high expectations?

Q_2: (The role of price) Is price connected with expectations?

Q_3: (The role of reviews) Are reviews the instrument of manipulation?

2.3 Methodology

To accomplish these objectives, two data collection methods will be used. The first involves using the SERQUAL method, which entailed asking consumers of accommodation company specification questions about their expectations and perceptions. The second include analysis of reviews and listing from Airbnb for Abrupt company.

2.3.1 SERQUAL method

Quality of service is a more complex design than product quality. The most fundamental understanding of quality service is what meets the expectations of the consumer. In the accommodation industry, quality is simply defined as the compliance of the service with regulatory standards and the expectations of the accommodation guest. Since each client has its own expectations, the quality of service remains a subjective issue. This tool allows to assess the quality of service, by calculating the difference between expectations and perceptions. This can be expressed by the formula: $SQ = P - E$. Where SQ - company service level or gap value. The questionnaire contains 22 questions distributed across 5 dimensions using the letters RATER as follows:

R = Reliability (host's ability to perform promised service in an accurate and timely manner)

A= Assurance (host's ability, mostly through their employees, of building trust in the customer)

T = Tangibles (whether the apartment's physical condition and facilities meet the required standard)

E = Empathy (host's helpful individual approach and ability to meeting each customer's needs)

R = Responsiveness (host's, through employees, ability to respond to customers' requests and inquires in as many situations and times as possible)

The assessment is carried out on a 7-point Likert scale (1= "strongly disagree" to 7= "strongly agree"). The questionnaire is adapted to measure service quality of accommodation company. The questionnaire was given to 350 guests on the first and last day of their stay. 26 guests rejected to fulfill it, data was analyzed in the quantity of 324 questionnaires based on number of guests who agreed to fulfill it. On average, all guests stayed for 2 days.

After reviewing literature to model the analytical framework, a questionnaire was developed as an adapted version of SERVQUAL (Parasuraman et al., 1988), and referenced to LODGSERV (Knutson et al., 1990), LQI (J. M. Getty & R. L. Getty, 2003), and HOLSERV (Mei et al., 1999).

2.3.2 Text mining

Conducted with the data from InsideAirbnb.com. Reviews and Listings during August 2019 from CSV file are collected and handled using operating system iOS program "Numbers" and Excel file. Data from files are formatted, filtered out, and gathered using according parameters such as positive and negative words in reviews. The goal of this method is to answer Q_2 and Q_3 research questions. InsideAirbnb.com is an independent, non-commercial set of tools and data that allows to explore how Airbnb is being used by customers. Website allows to use their public available information using different filters and keys metric to provide analysis of interested accommodation market. Website allows to use Listing, Calendar, Reviews, Summary information using different metrics from different countries where this serviceused.

For case of this study information was collected based on Prague using two SVC files reviews.csv.gz and listings.csv as in first file „reviews" and in the second- „listings" from hosts where relation between price and number of reviews, relation between good and bad reviews can be conducted based on the company Abrupt. Reviews file is processed using word frequency method, which considers how often a certain word is appeared in the text which is especially useful for analyzing customer's reviews and applied for answering questions of this paper.

3 Literature Review

3.1 Marketing of Services

First of all, what is marketing? Marketing has a lot of different definitions but the most popular is Philip's Kotler point of view, *"Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others."* (Heidi Cohen, 2011) provide article 72 marketing definitions posted by different sources. Based on observation of these definitions, a general pattern is revealed between the words: customer, needs. Hence, the most accurate definition revealed: *"The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself."* — Peter F. Drucker. Nowadays, trends display tendencies in various services which express how important good treatment to the customer is. 51 percent of U.S. consumers switched service providers in 2013 from poor customer service experiences, which is up five percent from 2012. (Accenture 2013 Global Consumer Pulse Survey) This is why necessary to understand the needs and interests of the customer, and as the definition suggests, the product should sell itself. Marketing will now be broken down into product and service sections below.

What is a product in marketing? Most modern marketers believe that marketing is related not only to the production and purchasing of goods or services, but it also covers everything that can satisfy various human needs, organizations, individuals, ideas, and all kinds of human activity. The main idea, however, is the product. Commercial success depends on the availability of modern, high-quality goods which are beneficial for the buyer and consumer.

Secondly, a clear definition must be set for services to apply enough clarity to understand service marketing.

"A service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything." (Kotler, 2001)

Applying both of these definitions can explain how services are typically consumed without an establishment of ownership, whereas products are things which can be owned. For instance, people can purchase and own flats, but a service such as Facebook is not owned by the consumer, but rather the service provider, and therefore is an activity. (Kotler, 2001)

By examining these two topics, it is clear how even though a service is not a tangible thing, it still must address a need and interest to the customer. By addressing the customer's need, the customer driven focus is used, rather than the product focus, to establish a successful relationship with the customer. Customer relations become paramount due to the parish-ability of services. A customer can use a service such as Airbnb multiple times or just once. Therefore, building the relationship to keep the subscription going by providing enough services to the consumer. Thus keeping the consumer using to the service. This is contrasted to tradition accommodation services such as hostels, hotels where the consumer could stay in the hotel just once or twice depends on the country where the hotel located, if the consumer will visit this country more times and if he liked the services which hotel provided and have a desire to stay there one more time. In either case for the second scenario the hotel has already made the profit from the product being the accommodation. There is no continual activity and or necessity to build a relationship with the consumer as they may only contribute one financial transaction, whereas services typically desire multiple transactions.

3.2 Differing between Products and Services

The basic characteristics of services (intangibility, heterogeneity, inseparability, perishability (IHIP) make the marketing situation and the customer relation of the service firm fundamentally different from that of a consumer goods company. The customers of the latter kind of business normally sees only the product itself and the marketing mix activities- product, place, price and promotion –of the firm. One could say that the consumer's opinion of the product is based mainly on the traditional marketing mix activities of the firm (Alnaser, 2017). And that's the first difference between product marketing, this difference is the use of the traditional 4Ps marketing mix and Service marketing using 7Ps marketing mix.

The consumer of a service firm faces an entirely different situation compared to a product based company. For a consumer goods company, production and consumption have no contact with each other, the production process of the service firm on the other hand is rendered at the time of purchase therefore the production and the rendering happen at the same time. (Akroush, 2011) The consumer can be influenced by the production resources and the production process of the service firm. By considering Airbnb service as a service example the consumer will certainly be influenced by what happens in the simultaneous consumption and production process, and moreover, the consumer will, by their behavior, have an impact on the production process itself (Pogorelova, 2016).

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Whereas a consumer of a production of a good such as a television will not be aware of the process to deliver the product short of the actually purchase in a store or delivery of said product. Thus the consumer view of the product is going hinge more on the actually tangible qualities of said product. (Baker, 2008)

3.3   The 7 P's of Service Marketing

From the outset of more modern marketing, there is a traditional idea of a marketing-mix. Neil Borden, from the Harvard School of Business, introduced this as early as 1965 (Borden,1965). This approach establishes the traditional product focused marketing that was more about how to sell a product to a customer. This method of thinking has since been replaced by a more updated customer-needs driven model as discussed in the previous section. Consumers are more interested in products, which solve a need or personal want. This shift in customer attitude requires the company to provide a product that solves a specific need and drives to build a customer relationship versus the traditional idea of building a product and then figuring out how to sell to the product. At the turn of the 20th century it was common for people to use whale fat oil to heat their homes. But as the famous American oil tycoon John D. Rockefeller produced kerosene, a product that was safer and cheaper than whale fat oil, families started transition to the product. This was done in no small part by the advertising using the name Standard Oil. This naming set the product to be more attractive to the consumer as Americans associate the word standard with quality. He saw a potential market, developed the product, and then determined how to sell the product (Standard Oil, 2019). Adversely modern products are developed after substantial market research is done and a need for a specific product or service by a customer market segment has been identified. This approach drives companies to build products that appeal to the need versus, trying to make the customer think they need this product.

The modern update to the marketing has provided the 7 Ps of marketing to be broken down below as individual segments. The 7 P consist of Product/Service, Place/Distribution, Promotion/Marketing, People, Process, Physical Evidence. Some of these may seem familiar from earlier readings but investigating each of the 7 Ps will differentiate them from each other, as well as distinguish their application from products to services.

3.3.1   Product/Services.

A review of the above discussion of services notes that services are intangible, un-owned, and temporary actives that fulfill a customer need or desire. Furthermore, they can

be divided across multiple transactions that are performed in such a way that the service is perishable. As in example above, if Airbnb user constantly use services and inviting friends to use application he can get more privileges such as discounts. This can be seen in most online subscription based models used today for digital services.

Airbnb account is a service but accommodation is actual product provided by this service. Although the accommodation itself is considered tangible the service is the portion of the interaction that provides the following characteristics:

• Cleanliness of the apartment

• Atmosphere

• Friendliness of the host

If a host show contempt for the guest and does not provide a warm atmosphere and service such as recommendation of the places where to eat, what sightseeing to see, the entire experience may be diminished to such a degree the customer never returns. (Amofah, 2016)

This harms the customer business relationship therefore hurting future profit potential and lowing the effectiveness of the marketing used to present the service to the customer in the first place. These service detractors can cost a service-based business all its credibility and ultimately lead to the failure of the business.

However, with the desire to satisfy the client better and better his needs are also growing. If the customer's experience exceeded his expectations, then satisfaction will be high, but there will also be expectations from the use of this service in the future. Research evidence of Ipsos Mori (2016) suggest that strong relationship between customer ratings of a recent service interaction and subsequent perceptions of the provider. Indeed, 31% of those who had a positive service experience increased their brand favorability after. Otherwise, 46% of those who had a negative experience reduced their favorability. According to the results of the study, it becomes clear that positive experience is not enough to increase the attractiveness of the brand; moreover, negative experience guarantees a decrease in interest in the brand. Expectations play the key role (Katherine Shipton, 2017). Which is leading to relation between the growing needs of the customers and reality that does not meet their high expectations.

3.3.2 Price

Perhaps one of the more fluid portions of the 7P marketing mix is price. As Amofah stated that Kotler was under the belief that price was not so rigid as it is more of an art versus a science. (Amofah, 2016) This being said it is clear that prices can adapt to the markets in a

given area or business sector. This adaptation allows for the business to be flexible to the needs of the consumer and to understand the economic contraints of the consumer. (Alnaser, 2017) describes the contraint on price and the cautions of setting price too high. This is two fold as people associate cost with value as well they are ever mindful of their own ability to purchase said service. If the value does not equate to the price they will not buy the service. If the consumer does not have the funds to purchase the service due to excessive pricing they also will not purchase the service.

From both (Amofah, 2016) and (Akroush, 2011) there is a set the defintion of price as the process and policy which dictates the organizations decision on the value of the service, thus ensuring profits. If the delivery of the service costs more than the value of said service customers will not be willing to purchase the service. (Alnaser, 2017) On the other hand if the price was set to low and the cost of deliver the service was higher it would mean the company would lose money and therefore eventually if the trend continued it would ultimately fail (Amofah, 2016).

To further the pricing guidlines the business must also be aware of the competition in the area. This adds a third dimension to the decision making process. (Alnaser, 2017) Modern consumers have placed value of purchase over almost everything. If two service providers and selling the same or similar service. The consumer is more likely to pick the cheaper service. Thus allowing competition to drive innovation. (Pogorelova, 2016)

Customers typically measure their satisfaction with a product or service through an imaginary value dependent on the price which they paid and the ease which they experienced in attaining this product or service, comparative to a past similar purchase, or another customers experience with a similar purchase. If a customer considers the price paid for a product/service was too high for what they expected, the customer feels wronged and may search for a renewance of equity into the exchange. (Muhammad Usman, 2017) Even at low prices, studies show that the relationship between quality of services and price should be equal. When customers have certain expectations about a particular product or service before engaging in a relationship with a customer-service oriented company, it is difficult to measure quality.

Price is a major influential factor on customer satisfaction. By analyzing the satisfaction of a customer in terms of relationship marketing, scientists argue that long-term relationship clients expect high quality from their main services, as well as additional benefits from the ongoing relatinship itself, such as flexible discount systems, discount cards for regular customers, etc. (Regina Vivilaite, 2009). In case of the research, consumers who frequently

used the Airbnb application through reviews, generally want and expect additional benefits. Furthermore, these reviews can be a major inluence to how customers percieve price. For example, a low priced Airbnb with high ratings would generate a higher expectation for the customer than if they only saw the price. Reviews which relate quality to price can also influence what a customer might expect, in terms of whether or not they are getting a "good deal".

3.3.3 Place

As noted (Amofah, 2016) there is an old adage in busines known as location, location, location. The attitudes of consumers is discussed briefly in the above section with regards to value. One aspect of value that must be considered in convience. (Alnaser, 2017) states within the parameters of place there needs to be a certain level of ease. If a customer cannot easily access the service they will be less likely to be satisfied with said service and will cease any forthcoming visits and purchases.

As noted in the price section from (Pogorelova, 2016) competition is a deciding factor of price. This can be applied to place as well. Now consider two accommodations- one from Airbnb and second from another company or host. If these accommodations are placed close to each other the customer would have to the choice between the two with relatively little impact on ease of access (Alnaser, 2017). Thus driving the compettion to be determinate on price and quality of service instead of ease of access.

3.3.4 Promotion

Mohammad (2015) aserts that promotion is the methodology used to send persausive communication to pontetial and existing consumers. This allows the consumer to be updated on the product or service. Modern services rarely stagnate in todays environment. Pogorelova (2016) takes this concept one-step further by introducing the idea that the customer is not only receiving the promotional details but they are also engaged in this promotion. As the service continues to grow Airbnb has to keep adding new listings and hosts to the the platform to keep the existing user base engaged as well they must inform potential consumers of the new listings the service has added. If they fail to inform existing and potential customers they will see a decline in not only new sales but in reoccuring customer engagement.

Effective and accurate promotion can be an integral part of any marketing campaign. When done properly communication between the business and its current, or perspective

clients will stay in good standing. Without fear of not reaching people, and avoiding the pestering nature of sales campaigns. According to Venugopal (2010) *"Customers should be satisfied with what they are buying; they should not feel cheated after the purchase and create a negative propaganda for the product. An unsatisfied customer is the worst advertisement for a brand."*

3.3.5 People

The role of people within a company is one of the most important aspects to maintain good customer relation. Quoting Baker & Hart: "For most services, people are a vital element of the marketing mix. It can be almost a cliche to say that, for some businesses, the employees are the business" (Baker, 2008). Being that employees are the connection that directly interacts with customers on behalf the business, it is commonly taught that you are representatives of said business. Therefore the customer sees your interaction as the image of the business as a whole.

The employee customer interaction has a significant impact on customer satisfaction with not only that particular interaction but with the company or service as a whole. This is echoed in (Mohammad, 2015) it was found that the personnel that treated the customer like king would increase the success of service or product. This is held true by the saying that the customer is always right. If the employee personnel are not contributing to this then the unsatifsfied customer can create netagative promotion and therefore cause harm to the business. This can be held true for the opposite as well. If the customer is satisified they will be more likely to suggest this product or service to others.

For example customer of a restaurant may have multiple interactions in one visit with different personnel. Therefore the customer expirience is divided across the personnel. In contrast Airbnb is a web service which does not require a lot of human interaction to book accommodation. One of the times a customer is going to interact with people is during the support process or if he would like to know more informationabout accommodation from host but anyway it will be online interaction before customer actually arrive to accommodation. For the accommodation it is important the host involved be warm and friendly. (Mohammad, 2015) In regards to Airbnb service the support person must also be warm and friendly, but they also have to correct a persceived wrong or issue with the service (Venugopal, 2010). Then, no matter the role the personnel take, they must be customer oriented.

3.3.6 Process

Service process is the extent or process and procedures a service organization uses to deliver a service to a customer. (Akroush, 2011) Similarly to a product there must be process to render the service to the customer. Through the restaurant example above it is clear that the service delivery process can vary. In a resteraunt like McDonalds, the process to get food begins with standing in a queue to talk to the employee at the register. However, at a traditional restaurant service begins with the hostess to be seated before a waiter comes and takes your order. The process is different for each of these expiriences. And thus the choice the comsumer may make will vary depending on their own set of needs. There is a distinct difference in the consumer expectation who purchases manufactured products, such as a shirt. (Baker, 2008) have the following: *"processes are usually of little concern to consumers of manufactured goods, but can be of critical concern to consumers of 'high contact' services"*. Consider Airbnb service as an example of this. In order to use Airbnb, a login to a personal account is required for the first time. If website required a login everytime a user opened the app the user could become frustrated with the app and cease to use. Ending in a cancellation of the subscription to the service.

Taking this principle furter there are distinct types of process interactions. (Baker, 2008) states that some interactions between the consumer and the business are more critical than others. This can applied to the Airbnb example discussed in the previous section on people. If the support proccess is long and difficult a consumer is less likely to seek support to remedy any issues and will be more likely to just abandon the service all together. In effect, by deminishing the customer relationship and a customers dissatisfaction in the promotion section, the customer will be more likely to not only stop using the service but also report to others (ie. Friends, review websites) the wrong doing by the business.

When people think of distribution, they think of warehouses, trucks and boxes with physical goods. This is the classic definition of supply-chain distribution. (Wirtz, 2017) Service specific deliveries utilize what is known as a service delivery system(SDS). This system is defined as: *"the structure (facilities, equipment, etc.), infrastructure (job design, skills, etc.) and processes for delivering a service".* (Lodorfos, 2015) The process for defining this system varies heavily depending on customer expectations and the service to be delivered.

There is a significant amount of data on the impact of service delivery on customer satisfaction. (Wirtz, 2017) (Saxena, 2017) (Angelova, 2011) Although the process and

procedure of developing service delivery operations is more abstract due to varying types of service delivery expectations and restraints. The importance is upheld by the impact on customer satisfaction alone. Customer satisfaction is one of the key factors in creating a reoccurring customer relationship. This satisfaction is predicated on customer experience. The customers experience includes more than the actual service or product. Customers expect the service to meet their needs and be delivered in a manner that does not negatively impact their desire or need for said service.

Delivery options for purchases in online stores versus brick and mortar stores played a key role in decisions on where to buy this product. In the previously used Airbnb as an example the ease of access (delivery) is paramount to getting and retaining guests. Thus fulfilling the need and expectation of the customer providing them with a positive experience which will drive them to return and use the service again. (Lodorfos, 2015).

Reaching the largest number of consumers possible requires the delivery mechanism to be just as diverse as the customer base trying to be reached. (Ford, 2012) uses an example restaurant service delivery expectation standard for the wait staff from a restaurant known as the Rusty Pelican. In this chapter it shows requires to address the diverse needs of the variety of customers who might be in for lunch. One such need was the desire to leave the restaurant at a certain time to time constraints. Such as having to return to the office by a given time. It is instructed that if provided the time the waiter must write the departure on the top of the order ticket. This can be used by the waiter later on to remind the customer of the time. This simple action may leave a lasting impression on the customer, as well as make them feel as they are important as an individual to the service provider. (Ford, 2012)

The analysis above shows that no matter what type of service the customer is purchasing the delivery of the service plays a crucial role in providing a positive customer experience, as well as to retain customer loyalty.

3.3.7 Physical Evidence

For most services physical evidence is the tangible aspects of the expirience. This is closely related to ambience of the evironment. (Alnaser, 2017) For a service like an accommodation from Airbnb this is the phsyical attributes of the expirience. For example, look of the building, access to parking, safety of the location. For online service of a compnay the phsycial evidence is more virtual. This would be the size of the app on the screen, color scheme used, quality of audio output. Even though these aspects are the layout

of the virtual service it still applies as it affects the users interation with the service. (Pogorelova, 2016)

Since the services are being consumed increasinglyas intangible interactions the business must become more reliant on the initial marketing and advertisements as these become an indicator of the quality and value of the service. Due to the inherent nature of the inability for a person to judge the quality and value of a service before consumption the physical evidence must become partialy paramount in the marketing plan. (Baker, 2008)

3.4 Determine Customer Satisfaction

"Satisfied customers are the basis of any successful business as they come back again, are loyal to the brand and leave positive recommendations." (Angelova, 2011) By considering the Airbnb example, they would not have been so successful if not for satisfied customers. Any famous place like this, or even Starbucks, for years has had good customer service and has earned itself the image of one of the best coffee companies.

The client-king rule is relevant for most companies. Marketers are trying to affect the mind and heart of the consumer. In marketing 3.0, a new era has begun. Marketers no longer treat people simply as consumers, but as whole people with minds, souls and hearts. (Kotler, 2010). Marketing has changed over time in the direction of customer focus, but this does not mean that the products that the customer wants and the manufacturers want are the same. The move from sales-orientation toward marketing-orientation demands revolution in company's performance. Customers ought to be engaged in the decision-making processes. If the client is dissatisfied from the very beginning then it is almost impossible to get their approval and continuing business. It is clear that all companies have the main goal of customer satisfaction, but what if they are not satisfied? Companies need to develop strategies for working with dissatisfied customers because they cannot afford to lose customers under any conditions; the cost of replacing a lost customer with a new one is higher. Companies should deal with customer complaints with care and not treat this as a waste of time. Because it is precisely complaints from customers that help to analyze deficiencies, solve them and take the company to a new level. (Angelova, 2011)

Sweden was the first country that established national customer satisfaction scale (SCSI), and then it was America (ACSI). Many methods measure customer satisfaction. The most popular the SERVQUAL method. SERVQUAL scale was originally developed by (A.Parasuraman, 1985) Its essence lies in the study of the quality of service, which depends on differences in estimates or expectations and reality. The main goal of cluster analysis is to

identify the benefits of customer segments. For example, one group of customers may attach more importance to after-sales service. Another group of customers can attach great importance to the range of functions. This type of analysis requires the need to identify performance attributes and gather customer opinions on this. LODGSERV (Knutson et al., 1990), LQI (J. M. Getty & R. L. Getty, 2003), and HOLSERV (Mei et al., 1999) are all developed on the basis of SERVQUAL scale to measure service quality in the lodging, hospitality industry.

CRM system includes processing large amounts of information, such as reviews. Data must be converted to a numerical format that is used for statistical quality control tools. Text mining helps to convert numerical and textual data into a form that helps to monitor customer satisfaction by certain quality parameters. This method has certain limitations because customers can use rare words, slang, and so on in their reviews. Nevertheless, with a large volume of data, the system allows you to accurately make the necessary measurements. (Nicholas E. Evangelopoulos, 2014).

3.5   Influence of word-of-mouth on customer choice of the product.

WOM- word-of-mouth marketing (WOM marketing) is when a consumer's interest in a company's product or service is reflected in their daily dialogs (Kenton, 2018). The concept of word of mouth has increased large in the last 30 years with apperance of the internet. It called eWOM- electronic word-of mouth where people share their opinion, suggestions in electronic form through websites, blogs, social site like Facebook, Twitter ect. Before it people shared opinion only with friends family and neigbours nowadays with internet people have access to share reviews about product or services with eveyone. A combination of eWOM analysis can be applied with certain sampling techniques in order to get a general understanding of how customers might percieve a certain business or industry. Sampling techniques are used when researchers want to collect data from a group of people so they can draw conclusions. Researchers in the business environment, medical field, politics, etc. use a variety of sampling techniques for this reason. Many different sampling techniques exist in order to generate the most accurate data possible over a large population. True random sampling techniques are only possible when the entire population is available to sample. Sampling an entire population is generally impossible, so other methods of random sampling like stratified or systematic can be applied. These methods of sampling create accurate data samples for a whole population, but usually rely on a certain condition, for example, people aged 18-30. (Sharma, 2017)

This analysis is especially important for service providers whos product is intangible and can be researched only by previous customer experience. Moreover consumers trust each other more then promises and offerings of the companies. This is because companies can promise everything, but only true experience can confirm the quality of services (Houshang Taghizadeh 2012). In his work were examined effect of customer satisfaction on the word of mouth. Different factors such as: employee competence, reliability, product innovation, physical evidence, convenience has a positive affect and can be the key factors which define a positive opinion of the customer about product or service which lead to a spreading positive informaton about particular product or service. Family, close friends, collegues on work can be influence on the opinion of the particular person about product od services. Moreover negative word of mouth is moved faster than positive. As were compared with positive comments, negative comments more emothional, and more likely can affect people's opinion.

In the reserach of (Nawaz Ahmad, 2014) 100 people different ages and proffesions was asked about their opinion reagarding influence of word of mouth on the choices. Most of the people on the question what influence buying decision answered advertising (49) word of mouth (29), however on the qustion would they try a product if they heard bed review about them most of the respondents answered No (59). Therefore, advertising is important for the consumer's purchasing choice, however it does not motivate others to try goods or services after hearing bad cooments about it. Nonetheless it is difficult to determine reliability of such a research becasue population of the Karachi, place where random sampling was provided is 14,91 million people.

Ahmad Zamil observed the impact of word of mouth, in directing the purchasing behavior of Jordanian consumer for telecommunication services (Ahmad Zamil, 2011) The results was the same as in the previous paper discussed: Purchasing behavior of the final consumer is affected by the negative word of mouth, more than the positive word of mouth. There is a significant statistical relationship between the buying decision of the final consumer, and the source of word of mouth. Furthermore, the choice between the final consumer of the services from one of the mobile communication companies, and the word of mouth transmitted from one person to another is also noteworthy.

Md. Manik Hossain released a study where 500 respondents were questioned. On the question if they informed others about dissatisfactory experience reagarding product or services most of the respondents (69%) agreed (Md. Manik Hossain, 2017). According to the questionnaire, consumers prefer friends and family member's reviews in their buying decision.

3.6   Influence of reviews on Airbnb company and their customers.

Airbnb is an online platform through which individuals can rent out their spaces as tourist accommodation. These spaces typically entail either an "entire place" (house, condominium, etc.) or a "private room" in a residence where the host is also present. Airbnb's diverse inventory additionally includes some fairly exotic accommodations (castles, igloos, treehouses, etc.), and Airbnb listings range from quite modest to extremely luxurious. For "guests," the process of finding and booking Airbnb accommodation is relatively similar to using an online travel agency (e.g. Expedia), although the booking process may require some personal communication with the "host." For the hosts who own and/or manage Airbnb listings, the Airbnb platform offers the ability to freely and almost effortlessly become a tourism lodging provider – posting descriptions and photographs of one's accommodation, communicating with potential guests and accepting reservations and payments from around the world. One method of expresssing customer's opinion about service is reviews. (Daniel Guttentag, 2019) Online product reviews can be described in terms of quantitative and qualitative features. Quantitative aspects of reviews are often expressed as numerical summaries such as average star ratings and number of reviews. Qualitative aspects present consumer's assessment of a product or a service, such as review content. (Su Jung Kim, 2017) Reviews are a powerful factor for the customer as well as the company. Buyers are more interested in reviews than in advertising because in reviews they can share their opinions and make reccommenations about a product or service. Comments can be either positive or negative, which inspires more confidence than just positive reviews. Reviewers play a very important role in terms of informing consumers of product quality and reducing uncertainty for such products. Good reviews play a good role for advertising the service of the company ans as consequence increase customer base and sales. (Nan Hu, 2008) Consumers are aware that some firms can remove negative reviews or encourage positive reviews with some forms of rewards. (Su Jung Kim, 2017) In this case, it becomes obvious that the manipulation of reviews is beneficial for both parties - the client and the company. It is also worth questioning whether too many positive reviews can detract from the usefulness of reviews in general. With regard to Airbnb, a legitimate case can be made that this is happening. Judith Bridges raises this issue, in her article *"If Nearly all Airbnb Reviews Are Positive, does it Make Them Meaningless?"*.When highlighting the amount of positive reviews compared to negative, she is led to consider whether the companies themselves are manipulating their reviews. Without insider knowledge of behind the scenes activities, it is

difficult for the public or academic researches to discern if big companies like Airbnb are actively manipulating reviews through various means, such as removing listings with bad reviews (Judith Bridges, 2016).

3.7 Research Gap

After a literature research, it was found that many studies deal with customer satisfaction. Most of the research papers on this topic are client-side. In case of this study customer satisfaction are observed from the point of view of the Airbnb host. Problems are identified from the company side from the point of view of too high customer expectations of the services and lack of the support from Airbnb.

4 Practical Part

4.1 Population and sample

The analysis was performed by observing guests' reviews on the website Inside Airbnb combined with questionnaire answers from Abrupt, a short-term rental accommodation company that has 35 apartments listed in Airbnb. In recent times, this type of business— owning numerous properties and having them all listed on Airbnb—has become increasing popular for tourists for a number of reasons:

1. As a business, companies who have worked with Airbnb offer many services, such as: transfers, cleaning, help with documentation for visa purposes, parking and technical support (even after working hours).

2. Most people have chosen Airbnb because of its distinct policies centered around customer satisfaction.

These reasons have instilled trust in customers, which made staying at an apartment with Airbnb more convenient compared to usual hotels. (Daniel Guttentag et al., 2017)

Research was based on guests' reviews for accommodation on Airbnb in Prague. Prague 1 and Prague 2 were the areas under observation of this study. This choice was due to the fact that this area was very attractive for tourists as all of the main attractions are very close. Picture 1 and Picture 2 demonstrate maps of all Airbnb places in the areas of Prague 1 and Prague 2 respectively, including Abrupt's apartments.

The website Inside Airbnb published statistics, which showed that in Prague 1 there were 3829 listings, 27 of those came from Abrupt, while it showed Prague 2 to have 2227 listings, 8 of which came from Abrupt. Some Airbnb hosts had multiple listings and ran businesses similar to that of Abrupt. The Website also represented lists of top hosts in each chosen area. For Prague 1 these were: Klara, Daniel, Alex and Kate, Alex and Tanya (Abrupt), Lukas, Prague for You, Old Town, Romana, Jan&Jana&Boris, Bohemian Estates, Petr, Old Royal Post, Liz, Filip and Eoin, Lubos&Marta, Daniel, Peter, Veronica, David, Magdalena, Julia&David, and Zuzana. For Prague 2 these were: Prague for You, Yanina, Dan&Lenka, Petr, Ginosi, Bohemian Estates, Kira and Elena, Bianka, Gabriela, Zuzana, Zuzie, Veronika, Erudon, Elena and Kira, Apart, Zeb, Mirak, Alex&Natalia, Visit in Prague, and Old Town.
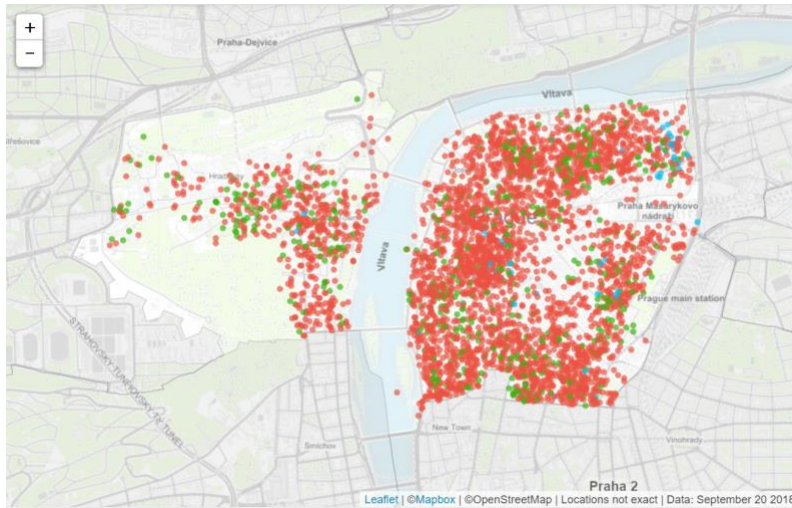
Picture 1. Map of the Airbnb apartments Prague 1. Source: http://insideairbnb.com/
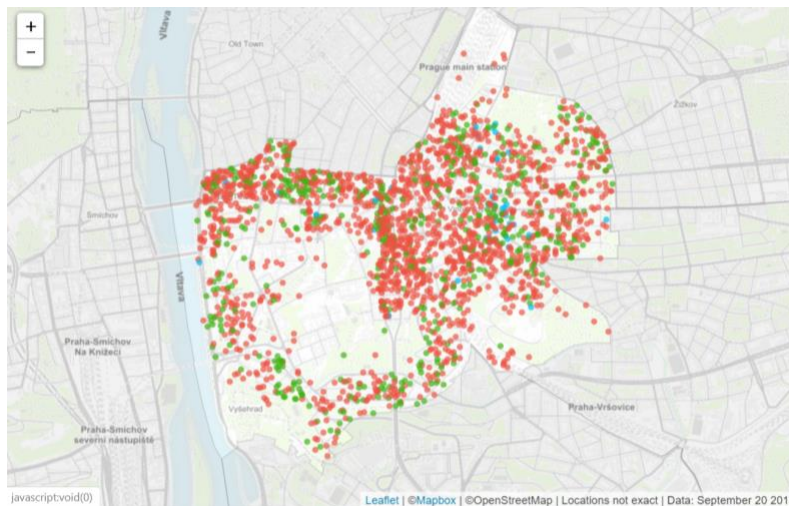
Picture 2 Map of the Airbnb apartments Prague 2. Source: http://insideairbnb.com/

Abrupt's 35 apartments were located on the streets: Skorepka, Biskupska, Charvatova (3 apartment on different floors), Krakovska 20, Krakovska 5/1,5/2,5/3,5/4,5/5,5/6, Vsehrdova 6B, 6S, Jungmannova, Ve smeckach 28, Ve smeckach 7, Navratilova 16, Navratilova 9B, 9S, Opatovicka, Revolucni, Havelska, Zborovska, U pujcovny, Opletalova, Perlova, Nekazanka, Klimentska 16, Klimentska 32, Zitna, Skolska 306,402,503, Rybna. 20 of them fitted up to four people, nine of them fitted up to nine and six of them fitted up to 11. On average, there were 60 tourists staying at Abrupt's apartments per week, which equaled roughly 3400 people per year. However, this number fluctuated depending on the season, as it increasing in peak season and decreasing in low season. August is considered „peak season" and because of this the sample of questionnaires based on the SERQUAL method

was conducted on guests staying between 8-31 August 2019. This was a 24 day period with a large sample size, as it had 324 guests complete the questionnaire during this time.

For a company of this size, the sample size of questionnaires could be relevant and useful because 324 guests made up nearly ten percent of the annual amount of guests staying with Abrupt. Ten percent is a sufficient amount to be able to estimate the gap between perceptions and expectations of customers, thereby helping to evaluate customer satisfaction.

The graph shown in Picture 3, which is from Inside Airbnb, clearly shows that the numer of reviews have increased over time. The X axes illsutrate the date, Y axes illustrate number of reviews.
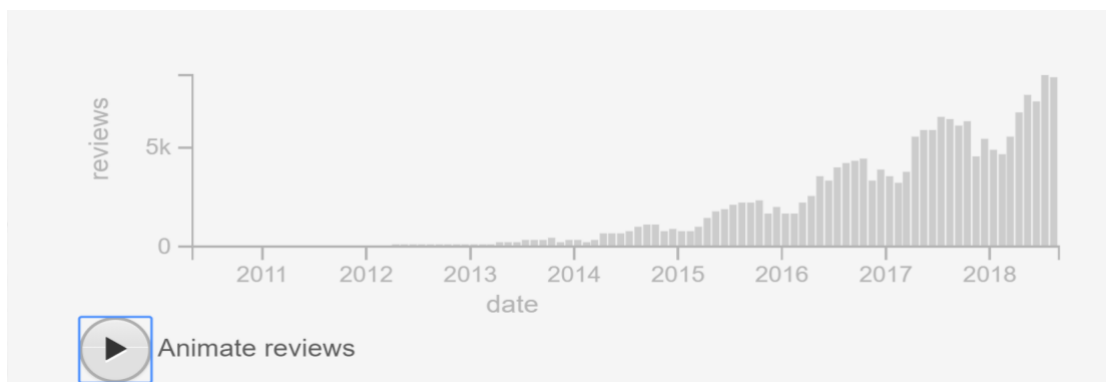
Picture 3. Amount reviews over time. Source: http://insideairbnb.com/

In the file of „listings" there were reviews of all 6056 Airbnb apartments in Prague 1 and Prague 2 during August 2019. These listings were then filtered according to the parameters: neighborhood, minimum nights, price less or equal 1500 filtration, host_name, which left 243 listings to take reviews of.

In the file of "reviews" there were 18515 reviews of all Airbnb apartments in Prague 1 and Prague 2 for the period August 2019. This reviews were filtred according to host_name which left 248. A sample of word frequency was conducted with the words "good", "bad", "clean", "dirty", "calm" and "noisy" to define the ratio between bad and good reviews which was identified in percentage.

4.2 Data collection

Information for the SERQUAL method was collected over the 24 days between 8-31 August 2019. During customer check ins they were required to provide information about themselves and this information was used to register guests with Czech authorities. They

were also asked to complete a questionnaire which was then used to estimate their level of satisfaction during their stay. The observed group answered questions twice, before check in and after check out.

The Data for the files „reviews" and „listings" was collected by the Inside Airbnb website by using these parameters:

• A high availability metric and filter of 60 nights per year to identify listings that are not available for residential housing.

• A frequently rented filter of 60 nights per year to identify listings that are not available for residential housing.

• A review rate of 50% for the number of guests making a booking who leave a review

• An average booking of 3 nights unless a higher minimum nights is configured for a listing

• A maximum occupancy rate of 70% to ensure the occupancy model does not produce artifically high results based on the available data. (Inside Airbnb, 2019)

Data for text mining method was collected through CSV file. By default, Excel applied the General type to the data in the downloaded CSV file — the general type. Because of it, the program recognized digital strings as numbers. This order could be defeated using the built-in import tool. This problem could be solved by selecting a CSV file with data, a dialog opens. In the dialog, it was necessary to click on the file type Delimited (delimited). Encoding - the one in the file was usually determined automatically. If the first line of the file was a header, it was necessary to mark "My Data Has Headers". The second step of the dialogue involved selecting the field separator. Then, the "Treat consecutive delimiters as one", needed to be turned off and the "Text qualifier" set to "{none}". For the third step, the field format was selected. select the field format. For all columns the type should have been set to "Text". After that, Excel would leave the original data and the work with the document was continued. Data from file „reviews" were in bad condition, requiring the use of formatting. During formatting text mining techniques were applied to clean the text of irrelevant words, deleting blank rows, unnecessary letters and reviews in other languages than English. Data from the file "listing" was analysed using IOS program "Numbers". The File opened in the program without any default so it was not necessary to edit like in previous case.

Picture 4. Listing informarion from the program „Numbers". Source: Own elaboration.

On the right side of Picture 4, the highlighted area shows the specific limitations applied to these listings, such as:

- neighborhood: Prague 1 and Prague 2 as accommodations of observed company located in this area.

- minimum nights. More than one-night need to be applied for determination of customer satisfaction.

- price less or equal 1500 to prove second hypothesis regarding relation between price and expectations.

- host_name :Alex and Tanya

Picture 5. Listing informarion from the program „Numbers". Source: Own elaboration.

By determining the average minimum and maximum, the relation between price and number of reviews that is illustrated in Picture 5 could be discovered.

4.3 Data analysis

4.3.1 SERQUAL method

Data was collected using the SERQUAL method as described in the methodology section. A questionnaire, which was based on the SERQUAL method, was given to the guests by the Abrupt company twice—before check in and after check out. The reason for this was to try and estimate the gap between their expectation of the accomdation prior to their stay and perception of the accomodation after their stay. Data was analyzed according to the following 5 criterions: Tangibles, Reliability, Assurance, Responsivness, Empathy. The Analysis of the data for each criterion has been illustrated in graphs 1 to 5. The x axis on the graph represents the question number, while the y axis illustrates the assessment of the answer from 1 to 7.

4.3.1.1 Tangibles

The first question regarded the availability of kitchen equipment in the apartment. SERVQUAL (Parasuraman et al., 1988), LODGSERV (Knutson et al., 1990), HOLSERV (Mei et al., 1990) & LQI (J.M. Getty & R. L. Getty, 2003). Before check in the average score for this criterion was 6. This may be because customers would like to feel like home in the apartment. After check out, the average score for this question was 4 as not all apartments were equipped with basic equipment such as salt or pepper. It appears that guests were expecting to have this equipment despite the fact that it was not listed on the website. Therefore, the average expectations-perception gap consisted of 2 points, with customers having higher expectations.

The second question asked about the interior of the apartment. LODGSERV (Knutson et al., 1990). Prior to check in customers averaged a score of 6.5. This is likely due to the fact that customers only rely on the picture of the apartment from Airbnb website. After check out the average answer was 4. This constituted a gap of 2.5, meaning that the material reality of the apartment did not meet the customers' higher expectations.

The third question addressed the availability of a storage room for baggage. SERVQUAL (Parasuraman et al., 1988), LODGSERV (Knutson et al., 1990), HOLSERV (Mei et al., 1990) & LQI (J.M. Getty & R. L. Getty, 2003). Before check in average score

was 7, showing that almost everybody expected to have some storage room. After check out average score was the same. The estimated gap was thus 0, as perception met customer expectations.

Question number four discussed the availability of maps and business cards in the company office. Customized from HOLSERV (Mei et al., 1990). Before check in the average score was 5, showing that most customers expected to have it. After check out the average score was 7. This meant that the average gap was 2 in favor of reality. This result suggests that the materials provided to guests upon arrival—a detailed map that showed how to get to the apartment, a usual map of the Prague and business cards—was more than they expected.

Graph 1 then illustrates the variation of expectations against perception over the four questions. The first two questions scored higher expectations than perceptions, the third scored equally, and the fourth scored higher perception than expectation.
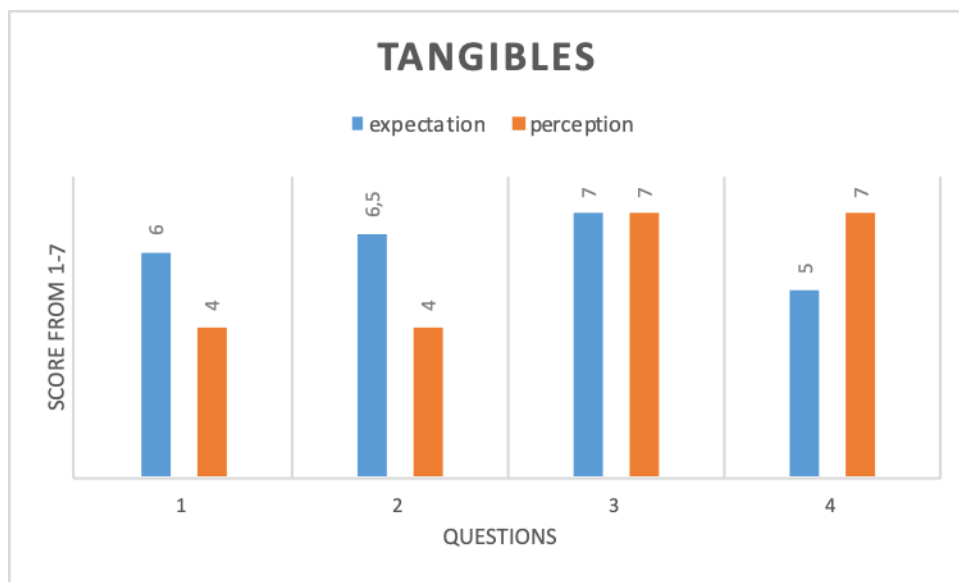
Graph 1. Tangibles. Source: own elaboration.

4.3.1.2 Reliability

The first question asked if there was a simple and easy way to collect the key. Before check in the average score was 6.5, showing that most of customers expected easy access to the key collection point. After check out average score was 3. This disparity is most likely because the key collection point and address of the apartment are two different addresses and some customers were not aware of this information before check in. Thus, the average gap consisted of 3.5 points with expectations far higher than perception.
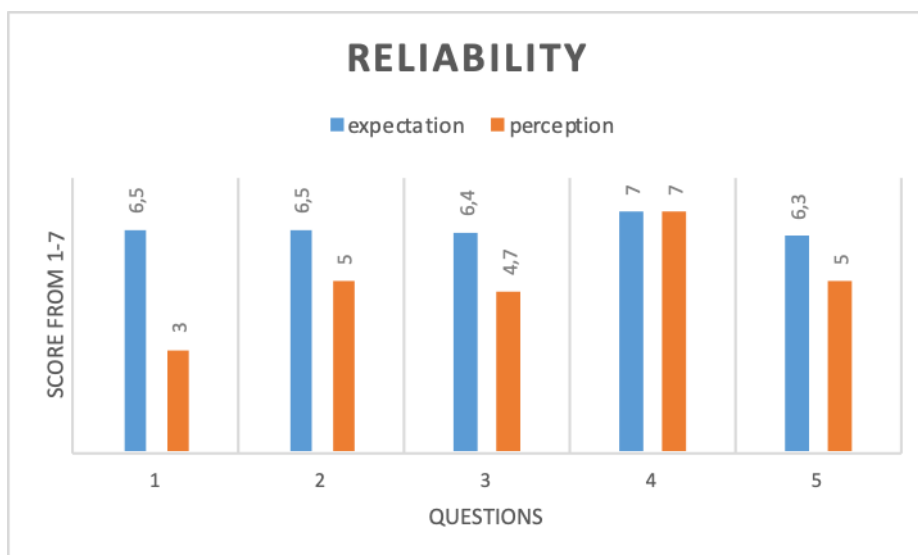
Second question regarded accessible and clear information about apartment. Customized from HOLSERV (Mei et al., 1990) & LODGSERV (Knutson et al., 1990). Before check in the average was 6.5, as the most of the customers expected to receive clear information. After check out the average was 5. This constituted a gap of 1.5 points, with the expectation of clear and accessible information not quite matched by the perception, likely due to some customers having difficulty finding the exact apartment or door.

The third question discussed the accordance of the apartment with its star rating on the website. Before check in the average score was 6.4, showing most customers expected high accordance with star rating. After check out the average score was 4.7, indicating that some customers felt the rating did not match the apartment. The average gap here consisted of 1.7, with higher expectations.

Question number four asked about the customer's sense of reliability and security. HOLSERV (Mei et al., 1990) & LQI (J.M. Getty & R. L. Getty, 2003). Before check in the average answer was 7. After check out the average remained at 7, meaning no gap between expectation and perception.

Question number 5 looked at the convenient working hours of all accommodation services. SERVQUAL (Parasuraman et al., 1988), HOLSERV (Mei et al., 1990) & LQI (J.M. Getty & R. L. Getty, 2003). Before check in the average score was 6.3, indicating that most of the customers expected this. After check out the average score was 5. This is likely due to the key pick up point opening at 09:00, which dissatisfied some clients who arrived in Prague in the early morning and were expecting service before 9. Furthermore, for arrivals after 22:00 there was an additional payment of 30 Euros, however some guests were expecting to check in late for free. The average gap here consisted of 1.3 points with expectations rising higher than perception.

Graph 2 plots the average gap for each question, showing the first, second, third and fifth question received higher expectations than perceptions, while the fourth showed no gap.

Graph 2. Reliability. Source: own elaboration.

4.3.1.3 Assurance

The first question asks if the accommodation staff inspires confidence in the guest. Customized from HOLSERV (Mei et al., 1990) & LODGSERV (Knutson et al., 1990). Before check in the average answer was 7. After check out it remained 7, this signals that the company employed reliable staff, trained them well and that the manager was willing to solve all issues. This resulted in an average gap of 0.

The second question regarded the politeness of company staff. SERVQUAL (Parasuraman et al., 1988), HOLSERV (Mei et al., 1990) & LQI (J.M. Getty & R. L. Getty, 2003). Before check in the average answer was 7. After chek out it also remained there 7, likely for similar reasons to the first question. Thus, the average gap consist of 0.

The third question considered if staff could answer all guest questions. Customized from LQI (J.M. Getty & R. L. Getty, 2003). Before check in the average score was 6.1. After check out it was 5.8, showing a slight decrease but overall relalatively similar expectations to perception, with staff only not being able to answer questions on rare occasions. The average gap was then 0.3.

Question four asked about the delivery time of service. SERVQUAL (Parasuraman et al., 1988), LODGSERV (Knutson et al., 1990) & HOLSERV (Mei et al., 1990). Before check in the average was 6.7, showing that most of the customers expected fast service without delay. After check out the average was 6, which highlights that the speed of some services were insufficient. For this question the average gap consisted of 0.7.

Graph 3 illustrates the small expectation-perception gaps for this dimension, with the first two questions registering no gap and the third and fourth question registering slight falls in perception.
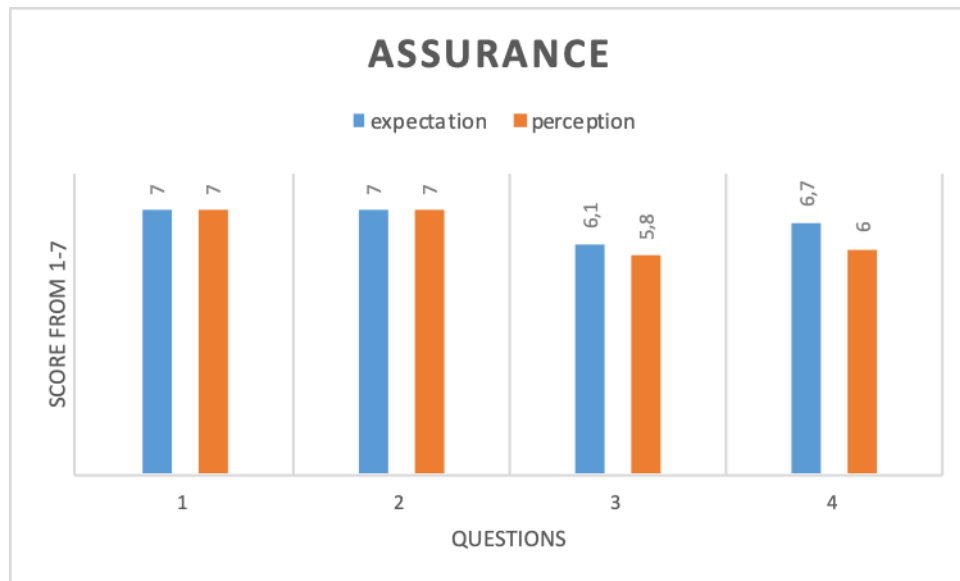
Graph 3. Assurance . Source: own elaboration.

4.3.1.4 Responsiveness

Question number one regarded the variety of services provided. Before check in the average answer was 7. After check out the average remained at 7, which was due to the company providing almost all types of services: cleaning, transfer, parking. Average gap consisted of 0.

The second question addressed whether the interest of guests came first. SERVQUAL (Parasuraman et al., 1988), HOLSERV (Mei et al., 1990) & LQI (J.M. Getty & R. L. Getty, 2003). Before check in the average answer was 6.4, showing that most clients expected it. After check out the average was 5.4. The average gap consisted of 1 point which indicates that guest's perception fell a little short of their expectation.

Question three asked about the location of the apartment. Before check in the average answer was 7, showing that all customers expected it. After check out the average answer was 6.5, showing a slight drop but overall still quite good perception of location. This meant that the gap was 0.5 points, with slightly higher expectations.

The fourth question regarded the knowledge of the time when services need to be provided. SERVQUAL (Parasuraman et al., 1988), LODGSERV (Knutson et al., 1990) & HOLSERV (Mei et al., 1990). Before check in the average was 7, meaning all customers

expected it. After check out the average remained 7, showing that all services were provided in a manner that met expectations. Therefore, the average gap was 0.

Graph 4 shows that the first and forth questions resulted in no gap, while the second and third returned slight gaps in favor of expectations over perception.
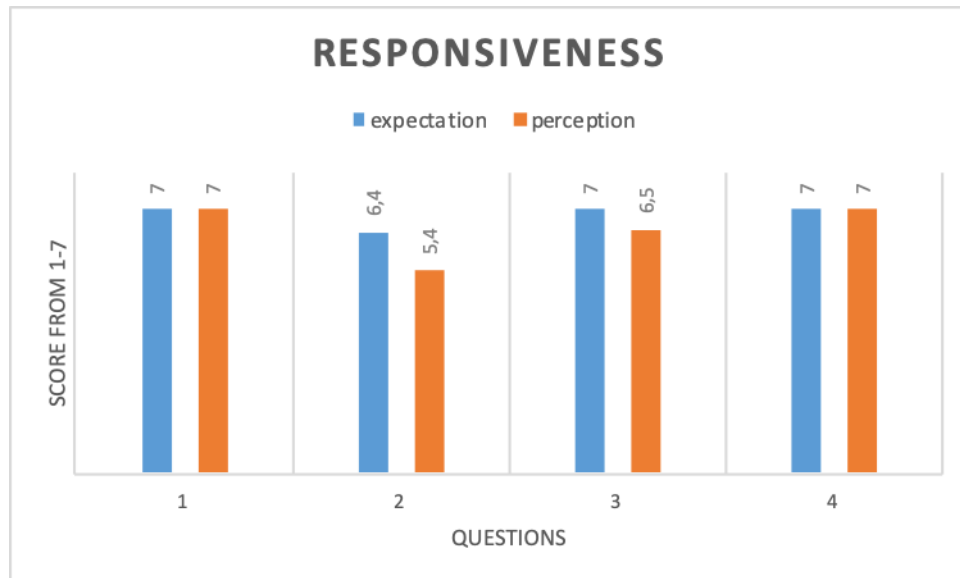
Graph 4. Responsiveness. Source: own elaboration.

4.3.1.5 Empathy

The first question asks if individual attention was provided to each guest. SERVQUAL (Parasuraman et al., 1988) & HOLSERV (Mei et al., 1990). Before check in the average was 6.7, suggesting almost all customers expected it. After check out the average was 5.8, indicating that some customers did not feel that individual attention was provided to them. The average gap consisted of 0.9, with expectations higher than perception.

Second question looked at whether the specific interests of the guest were understood. SERVQUAL (Parasuraman et al., 1988) & HOLSERV (Mei et al., 1990). Before check in the average was 6.5. After check out the average was 6. This resulted in an average gap of 0.5 in favor of expectations, highlighting that mostly but not all specific interests of guests were understood.

The third question discussed the fulfillment of requests upon request. SERVQUAL (Parasuraman et al., 1988). Before check in the average answer was 6.7, as most of the customers expected it. After check out the average score consist of 5.9, registeringa slight drop. The average gap thus consited of 0.8 points, indicating that some services were not provided as quickly as customers wanted.

Question number four was regarded the interest of the staff to solve guest problems SERVQUAL (Parasuraman et al., 1988) & HOLSERV (Mei et al., 1990). Before check in the average answer was 6.3. After check out the average answer was 6. This meant there was a very slight gap consisting of 0.3, and only a slight decrease from expectations to perception.

The filth question asked if all information was provided to support customers. Customized from LQI (J.M. Getty & R. L. Getty, 2003). Before check in the answer was 6.5. After check out average the answer increased to 6.7. The average gap consisted of 0.2. In this case the perception was higher than expectations.

Graph 5 illustrates how in the first, second, third and fourth questions expectations were higher than perception while the last question showed that perception was higher than expectations.
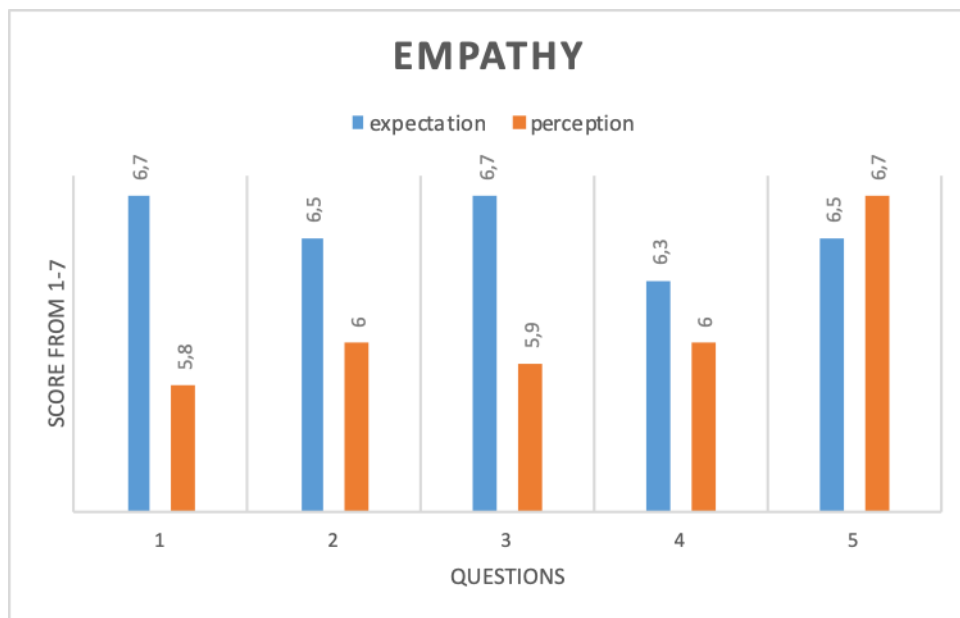
Graph 5. Empathy . Source: own elaboration.

4.3.2 Text mining

TM was conducted on the basis of evidence from the following questions:

Q_2: (The role of price) Is price connected with expectations?

Q_3: (The role of reviews) Are reviews the instrument of manipulation?

Data from the "listing" file was analyzed with a quantity of 243. By using the functions average, minimum and maximum, combined with a price filter, the average means were defined:

If the price per night was 1500 kc or less, there was an average of 110 reviews per month.

If the price per night was 1500kc-5000 kc, there was an average of 81 reviews per month.

If the price per night was 5000 kc or more, there was an average of 43 reviews per month.

Graph 6 below shows the decreasing number of reviews according to price. The X axis illustrates price diversity from zero to infinity, where the chosen average is 1500 kč – 5000 kč. The Y axis represents the average number of reviews.

The following deduction can be conducted according to the graph: If the people who pay less are making reviews more often than the people who pay more, the people who pay more protect themselves by price.
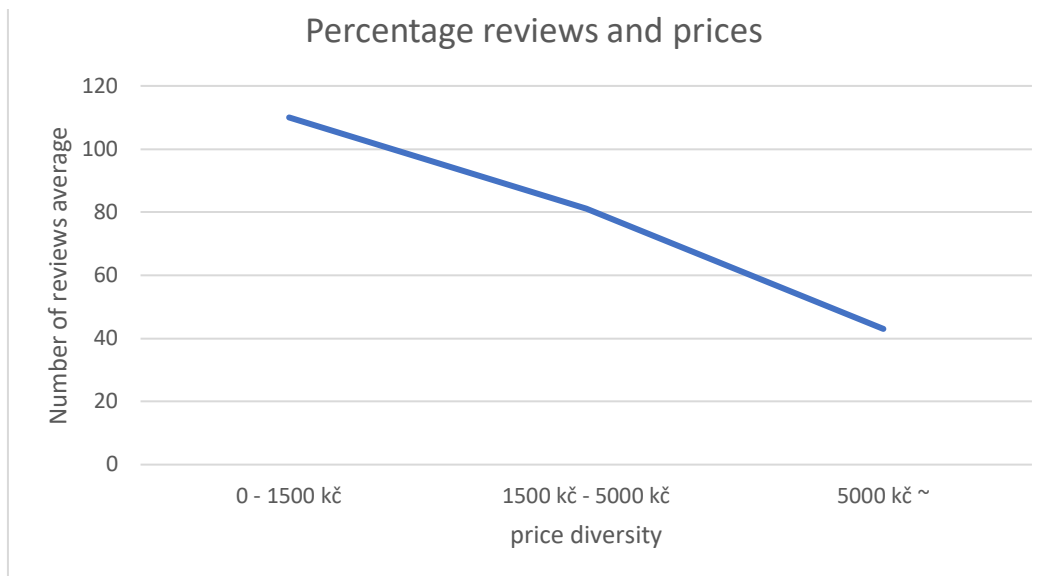
Graph 6. Dependence of reviews on price. Source: Own elaboration.

Data from the "reviews" file was analyzed, with the quantity being 248. Graph 7 demonstrates the percentage relation of good and bad reviews based on selected words. The X axis illustrates studied words while the Y axis represents percentage scale.

- The word "clean" was used 57% compared to the word "dirty" being used 0.4%
- The word "good" was used in 37% compared to "bad" which was used 1.2%
- The word "calm" was used 1.5% compared to "noisy" which was used 2.7%

PERCENTAGE RELATION OF GOOD AND BAD REVIEWS

CLEAN	DIRTY	GOOD	BAD	CALM	NOISY
57,0%	0,4%	37,0%	1,2%	1,5%	2,7%
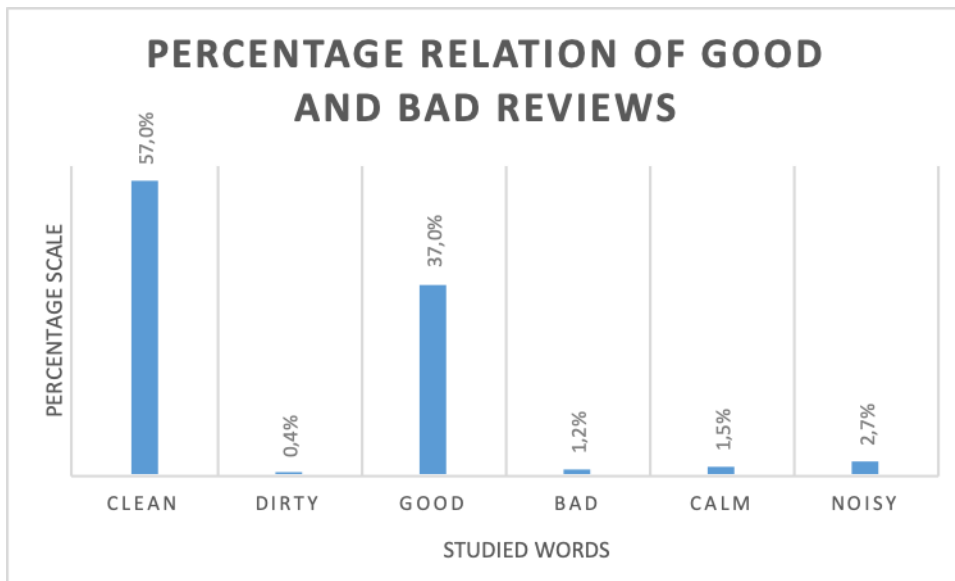
Graph 7. Percentage relation of good and bad reviews. Source: Own elaboration.

According to this graph it was concluded that the number of good reviews prevailed over the number of bad reviews. During analysis it was noticed that the words "wonderful", "nice stay" and "highly recommend" were prevalent. The word bad was used in combination with "bad weather". There is no doubt that many of the positive reviews are genuine, however the fact that Airbnb had mostly positive reviews drew attention to the likelihood that there were also other hidden factors at play that contributed to such prevalence of positive reviews.

One of the possible problems at play was that Airbnb was removing negative reviews. This idea was supported by (By Gia Liu, 2018) who cited Donna Oakley, an Airbnb user from North Carolina as an example. (Alison Griswold, 2018) Ms Oakley had a stay in an Airbnb apartment, which did not meet her expectations. The apartment looked much worse than in the pictures. Ms Oakley left a two-paragraph review, but when she checked her review on the website, she found that most of it had been edited, with only her first sentence showing up. She was supported by 4 other users of Airbnb who tell similar stories about their stays and about their reviews being deleted or edited. Nick Papas, a spokesperson for Airbnb, released statement backing this action by claiming the company has a policy, the goal of which is to "ensure that any fraudulent or misleading content is not allowed on the site. Just as critical, this policy also exists to protect the integrity of authentic feedback from our community." While Ms Oakley and others claim that their reviews are honest, Airbnb has shown that it can alter or delete bad reviews if it is deemed to be fraudulent or misleading.

When manipulation of reviews is considered, it is suggested that they would be beneficial for both parties. Airbnb because it can increase its sales, and for customers because they often receive some discount or benefit if there is a problem or error. However, the question still remained about where this left the "host", the individual or companies working with Airbnb?

On one hand, hosts can benefit greatly from the filtering of reviews. Positive reviews are the most important things for hosts, because the better a host's reviews are the earlier they appear in Airbnb's search listings and the more chance a customer will be willing to pay for their service.

At the same time, reviews are one of the weaknesses of a host and this is why hosts have a strong interest in upholding the fairness and integrity of reviews. The host is unfortunately in a position where they may be doing their best to provide an appropriate service for their guests, however receive poor business due to one or two subjectively poor reviews. This issue is touched on by Seth Porges, who highlights the disparate perceptions of reviews by hosts compared to guests. He notes how many guests see the star rating system in the way that hotels are rated, with 1 star being very poor accommodation and 5 stars being luxury, meanwhile hosts "see the ratings as the results of their efforts to provide services to customers". (Seth Porges, 2016). As a result, hosts can be dragged down by a 2-star review even though they provided an adequate service to the client at a fair price, but the customer reviewed in such a manner because it was not a fancy dwelling. As such, owners have found it increasingly difficult to get good reviews.

Some hosts have also raised questions about Airbnb's 'customer friendly' policy, claiming that the policy has led to unfair decisions against hosts. Anya20 in Nua Hin, Thailand has raised this issue to the Airbnb community with her post *"Is Airbnb unfairly taking guests sides regarding refunds and complaints?"* (Anya20 in Nua Hin, Thailand, 2017) Another member of the community, Donald56 shared similar concerns, noting: *"I recently began hosting and already I'm feeling uneasy about the customer service received. On both occasions it has definitely felt a bit bias towards the guest. The guests can manipulate the system to their advantage which puts the pressure on the host and when you ask for help from AIRBNB they have a 'laissez faire' type of attitude".* It seems that by trying to satisfy the customer, the needs of hosts may have been slightly disregarded.

5   Results and discussion

Both primary and secondary data sources were used to answer the research questions:

Q1: (The role of demands) Are growing needs of the customers and reality does not meet their high expectations?

Q2: (The role of price) Is price connected with expectations?

Q3: (The role of reviews) Are reviews the instrument of manipulation?

By all SERQUAL criteria's in 16 questions from 22 gap was estimated. Only 6 questions showed equal results in expectation/perception. However, difference between gap was not so significant it proves that expectations appeared to be higher than perception which give an answer to the first research question. The results of the TM were supported by articles and papers that indicated an incomprehensible situation with reviews being constant problems for hosts and clients having a lack of understanding. There has also grown a distrust of hosts by the Airbnb community because of the client's support in most of the cases.

A major unresolved problem that this research highlights is that when specifically dealing with customer reviews Airbnb seems to be approaching them only from the side of satisfying the customer. This leaves many hosts feelings unfairly treated and marginalised. If this problem continues Airbnb may experience a reduction in the number of willing hosts on its platform. Based on research of Abrupt company ,the following recommendation may be of help to Airbnb if it should seek to address this problem. Airbnb has a resolution centre where guests can request or send money for things related to their Airbnb trip. Through this resolution centre there is an investigation for sending or receiving money related to damages, refunds and any host-guest problems. Through this web page this is an honest investigation where Airbnb can listen to both sides. For reviews with which one disagrees, anyone can post a public response provided it adheres to Airbnb review policy, or report it, but only if it is against Airbnb policy. The following solution could be helpful: offering a resolution centre for unfair reviews. This would be a place where guests and hosts could provide their evidence against unfair reviews. Through the following investigation, Airbnb can figure out who is being treated unfairly and publicly act upon it on their website. This could entail Airbnb commenting on the unfair review and highlighting why it considers the review to be unfair. This comment would be for everyone to see.

Understanding of the customer's that high expectations do not entail an increase in the quality of services and pressure on the company in the form of reviews can only aggravate the situation also necessary.

For future researches, it might be helpful to take a larger sample size when conducting surveys to create more accurate data. In order to focus on customer service, attempting will analzye and compare customer satisfaction in multiple industries will generate more universal results.

Some of the limitations of this research include area of observation:Prague an increased sample size to achieve more precise results. Also, the manipulation of the reviews cannot be proven because there is no common public knowledge about what actions Airbnb actually takes to filter reviews.

6 Conclusion

To understand whether or not the goals of this thesis were accomplished, it is necessary to provide an overview of what work was accomplished through the various methods of analysis. The goal of this thesis was to evaluate the significance of eWOM for service providing companies, and their customers. For the purpose of this study, Airbnb and a specific Airbnb host company, Abrupt, were analysed as examples of a service providing company. A number of other partial objectives were also suggested, which would help solidfy the main objective. Research questions were included to help to identify the nature of customers expectations. To accomplish the goal, various different methods of quantitative and qualitative analysis were conducted. The methods of analysis for the main objective, as well as the partial analysis, were not exclusive to each other, and can be summarized to explain the success of the thesis.

Firstly, an overview of the possible methods of analysis for improving customer service was provided through the literature review. A combination of SQ and TM anlaysis used to identify airbnb customer satisfaction and factors that influence on reviews were provided in order to create general ideas which can be applied to all customer service based industries.

The thesis' partial obectives were accomplished during the research and analyzation process for the main objective. This allows customer service departments to narrow what the customer considers as most important. To do this, real examples of customer reviews were analyzed for varying customer satisfaction within the accomodation industry, which identified any consistencies.

Customers of the accommodation industry will conduct their own research through user submitted reviews before choosing a place to stay. In order to make a final decision, they are able to chose what they value most by analysing how these reviews differentiated. By analyzing these differences in the practical section of the thesis, conclusions can be made not only on what customers prefer, but if customers perceptions fit their expectations.

This analysis of the company Abrupt from the view of the entire industry created conclusions on how customer service can effect a particular business' level of success in any industry. Although not all generalizations can be made to every customer service dependent company, common themes and practices can help identify where these are lacking.

Lastly, through these various methods of analysis, a general understanding of Abrupt company customers were drawn.

Although the research conducted in this thesis was focused on the accommodation industry, many other industries can learn from the results. Customer satisfaction is a part of almost every industry, whether the customers are consumers or other businesses. In order to retain the majority of their user base, companies should learn from the mistakes of others. Furthermore, whether a business provides a product or service, customer satisfaction should still be considered a crucial aspect of their business model.

Airbnb adaptation and cooperation with other companies allowed them to remain competitive in the accommodation industry. However, the nature of the industry itself requires constant regulation of the relation between hosts and guests and a failure to keep up with these changes can result in fewer customers and smaller profits. When these changes are successfully incorporated, it will mean Airbnb will be able to capture more of the market and increase revenue.

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8 Appendix

Table 1. Questionnaire of customers. Source: based on SERQUAL method

Assessed factors / quality criteria	score						
Tangibles	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1. availability in the apartments of a kitchen equipment (salt,pepper….)							
2. apartment interior							
3.availability of luggage storage after check out or before check in							
4. availability of a map in the office, business cards							
Reliability	**1**	**2**	**3**	**4**	**5**	**6**	**7**
5. A simple and easy way to get to the key collection point							
6. Accessible and clear information about apartment							
7.The quality of the apartments corresponds to the established star rating on the site							
8. There is a sense of reliability and security.							
9. Convenient working hours for all accommodation services							
Assurance	**1**	**2**	**3**	**4**	**5**	**6**	**7**
10 Accommodation staff inspires confidence							
11.Accommodation staff polite							
12. The staff has sufficient knowledge to answer guest questions							
13.Service without delay							
Responsiveness	**1**	**2**	**3**	**4**	**5**	**6**	**7**
14.The hotel offers a variety of services.							
15.The interests of hotel guests are in the first place							
16.Good location							
17.Staff knowledge of the exact time when the service should be provided							
Empathy	**1**	**2**	**3**	**4**	**5**	**6**	**7**
18. Individual attention is provided to each guest.							
19..There is an understanding of the specific interests of the guests							
20.Fulfillment of requests upon request.							
21.Staff interest in the problems of hotel guests							
22.Employees provide information support to customers.	49						